

## PART ONE: YOU AND YOUR MONEY

# What is Money?

### Money comes in all shapes and sizes

Modern money is a combination of cash in your pocket, and money in the bank that can be accessed in various ways, including electronically. It is also your investments, like property, shares, pensions, policies etc. — anything that can be converted into money! More and more deals are being done with credit and debit cards — and real paper money and coins don't ever change hands! Computers are also used more and more by banks and businesses.

## The easiest way to think of money is that you either own it, or you owe it.

**Cash** — real money in your purse — is easy to understand. You can have **lots**, **some**, a **little**, or even **none**. Your purse can be **full** or **empty**, but you can never have a **negative** (owed) amount in your purse. But in the modern world of property and investments and debts, money can either be a **positive** amount (+) or a **negative** amount (-). Remember, you either own it, or you owe it!

Bookkeepers and accountants talk about **assets** and **liabilities**. In the modern world, we have assets and liabilities that we can't even see or touch. Your pension scheme at work, or an insurance policy ... these are wonderful **assets**; while the bond on your house or the money we owe the furniture shop are **liabilities**.

Everything in the modern financial world is governed by what we **own** and what we **owe**. This booklet, which is brought to you by courtesy of the **Financial Services Board**, helps explain the importance of **financial assets** and **liabilities** in our lives — and what we can do to manage them from day to day.



### Money and happiness

It is true that money can't buy happiness. But poor control over your finances can make you tense and unhappy — while good control over your finances can make you feel relaxed and happy with life.

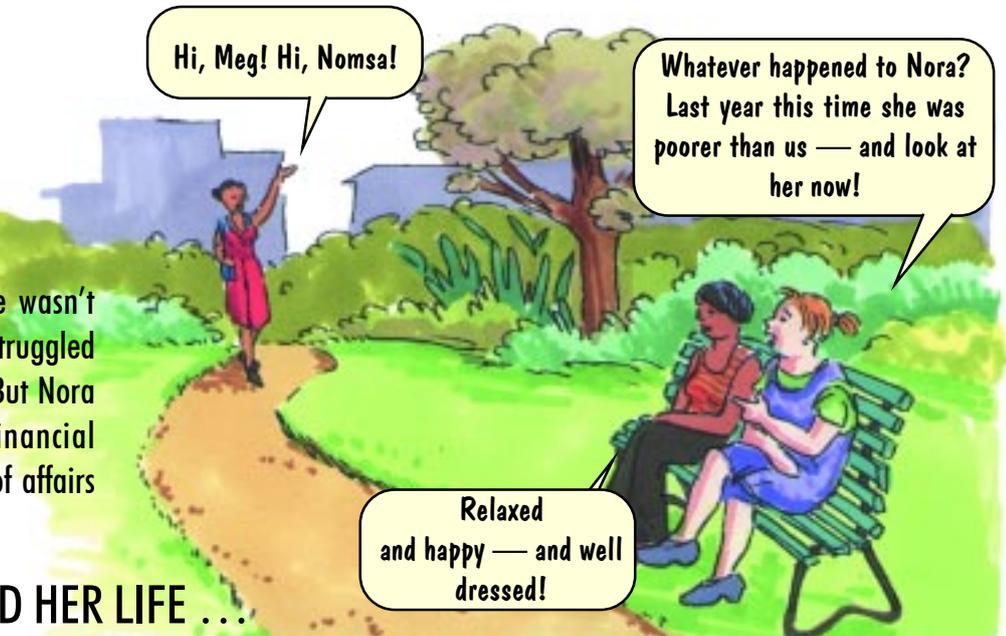
## Do you want to sleep well at night?

Read in the following pages how to achieve real financial peace of mind!

**Whatever happened to Nora?**

Nora is the heroine of our story. She wasn't always a heroine. For many years she struggled ... often ready to give up in despair. But Nora was determined to overcome her financial problems, and to change a bad state of affairs into a good state of affairs!

**READ HOW NORA CHANGED HER LIFE ...**



Hi, Meg! Hi, Nomsa!

Whatever happened to Nora? Last year this time she was poorer than us — and look at her now!

Relaxed and happy — and well dressed!

Remember how they struggled when she lost her job? Her children were so neglected ... and then she and her husband got into trouble with that moneylender! She must have found a rich boyfriend!



Nora? Never! She and Jack will never split up.

