

Quality vs. Price – Buy What You Value

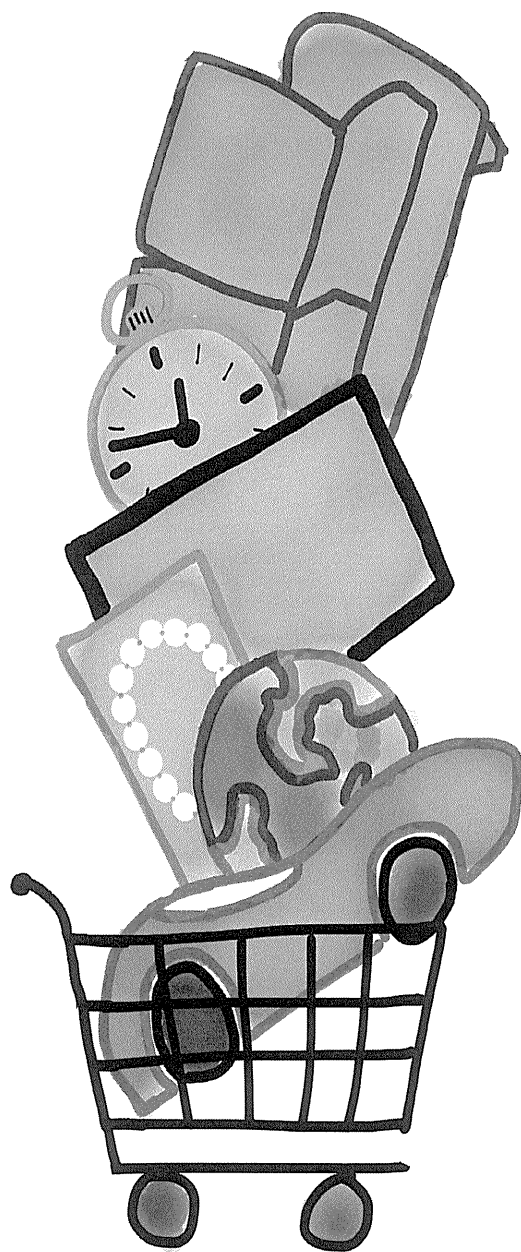
One of my friends is what they call an “early adopter”; she’s the first to buy any sort of technology that comes out. She was the first, of anyone I knew, to have a computer, smart phone, tablet, flat screen and the list goes on.

Is she someone who fritters away her money? I don’t think so and here’s why. She doesn’t want for anything else. She’s almost always buys used cars, more on the practical side than the high end; she doesn’t eat out a lot; and she has hobbies, but not expensive ones.

She used to take out 0% interest loans to buy “the next cool thing,” which I thought was a red flag that she had a spending problem, but over the years she paid them off entirely before the interest charges began.

In other words, spending on the newest, niftiest electronics has not caused harm in other areas of her life. And that’s the difference between a smart spender and a spendthrift.

She’s been clear about how much she’s spending, it hasn’t affected her ability to pay for the important stuff (housing and transportation) and she’s never regretted the purchases she’s made, because she thought them through before she made them. She planned for them and they’re in her spending plan.



LUXURY LANE

Leather Couch	\$3,000
Gold Pocket Watch	\$5,000
3D Ultra HD TV	\$3,000
Pearl Necklace	\$3,000
International Travel	\$10,000
Sports Car	<u>\$50,000</u>
	\$84,000

BARGAIN BASEMENT

Couch	\$500
Wristwatch	\$100
HD TV	\$300
Vintage Necklace	\$100
Camping	\$300
Compact Sedan	<u>\$15,000</u>
	\$16,300

