

Learn How to Control Buying on Credit

Don't buy anything on credit. Pay cash for it. If you don't have the cash for it, don't buy it.

A person working on cash knows exactly where he stands at any given time. If he does not have the cash, he can't spend it. The person who has paid off all his debts has cash on hand and knows exactly where he stands. A person using credit not only doesn't know exactly where he stands, but is also violating certain basic principles of the flow I discussed in my last article on Money; the main one being "you can't out-flow what you don't have".

Consequently, a person working on credit is prone to get into financial difficulties. Thus, we find the majority of people in this country and in other countries in financial difficulty.

I once asked a friend of mine who had achieved financial success how he did it. His response was very interesting. He said, "I started to become financially successful the day I decided to pay cash for everything I purchased. When I first started my business, I worked on credit and very soon got myself into financial trouble. A friend of mine told me to work on cash and to sell all the goods I had for cash. With the cash I gained from those sales I bought more goods and sold them. Then I used the cash from those goods and bought further goods. I did this and began to achieve financial success."

Buying on credit is a trap. According to the "cycle of production" you have to supply the money first then get the product. When you use credit, you get the product first then supply the money for it later in time. This results in the person continuing to be in debt.

Buying on credit also leaves you with an incomplete transaction, which leaves you suspended in time with a lot of attention on it. When you pay for something in cash, the transaction or cycle of action is completed then and there. It does not carry into the future. Also, when you pay in cash, you will find that you will manage your money much better because you know exactly where you stand. When you are short of money, go out and earn some more and don't book it up as a future debt.

Also, don't borrow money. Earn it and live on less than you earn. Many people say to me, "But, there must be times when it's ok to buy on credit or to borrow money?" Yes, there are times, but my advice is to pay cash and learn how to flow money to a point where you can control and manipulate it skillfully. Then you will also develop a judgment on handling credit and borrowing. At that time, you will also find that you have no need to borrow or use credit.

If you do borrow, only borrow what you really need and then pay it back fast!

Sometimes people get into trouble and need to borrow in order not to create an emergency situation. When you're confronted with an emergency situation by letting

your income fall to a point where money is needed fast, borrow, then when you reach a point where a steady stream of money is flowing in, pay it back.

If you're in a situation where there is a steady flow of money coming in, don't borrow. The first thing you need to do is economize and pay off all your bills and debts. Don't run up any more debts or commit yourself to future debts. If you do borrow while there is a steady flow of money coming in that flow of money will cease. Then you'll find yourself unable to pay off your newly incurred debt.

Some people are consistently in a state of emergency. They are always borrowing, always running up debts, using credit cards and never paying off debts. This is the way to stay in debt. If you do borrow, make sure that all the right conditions are right to borrow. Pay off your debts and start getting ahead.

Another point about buying on credit is that it is so easy to do that people will pay too much for an article or even buy things that aren't needed. If you pay cash, you have a different attitude. You can see your hard earned cash leaving you in exchange for this article. When you pay cash you are really in a position to compare value for value.

When buying on credit people are inclined to accept articles of inferior quality because the payment for it is put off to some future date. Finally, when the person has to pay for it, he realizes that he was not really satisfied with the quality.

When you pay cash, you are able to assess the quality of the exchange – dollar for dollar. You will be more inclined to insist on quality and value.

This is probably the basic reason why there are so many inferior quality products on the market, today. The majority of the buyers buy on credit and don't insist on quality.

Put your attention on earning money by giving service and not on spending it!

In applying this information to your business, we find that it is the amount of communication that is put out in the way of advertising and promotion that determines the gross income of your business. Your income will vary directly in proportion to your communication with your targeted audience. If you wish to increase your income and money flows, increase your communication to your customers and potential customers. If your weekly income is not large enough then you are not putting out sufficient communication in the way of advertising and promotion.

Your income is in direct proportion to your outflow of advertising and promotion.

This means that to the degree that you get things done promptly, your business will prosper.

So apply this information to your business and be prepared to be successful and prosperous.

- **DJM**



David J. Mazzarella is the President and CEO of Mazzarella Car Care Systems, LLC (MCCS). MCCS is a privately held company involved in manufacturing and marketing automobile appearance products to the car care industry and auto enthusiasts. David J. Mazzarella can be reached directly at (617) 569.9092 or by E-mail at djm@MazzarellaCarCare.com or visit him online at www.MazzarellaCarCare.com