

The Long and Short of Spending More Than You Make

By [The Mogambo Guru](#)

04/13/11 Tampa, Florida – Breakfast was a real drag, as the kids were whining more loudly than usual about money, and how they needed some money, and how they didn't have any money, and how they were the only people they knew that were not dripping with cell phones and iPods and reader tablets and all that stuff, like this was supposed to make me rush out and buy them these things so that I don't damage their fragile self-esteem and ability to make friends, so that they can call and text each other all day and night about how much they hate me, and hatch their little plans to put poison in my food or something; you never know with kids, you know what I mean?

Anyway, I said, my mouth full of fabulous fried eggs and crispy bacon (instead of the usual fruit and whole-grain cereals with no-fat milk crap I usually have to eat, because my wife was out of town), "You brats can have the biggest, baddest electronic gizmos made. You can have so many of the freaking things, in fact, that you will need a cart to carry them all around. Just get jobs and then use the money to buy them, like everybody else, ya little blood-sucking parasites!"

This is where my wife would usually intervene, chastising me for yelling at them and telling me to be quiet and consoling the kids. But (and this is the important point) she ain't here now.

So, finally, I had the chance to, uninterruptedly, explain to what appear to be congenital idiots, for the thousandth time, how the horrible Federal Reserve creates excess money, see, which increases the money supply, which increases prices.

"This," I explained, "is just the 'prices side' of the problem. Now let's look at the 'income side' of the ledger. I don't make any more money than I made three years ago. Something has got to give, and in this case, it is you. Simple as that!"

I naturally left out the ugly part about how I make the same money, and am lucky to get it, because I am lazy and incompetent, unless I want to pay attention to what I am doing, which I do in inverse relation to how well my golf game is going, like after that unexpected, beautiful, soaring 4-iron I hit last week!

Straight as an arrow flew the gleaming ball, shining in the sun, right at the flag, landing picturesquely perfectly on the green before rolling magnificently to 3 feet from the cup, which I then 3-putted for a bogie and happy to get it. But what a memory!

Back from my delightful reverie to the disagreeable pouting faces of the kids, they let me know that they still do not see the problem.

Suddenly, I hit upon the idea of explaining, “If I make \$1,000 per day, but my expenses are \$1,200 a day, and getting higher every day, where am I going to get money to buy you stuff?”

At this they started laughing at me, and mocking me, and saying, “You never made a thousand dollars a day in your life! And you never will, either, because you are stupid and mean and cheap and a terrible father who enjoys seeing his children suffer! Boo hoo hoo! Look at us suffer!”

The point was well taken, and I quickly rephrased that to “If I make \$200 a day and my expenses are \$220 a day, how long can I last?”

Again they started laughing in hooting derision, saying, “\$200 a day? Don’t make us laugh, you liar!”

As a last resort, I resorted to the truth. I said, “Okay, if I make minimum wage of \$7.25 an hour and I spend \$8 an hour, how long can I continue before I am bankrupted and I have to send you kids to foster homes?” which thankfully diverted the conversation as to the pros and cons of that shocking happenstance, where I took the “pro” side.

I was happy not to have to explain it to them that I am using so much money to buy gold and silver as a desperate, frantic response to the price inflation that is guaranteed by the Federal Reserve creating such inflation in the money supply, especially by committing the Big Unholy Sin (BUS) of using freshly-created money to buy government debt.

Keeping from having to confront the kids about it is the hard part, because buying gold and silver is so easy that people say (fill in the blank).

If you answered, “Whee! This investing stuff is easy!” then congratulations! You are waaaAAAAaaay ahead of the vast majority!