

Change the way you feel about money

Our finances can be a highly emotional issue, regardless of whether we consider ourselves to be rich or poor. The good news is there are simple strategies we can adopt to change the way we feel about money, and improve our lives in the long term BY **MARIANNE CURPHEY** PHOTOGRAPHY **RETTS WOOD**

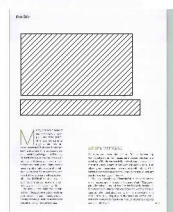
Money arouses a range of complex emotions in people. It can revive painful childhood memories or regrets about relationships, career and life choices. The reason for this, says Karen Pine, professor of developmental psychology at the University of Hertfordshire, is that feelings about money are tied deeply to issues of self-esteem and self-worth. 'Many people have a problematic relationship with money,' she says. 'Some women take the view that money means nothing to them; others find it difficult to save, or to spend. But if you change your relationship with money, you can change your world.'

So how can we make friends with money? The good news is that whatever your personal circumstances, you can change the way you feel about money for the better, using these seven steps.

STEP 1: FANTASISE

Write down your dreams for the future. 'Create a "life board" by tearing out pictures from magazines and assemble them into a collage of the life you would like to lead,' says life coach and therapist Becky Wright of New Leaf (newleaf.uk.com). This allows your subconscious to work freely without any of the inhibitions of worrying about how a lack of money will prevent you from achieving your ideal life.

'When you visualise your financial future, it helps to set the mind free and open it to possibilities,' says Wright. 'Many people stifle their dreams and therefore don't have the inspiration they need to envisage a life in which they are wealthy and successful. I often think about money as if I am in a relationship with it. How am I getting on with this money partner? Are we in harmony or are we constantly falling out and threatening to go our separate ways?'





«I need to start managing my future finances»

Marianne Cantwell, 29, runs her own business, Free Range Humans (free-range-humans.com). She inherited £20,000 but had no idea what to do with it. Financial adviser Philip Pearson worked with her on losing her fear of her windfall

I gave up a steady job three years ago to travel the world, and run my business from a laptop. I have just returned from travelling around Indonesia. My mother died several years ago and the money I inherited came from her side of the family, so it has a special meaning for me. I don't want to use it to supplement my income; I would like to make it work harder so that I will have a lump sum when eventually I come to buy a house.

Philip's advice was very helpful. What was particularly useful was his comment that money management does not need to be complicated – simplicity is often the best option. I had always had the impression that I needed to get my head around complicated

concepts before doing anything more with my finances. However, his advice gave me permission to take action right now.

By keeping savings in a regular cash account I have actually been losing money. If someone took £1,000 a year from my bank account I'd be angry, but I've been essentially doing that to myself for the past few years – and that was a real wake-up call.

The biggest lesson for me is that you have to make your money work for you for the future. I put a lot of time into managing my business – if I were to put even two per cent of the time I spend managing my business and raising my income into managing my finances for the future, I'd get a better result.



«If I'm less than perfect, I feel I have failed»

Liz Blizzard, 48, runs a successful business but wants to make changes to her work-life balance to enable her to enjoy more free time. She had a session with life coach Becky Wright, founder of New Leaf coaching, who helped her to work out her financial goals

I work up to 11 hours a day as a physiotherapist, and I feel a great deal of responsibility towards my patients. I am also helping to support my two sons through university and they are my priority. I feel I am fairly frugal with my money, but I don't often take time off to enjoy my leisure or have as much time with my friends as I would like. Also, I would like to take more time to travel back to see my family in the United States. When I do spend money on myself, I feel guilty about it.

I don't have a desire to amass lots of money, but what I was interested in was finding a better balance between work and leisure and improving my general quality of

life. What surprised me about the coaching was how money and emotions were very deeply connected in a way that I had previously not been fully aware of. If I am less than perfect, I feel I have failed. This results in self-imposed pressure to the point where I feel guilty if I take time out to relax or have fun. I worry that people have expectations of me to achieve continually.

I hate to let anyone down, but the coaching enabled me to re-evaluate my approach to work and consider ways of stepping back a bit. It also helped me see that I needed to talk to friends and family about my goals for the future and the changes that I need to make to reduce the stress.

