

Sheconomics

Add **power**
to your **purse**
with the ultimate
money makeover



**Karen Pine and
Simonne Gnessen**

Contents

<i>Preface</i>	1
<i>Chapter 1 Welcome to Sheconomics</i>	3
<i>Chapter 2 Law 1: Take emotional control</i>	8
<i>Chapter 3 Law 2: Go beyond beliefs</i>	33
<i>Chapter 4 Law 3: Spend with power</i>	63
<i>Chapter 5 Law 4: Have goals</i>	121
<i>Chapter 6 Law 5: Look debt in the face</i>	156
<i>Chapter 7 Law 6: Share Financial Intimacies</i>	215
<i>Chapter 8 Law 7: Know tomorrow comes</i>	261
<i>Chapter 9 A day in the life of... A top Sheeconomist</i>	321
<i>Index</i>	339

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1

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The 7 Laws of Sheconomics

Law 1: Take emotional control

Be aware of how your emotions affect the way you behave with money

Law 2: Go beyond beliefs

Know that your financial beliefs can become reality

Law 3: Spend with power

Make sure all your spending decisions are made for the right reasons

Law 4: Have goals

Make your money fit your life plan

Law 5: Look debt in the face

Face up to what you owe and decide how to pay it back

Law 6: Share financial intimacies

Talk openly and honestly about money

Law 7: Know tomorrow comes

Take action now for a secure future

Chapter 4

Law 3: Spend with power

Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery.

Charles Dickens (author)

Do you ever spend money you don't have? On things you don't need? Perhaps even to impress people you don't know? Only to find yourself no happier?

Why?

Shopping can, of course, be a fabulous experience – and who doesn't love gorgeous things? But from the moment we enter a shop we are in danger: the music, the colours, the offers, even the way the clothes are hung – all cunningly designed to separate us from our money. Don't get the wrong idea: we're not anti shopping, we're anti feeling-bad-after-shopping. We are dead against the you-are-what-you-own messages propagated by the consumer society.

We asked more than 700 women about their spending in the previous seven days. Sixty per cent had bought something on impulse. Almost half the women had succumbed to a special offer. A third had parted with more money than they could afford, almost as many had bought something they would probably never wear or use. Almost half confessed to going out for one thing but coming back with something completely different – you know, when you pop out for a pint of milk and come back with a flat-screen TV. More than three-quarters confessed to using shopping as a way of cheering themselves up but, sadly, for lots of them it had the opposite effect.

When you spend with power you'll be able to:

- Resist compulsions to spend to cover up emotions
- Confront your spending patterns
- Spend less than you earn
- Create a spending plan so you can recognize when your finances start moving in the wrong direction
- Discover that the good things in life don't necessarily cost money

Resisting pressure

Take the media obsession with celebrity and aspirational lifestyles. It's all hugely entertaining but it doesn't make us feel better about ourselves. In fact, it can leave us feeling totally inadequate. Only got four colour-coordinated

We're not going to ask you to stop shopping. We do, however, want you to understand why you shop and, if need be, help you cut down in ways that won't leave you feeling deprived – our list of alternative therapies at the end of the chapter will ensure that. Yes, it *is* possible to have treats galore without draining the bank balance.

Feeling taken for granted, boredom and dissatisfaction with life, among other things, can all lead to overdependence on shopping. With a heady mix including demanding jobs and families, long working hours and multiple roles to juggle plus a 'because I'm worth it' culture, women feel they should have more treats. And the rewards needn't be huge, as one trainee Sheeconomist told us:

'Even supermarket shopping gives me a huge buzz. I'll buy a face cream or some DVDs to "treat myself". It's justified because it comes out of the groceries' budget.'

OK, a few DVDs probably never set anyone on the rocky road to destitution. Many women, however, tell us they feel powerless when it comes to spending – and that they are spending more than they earn. We are going to help you build up the power you need to resist your own compulsions and pressures such as marketing ploys – the power to walk away from the till. Not only that, you'll be able to use your money to enhance your life instead of using it to compensate for something that's missing in it.

cushions on your satin-encased bed? Don't you know it's *de rigueur* to have *at least* twelve? What were you thinking?

These days it seems as though everyone's trying to wheedle their way into your wallet. So, unless you keep a tight-fisted grip on your money, it has a nasty habit of slipping through your fingers. Advertisers not only make you aware of your problems, they also offer the solution: shopping. It's a tough world for any woman who feels unfulfilled. What's your weakness? Unhappy with your looks? Relationship troubles? Fighting depression?

