



Our Choices Define Us

I have friends who are broke and still go out and buy stuff on credit. They call it retail therapy. Do you have any thoughts on this?

All we need to do is turn on the TV or radio, glance at a billboard, or even check our email to feel that we are inadequate without this or that product. So it is easy to understand why we have it in our heads that spending money will ease tension and stress and bring us happiness—we get these messages all the time, everywhere we go.

Society and advertisers have overly influenced your friends to develop a destructive habit — a spending disorder — that is as addictive as smoking, drugs, or alcohol. Sadly, these habits are culturally accepted and encouraged by savvy marketers and credit-granting companies like credit card institutions.

Shopping is not a problem if it doesn't cause harm and if the shopper accepts the consequences of the purchase. How full our closet needs to be or the number of TVs, phones, CDs, or gadgets we have is a matter of choice. We make a choice every time we spend money. But ultimately, those choices define us. How we choose to spend our money and our time reveals to the world — and ourselves — who we are and what we truly believe in.

We cannot change people, but we can be 100 percent responsible for accepting them as they are, including your friends. We can also encourage virtuous fiscal behavior by inviting our friends over for dinner instead of going out, or doing a clothing exchange, or including them in efforts to help the less fortunate.

This past year has created a great deal of fear for investors. What are your thoughts on the financial markets for 2009?

I have hope and faith that the financial markets will once again return to ratio-

nalism. While friends and family have said that I am the most “faithful” person they know, I don't base my beliefs in a God that will single us out as the chosen ones and keep us all okay. Rather, my faith, at its core, is based on human nature and cause and effect. It is the simple faith of agnostics and nontheists — that the sun will rise in the east, that parents will love their children, and that people will eat, communicate, seek happiness, and avoid suffering. Simply put, life will go on. It is a faith that comes from education, knowledge, study, and experience.

Should I wait to invest?

Like the weather, we have no control over the markets. Stocks, bonds, real estate, CDs, and all financial markets are influenced by earnings, growth, dividends, management, interest rates, liquidity, investors' expectations, government policies, inflation expectations, and thousands of other trends and counter-trends.

We can, however, control our actions in response to the markets. There's no excuse for going into a personal financial fetal position or calling on our government to overreact on the regulation or deregulation front. Historically, governments always have been both part of the problem and part of the solution.

Investors, likewise, have been . . . well . . . as fickle as the weather. While many will say, with patriotism and pride, that they believe in the free-market system, as soon as their portfolios drop, fear consumes them and they set aside those beliefs.

“Financial” markets have existed since the eleventh century, and some form of cooperative capitalism has always been the model. Today's markets are much more complicated and sophisticated, but they exist simply because people exist. All countries, businesses, nonprofits, people, and governments cooperate and negotiate, seeking and competing for resources. As long as this economic activity continues, financial markets will continue. Economic activity will exist as long as people work and seek happiness. So, of course you should invest. The hard question is what to invest in.

How can I get smarter about money?

Study yourself and your habits. The key elements of balance and finding your spiritual center are vital to your understanding of money. Like food, water, warmth, and touch, money is part of our lives. View it like energy. Remember, your actions should be consistent with what is right and in harmony with your needs.

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