



The Path to STABILITY



Navigating Contemporary Financial Challenges

I am living within a budget that allows me to manage, but does not allow for major luxuries. Our apartment is functional, not beautiful; my clothes are from a gemach and so are the baby's. I can afford tutors for my children, though, and I make sure that my son's private rebbe is paid properly.

I tell my children about needs and wants, and I attend to all of the former and a little of the latter. I teach the older ones to earn their own money for luxuries, and they baby-sit and deliver newsletters. But my children are ashamed of this attitude. For example, "everyone" in my 13-year-old daughter's class has a digital camera — and she doesn't.

Should I change my attitude due to my children's embarrassment? Am I giving them good chinuch, or just being stingy?

It is clear that you have your spending priorities straight. The question, however, is whether your children are being impacted negatively by the spending priorities you have established.

Children and teenagers need to have the security of knowing that their parents will provide all of their needs. You obviously understand that, since you say that you attend to all of your children's needs and some of their wants.

But how are you determining what your children's needs and wants are? Often, the barometer of a child's needs is not necessarily what parents consider needs, but what the child's social environment has established as needs.

Needs are very subjective. In every community, there are different standards as to what children "need." Children, especially teenagers, crave to fit in with their peers. If all or most of your child's peers have a particular item, then your child might have a need for that item as well, even if you don't consider it at all necessary.

Obviously, you do not have to allow your children to be swept along with every fad, especially those that are not in keeping with your values. But if a child has a legitimate need, it is preferable to find a way to supply that need rather than tell the child, "We can't afford it."

If money is tight, then parents have to use some creativity in finding inexpensive, alternative ways to provide for their children's needs — for example, learning to sew, or buying at thrift shops.

It is not a good idea to make children earn money to pay for things they really need — even if the need is a subjective one. It is, however, legitimate to suggest that older children pay for, or at least chip in for, things they want.

With regard to the specific example you gave of "everyone" in your 13-year-old daughter's class having a digital camera, you have to do your research and find out if "everyone" really means everyone.

If, indeed, everyone (or just about everyone) in your daughter's class has such a camera, then it is a need, and you should find a way to get it for her. If "everyone" means 20 percent to 30 percent of the class, however, then it is a want, not a need. That is where *chinuch* comes in: You, as a parent, have to decide if this situation calls for teaching your daughter budgetary restraint, or allowing her to use her own money, or indulging her.

How, you may ask, do we expect you to continue paying your children's tuition and private rebbe'im if you have to supply your children with cameras and other whims? The answer is that as you become more tuned in to your children's individual needs, you will find that is possible to save

money in ways you never thought of.

In the process of identifying needs, you will discover that some of the things you thought were "needs" were not really needs at all. You will understand, for instance, that the child who needs the digital camera really has no need for the new school supplies you were planning to buy her, while her older sister needs a new wardrobe more than she needs the vitamin supplements you insist that she take.

If your children are expressing dissatisfaction and shame with the way you are providing for them, that is a warning sign that you might be depriving them of some of their needs. Deprivation is not *chinuch*; it actually teaches children to crave material possessions, accomplishing exactly the opposite of what *chinuch* is supposed to achieve.

The way to be *mechanech* children not to ascribe importance to material acquisition is by ensuring that material possessions do not become a focus, by virtue of either their presence or their absence. The less you turn money and possessions into issues, the more you will prepare your children for a life that emphasizes *ruchnius*.

We at Mesila are staunch proponents of controlled consumption and *histapkus bemu'at*, yet we strongly encourage families to create an atmosphere where money and frugality are not center stage.

Words like "expensive" and "afford" should be used sparingly around children (and, for the sake of *shalom bayis*, between spouses, as well). Similarly, *histapkus bemu'at* and *mesirus nefesh* for Torah are concepts that are not meant to be talked about, but practiced — happily.

By fostering an atmosphere of appreciation for Torah, mitzvos and *Yiddishkeit* in your home, you can subtly redirect your children's interests away from the many material enticements that the world has to offer, and in that way prevent many "needs" from arising.

When children absorb a value system in which spiritual achievements are paramount, they are far less likely to feel deprived, even if their friends have more than they do.

As important as it is to supply children's material needs, it is even more important to provide them with the things that money cannot buy: attention, love, discipline, security and *mesorah*. If, despite your best efforts, you find that you simply do not have the means to supply all of your children's material needs, you should take comfort in the knowledge that you can supply your children with the things they need most.