Look at what the advertisers are telling you: go on, you deserve it; smart girls get more; it's not about what you need, it's about what you want. One of many devious ploys involves telling women they 'deserve' whatever it is that they desire. We are being seduced by a false entitlement fantasy, a false promise, and we're meant to think: 'I'm worth it, so I must be entitled to it'. We're persuaded to buy, whether or not we have the money.

No matter how great it feels to lavish money on yourself, there's no way on earth any handbag, moisturizing serum or those nail extensions are going to help you feel emotionally in charge. Spending with power means knowing you have choices. And the option to firmly reject what's being tantalizingly dangled before you.

The retail industry is huge and its influence is far reaching. In the UK women spend more than £13 billion a year on clothes alone – that's twice as much as men and much of that expenditure is funded by debt.

Most women wear just 10 per cent of their clothes 90 per cent of the time, which adds up to an awful lot of wardrobes groaning with rarely – or never-worn buying blunders. More than half of all women have something in the wardrobe with the shop's label still on it. More to the point, while we are jostling with the sales crowds, queuing for a changing cubicle or selecting soft furnishings, our male counterparts are buying houses and checking out the best investment opportunities.

Recent research by market analysts Mintel described Britain as 'a nation of unashamed big spenders'. Fuelled by a fascination with image and lifestyle, consumer spending in 2006 rocketed to a record 1.09 trillion pounds. The research also showed that big spenders were putting their lifestyle spending before other financial commitments, including those all-important credit card repayments.

Spending with power means being able to balance a great quality of life with a degree of financial responsibility. *Boring* we hear you cry. But you can, in fact, have a positive, fun-filled life and also pay your bills.

How to achieve this? A crucial first step is to have high self-esteem. When it comes to shopping, it's the women with low self-esteem who lose control and buckle under the pressures. Research shows that compulsive buyers have lower self-esteem than any other type of shopper. But when you feel strong within yourself you won't be easily manipulated and you'll be able to stand up to the brand bullies.

Style counsel

The fashion world bangs on about the current season's look, then the fashion police pour scorn on anyone with the nerve to think they can get away with wearing it next season. If something looks good on you, why shouldn't you wear it? Bay Garnett, author of *The Cheap Date Guide to Style*, is horrified by the 'sheep mentality' with which women follow fast fashion, 'knocking each other over to get cheap clothes in Primark'. Many of these hard-won purchases will be worn at most once or twice before the owner decides they're yesterday's news, which makes you wonder how good-value they really are!

I (Karen) have a penchant for clothes from designers who only produce a few wacky pieces per collection. They're not cheap but I adore them and get tons of wear from them. Some I've had for ten years or more so the big price tag is justified on a cost-per-wear basis.

If you have fashion-victim tendencies ask your friends to be open and honest about what looks good on you. Once you've recovered from their comments, you can focus on developing a wardrobe of clothes that flatter. Keep it simple, less really is more when it comes to style and try to select clothes that will stand the test of time. Aim to rise above the pressure to conform. Clothes are a medium for self-expression, but be careful not to mortgage yourself to the whims of a fickle fashion industry. Be choosy about who you shop with, too. Watch out for friends who enjoy egging you on to spend money but never seem to part with their own.

Don't give in to temptation

Shopping for clothes shouldn't take priority over the other good things in life, yet many women say they prefer shopping to sex – sadly, a trolley dash in Top Shop would be their choice. One trainee Sheeconomist even admitted that she reward herself with clothes shopping:

'Some of us lie back and think of England, I lie back and think about shopping.'

Next time you're bagging yet another pair of skinny jeans – you know, the ones Kate Moss was wearing in last week's *Grazia* – use the DSD questions below to wake up to reality. If you answer yes to *any* of the questions, muster the power of resistance, put whatever you were about to bag right back on the rail and walk away.

DO SOMETHING DIFFERENT: HONE YOUR DISCERNING BUYING SKILLS

Before you head for the till, ask yourself:

- Is it a high cost item and 'hot' at the moment?
- Are you in two minds about whether it really suits you?
- Does it draw attention to parts of your body you should really play down?
- Will it only go with one or two other items in your wardrobe?
- Do you *like* rather than *love* it?
- Would you actually prefer it if it was in another colour?
- Be honest – do you want it just so you can wear something new tonight?
- If it's reduced in the sale, are you buying it just because it's a bargain and something you wouldn't buy at the full price?

