

SUPPLEMENT OF THE YEAR

YOU

10 JANUARY 2010

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HAPPENS WITH
MEN AND MARRIAGE'

REESE WITHERSPOON ON HER TOUGHEST ROLE EVER

Do you have the MONEY G

Why do some people seem to have an innate ability to make their money grow, while others lose it as fast as they earn it? Developing a confident approach to finances can mean the difference between fearing every bill and becoming a high-earning achiever

Report ANNA MOORE

When Sunny Moran and her business partner Jacqui Cleaver sat in the Royal Bath Hotel interviewing staff for their new business, they had barely any money left to their names. It was October 2007 and the 27-year-olds had cleared their accounts, borrowed from banks and poured £50,000 into their venture.

The schoolfriends from Bournemouth had bonded through the years over different diets they had tried, and became convinced that losing weight would be easier away from everyday life, in a military-style 'boot camp'. Since there were none in the UK, it was a gap in the market they were determined to fill. 'We'd found the perfect site in the Brecon Beacons, we'd hired our last salesperson, our pockets and purses were empty. We had just £10 between us – so we spent it there and then, in the hotel, on a cream tea,' Sunny recalls. 'It's the power of positive thinking. If you hold on to your money and fear every bill that comes through the door, the chances are, you won't be able to pay them. If you believe that money will come to you, and act on that belief, it will.'

So far, they've been proved right. The New You Boot Camp achieved a £1 million-plus turnover in its first year. Last year they launched a luxury boot camp in Portugal, and they have numerous spin-off projects on the go, such as the parent and child boot camp, the boot camp diet and the just-published book *New You Boot Camp*.

So what's the secret behind this financial fearlessness? How can some people press ahead, making millions whatever the economic climate, while the rest of us plod along, never breaking beyond our income bracket? And what of those who seem unable to keep their cash, no matter what? Take Sarah Ferguson, who ended her marriage in 1996 owing nearly £5 million to Coutts bank; having clawed her way back, she found herself in a financially perilous situation again, downscaling her lavish 50th birthday bash last October to a modest restaurant dinner. Kerry Katona also seems to lack this 'money gene': despite earning a reputed £750,000 a year as the face of Iceland, and £400,000 as a magazine columnist, she was declared bankrupt last year.

Is there a perfect money mind-set – and if so, can you acquire it? Karen Pine, co-author of *Sheconomics*, and professor of psychology at

the University of Hertfordshire, believes that, when it comes to finances, it's not so much about being able to do the maths as about your emotions: 'Money is a highly emotional subject,' she says, 'and the feelings you associate with it are key. Some people fear it: they don't open their bank accounts, and put bills in a drawer unopened.'

Others are embarrassed by it, or feel that it's vulgar: 'They don't like talking about it or asking for a pay rise in case it seems grasping,' says Pine. 'They don't want to search for a better mortgage deal, or change bank accounts, because they feel it's somehow disloyal.' (Seventy five per cent of women are still with the same bank they joined when they left school, compared with 44 per cent of men.)

The perfect money mind-set, then, is shameless and dispassionate. Look at Kate Walsh, last year's runner-up in *The Apprentice*, who insisted on a prenuptial agreement with co-star fiancé Philip Taylor – and then told the world about it. 'I'm a businesswoman, and it's all about looking after number one sometimes,' she commented. 'He knows I'm not a born romantic.'

If this doesn't come naturally to you, Pine suggests unpicking your financial emotions – and examining their origins. What messages did you grow up with? What do you hear from your partner? What do you feel when you open a bank statement? 'If your parents had heated emotional discussions in front of you about money, if you're constantly hearing a "money doesn't grow on trees" attitude, then perhaps you're trying to compensate by hoarding.'

Perhaps there have been no good financial role models to learn from. 'I shouldn't think that Sarah Ferguson ever had to learn financial management, as everything was always "taken care of",' says Pine. 'People with plenty of money and privilege may assume it will always be there.' At the opposite end of the spectrum is Kerry Katona, who spent much of her life in care and moving between foster parents. 'If you've grown up with no money and no role models, then there may be a temptation to spend everything you have,' says Pine. 'The ability to make a fortune – especially when it's not through a business route – doesn't mean you have the ability to manage it.'

Once you've removed your emotions from the equation, the next step in bringing more money into your life, says Pine, is to work out your own value: 'Put a price on yourself. But don't start from a low base – why not double that amount, why not three times? Then be proactive and persistent. Explain ►

ENNE

'If you believe that money will come to you, and act on that belief, it will'



◀ your case to your boss or your clients or your bank – why you should be charging more for your work, why you deserve a better mortgage deal. When you set a price on yourself, the world tends to meet it.’

Which is probably why being positive is a key trait among high earners. When O2 researched the crucial ingredients in the successful money-making personality, they found that ‘obsessive optimism’ topped the list. Richard Branson is one example: ‘As a spotty 15-year-old starting his student magazine, Branson wrote to Peter Blake [the artist responsible for the Beatles’ *Sergeant Pepper* sleeve] asking him to design the cover – and he agreed,’ says O2’s lead researcher Jeff Rodrigues. ‘The first issue carried interviews with Vanessa Redgrave, Henry Moore and Gerald Scarfe – none of whom Branson knew. Most of us wouldn’t dream of approaching these people, because we’d expect to be rejected.’

