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Earn, baby, earn

Looking to accumulate? Then it's time to speculate. ANNE SMYTHE assesses various different places to invest your money towards that rainy day, and suggests some super saver ideas

Our relationships with money put us into one of a number of categories. Our expenditure exceeds our income - we overspend and are a slave to spending habits. Income exceeds expenditure - we save the excess and when this has grown, invest the proceeds by buying cash-producing assets such as property, shares and bonds. Our passive income exceeds our expenditure - we are retired or living off a pension, or have accumulated sufficient assets to provide ourselves with an independent income.

But if you're looking to accumulate, it's time to speculate. Investment is the habit of postponing immediate gratification - substituting a new pair of leggings for boosting your bank balance may initially not be much fun, but it adds up. Quite simply, the choice is yours.

As a supposedly responsible and financially savvy adult, you can spend your money on things you don't need, or you can save. This is the thesis of a new book *Start Late, Finish Rich*, by David Bach. He says we must all calculate our daily "latte factor" - the amount we spend on treats - and cut out that spending and invest the cash.

Then just sit back and watch your piggy bank explode.

Investing in property

Bricks and mortar may be a sensible way in which to watch your money grow, but not everyone was born with title deeds in their mouth. That said, property at home remains a key way to boost your income.

It's a good time to invest in a second property or in your first home. Building society Halifax calculated the value of Ireland's private housing stock rose by 16% (€70bn) in 2006 to an estimated €516bn. The value of Irish housing stock has increased by 11% over the last five years, and Dublin accounts for over one-fifth of the total value.

"The value of all privately owned houses in Ireland was at a record level of more than €500bn by the end of last year and has more than doubled over the past five years," says Chrissy Quinn, head of retail at Halifax.

"Ireland's household balance sheet is in good shape. Total housing assets are worth 4.3 times the overall level of housing debt, and housing asset values increased by significantly more than housing debt levels in 2006."

Investing overseas

Just what do you do with your annual bonus? Assuming it's large enough to afford more than a trip to Bray, you may be thinking about investing your cash.

Thankfully, buying property overseas is still worth its weight in euro. Whether you choose to buy outright or plough your bonuses into a deposit for a mortgaged property, we are heading to foreign estate agents in our droves.

For average earners wanting to follow the path to fortune gained from overseas investment, the trend among big investors is to stick to the established rather than emerging markets. Opt for France, the US or Italy.

However, markets for second homes are often the most volatile. Failing to commission adequate property surveys or take proper legal advice could leave consumers vulnerable.

"The TV shows that have helped fuel our obsession with overseas property make buying abroad look easy," says Jeremy Davis, author of *Buying Property Abroad*. "But in reality, finding, purchasing and owning overseas can be a time-consuming business and turning a foreign property into a successful

investment can be even more of a struggle.

"Get all this right and you could have a wonderful new asset which gives you and your family enormous enjoyment and greater wealth in the long run. Get it wrong and you could be risking a good chunk of your future security on a pipedream."

Investing in your own business

Sometimes, the only way to get something done is to do it yourself. It's no surprise that in the first three months of 2007 alone, 5,276 new companies were established in Ireland.

Although risky, starting your own business can bring dividends as long as you have your target audience and your product picked. The fact that Ireland is so agreeable to going it alone is good news for the economy, which in turn, is good news for the rest of us.

"Ultimately, the performance of the economy is dependent upon the strength and vibrancy of the private sector and it is reassuring to see that entrepreneurs are willing to create businesses in such large numbers," says Dr Dan McLaughlin, group chief economist for Bank of Ireland. "Clearly they perceive opportunities across a disparate range of markets, and have confidence that the economy will continue to expand."

Construction and civil engineering remain dominant industry start-up areas, despite predictions of a soft landing in the sector.

Unsurprisingly, the real estate sector is another popular choice for entrepreneurs.

Maturing moguls can avail of the Government's Community Enterprise Centres (CECs), which provide business space in a supportive environment for entrepreneurs and serve to help the development of local entrepreneurship in urban and rural areas.

Investing in your time

Of course, if your already-stretched budget is more Penneys than Prada, there are easy ways to gradually build your nest egg. If you're quite vocal in telling people exactly how you feel about anything and everything, why not get paid for your opinions?

Irish Opinions is a service that pays you to take part in market-research surveys. For every survey you complete, your account is credited, typically between €1 and €2. When your account 'balance' reaches €10, the site awards you a gift voucher for one of a variety of high-street or online stores, leaving you extra cash to save in a high-interest account.

Log onto www.irishopinions.com and make your views count.

Investing in life

Sometimes life gets in the way of saving - combining a job, active social life and everything in between can be tricky. But small measures can add up; remember, slow and steady wins the race.

* Ditch the daily grande skinny latte on your way to work and you can automatically save €20 every week.

* Embrace your inner domestic goddess and make your own packed lunch - it's cost effective and lets you rediscover vintage fillings such as cheese and pickle (or cheese and whatever is in the fridge). Doing this even for two weeks a month means you could save upwards of €40.

* Be alcohol aware and alternate your round with a soft drink or water. Your liver and your wallet will thank you.

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