



SHOULD YOU BORROW MONEY TO INVEST IN YOURSELF - YOUR CAREER OR EDUCATION?

These are examples of debt that are in effect an investment. An investment in yourself. It is always a case of risk versus benefit or of cost versus reward. In the case of your education a do... Don't borrow money that you cannot afford may well be the adage that your parents or grandfather advised. Still there are times when one may need to borrow money. Say for example a college education or a vehicle for transportation in order to get you to a job on a regular daily basis. These are examples of debt that are in effect an investment. An investment in yourself. It is always a case of risk versus benefit or of cost versus reward. In the case of your education a dollar borrowed now will result in better jobs - that you will most likely find more challenging and enjoyable, and have a lot more financial reward than a job on the status scale - say as a bus driver or a technician doing oil jobs at your local Wal-Mart. In the case of the car loan. If you do not have a reliable car - you have to be reliable in showing up to work on time. That is of course if you wish to keep the job or use the job as a stepping stone to another position and the reference to the next employer of merit is of great value to that Endeavor. Without reliable transport and transportation your circle of jobs may be limited both in location, timing and geography. There may be a much better and / or better paying job but its way across town, or in an area not served by the bus transit system. Or it may be the case that there is bus service - but it devours a good two to three hours a day of travel time. Good bye to your personal social life. You may have all the money in the world - the wealth of Bill Gates Himself and yet no time or energy to enjoy it. So much for all that pay of that new wonderful job. A real step forward as they say. It is always a case of reward versus cost or cost versus benefit. It is a case by case analysis. In addition you should think of additional or add on costs. Do not stretch yourself too thin - financially. A course at university may not be offered in your calendar year - you will have to complete your schooling fully at a later date than expected. A course may be full - ditto for time delay. Or you may even have to repeat a course or change plans along the way necessitating longer time duration of studies. Leave a buffer of funding both for yourself and as well with the agency that provided the loan - be it bank, savings and loan, credit union or even parents or relatives. Don't break the bank so to speak at the first step. The same analysis of benefit versus costs prevails in the car / transport / job scenario situation. Many people will drive across town for a bargain to save a dollar and spend \$ 10 on gas costs in the process. Incorporate the price of gas into your final net salary not as an aside. Lastly and most importantly - maintain your credit and finance personal integrity. Always make your car or university tuition payments promptly and in full. Honesty, honor and integrity in financial and personal matters are always the best policy.

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