

# Cure your MONEY SICKNESS

TOO MUCH MONTH LEFT AT THE END OF THE MONEY, OR STILL PAYING OFF UNIVERSITY DEBT? HEAL YOUR FISCAL AILMENTS WITH OUR GUIDE TO FINANCIAL HEALTH

WORDS RUTH TIERNEY PHOTOGRAPHS RACHEL WHITING

**D**uring a recent phone call with my dad, I mentioned I was writing a finance feature. 'Now *that's* a case of the blind leading the blind,' he snorted, pointing out that in my 30-odd years, I've displayed as much aptitude for budgeting as I have for quantum physics (none). 'So I'm perfect for this,' I countered. 'Because I'm clueless about cash, I can empathise with other women. I might even learn something.'

And learn something I did. The first revelation being that I suffer from money sickness. This modern condition has been identified by Robert Holden, life coach and author of *Success Intelligence* (Hay House, £8.99), to describe the negative emotions surrounding an unhealthy relationship with our finances, from fear to lack of control.

'Lack of financial intelligence causes an emotional and dysfunctional response to money,' Dr Holden says. 'We all find money confusing, but there's an added element of fear right now, thanks to the recession.'

Women, it seems, are prime candidates for money malaise. Gillian Tett, deputy editor of *The Financial Times* and winner of a *Red's* Hot Women Award 2009, explains why: 'For women, there's a lot of baggage that comes with finance. Ultimately, money is power and we're taught not to exert power, in the same way we're told not to be shrill or aggressive. If you don't understand how finance works, you're going to feel insecure and uneasy.'

## THE SYMPTOM: FEAR

Too scared to make any financial decisions? Sounds like you have fear-induced paralysis,

according to Professor Karen Pine, author of *Sheconomics* (Headline, £7.99). 'Fear often comes from not knowing what to do,' she says. 'You're afraid of making the wrong decision so, instead, you do nothing. But the biggest mistake a woman can make is to remain inert where finance is concerned. Okay, you may not make the optimum choice, but any decision is better than none at all.'

Money paralysis is a problem for Heather James\*, a 37-year-old TV producer, from Kent. 'Money terrifies me,' she admits. 'I've just taken voluntary redundancy and have a chunk of cash that I don't know what to do with. I worry about seeing a financial advisor, as that can be costly, but I don't feel savvy enough to invest it. I'm not interested in putting it in a pension, either, because I don't like the idea of my money being





locked away. I'll probably fritter it away, then wonder where it all went.'

#### THE CURE

Professor Pine suggests this exercise for tackling financial anxiety: 'Write down one of your negative beliefs, such as fear, and cross it out, replacing it with a positive belief, such as confidence. Think how you'd feel if this positive belief was true. Then think how you could reinforce the positive belief by taking a small step to make it happen – perhaps by making an appointment with one of the many female financial advisors out there.'

You also need to be honest about how real your fear is, says Merryn Somerset Webb, editor-in-chief of *MoneyWeek* and author of *Love Is Not Enough: A Smart Woman's Guide To Money* (HarperCollins, £8.99). 'Lots of women say they're frightened of finance,' she says. 'They have no idea how much equity there is in their house, how much debt they're in or the state of their partner's cash flow. You've reached an age where you're starting to question if you have enough. Men react to this by buying a fast car; women react to it by panicking about money. In many instances, it's not a fear of finance itself, but a fear of failure. Once you've admitted to making excuses, you'll be able to confront your finances, which is the route to peace of mind.'

#### THE SYMPTOM: LACK OF CONTROL

You know you really don't need (and can't afford) the butter-soft leather boots you saw at lunchtime – so why did you hand over your credit card? According to Dr Holden, budgeting can be akin to dieting. 'Learning

in the end,' Keren Curran, a 41-year-old admin assistant, from Preston, feels an uncontrollable urge to spend on the anniversary of her father's death. 'Dad died 11 years ago, and I always spend more around that time – I will buy absolutely anything to make myself feel better. But the boost it gives me is short-lived, and doesn't scratch the surface of my grief.'