Remember – ONE yes answer means you should PUT IT BACK.

Go on, you'll thank us for it, some day.

A symptom of our decadent society is that we quickly tire of even the most gorgeous clothes in our wardrobe. Most of us have more than we need, yet new garb still has a seductive allure. One trainee Sheconomist described a feeling common to many:

'I spend all my disposable income and buy clothes every single weekend – but still I never seem to have anything to wear!'

Safe in the knowledge that today's 'can't resist it' will be tomorrow's 'that old thing', here are some no-spend ways to get the thrill of the new:

1. Try swapping instead of shopping: someone might covet the clutter you've tired of and be willing to swap.
2. Find a dressmaker: If you have the perfect dress/skirt/pair of trousers, have the style copied in summer and winter fabrics.
3. Sort, pack and store clothes away at the end of each season: In spring, for example, dry clean (and repair if necessary) woollies and winter heavy fabrics. Give away, bin or sell any you haven't worn for a year. Pack the rest away – lovingly. You can buy large PVC garment bags from hardware stores. Put tissue paper between garments, add sprigs of lavender to keep them fresh and to deter moths. When cooler weather returns you'll enjoy bringing those clothes out again. If you chose them carefully in the first place and bought great cut and quality, they'll be just as exciting as any new buys.

DO SOMETHING DIFFERENT: NO PURCHASE NECESSARY

Leave your money at home for a day.

Make sure you've got some food with you, that there's petrol in the car and credit on your mobile. Then experience the feeling of going out without a penny in your pocket. Many people the world over do this once a year on Buy Nothing Day – have a look at www.buynothingday.co.uk.

Discover as many ways as you can of enjoying yourself for free.

Visit museums or art galleries that don't charge admission, join a TV or radio show audience, snap up a free or discarded newspaper or magazine on the train. Rediscover your legs – walk or cycle instead of driving or using public transport.

For lots more free events and attractions go to www.dofreestuff.co.uk or www.afreedayout.co.uk

For free stuff (anything from a flip phone to a camping trailer), join a free recycling group www.freecycle.org.

Consumer confidence

Don't forget that as a consumer you have rights; have the confidence to exert them. We hate being ripped off, yet women are notoriously weak when it comes to doing anything about it. For example, don't pay the restaurant service charge when the service is poor and do return

shoddy goods. And when did you last negotiate the best possible deal on your mobile phone or service contracts?

As a general rule, resist extended warranties on goods and turn down free trial periods – you're almost bound to end up paying for something you'll neither use nor want.

Controlling your habits

In our survey, a whopping 79 per cent of women said they would spend less than they currently do if they had more self-control. Be honest, how much does shopping feature in your life?

An airline questionnaire listed shopping as a hobby. We believe shopping has become more habit than hobby and, sadly, for many of us the shopping habit has replaced our hobbies. What the psychologist terms 'spending styles' we call spending habits.

The shopping habits below are all examples of ways that we women give away our spending power.

- **Competitive spending** Keeping up with the Joneses matters to you. You want to build an image, gain status and need to have what others have. You've been known to buy things just to out-do someone else. You need to keep up with others in a conspicuous way.

- **Compulsive spending** Your spending is emotionally driven; often because of poor quality relationships. For you, shopping takes the place of affection, fulfillment or other rewards that are missing from your life. In some cases it can even be a way of punishing yourself. You tend to spend impulsively when you're depressed, lonely or upset.
- **Narcissistic spending** Looking good is important to you and you believe you're entitled to have whatever you want. You believe you'll be judged by your appearance. As you shop, you fantasize about winning admiring glances from others. You are fascinated by fame and celebrity – feelings of inferiority may be at the root of this.
- **Bargain spending** Your home is so cluttered with bargain buys, special offers and bulk purchases that you can never find anything. The triumph of seizing what you think is an offer too good to miss gives you justification to overspend. You kid yourself you're saving money but, in reality, you're a soft touch when it comes to the hard sell.
- **Co-dependent spending** You spend lavishly on others. This may be with the intention of keeping them dependent and close. You may buy things for others to compensate for not spending enough time with them,

or spend money to elevate yourself in your friends' eyes – not having the strength to say 'no'. You may wish to control another person or feel you have to spend money on them because you can't meet their emotional needs.

