

MONEY, MONEY, MONEY...

What does money mean to you? Your relationship with money directly affects how you deal with it, whether you're a saver or spender. And we *all* tend to worry about it. **Anita Chaudhuri** speaks to the experts about how to unlock our fears about money, so we can get to grips with our finances

Some time ago, I became addicted to a column on a US website, called the Bag Lady Papers. Written by artist and writer Alexandra Penney, it chronicled her abrupt demise as one of New York's super-rich after she fell victim to Bernie Madoff's investment ponzi. Week after week, she documented the pain of letting go of her Egyptian sheets, precious china, watches and Hermès handbags. The tipping point was when she had to sack her cleaner. It was hard to understand quite why I found her story so fascinating. She didn't particularly deserve sympathy, nor did I have anything in common with her, except maybe a fondness for Royal Doulton teacups.

But this idea that our financial situation could become so dire that we end up living on the streets is a nightmare many of us hold. A 2013 survey by insurer Allianz Life revealed that nearly half of women fear becoming a 'bag lady' – that stat included 27 per cent of women earning over £150k a year. It seems that imagining the worst – being thrown out on to the streets with nothing but the bare essentials – holds a deep place in the collective female psyche.

Money coach Helen Collier says it's not surprising women have such deep-rooted anxieties about money. 'It's only in the fairly recent past that men were seen as the ones in control of money and women could be fired

if they were pregnant,' she says. Until the Equal Pay and Sex Discrimination Acts of 1975, many women couldn't get a loan or mortgage without their father or husband's signature. 'Now we're living in a time where women have successful careers and function fine around money, but they're still tussling with the problem of: how do I earn a living and look after my children, either now or in the future?

Added to this is the fact that money is something, even in these share-all days, that few of us discuss openly with others. 'How much you earn and worries about your personal finances are one of the last remaining taboos,' says Simone Gnessen, co-author of *Sheconomics* (Headline, £8.99) and founder of Wise Monkey Financial Coaching. 'We'll talk to friends about problems in love, work, even our yo-yo diets, but few of us are comfortable discussing our savings or how much debt we've got into.'

Gnessen believes this is because we view money as a direct measure of our success or lack of it. 'For some people, the subject of money is immersed in shame and guilt for that reason. Money can evoke so many strong emotions, particularly in women where the senses and feelings around it are complicated. Part of you might be driven by power and independence, while another part wants to be protected.'

Collier agrees. 'We've become so far removed from money being the means by which we get food and >>>

“Money can evoke so many strong emotions; feelings around it are complicated”





“It would be lovely to start paying into a pension. But how do you even go about this when you habitually discover there’s too much month at the end of the money?”



shelter that it’s no longer recognised how core money is to our survival. It may not be logical or rational, but we fear that something bad will happen to us if we don’t have enough money.’

A FAMILY AFFAIR

Understandably, the type of relationship and beliefs that we have about money will often be strongly influenced by family. ‘Maybe you grew up in a home where there wasn’t enough money and you were the kid who wanted all your friends’ toys. If you decided that when you grew up you’d buy these things for yourself, or give your children these things whether or not you’ll be able to afford them, that creates trouble,’ says Gnessen.

‘We’re not conscious of many of the messages we receive growing up. It’s only later that they manifest as irrational behaviour. For example, I had one client who, as a child, saved all her pocket money in a piggy bank. Finally, she thought she had enough to buy a bike. But when she smashed open the bank, there was an IOU from her parents. So from that, she took the message that there was no point in saving because it’ll just be taken away from you.’

For others, the fear of repeating their parents’ mistakes drives them to become money control-freaks, scared to spend anything. This is true of my friend Mandy, an accountant. She grew up in a family where

every Friday was party day because her dad would come home with his wages. Then it would be ‘spend, spend, spend’ until Wednesday, when her mum would be scrabbling down the back of the sofa for loose change. She vowed never to be in that situation herself.

It’s not only early family experiences that can have an impact. In an increasingly uncertain economy, where the pressures of conspicuous consumption are intense, many of us have had to deal with difficult financial situations such as crippling credit card debt or redundancy. Inevitably, such experiences can serve to make us feel even more jittery about the topic.

‘When I meet clients, I start by working on their money biography,’ says Collier. ‘Typically, people will say things like, “I’m no good with money”. I usually say, “well, let’s wait and see”. Because money isn’t always about having a head for figures; it’s about understanding your behaviour and your unconscious inheritance from the people and events in your past.’

‘Sometimes people who get hit by debt vow they will never go there again – they have a road-to-Damascus moment. A different person might get knocked sideways by debt or losing a job and continually live in fear that it’s all going to collapse but, at the same time, they keep spending. These fear-based patterns are obviously difficult to change until you’re aware of them.’