«We form many money habits, and we need to replace the bad habits with the good ones, one at a time»

>>> **STEP 5: CREATE A SPENDING PLAN, NOT A BUDGET**

'Rather than using phrases such as "cutting back" or "going without", which imply you are depriving yourself, think of it as giving a gift to your future self,' says financial life planner Simonne Gnessen of Wise Monkey Financial Coaching (financial-coaching.co.uk).

'This helps you to balance out the things you want now with the things you need for your future; you are not making sacrifices for anyone else, but to help realise your dreams for the future.' Gnessen suggests that, rather than using words such as 'debt', you could create an inspirational goal of being solvent in a year's time, set a date to achieve it, put it in your diary and work towards it, using phrases to describe achieving your goal as 'financial-freedom day'.

STEP 6: BECOME A DETECTIVE

Uncover the hidden money motivations that may control your attitude to saving, spending or hoarding money. Ask yourself questions to establish why you spend, splurge or feel guilty about money. 'Money issues come from childhood, are very deep-rooted and impinge on everything,' says financial life planner Tina Weeks of Serenity Financial Planning (serenityfp.com). She uses life-planning tools from the Kinder Institute and asks clients three simple, but powerful questions:

1 Imagine you are financially secure and will always have enough money to take care of your wants. How would your life be different from the way it is now? Describe the kind of life you would live as fully as you can.

2 Imagine that you have only five to 10 years left to live. How would you change your life and how would you spend your time?

3 You have only one day left to live. Who did you not get to be and what did you not get to do? What did you miss?

FURTHER RESOURCES

Money Drunk, Money Sober: 90 Days To Financial Freedom
by Julia Cameron and Mark Bryan (Ballantine).

Lifecubs.co.uk is running a workshop – Mirror Mirror: Find Your Financial Heroes – nationwide on 1 November

STEP 7: CREATE NEW HABITS

Often we want a grand revamp of our financial lives, but Leo Babauta, author of *The Power Of Less* (Hyperion) and author of the blog Zen Habits (zenhabits.net), says it is easier to have small, achievable goals that can be 'quick wins' and build confidence, rather than grand schemes that are more likely to fail. Start small savings habits and give yourself a target of three weeks – that is how long it takes to form a new habit, he says.

'You create habits by bonding the desired habitual action (such as tracking your spending or paying bills right away) to a trigger that's already in your regular routine,' he explains. 'For example, if you want to track spending, write your expenses down every time you check your email – that's something already in your routine. If you can consistently repeat this trigger-habit sequence over and over, the habit will form. Use positive reinforcement to help stick with the habit until it forms.'

'Money habits can be complicated. There are many little habits we've formed over the years and we need to replace the bad money habits with good ones, one at a time. Doing more than one at a time is very difficult and more likely to result in failure.'



«I need to create a secure future for my family»

Emma Benson, 40, runs her own business, Holo Lilo, providing airbeds for pregnant women. Independent financial adviser Yvonne Goodwin worked with her on a 'money diet', reviewing her earnings and outgoings to work out how wisely she was spending

I earn an income from work as a film extra as well as running my company. I launched the business five years ago, and I have grown it so that it now has a turnover of £12,000. I tried out various lilo designs until I found one that had rave reviews from customers.

At the moment, I don't take a salary from the business, but now, after all my hard work, I would like to be able to. I don't have a pension, and I want to sort out my financial priorities and decide whether to save for the future or for a deposit for my home. I am single and have two small children to support, so it is important that I spend my money in a way that will create a secure future for myself and my family.

Using the 'money diet' approach made me think more deeply about long-term goals and about how and where I spend my money. I have been able to identify where I was spending wisely and where I wasn't getting the returns that I needed. Writing a business plan had always seemed daunting in the past as my business is based around a brand-new product, so there is no market research available to help with predictions. Now I have confidence that in the future my business will be a saleable one, allowing me to retire. That's my aim, but I am giving it five years to start making me money. Setting up a home business is about providing for my children and allowing me to be there for them.