- **Revenge spending** You spend the money of a loved one as a means of punishing them. If they are spending recklessly, you think it gives you the right to do so too. You may be getting back at them because of something they did wrong in the past. You may be reacting against someone's insensitivity, lack of appreciation of you or lack of attention towards you.

If you have recognized any of your spending habits here, don't despair, Sheconomics has the solution. It's impossible to go from Big Spender to Top Sheconomist overnight. First, you need to get to the root of why you're spending the way you are now and that's where the first two laws of Sheconomics come in: to help you identify, take control of and change those negative money emotions and self-limiting beliefs. Come to grips with those first two laws and begin to set yourself financially free to start spending with power.

We each have our own ways of coping under pressure – and most of the time, most of us deal perfectly well with the knocks life inevitably brings. Sometimes, however, some of us feel the need to seek solace in ways which are

ultimately damaging – starving or bingeing on food, abusing drugs or alcohol, compulsive gambling and, of course, compulsive shopping – so commonly used by women.

To the women who do it, being known as a compulsive shopper feels, somehow, less shameful than, say, being known as an alcoholic. Overspending on clothes does not attract the same stigma as overdosing on drugs. It's even acceptable to admit you enjoy overspending. And it's enormously rewarding at the time – as indeed are the abuser's drug, drink, bet, and so on.

Habitual overspending is, however, a problem and the more ingrained any habit becomes, the more difficult it becomes to exercise the willpower to curb it. As one trainee Sheconomist told us:

'If I'm experiencing any kind of emotional pain I spend, spend, spend. The last time a boyfriend broke up with me I racked up about a thousand pounds in a few weeks. I have enormous debt brought on through years of spending this way.'

Lara's story

Lara worked for a large charity and described her job as high-powered and exciting. 'But there are days when the constant demands, the pressure and the stress just leave me ready to scream,' she admitted.

Over the years, Lara had come to realize that her 'down' days could be treated very effectively with a large injection of retail therapy – it made her feel better, albeit temporarily. After a bad day at work she always went shopping. Sometimes she treated herself to a glamorous top, a handbag or a snazzy accessory, other times it was all these things and more. Lara's shopping habit had got way out of hand; she was stacking up debt and she'd once spent more than £1,000 in a high street fashion store in less than fifteen minutes.

In the immediate aftermath of one shopping spree Lara's guilt and shame were palpable. 'I just don't know how it happens,' she told me. She described her thoughts as she walked towards the shops: 'I tell myself that I've worked hard so I deserve it. After all, I've spent all day giving to others, why shouldn't I give myself a little something? Otherwise, what's the point of working?'

Lara's shopping habit was her automatic, unplanned reaction to stress at work. She felt powerless to resist even though she was running into debt. Lara needed to realize that shopping was not her route to happiness. She needed to Do Something Different.

As she racked up more debt, her dream of buying her own flat was rapidly dwindling. She wasn't proud of herself. When she thought of the rising pile of purchases she was hoarding, she felt sick. Eventually Lara realized that it was time to act rather than fret about a problem that wouldn't go away by itself. See page 93 for how she took control of her spending.

There is terminology aplenty to describe Lara's habitual overspending: shopaholic, addictive-buying behaviour, compulsive acquisition disorder; Professor Lorrin Karan from Stanford University would call it impulse control disorder while Jeffrey Schaler, author of *Addiction Is a Choice* believes such disorders and syndromes are nothing but irresponsible behaviour under a fancy name. Ultimately, the labels don't really help. We'd say Lara had a shopping habit, a pattern that is probably recognizable to many women, and was powerless in the face of it.

Get a grip on spending

We've seen how hard it can be to resist the pull of the shops, and how hard it is to turn your back on the very thing that will perk you up when you're feeling low. But it's important to try, and doing something different in order to distract yourself from your habitual response is a smart way to fight your reaction to overspend.

If you have trouble controlling your spending, these five simple tips will help to put the power back in your hands:

- **Take only cash**

Decide in advance how much you can afford to spend when you go on a shopping trip. Take that amount in cash and leave your credit cards at home.

- **Shop alone**

Shopping with friends usually leads to you spending more – you may be persuaded to buy something you don't really like or want. Shop alone or, if you need to shop with someone, choose your companion carefully.

