



Christmas catastrophes

Christmas brings out both the best and the worst in people. Some of us really get into the festivities and spend generously on others, but end up having a major credit card blow-out because of it.

Here are some strategies for the credit-stretched:

- Pay off expensive debt first, namely credit card or hire purchase debt.
- If you can, transfer the debt to your mortgage or overdraft as this will cost you less in interest.
- Set up an automatic payment to feed a fixed amount to the debt on a fortnightly or monthly basis.
- If you have surplus income, pay off debt first before saving to invest.
- Once your debt is clear, resolve to set up a separate account and feed an automatic payment into it each month to cover next year's holiday and Christmas expenses. Use an online savings account which has no fees and an attractive return.

Nobody forces us to use our credit cards, top up our mortgages or buy things for which we have no hard cash. This is a personal choice, and usually comes down to the conflict between wanting things now versus knowing that perhaps we should wait.

If you have a serious problem with debt or budgeting, seek advice. Contact the Citizens Advice Bureau (www.cab.org.nz) for information on support services that can help.

In the end, studies show, wealth simply isn't an indicator of a happy life. In truth, you'd be better off adding the following simple items to your list of resolutions:

Number one, look after your health. Strive to eat well and remain as physically fit as you can. Secondly, aim to engage in meaningful activities. Do work you're passionate about, discover and keep up interests that fascinate you, and experience the rewarding enjoyment of helping other people. ■



The pursuit of happiness

Imagine you'd be happy if only you had more money? Finance Editor Susanna Stuart dispels the myth

HERE'S A TIP IF you're already considering your New Year's resolutions – ditch that plan to get filthy rich. The fact is, money does not buy happiness. This is the finding from hundreds of international studies seeking to find a connection between prosperity and joy.

Basically, there's no connection, except at the most abject level of poverty where, for sure, a few dollars makes the difference between starvation and food on the table. But once we go above that level, there's not much difference in how happy a person who earns \$40,000 a year feels and one who makes \$100,000 – or a million.

One global study revealed that on a seven-point scale – where 7 represents “completely satisfied” – American millionaires rated their lives a 5.8. That

sounds quite robust, but it was an identical score to that of Masai cattle herders in Kenya and Inuit people of Northern Greenland – two groups hardly rolling in wealth. Slum dwellers in Calcutta, for that matter, rated their satisfaction a 4.6, also on the sunny side.

While many nations have tripled their household wealth since the 50s, their happiness ratings have remained on a stubborn plateau. Here's why:

- Wealth is relative. Even millionaires have the multi-millionaires next door to compare themselves to.
- What we want keeps changing. Yesterday's dream appliances are now passé. Today we have new desires.
- Wealthy lives come with anxiety – “I love my Bentley, but now I'm worried some hoon will scratch the paint.”