



DAVE BARRY'S MONEY SECRETS



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Like: Why Is There a Giant Eyeball on the Dollar?

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About the Author



Dave Barry

Dave Barry is a humor columnist for the *Miami Herald*. His column appears in more than 500 newspapers in the United States and abroad. In 1988 he won the Pulitzer Prize for Commentary.

Dave has also written a total of 25 books. Two of his books were used as the basis for the CBS TV sitcom "*Dave's World*," in which Harry Anderson played a much taller version of Dave.

In his spare time, Dave is a candidate for president of the United States. If elected, his highest priority will be to seek the death penalty for whoever is responsible for making Americans install low-flow toilets.

Dave lives in Miami, Florida, with his wife, Michelle, a sportswriter. He has a son, Rob, and a daughter, Sophie, neither of whom thinks he's funny.

For more information, visit <http://www.davebarry.com>.

Wisdom in a Nutshell

The ability to make informed decisions about how best to use money helps people and their families build a more stable financial future for themselves. The right information, along with choosing to budget, save and use credit wisely, can help people gain control of their finances.

Author Dave Barry combines vital information and distinctive humor to bring about a book that can teach anyone how to manage his or her personal finances easily.

How Money Works

What makes money valuable in the first place? Why are people willing to work so hard for it and go to extremes to get it?

Just look at the dollar bill. It's a piece of paper with a funny drawing of a pyramid being hovered over by an enormous eye. Its value doesn't seem commensurate with its design at all. Yet, if anyone were to drop a handful of dollars onto a busy freeway during rush hour, people would risk their lives to nab the bills.

This tells us that money is really more than just pieces of printed paper. Dollar bills have *value*.

A Brief History of Money

Animals were the very first form of money in existence. By 9000 B.C., cattle were the most commonly accepted form of money.

By 3000 B.C., the Mesopotamians had invented writing and banking, which revolutionized economic activity. The Chinese then came up with the idea of using seashells as money.

Over the years, various cultures and civilizations tried using various commodities as money, such as tea, grain, leather and tobacco. All of which had their disadvantages, so the search for the best form of money continued.

Then finally the perfect medium of exchange was discovered - precious metals. They were portable, beautiful, durable, moldable, and were recognized to have lasting value.

However, gold and silver were too heavy to be carried around constantly, so governments started to issue pieces of paper to stand for gold. People trusted paper money because, in those days, governments promised that these papers could be redeemed for the gold they stood for. That's not the case now, of course, as money is now backed by *trust* instead of gold.

How come some people have so much money and others so little? Why is the money distribution so uneven and, thus, unfair? And above all, how can you, personally, get more money?

Managing Your Personal Finances

Have you got a good handle on where your income goes? Ask yourself if the following statements describe you:

You'd *like* to save money for the future, but it seems there's never any left over after you pay your bills.

You have several credit cards, and you can never get the balances down to zero.

You make large purchases on impulse.

You don't keep a detailed household budget.

If any of these statements *do* describe you, then it's likely that your personal finances are in serious trouble. What can you do about it?

Think about what you spend your money on and where it's going.

You can start by consulting such popular financial gurus as Suze Orman, who's helped millions of people because of her clearly-stated, simple message that everyday people can understand: "*You pathetic loser.*"

Suze explains that most people do silly things with their money. For example, you might spend \$3.95 on a latte from Starbucks. It doesn't sound like much, but what if you were to put that little amount of money aside instead? In two working weeks, you'd have saved nearly \$40.

To achieve this kind of long-term result, you need to come up with and stick to a *personal financial plan*.

The first step in such a plan would be to *analyze your cash flow*. Think about what you spend your money on and where it's going. When you've figured out the answer, you need to make a chart to help you visualize your cash flow and see where you need to cut back by reducing your expenditures on frivolous and unnecessary items.

You can also lower your expenses by *using time-tested homeowner saving tips*. You can also *avoid the use of your credit cards if you can help it*. You don't need to throw them away, just learn to use them wisely.

There are many simple and effective techniques to reduce unnecessary spending. You must employ them if you want to manage your personal finances better.

*During an interview,
you must appear confident
without looking cocky.*

How the Corporate World Works

An excellent way to understand the corporate world is to read any business-section article of any newspaper. Chances are, you'll read news about a large company from a certain industry that has made some horrible blunders. This sort of thing happens almost every day.

We can learn three important facts from these stories, namely:

1. Large corporations are rich enough to be able to burn ridiculous amounts of money and still remain large.
2. These companies pay terrific salaries to their top executives, but to judge from Fact 1...]
3. ...They don't know any more about how to run a business than you do.

A good example of a major corporation doing something crazy is General Motors' decision to manufacture the Pontiac Aztek. Just one look and you'll be wondering who'd possibly want to buy such an ugly little car.

Another example is the newspaper business and its inability to attract young people. For decades, newspaper readership has been steadily declining. The solution? To do more stories on topics interesting to the young, like extreme sports or video games.