- **Change your plans**

If one day of the weekend has become a regular shopping day, plan other activities for that day. Fun things that don't take you near the shops or involve overspending.

- **A small treat does the trick**

If you really can't bear to go home empty handed, Indulge yourself with a tiny, inexpensive treat – your favourite flowers, a soothing foot soak, an enticing novel.

- **Only shop when you're in good shape**

Never shop when you're hungry or unhappy. Hunger is guaranteed to make you fill your basket with the wrong type of food. And when emotions are high, rationality goes out the window and you're more likely to make the wrong purchasing decisions.

Here's one of our trainee Sheeconomists on this subject:

'I have to try and avoid going shopping when I've been feeling bad about myself because I spend money I don't need to spend, or can't afford. I know it gives me just a short high followed by a deeper 'down' . . . a kind of emptiness, swiftly followed by the guilt of knowing how stupid it was.'

Beat addictive tendencies

Compulsive shoppers – and they come from all walks of life – tell us they find themselves thinking: 'Did I really spend that much yesterday?' A shopping binge can bring on a horrible spending hangover. Lots of women tell us their shopping euphoria is followed by a profound sense of emotional emptiness. The effect on their bank accounts aside, they plummet into feelings of hollow regret, guilt and

shame – and how do they relieve these feelings? By going shopping.

When we use the word addiction in relation to shopping or spending, it's important to bear in mind that we're talking about psychological, not physical, dependence. A heroin or alcohol addict for example is physically dependent on their drug, the shopper or gambler is psychologically dependent on spending and betting respectively. Psychological research shows that many women go on spending sprees to fill an emotional void within themselves, or to overcome their frustration at not getting what they want from life: it's called compensatory consumption. For women such as these, spending becomes an escape route from personal problems. We cover this in our chapter on taking emotional control.

Women locked in compensatory consumption give money a power it doesn't have. But it does *not* have the power to solve problems, it is simply a means of exchange. Nonetheless, the emotional high that compulsive spenders get from shopping is enough to keep them hooked even though, not surprisingly, they feel let down in the end. Shopaholics describe physical symptoms including raised pulse rate, hyperventilation alongside psychological symptoms including an inability to walk away and a sense of euphoria as they make a purchase. Ask an addicted

gambler how they feel when they place a bet and the sensations will match.

This response is the result of the brain's natural reaction when it anticipates a reward. Put simply, the brain's 'pleasure circuits' become activated, a chemical called dopamine is released and, ultimately, this triggers the physical and emotional symptoms we describe as a thrill or excitement – and people can get 'addicted' to the high. But after the high comes the crushing low – the shame over crippling debts, guilt about all the unopened shopping bags under the bed. This, so often, is what has sent so many women in search of professional help.

A lot of people overspend from time to time but any problems such as occasional expenditure might throw up are in general, soon fixed. The compulsive shopper will persist in her psychological addiction to spend regardless of the consequences – debt, family break-up, emotional breakdown, whatever.

You may or may not know if you have a problem with overspending. Are you reading this and thinking 'That's me!' – whether you are or not, we urge you to complete our Am I Addicted? questionnaire:

AM I ADDICTED?

If you are worried that you may have a serious problem and it's getting out of control, these questions (adapted from addictions.co.uk) will help you decide whether you need further advice or help.

- Do you regularly spend more than you can afford?
- Does your spending ever cause upset to your friends or family?
- Do other people tell you that your spending is a problem or out of control?
- Are you more likely to spend compulsively when you feel low?
- Does going shopping when you're low or feeling overwhelmed lift your mood?
- Do you often find that you spend far more than you initially intended to?
- Do you ever feel that you can't stop yourself spending once you have started?
- Do you experience negative emotions after a spending spree (shame, remorse, guilt, self-hatred, a sense of hopelessness)?
- Have you ever spent money in order to try to get rid of your negative emotions?
- Have you ever, unsuccessfully, tried to seriously cut back on your spending for any length of time?
- Has your spending problem or debt ever made you think about ending your life?
- Do you carry on spending even though you're still coping with the consequences of previous episodes; i.e. adding to already high debts?

Did you answer yes to more than three of the questions?
Then it's time to confront the seriousness of your problem.

When negative emotions lead to spending and spending leads to euphoria then self-loathing, It's time to seek help. You could talk to your GP or seek out a coach or therapist who might help you address whatever issues are at the root of your problem, such as low self-esteem or relationship difficulties.

