

# MONEY MATTERS

The best things in life may be free, but it's hard to enjoy them when you're weighed down by money woes. We asked the experts for tips on getting your financial house in order – and open the door to a healthier, happier you

**G**etting a grip on your money issues isn't just about paying the bills on time and managing to squirrel away a bit of cash for a new lounge suite or an overseas holiday. Our relationship with money, and how well we keep control of our finances, is intrinsically linked to our physical and mental wellbeing.

On the crudest level, it's a no-brainer that a lack of money impacts our health in a very tangible way. You only have to look at a recent OECD Better Life Index report into New Zealand, which states, "Older people report poorer health, as do those who are unemployed, or who have less education or income". Those on low incomes may think twice about going to the doctor, or live in unheated housing, or be unable to afford nutritious food... or all of the above. But what about mental wellbeing? Well, unsurprisingly, money woes are bad news for our emotional state too. A 2012 study in the *New Zealand Journal of Psychology* on 'Income and Subjective Wellbeing' found poorer people reported more stress and less satisfaction with their lives.

However, even those on average incomes aren't immune to the stress of money juggling, anxieties over job security, and the challenges of budgeting amid rising prices. We ask a money coach trainer, a financial adviser, an investment expert and one woman with a rather unorthodox approach to wealth creation how we can free ourselves from financial angst – and the effect it has on our overall wellbeing.

*Even if we earn good money, it's unusual to feel our money situation is entirely 'sorted'*

## The psychology of money

BY SARAH McMURRAY

Karen McCall is an acclaimed international author, speaker and founder of The Financial Recovery Institute. She has helped thousands of women sort out their relationship with money through the money coaches she trains.

But 25 years ago, McCall needed help with money herself. She had all the trappings of apparent financial success – expensive clothes, a sporty car, and a job in senior management at a large corporation. This shiny image McCall portrayed to the world hid her dirty little secret – what she actually had was a pile of debt and a stack of bills she was unable to pay.

Her story is not an unusual one for women today. Even if we earn good money and expect equality in our work and home lives, it's unusual to feel our money situation is entirely sorted. We may not be in a situation as dire as McCall's, but like her, we know we need help.

The first problem we face in dealing with our finances is the feeling not only is it un-ladylike to talk about money, it's also somehow unwomanly. Once we have enough money to look after the basics for ourselves and those we love, the society-approved statement for women to make is: "I care more about people and relationships than money."

True, having more money could come in handy in caring for others. And if we had a significant amount, »





## Money Tips

**1** Track your money daily – how much came in, how much went out, and how much is left. Unless you already do this, odds are you are spending significant amounts on things you could happily live without. In the same way keeping a food diary helps to eliminate mindless eating, tracking your money helps eliminate mindless spending.

**2** Plan what you are going to buy before you hit the shops. Be aware of how you're feeling during the process: clear-headed and confident is good; foggy or having justifications race through your mind is not. To get back to clear-headed: leave the shop for a few minutes. It's not that you can't make the purchase; it's that you need to think, which is hard within the shop. Now you can think clearly, and you may still decide to make the purchase. But often you'll find the burning need to buy will fade once you're outside.

**3** In the process of meeting your financial obligations, make sure your needs are met. McCall says: "A want, when met, entertains you. A need, when met, sustains you." Identify the things that nourish your soul, and make an allowance for them. This doesn't mean you have an iron-clad excuse to spend whatever you want – getting creative and meeting your needs without blowing your plan becomes part of the joy. >>

we could make a real difference to those around us. But ideally, we wouldn't have to think about money; we would just open a drawer and it would be there, in the amounts we required.

The one 'approved' way we can express ourselves financially is through shopping. McCall was stressed about her money situation and didn't know how to fix it, but she did love shopping. So she hit the stores in a mental fog, not really paying attention to what she was buying, and certainly not thinking about what it all cost. Similar to the way in which some people comfort eat, she 'comfort shopped'.

On one level, her reaction made complete sense. Shopping can be so much fun! There's an exciting feeling of unlimited possibilities, and also the hope that this time, the happiness that comes with each purchase will last.

But once the purchase is made, that feeling of unlimited possibilities has dwindled down to one. Then the bill arrives. The total is shocking – many people report although they agree they bought everything listed, they can't believe what it adds up to. McCall would add her bill to the stack of those already unpaid, without looking at it.

When she did finally look at the 'unpaid' pile, she turned to budget advisers for help. But their

solution always felt like a starvation diet. And just like someone on a starvation diet, McCall found she could only stick to the budget for a while, before cracking and doing the financial equivalent of bingeing on junk food.

This is another reason why women are reluctant to talk about their money. Because the people who talk loudest about money management seem to express disapproval of everything. Take-away coffee? It's the work of the devil! More shoes? Why – you already have a pair! Holiday? HOLIDAY?! That's crazy talk!

Who wants to sort out their money when that automatically means a life of no fun? But a life of spending more than we earn isn't the answer either.

Through the process of sorting out her own money situation McCall found answers that did work for her, and have worked for others. See the tips on the right for some key parts of her process that anyone could apply in their daily lives.

*Sarah McMurray is a money coach based in Auckland. She will be running the workshops: How to Help your Teenager with their Future Student Loan in October as part of Money Week, and Soulful Christmas, Sane Finance in November. Check out [www.relatingtomoney.co.nz](http://www.relatingtomoney.co.nz) for more details.*