Unfortunately the same thing always happens. The older people, who actually read the paper, get turned off and stop buying it. As a result, the younger people still refuse to pick up the paper.

Virtually all big businesses are run like this, which is why a main activity of modern corporations is *buying up other corporations*. As the company flounders, the executives figure that there must be something wrong with the industry altogether. They then proceed to buy another corporation in another industry. Sometimes, the company they buy isn't doing so well itself, and therefore, this only makes the problem worse.

The bottom line? If you want to make money in a modern corporation, you should not be a worker. Instead, you should become an *executive*.

How to Get a Job

Getting a high-paying executive job in a big corporation isn't at all easy. You have to compete against hundreds, maybe even thousands, of people out to get hired as well. But you *can* get the job if you take certain steps:

1. Research your prospective employer.

When applying for a job in a corporation it's always best to have a good idea of what the corporation itself does.

2. Prepare your resume.

A resume is a list of your qualifications. The people who'll check your resume will also be looking at so many others, so you need to make it both brief and compelling. It should include a job objective (a description of your career goal), a list of your qualifications and your academic credentials.

3. Prepare for your job interview.

If your resume is interesting enough, you'll be called for an interview. The impression you make is absolutely crucial. You must appear confident without being cocky and relaxed without being indifferent. You should also look serious and professional while showing the interviewers that you'll fit the culture of the corporation.

You should be alert during the interview for questions that an interviewer asks to try to trick the interviewee into saying something negative about himself.

These questions include:

1. Why did you leave your last job?
2. How do you respond to criticism from superiors?
3. What would you say is your biggest weakness?
4. Describe a job-related situation that, in retrospect, you wish you had handled differently.

A final tip: in any large organization, it's not necessarily the hardest worker or the person who does the best job who gets ahead. *It's the one who consistently displays the perseverance, aggressiveness and assertiveness of the true leader.*

Ethical Guidelines for Corporate CEOs

CEOs of major corporations get a lot of perks, like huge salaries, large offices, generous stock options and the like. But they also have huge responsibilities.

Here are three ethical guidelines for CEOs:

1. **Keep your salary within reasonable limits.** These days, CEOs need to make sure that their salaries aren't too high so as not to alienate (or piss off) the rank and file.
2. **Don't use company money to pay for personal expenditures.** Or, if you *must* do so, don't get caught doing it.
3. **As CEO of the company you can be held responsible for any wrong the company does.** If authorities discover that the company's done something wrong, very often they'll go after the person running it, and if he claims ignorance of the crime the jury might not believe him.

Providing for Medical Care

Medical care has become horrendously expensive in the US. There's no single, simple reason for this, but the fact that Americans today are pretty quick to sue their doctors over every bad medical thing that happens to them has something to do with it.

This means that even a regular visit to the doctor can be very expensive, even if you get medical insurance (which doesn't even cover everything). So to stay safe, stay healthy!

Here are some tips on maintaining your health:

1. Don't smoke.
2. Don't drink too much.
3. Eat a healthy diet.
4. Don't have sex. (Or, if you must have sex, be careful whom you sleep with).
5. Avoid accidents.
6. Get plenty of exercise.

*Medical care is expensive
so you must do all you can
to stay healthy!*

How to Argue with Your Spouse about Money

Just as men and women differ on how to raise the kids and do the housework, they also have different priorities about how to spend their money. This can result in conflicts over how the money is being spent by both partners.

The key, then, is to *compromise*. What can start as an unproductive argument that gets increasingly worse can become a win-win situation for both partners, *if they work at it*.

Teaching Your Children about Money

The Baby Boomer generation has raised an entire generation of young people who expect their parents to provide for them. Instead of teaching them that they have to work to get nice things, their parents simply give them everything they want. As a result, many children grow up to be highly dependent on their parents.

The best way to prevent one's kids from becoming like this is to make sure they have the right attitude about money. Here are some tips to help them on their way:

1. **Start when the child is young.** Encourage children to be self-reliant and to do things for themselves.
2. **Give the child a fair allowance.** This allowance will teach kids that it's important to maintain financial discipline.
3. **Encourage the child to develop an entrepreneurial spirit.** Encourage kids to learn the basic economic principles.

Whatever else kids are taught, it's vital that they understand that *money is not everything*. Knowledge, friendship and family are the important things that can give them true happiness.

Providing for Your Children's College Educations

The best gift that a parent can give a child is the *gift of knowledge*. Parents must give their kids the best college education they can afford.

Unfortunately, college costs a lot of money. This means that responsible parents need to start planning *right away* (unless they want their kids to get into mediocre or bad schools, which would of course be cheaper).

Starting Your Own Business

John D. Rockefeller, Thomas Edison, Henry Ford, Irving Chevrolet are examples of men who got really rich through starting and growing their own businesses.

All you need to succeed in business is just one idea. It doesn't even have to be a very good idea. Lots of people have gotten rich from businesses that, at the start, seemed really stupid, like bottled water or reality TV.

