

# NEWT

## Cate Blanchett

TAKING BACK THE  
POWER FOR WOMEN  
IN THEIR 40s  
*'I rely on instinct'*

THE KIWI WHO  
DRESSES  
DUCHESS KATE  
**'IT'S A DREAM COME TRUE'**

## ELLE MACPHERSON

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138  
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A person wearing a wide-brimmed hat is lying in a hammock, suspended over the ocean. The scene is set during sunset or sunrise, with a warm, golden glow in the sky and water. The person's legs are crossed at the ankles, and their arms are resting on the sides of the hammock. The hammock is a light-colored, textured fabric. The overall mood is peaceful and aspirational.

# Live out your *dream*

What would you do if money were no obstacle? Money coach Sarah McMurray helps you to get your financial house in order and start investing in the life you want



**S**top and dream for a minute: How would you be living your life right now if money were not an issue? What did you dream of? Would anything change? Just some things? Everything?

For most of us, 'money not being an issue' is just a dream. Even if we earn good money. Sovereign's Wellbeing survey showed even households earning more than \$100,000 a year can be living month to month, relying on credit to make it through.

My client Cathy\* knew exactly what the survey was talking about. She and her partner earn well over the average household income of \$93,880pa. She described herself as "wealthy in every way except for money" because they always carried a balance on their credit cards.

## A NUMBERS GAME

Cathy figured there were some things they could cut back on, but also felt there were so many things they were doing without. They have friends who spend way more than they do. And they work hard, surely they deserve to have some fun? She didn't want to scrimp and save just for a few more dollars in her retirement years, when she might not even be around to enjoy it.

Lots of people think like Cathy did. They feel like they have to choose between living an enjoyable life and carrying the associated debt; or living a life of deprivation and having a large bank balance they may never get to spend.

No wonder Cathy put off getting her money sorted. Who wants to be miserable just so the numbers look right? But her recent life hasn't been misery-free. Stress, guilt and fear about money have been affecting her mood and sleep.

Money isn't separate from our lives. Getting your money sorted is about more

than just getting the numbers right: it's about having the security and freedom to live your life in a way that is rich and meaningful to you.

Cathy's first preference was that she didn't have to look at her money at all, that it would just sort itself out. I feel exactly the same about my garden - I'd love it to look beautiful without having to work in it. The difference between a garden and your money is someone else can sort out your garden, and if you're not the gardening type, you'll be delighted. But if anyone else sorts out your money, then they have control over how you live your life. Few

*Retail and online environments conspire to make us focus on what we're buying, not on what we're spending*

people are delighted with this.

If you want your money to be the financial equivalent of a beautiful garden, which enhances and nourishes your life, you have to be the one who works on it. Thankfully, like gardening, a small amount of daily work gets the best results.

## DOLLAR DIARIES

Cathy agreed to begin tracking her money daily, although she felt she already had a fair idea where the money went. She was sceptical when I told her tracking is the single most effective action anyone can do to get their money in order.

People earning low incomes are often good at this by necessity. They have to know exactly how much money there is and what they've done with it. But with more

disposable income and greater access to credit, the tracking gets hazy. This is not an accident; retail and online environments conspire to make us focus on what we're buying, not on what we're spending.

## WHERE IT ALL GOES

Cathy's first discovery was how often she was spending money.

"I'll think I only spent money twice yesterday: buying petrol and picking up some fruit. But I'd have forgotten I also went to the chemist. And I bought a gift online and paid for a school trip that morning."

This is where a lot of the 'I don't know where it all goes' money disappears to. We forget spending it, even just a day later. Tracking remembers for us.

Another mental trick tracking exposes is minimising. Cathy had said she sometimes bought herself a little treat when she made other purchases.

"Just a small thing like lipstick or some cheap earrings - I only spend about \$15." After tracking for a while she realised that while she did sometimes only spend \$15, most of the time she spent closer to \$35. These small impulse purchases felt fun at the time, but were soon forgotten. Tracking helped her to change her behaviour when she shopped, in a way that seeing a list of purchases on her Visa bill never had.