Then the furniture store took back their furniture. I didn't think she'd ever get out of that mess!



Me too! Let's go and ask her how she did it.

No way! I'm too shy to talk about my money problems!



That's our **problem**, sister! Too shy to talk, too shy to get help!



Nora! Wait! Can we ask you something?

Of course you can!



What can I do for you?

Nora, look at us! We're struggling as much as ever. But you ... you look so good!

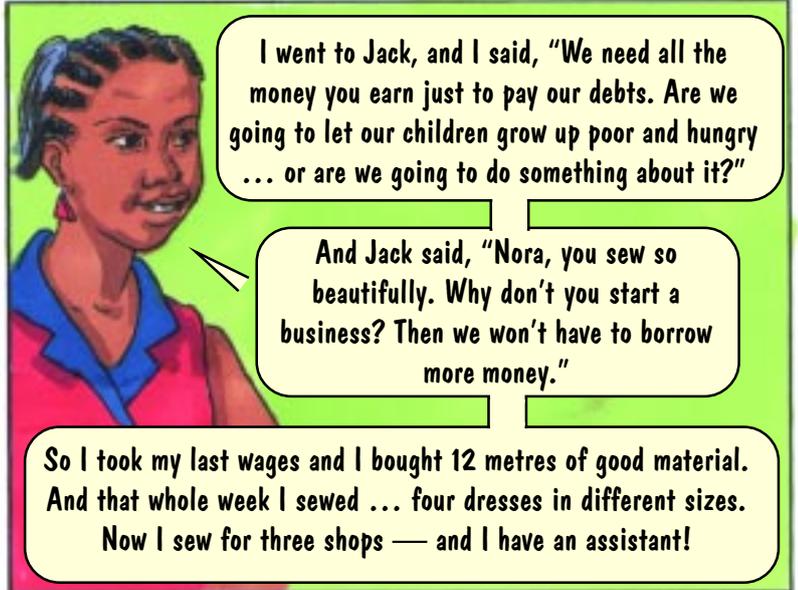
Oh, I'm so embarrassed!

Nora explains ...



How?

Do you remember when I lost my job? I thought I was going to die! Then I said, "No ... we owe everybody money! Our children are hungry! There must be a way to turn our bad fortune into good fortune!"



I went to Jack, and I said, "We need all the money you earn just to pay our debts. Are we going to let our children grow up poor and hungry ... or are we going to do something about it?"

And Jack said, "Nora, you sew so beautifully. Why don't you start a business? Then we won't have to borrow more money."

So I took my last wages and I bought 12 metres of good material. And that whole week I sewed ... four dresses in different sizes. Now I sew for three shops — and I have an assistant!



We call my business *Nora's Fabulous Fashions* — and people love it!

So that was how you changed your life!

No! That is only half the story. You can earn as much as you want — and still be in trouble!



You see ... we did what you are doing now. We asked for advice. we went to everyone — the bank too!

We learnt how to do the bookkeeping for my business ... and now I have my own bank account, and our debts are paid ... and we even have insurance!

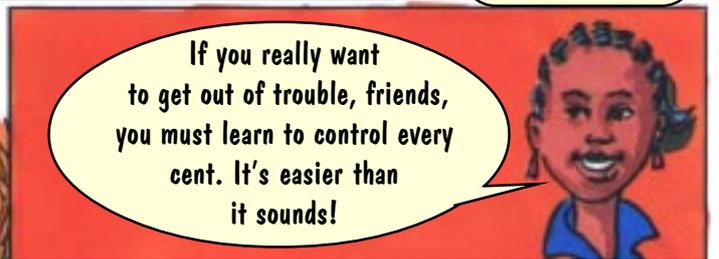
But we have ordinary jobs! We don't earn as much as you do. So how can we improve things?



Meg, it's not about how much you earn. It's all about how well you control your money.

CONTROL?

Yes. And, besides, you're fortunate to have a job. Look after it.



If you really want to get out of trouble, friends, you must learn to control every cent. It's easier than it sounds!

**NORA'S ADVICE TO HER FRIENDS**

- BUDGET!
- PLAN!
- GET ADVICE!
- DON'T SPEND MORE THAN YOU HAVE!
- SAVE AND BUY FOR CASH!
- ONLY BORROW WHAT YOU CAN AFFORD TO REPAY!
- START PREPARING FOR YOUR OLD AGE NOW!