Delay gratification

Young children want instant gratification. Ask a three year-old if she'd like one sweet now or the whole packet tomorrow – she'll take one sweet now. But an adult who is offered £1 now or £10 in a month would usually exercise enough self-control to hold out for the £10. We do all give in to the odd infantile quest for momentary pleasure now and again and the occasional lapse of self-control is fine. If such lapses become habitual and excessive – be it to do with drinking, eating, spending – lives can be wrecked.

DO SOMETHING DIFFERENT: LEARN TO SAY NO

- Practise saying No to your demanding inner child and to others.
- Do you prefer to spend your money on an instantly gratifying treat rather than invest and earn a bit of interest on it?
- Next time you're tempted to indulge, just say 'No'.
- Don't think of it as deprivation, turn it around and see it as a way of wielding power.
- Happiness does not depend on trinkets and designer labels.

Spending with power involves keeping the hedonistic, pleasure-seeking parts of our brain in check. Research from the newly emerging field of neuroeconomics shows that spending decisions are a trade-off between the pleasure and the pain regions of the brain.

In experiments looking at the effects of spending on the brain, Brian Knutson of Stanford University in the US found that, when people are weighing up whether to buy something and how much to pay for it, their brain scans revealed a 'hedonic competition between the immediate pleasure of acquisition and the equally immediate pain of paying'. So that's why the Buy Now, Pay Later deals are so tempting.

We live in a world where we're told we should never have to wait for anything. We can have all the pleasure now and put off the pain until later. Buy that sofa you adore today and just hope you still love it five years hence when you have to start paying for it. Credit cards are a dangerous way of delaying the pain – they should be called debt cards.

Once you can spend with power you start to make the right choices in life – saying 'yes' to some things, while happily giving others the big N-O. The economist Ross Gittins says the power lies in the realization that we have 'present selves' and 'long-run selves'. Your present self is

the instant gratifier, the one that screams, 'Have it! Now, now, now!' It only cares about today and thinks nothing of blowing out on the credit card and passing on the costs to your 'long-run self.' The delaying long-run self – that's the sensible bit – knows all about the advantages of waiting, of holding off spending today in exchange for wealth and security in the future.

Many of the women we've spoken to tell us that their present selves always win when it comes to their passion for shoes and handbags. That's when bills don't even get a look in. We've come across loads of women with a serious shoe habit that extends to literally hundreds of pairs. The transformative power of shoes must be what appeals – you can go from drudge to seductress in seconds. How about that for instant gratification?

But if the next pair of killer heels could push your bank balance into the red here's a DSD that will switch on the sensible part of your brain.

DO SOMETHING DIFFERENT: MAKE A CHOICE

Whenever the 'gotta have it' feeling has you reaching for your credit card, switch off the auto-pilot by asking yourself the following questions:

- What does this purchase represent to me?
- Do I really need it?

- Can I get it cheaper somewhere else, or for free?
- Would spending money on it make it harder to meet my goals?
- How would I feel if I bought it?
- How would I feel if I didn't buy it?

By asking yourself searching questions such as these you start to put your mind back onto your money. Spending with power is all about spending consciously.

Tidy up your purse

The artist, Tracey Emlin, reads keys. She says she can tell a lot about a person from the number of keys they have, the number of redundant or unassigned ones, the general appearance of the key ring and so on. It sounds a bit far-fetched but, when you think about it, your appearance and how you deal with your personal belongings do reflect aspects of your character – such as whether you are tidy or sloppy, organized or all over the place.

It follows, therefore, that your attitudes to money are probably reflected in the state of your purse. If you need to improve your money-management you might start with your purse. Is it bulging with ancient, faded receipts and out of date membership and business cards, or is it a model of neat organization?

Overall, your purse is a pretty good indicator of how much you respect money. Personal finance guru Suze Orman says that people who don't respect money are less likely to keep it while those who respect it are better at handling it – and at getting it. Their finances are more likely to be well-organized – and they are more likely to be well-off. Which are you?

What's your purse-onality?

Take a look at your purse now – what does it say about you?