#### THE CURE

Dr Holden says you need to put the pleasure you get from spending into perspective, and has devised a 'money meditation' to help identify what really counts in your life: 'Take out some money – a high-value note works best. Hold it in your non-dominant hand and focus all your attention on the note. Then ask yourself, "What is more important than money?" Think of everything precious in your life that money can't buy. Most people find themselves speaking from the heart and realise that the joy a pair of shoes gives them is nothing compared to laughing with friends or a walk in the woods.'

#### THE SYMPTOM: CONFUSION

Money is a language we have to learn, so it's hardly surprising stocks, shares, ISAs and pensions appear impenetrable to the financially illiterate among us. 'Until quite recently, money wasn't a woman's domain,' says psychologist Dr Sheila Keegan. 'Financial management hasn't been a skill passed down from mother to daughter, so there's a knowledge gap.'

It doesn't help that most literature on the subject is dull. 'Financial institutions aren't approaching us correctly. The jargon is off-putting, and many women are embarrassed to admit they don't understand,' she adds. 'I don't feel I have the financial knowledge to

make good decisions about investments and pensions,' says Jackie Ashworth, 43, a company director, from the West Midlands. 'The language is alienating, and even if I understand something at the time of reading, that doesn't mean I'll be able to remember its meaning in five years.'

#### THE CURE

'The language used by financial institutions is complicated for a reason – so they can bamboozle you into buying money products you don't need,' says Merryn Somerset Webb. 'Most people simply need a current account, a savings account, some kind of stocks and shares

ISA (and you can have this instead of a pension), and a couple of insurance policies. You don't need to check for new deals every couple of weeks. You're not going to lose out dramatically if you have an annual review of your policies and accounts.'

Another way to beat confusion is to draw parallels between finance and an equally baffling subject that you've already mastered. 'Most women are really clued up on nutrition,' says Gillian Tett. 'They know exactly what they're putting in their mouths, they've read up on its health benefits and can calculate the calorific expenditure. If you're savvy and responsible enough to know about your diet, you are just as capable of working out your finances.'

#### THE SYMPTOM: DEBT HANGOVER

Remember that amazing gap year you took after university? Of course you do because, a decade later, you're still paying for it. No matter how sensible we play it in our thirties or forties, many of us are dogged by debt inherited from our twenties. And the emotions surrounding this are manifold, says Kay Harkin, a 33-year-old press officer, from London. 'Uni was the first time I had access to my own money. Banks were queuing up to offer me overdrafts. Spend now, pay back later was my mantra. I spent a fortune on clothes, nights out and holidays. By the time I left uni, I owed £25,000. Ten years later, I still owe £19,000. While friends have bought cars and houses, I've been working overtime to make a dent in my debt. I feel frustrated with my old self, guilty that my situation is affecting my lifestyle with my partner, and ashamed that I owe so much.'

'It's easy to find yourself in this position if you're not paying the debt off smartly,' says Sarah Pennells, editor of new money website [savvywoman.co.uk](http://savvywoman.co.uk). 'Research shows women worry about debts more than men, so understandably they often make it a priority to pay back whoever sends the most threatening letters. But you should throw as much money as you can afford at the one that charges the most interest.'

#### THE CURE

'It's never a good idea to focus on the money you're paying back each month, as that can be disheartening. Instead, envisage how you'll feel on the day you've made the last payment,' says Pennells. 'Let that feeling of relief be your motivation, and the £50 monthly payments won't feel as depressing.'

## 'The biggest mistake you can make is to remain financially inert'

to save is a skill requiring discipline,' says Dr Holden. 'It's like leaving a bit of food on your plate at the end of a meal. Many of us find this impossible – just as we find it impossible not to spend everything we earn each month.'

There's usually a deeper psychological reason behind this lack of willpower. 'It's called compensatory consumption,' explains Professor Pine. 'Research shows women go on spending sprees to fill an emotional void. They give money a power it doesn't have. The emotional high compulsive shoppers get from splurging is enough to keep them hooked, but they feel let down