You need, therefore, to come up with an *idea for a business*, and you have to start by *deciding on a target group*. Baby Boomers, for instance, make more money than they can spend intelligently. Now that they're getting old, they need more services than ever.

How to Negotiate a "Win-Win" Outcome

Knowing how to negotiate is a very useful skill. People may not realize it but they negotiate constantly for many different things, whether outside the house or inside it, and with all sorts of people too. To get ahead in life, one needs to know the rules of effective negotiation. The most important of which is *never pay list price, never*. You should never simply accept the initial price. Stick to your guns and insist on a better one (whether lower or higher, it's up to you - it'll differ according to whether you're the seller or the buyer, of course). Also, one must always remember *never* to pay for anything one doesn't really need.

Give your kids an allowance to teach them the importance of financial discipline.

Income Taxes: Building Blocks of our Great Nation and Lifeblood of our Sacred Democratic Way of Life

Since the government provides for the common good, everyone has to do his or her share by paying taxes. However, a whole lot of people from all over don't pay their taxes. As it happens, the best way to reduce tax-related expenses is to do what they do and avoid paying taxes altogether (while avoiding jail of course).

Understanding the Tax Code would help, but it's incomprehensible to everyone, even Congressmen. It's so hard to understand it might as well be written in code (it is the Tax Code after all). So you might as well try cheating the IRS by overstating the number of your dependents, padding business expense figures and other such actions!

Seriously, the best way to reduce one's tax burden is to keep accurate records and gain an understanding of the tax laws (if you can). This way, you can avail of every legal advantage and loophole.

Get Rich the Donald Trump Way!

Donald Trump is famous because he has it all - an enormous fortune, vast real estate holdings, stunning ex-wives and a hit reality TV show. Trump has laid down his 'system for getting rich' in his book of advice, "Trump: How to Get Rich".

These secrets include:

- Money isn't everything.
- You need to hire good people, including a good assistant.
- Stay focused!
- Momentum is very important.
- Some ideas are good, and some are not - know the difference!
- You need a good attitude.
- Be a good negotiator.
- Take control of your finances!

A Guide to Tipping

We tip people who serve us to express our thanks for the service rendered. This can be done to reward quality service in a restaurant, hotel or other places. Rule of thumb: carry plenty of cash for tips if you're going to a nice hotel, a good restaurant, or a place that's within 200 miles of New York.

Tipping in hotels can be quite costly, as most guests find themselves called upon to tip each and every person working in the hotel for even just the slightest service. Bring a lot of small-denomination bills in case you might need to tip hotel staff.

Tipping in restaurants is the most common situation. Servers often make very little money and depend on tips for a lot of their income. The basic formula in the US is 15% of the total bill.

Saving Money on Travel

Travel is an excellent way to escape from your humdrum everyday existence by exposing yourself to other cultures. However, traveling costs money, so you're going to have to find ways of reducing those expenses.

Firstly, *don't take a lot of cash*. It's a lot safer to carry *traveler's checks* instead of cash. If the checks are lost, the company can easily replace them or you can use your *credit card* instead (although you may not know exactly how much you'll be paying until you

get home). If you must carry cash, put it somewhere very safe.

Also, *try not to be too conspicuous*. Try to blend in. It might help to learn a few local customs, as well as useful phrases in the vernacular. It'll also help make you look like less of a potential target for pickpockets and other such criminals.

Traveling by air has greatly changed in the last few decades. There's still a lot of uncertainty regarding air travel, though, so *try to be flexible*. Remember that plane schedules may change abruptly and delays may take place.

Next, *to minimize costs, make sure to shop around for the best fare you can find*. Many airlines offer different fares per flight.

Modern-day **airline security** concerns have changed the way people around the world fly. You should arrive at the airport well in advance of your scheduled flight departure time to make time for security inspections and the like. Have your ID and boarding pass ready to save time.

*When traveling,
consider using traveler's checks
instead of cash.*

Planning for Your Retirement

Everyone dreams of retiring. The truth is, though, that most of us can't afford to retire given our financial status now. If we fail to plan for our retirement, we might just have to work until the day we die (which means, of course, that we can't retire).

First, you need to create a detailed balance sheet showing your current financial situation in terms of assets and liabilities. Then to see how much money is left for retirement, add up the assets and subtract the liabilities. Most people will sadly not have enough to sustain them after they retire.

Of course, you can still get money even after you retire from *company pensions* or *Social Security*. However, it's very likely that by the time you try to collect your Social Security money, it'll be long gone.

The bottom line: *don't depend on anyone or anything to help you out after you retire.* Develop financial discipline and a realistic budget. Stop spending frivolously. Instead, pay off your debts and start putting money away for the future!

Planning Your Estate

It's important to settle things before one passes away. Apart from working out one's last words, preferred method of body disposal and funeral, it's really important to make plans about one's estate (if one has an estate, that is).

A *will* is very important for this purpose. If one fails to make a will, one dies leaving relatives with massive problems regarding the distribution of remaining assets.