Another common problem is the over-arching feeling that there will never be enough money, that there’s nothing we can do to change that until we get a promotion or write a Hollywood screenplay. It would be lovely to set up a savings account, an investment portfolio and start paying into a pension. But how do you even think about doing this when you habitually discover there’s too much month at the end of the money? Most of us procrastinate, and promise we’ll sort it out, just as soon as we get that pay rise/new job/lottery windfall.

BLIND BELIEF

Ann Wilson, author of *The Wealth Chef* (Hay House, £12.99), throws her hands up in horror at this mindset. ‘If I could just earn more, if I can just make a big sale... It’s such a limiting belief because it blinds people to what’s going on in their money world. All the fixation goes on income. That means people never escape the poverty cycle. I’m not referring to the poverty line; I’m talking about the kind of person who could be earning millions, but would still find themselves in a break-even position because of keeping up with the Joneses. For me, poverty is when a person doesn’t have a choice about how to live, regardless of their income.’

In order to ensure that we eliminate money worries >>>

<<< once and for all, Wilson suggests everyone begins by building up an emergency fund of at least £1,000 in savings as a buffer. And, intriguingly, she suggests you start doing this even if you are in debt. 'Pay yourself first. That means the day your salary goes in, put a fixed sum, even if it's only £25, into a savings account. It's sending yourself a powerful message that you and your future are what's most important.'

Wilson cites a statistic that 89 per cent of us would be unable to maintain our current lifestyle for longer than three months if we lost our jobs. 'That's a terrifying place to be. Most of us are fearful about allowing money to stay in our lives.' Really? Surely most of us have the problem of not earning enough to live the lifestyles we aspire to. Wilson doesn't agree. 'When I ask people what would happen if they won the lottery, most come up with a list of ways to get rid of the money very fast. Few people respond with ways that they could invest the money and make it work for them. So we never break out of this cycle of having to exchange our time and life force for money. People need to start believing that there is a different way.'

INVEST FOR THE BEST

According to Wilson, there are four 'flavours' of wealth: income, expenditure, liabilities and assets. And the way to ensure that you'll never worry about money again does not rest with income or expenditure, but with assets – how we invest our money. For some reason, the very word 'invest' makes me break out in a rash. Wilson isn't surprised. 'We read financial advice websites, see talk of online brokers, investment platforms and numbers everywhere, and we immediately retreat into the fear of making a terrible mistake and losing all our money. So many people never get to experience something that can actually be easy.'

One problem many of us face when it comes to tackling finances is that it's boring. 'Start to look at your finances in terms of your dreams and goals. What are you passionate about? What would create a meaningful life?' suggests Gnessen. 'Say you'd love to publish your writing and in order to have time to pursue that dream, you'd need to go down to a four-day working week. Start planning how you would afford that. Would you make cutbacks or start saving? Doing this will ensure your finances are relevant to the meaning and purpose of your life and not just money for money's sake.'

Wilson agrees that thinking in terms of your whole

life rather than money as an abstract thing is really helpful. 'Taking control of your finances is about transforming your future; it's about no longer having to stay in relationships and jobs that don't serve you when you could be following your dreams or contributing to the world and living the greatest version of your life.'

“Taking control of your finances is all about transforming your future”

She is certainly an effervescent ambassador for tackling one's finances head-on. 'Why would you want someone else to take over something so potentially juicy in your life? Money is an energy that you can direct however you choose. Working with it helps to expand your life. Think of it like an amazing box of paints. Sometimes you

might mix up the wrong colours, but if you keep working on it, you can create an incredible piece of art.'

After listening to the experts, I realised that our relationship with money doesn't have as much to do with how much, or little, cash we have in the bank. It's only when we learn what money means to us, and how to use that in order to plan for the future – much as we would do in any other life area – that things will start to transform. Now, where did I put that paintbrush...

Helen Collier, harmoneylife.co.uk; Wise Monkey Financial Coaching, financial-coaching.co.uk; Anne Wilson, thewealthchef.com

10 THINGS TO ASK ABOUT MONEY

by Kate Northrup, author of *Money, A Love Story* (Hay House, £12.99)

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| 1 Whenever I think about money and my finances, I feel... | 6 I really wish XXXX would take care of money for me |
| 2 If I had £100,000 in cash I would...
If I had £500,000 in cash I would...
If I had £1,000,000 in cash I would... | 7 What I find interesting and fascinating about money is... |
| 3 The one thing holding me back financially is... | 8 The most expensive thing I desire is... |
| 4 If money were no object, I would... | 9 The biggest thing I worry about when it comes to money is... |
| 5 What most scares me about money is... | 10 The one thing in life I've never done because of money is... |