Tracking makes you mindful of where your money goes, and this by itself will help you to re-direct it away from the things you wouldn't even miss and towards the people, things and experiences that truly nourish you. The next step is becoming fully conscious of what those things are.

## THREE BIG QUESTIONS

George Kinder, author of *The Seven Stages of Money Maturity*, has developed three questions to help people discover the things that are most important to them: >>





- How would you be living your life right now if money were not an issue?
- If you knew for certain you'd die in five to seven years, how would you live your life?
- If you were to die tomorrow, what regrets would you have?

Take a few minutes to think about your answers to these questions. For the first one, allow yourself to dream big. If you can resist the urge to be flippant with the second and third questions, the answers you get may be surprising even to you.

Cathy's answer to the first question contained everything she feels she misses out on at the moment: designer clothes, fabulous holidays, a gorgeous home. She also dreamed about working less and spending more time with her family.

The second question was less fun than the first, but Cathy would want to spend "less time watching TV and more time connecting", creating happy memories and passing on her values to her children. Quality time with her husband, friends and extended family were also important. She'd want the people she loves to be "in no doubt of how much they mean to her".

The biggest regret Cathy would have is that her dream of taking her family back to Ireland and passing on stories about her grandmother never came to fruition.

Looking at all her answers together, it was easy for Cathy to figure out what was important to her. Her first priority was that her children felt loved and secure, and would grow up with a range of memories of her. She began to set aside a couple of hours each weekend for a holiday-like activity, things like walking on the beach or cooking together. This is what she really

wanted to spend her time and money on, not the impulse purchases.

## TIME FOR CHANGE

When faced with her own mortality, Cathy realised a gorgeous house or fabulous holidays were way down her list. They're nice, but not necessary. But the designer clothes were hard to give up. Looking good had always been important to her, but since having children she had prioritised them over herself. We needed to find a way for her to meet her need to look good, look after her family and look after her finances.

Cathy commented that just because someone wears designer clothes, it doesn't mean they look good. This led to the idea of seeing a personal stylist – someone who could help her understand what looked best on her, label or no label. She loved the idea of being able to look fabulous without the designer price tag. It might seem counterintuitive to spend money on a stylist when the aim is to save, but by paying an expert she was able to avoid costly mistakes that would hang unworn in her wardrobe, saving money in the long run while getting the outcome she wanted.

There wasn't enough space in Cathy's week to spend as much time as she'd like with her husband, friends and family. She realised, however, that once she is no longer paying off her credit card debt, she could afford a cleaner, which would give her the time. She found this motivating – paying off debt was now a path to the life she wanted.

The final piece of the puzzle was to diminish Cathy's regret about not taking her family back to Ireland. Answering the question made her realise not only

*She dreamed about being able to work less and spend more time with her family*

does she need to take steps to make this dream happen, but that most of her regret is because her children do not 'know' her beloved grandmother, who Cathy regards as an important influence on her life.

Cathy decided to open a savings account and to begin by saving 'unexpected' income – such as gifts, bonuses, found money. To begin with, this wouldn't be much, but it was a start. She also began to explore with her family ways of creating extra income to put into the account – watching the balance grow would become part of the excitement of the entire trip.

She also realised she didn't have to wait until they were in Ireland before her children got to hear about their great-grandmother. In fact, the trip would be more meaningful to them if they 'knew' her before they went. Framing old photos of her grandmother was a way to both honour her and introduce her to the children.

Cathy's money situation is still a work in progress, but she is spending less on things she doesn't even notice, and more on the things that matter. And when she does have more money, she knows exactly how it's going help her live the life she wants. □

*\*Name changed to protect privacy.*

## Get your money in order

**If you do nothing else, start tracking everything you earn and spend. Knowledge is power.**

To find your 'why' for getting your money in order, answer the following:

1. How would you be living your life right now if money were not an issue?
2. If you knew you would die in five to seven years, how would you live your life?
3. If you died tomorrow, what regrets would you have?