Linked to this is the ‘win some, lose some’ attitude that enabled Sunny and Jacqui to blow their last £10 on a cream tea. ‘You need to view money as fluid and dynamic, as something that comes in and out of your life,’ says Pine. ‘It’s not uncommon for tycoons to have been bankrupt in the past. They don’t have a scarcity mind-set, as they have a powerful belief in their ability to recoup their losses if a risk doesn’t pay off.’ Simon Cowell and *Dragons’ Den* giant Peter Jones have both lost their businesses before and been forced to move back in with their parents – yet look at them now.

However, none of the above will secure your fortune unless it is accompanied by drive, determination and fearless focus. Jane Clarke, director of business psychology consultancy Nicholson McBride, believes that high earners have made it their absolute priority. ‘By far the most important quality is hunger,’ she says. ‘Whether you work for a hedge fund or you’re Katie Price, you use your time to stay on top of your business and everything else is secondary. These people never switch off.’

Michelle Dewberry, businesswoman and former winner of *The Apprentice*, can attest to this. She juggled three jobs in order to buy her own home at 21, and a second by 24. Before winning *The Apprentice*, she was earning £160,000 a year as a global telecoms consultant. ‘I had charts all over my wall with timelines and achievements mapped out,’ she says. ‘I had notebook upon notebook of goals marked off. I had no social life, no romantic life.’

Last summer Dewberry (who stayed with Alan Sugar for just 11 months) launched her own website, Chiconomise.co.uk, which lists sample sales and the best deals and reductions to be had on clothes, travel and eating out. Chiconomise started as an online newsletter and attracted 10,000 subscribers within weeks. It now has three full-time staff.

If your response to this is, ‘That could never be me’, Karen Pine suggests asking yourself exactly why not. ‘You need to recognise your limiting beliefs,’ she says. In the current recession, when money is harder to come by but deals are there for the taking, a few sessions with a money coach may help you acquire a more proactive financial

THE HAVES



EMMA WATSON
With her films grossing £3.3 billion and earnings of £10 million, the *Harry Potter* star, 19, is the highest grossing actress of the decade.



DEBORAH MEADEN
The *Dragons’ Den* businesswoman is worth £20 million: ‘I do a good job and work hard and I expect the same of others.’



MICHELLE MONE
Former model Michelle launched Ultimo, now one of Britain’s leading lingerie brands. Her company is said to be worth £45 million.



KATIE PRICE
Her 16 books have sold more than four million copies, and she is worth £30 million: ‘I’m too ambitious to ever stop making money!’

...AND THE HAVE-NOTS



KERRY KATONA
Until 2007 she was making £2 million a year, but she was declared bankrupt last October when she was unable to pay a tax bill.



SARAH FERGUSON
She was taken to court last year over £21,539 in unpaid bills, but then sold the TV and merchandising rights to her children’s books in a move that could see her become a millionairess.

mind-set. If your partner is the person with the financial phobia, Pine recommends money coaching as a couple. ‘Quite often, we marry our financial opposites,’ she says. ‘Someone with a scarcity mind-set may find a free spender quite liberating.’ Sometimes this can create a healthy balance – other times, not surprisingly, it equals tension.

‘It’s important to talk about your money histories and agree on a financial plan,’ says Pine. ‘You won’t necessarily be able to change your partner’s attitude, but you can start by understanding the emotions behind it and agreeing on some shared goals.’

Pine’s co-author Simonne Gnessen was one of the first to develop a successful coaching service – financial-coaching.co.uk – though money coaches can now be found in most of the larger coaching practices such as fionaharold.com.

However, before setting out to triple your income and pay off your mortgage, ask yourself honestly where you place money in the scheme of things, and whether you would really want to have the personality traits that come with being a grand-scale money-maker. Philip Beresford, author of *The Richest of the Rich*, says there’s no way round it – big money requires big sacrifice. ‘You need massive energy, single-minded focus, self-confidence and the ability to arrange your personal life so that it comes second,’ he says.

This is certainly how it has been for Sunny and Jacqui, who both have overnight bags by their front door in case they are called to boot camp in an emergency – on one occasion their manager fell ill, and on another their chef had a car accident while driving to camp. Last year, they worked 12-hour days, seven days a week, constantly forgetting friends’ birthdays and anything else that wasn’t boot-camp connected. They even had to cancel their own joint birthday party (a black-tie affair) at 24 hours’ notice, both in such a rush that they neglected to inform some of their friends – who arrived, dolled up, at an empty venue.

Michelle Dewberry, on the other hand, has decided to claw back some balance to her life. ‘Pre-*Apprentice*, I was entirely driven by money – how much I had, how much I was making,’ she says. ‘I never had holidays, I didn’t have a boyfriend.’ While on the show, however, she started a relationship with fellow contestant Syed Ahmed, became pregnant and then miscarried. She and Ahmed separated shortly after. ‘That short-lived pregnancy taught me a lot,’ she says. ‘Now I know that a solid partner and a good family is much more important, and also doing something you love.’

So gone are the wallcharts and the timelines – and as a consequence, Chiconomise is the first venture Dewberry feels truly passionate about. She is still driven, of course – and admits that she regularly works past midnight – but a little less so. ‘Now I take holidays and enjoy a personal life. It’s not about making money, full stop – it’s what I can use that money for. I have a life now. There’s no point just being wealthy.’