Finding the right balance between exercising fiscal restraint and providing adequately for children can be challenging. For every family, the balance is different — and within every family, the balance shifts as the family dynamics change. As in all aspects of parenting, we need to seek guidance and daven for the *siyatta diShmaya* that will help us to meet our children's needs in the best possible way.

The above was prepared in consultation with expert mechanchim.



Mesila is a nonprofit organization dedicated to helping families and businesses in Israel achieve financial stability and independence. With over 25 chapters across Israel, Mesila is rescuing hundreds of families and businesses from the cycle of poverty and debt through its three-pronged approach of education, counseling and financial assistance. Readers are invited to submit questions and feedback to hamodia@mesila.org or by fax to (02) 500-0478.

Dairy Prices to Jump 5% From Nov.

Dairy and milk prices will rise by as much as 5% in November, Dairy Board sources said, after the Agriculture Ministry and the Finance Ministry agreed to raise the price of raw milk from milk producers by 11.5%.

The Dairy Board explained that the price of animal feed has risen sharply. During the last 12 months, wheat has risen by 70% and soybeans, by more than 90%, partly due to an ever-increasing proportion of the world's grain crops being diverted for the production of biofuels.

Although only a few dozen dairy products are subject to governmental price regulation, the dairies are expected to institute a blanket increase in prices.

Assuming these prices go up as expected, dairy prices will have increased by 9% this year.

prices by about 4% in September.

Over the last 12 months, the index has risen by 1.4%. Economic circles in Jerusalem believe that under the circumstances, Bank of Israel Governor Stanley Fischer will be leaving Israeli interest rates unchanged for November, at 4%.

"As long as we see a weak dollar worldwide, the Bank of Israel won't raise rates," Dan Aks, an economist at Prisma Investment House Ltd. in Tel Aviv, said before the release of the figures. "The bank can't raise rates too quickly or it will add to pressure for the shekel to appreciate further."

Four items in the CPI fell in September: housing by 0.8%; transport and communications by 1.2%; culture and entertainment by 3.1%; and clothing and footwear by 3.6%.

Three items rose: food 0.5%; household maintenance 0.6%; and fruits and vegetables 3.2%.

September CPI Drops 0.5%

The consumer price index (CPI) dropped by half a percent in September, roughly in line with expectations.

That means the consumer prices that the index tracks have risen by 2.3% from the start of 2007, a fact that many consumers have felt in their bank accounts and at the grocery, as staples from milk to bread have risen in price.

Last month's drop — the first CPI drop since February — reflects the fact that the shekel appreciated as much as 8% against the dollar since Aug. 1, cutting the cost of imports and housing, which are traditionally linked to the U.S. currency.

The government also reduced energy

Negative Income Tax Mired in Bureaucracy

The negative income tax reform is stuck because of a dispute between the Treasury and Finance Committee Chairman MK Stas Mizezhnikov (Yisrael Beiteinu).

Their main disagreement concerns the age cutoff for eligibility: Mizezhnikov wants to include people over 45 with children over 18, while the Finance Ministry wants to apply the initiative only to families earning less than half the minimum wage and with children under the age of 18.

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Panel Debates Home Registry Foot-Dragging

By Tzvi Rosen

The Knesset Finance Committee last week discussed ways to clear out the backlog of some 800,000 housing units that have not been properly registered in the Land Registry (Tabu).

The subject was raised by MK Rabbi Shmuel Halpert, who said that in no other country in the world were half of the residents' homes not registered in their owners' names.

"A home is a person's most valuable possession, and the one in which he invests the most money," Rabbi Halpert said. "In most cases, the buyer has also taken out a mortgage that he has committed to pay over several decades. And then, at the end,

he doesn't even have a legal document proving that the property belongs to him or that he has rights to it."

A caveat in the registry can only guarantee that a property owner will not sell the same apartment twice; it does not prove ownership of the property. Currently the average waiting time for title is an inconceivable 13 years.

There are several causes for the current situation, among them the fact that lawyers have an interest in perpetuating it. But participants noted there are several procedural absurdities that can be rectified.

For example, when a person purchases an apartment in a new neighborhood, it cannot be registered as long as construction in the entire neighborhood is not complete and the "parcelization" (a surveying and redrawing of plot boundaries in relation to the buildings) has not been carried out, which can take years.

To resolve this, it was proposed that a contractor who wants to receive a construction permit from his local building and planning committee will have to show official documents proving that he owns the property and that the lot has been parcelized. This way, residents can receive title irrespective of whether the rest of the neighborhood is finished or not.

The Finance Committee plans to continue this debate in the near future and try to make final recommendations.



How long will it take the buyers of these apartments to get title? (S. ACKERMAN)