- **Does the style of purse reflect your attitude to money?**
Is it smart and business-like? Funky and frivolous? Is it maybe a bit young for you (and reflects an immature attitude to money)? Or is it a designer copy because image is all-important?
- **Are the notes crisp and stored flatly, all facing the same way? Do you have them in order, lower denominations going up to larger ones?**
Or are they just stuffed in, jumbled up with receipts, tickets and old shopping lists? How much clutter is there?
- **Do you have a small amount of change?**
Or is it bulging with coins – perhaps because you break into a new note every time you buy something? Or have you never bothered to remove those foreign coins after last year's holiday?

- **Does it contain just one credit card and one debit card?**

Or have you got a full set – every type of credit card and one for almost every store you've ever visited? Do you have to perform a juggling act with them whenever you pay for something?

- **Is it emergency proof?**

Is your name and address in your purse, to increase the chances of getting it back if lost – or even in the case of a medical emergency?

Is only essential information kept there? E.g. PIN numbers are never stored with the cards they relate to.

Wake up to where the money goes

Noticed how pay rises seem to evaporate? When your salary increases does your spending do the same?

Then you're no better off – it's called salary creep. In order to have more money, you need to spend less – obvious, really. In fact, cutting back on your spending can be like getting a pay rise. Just as one teeny extra biscuit a day can add up to pounds of extra weight over a year, those trivial daily purchases would, over time, translate into a more significant cash equivalent than you might imagine.

For example, if your Starbucks habit costs five pounds a day, you'd save more than £1,000 a year if you were to buy a flask and boil the kettle. And buying bottled water?

DO SOMETHING DIFFERENT: LOG YOUR SPENDING

If you have a spending problem, then it's time to find out exactly how much you're spending, what you're spending it on. But, importantly, you also need to know *why* you're spending.

- Keep a daily spending diary.
- As well as recording everything you spend, note down how you're feeling and the times of day that you shop. This will help you to wake up to the habits you're subconsciously repeating and the triggers that spark off a spending binge. It will also help you to spot your wants and needs so that you become more aware of your spending habits, and less reactive.
- Take a diary or notebook everywhere with you for a week and write down absolutely everything you spend.

Track your spending

You can make your money stretch further by working out precisely where it's going. Facing up to where your money goes is often the hardest part of the process but once you've done that it just gets easier.

This is an exercise well worth doing – you don't have to have to be on the brink of financial disaster to benefit from it. If you're working toward any goals, just take a look at your cash flow and adjust what you are spending to make ways of funding them. Simple.

And adjusting your spending does not mean living on bread and water, it's about having power over what you do with your money so that it doesn't control you. It's about minding your money, rather than spending mindlessly – it does not have to be a no-fun policy.

You probably have more than a sneaky feeling about what your spending weaknesses are. Even so, it's worth getting out your bank statements, chequebook stubs and credit card bills to review the full picture – are some of those necessities really luxuries in disguise? Be honest with yourself, face up to your spending demons and try to spot exactly where all your money goes. Remember, life's a lot more fun when you know all your bills have been paid.

We've found this exercise has helped lots of our trainee Sheeconomists. It's something you need to do over the long term, but we're sure you'll find it useful. Fill in the Income and Spending worksheet at the end of this chapter or download it from our website at www.sheconomics.com

See the exercise as a way of learning about yourself and to helping you get the things that really matter to you in life.

Here's our step-by-step guide to getting the most out of it. (If you have joint finances with your partner, do the exercise together.)

1. Note down your take-home pay – how much you earn *after* tax and other deductions. And add any other income that you receive, like tax credits, child benefit and rental income.
2. List all your direct debits and standing orders – mortgage, loans, insurances, utility bills etc. Get the figures from your bank statement or you can ask your bank to send you a list.
3. Record your day-to-day spending: food, petrol, drinks, taxis etc. These are costs that tend to vary from month to month.
4. Keep a spending diary. It's the easiest way to track everything you spend. It highlights your spending habits and where the money leaks are.
5. Write down any occasional spending: car repairs, holidays, gifts etc. This is the area that trips most of us up – we're doing OK then we're hit with three big expenses in one month.
6. Work out the monthly equivalent of these occasional costs (so they won't take you by surprise in the future).

Annual costs have to be divided by twelve. For the monthly equivalent of a quarterly cost, divide it by three.

Lara's story

Remember how badly out of hand Lara's spending had become? Rising debt, no hope of owning the home she longed for. And how low her self-esteem had sunk – she felt sick at herself. To her great credit Lara decided to face up to the fact that she had a problem, got to the root of it and took control of her spending.

When Lara did the Income and Spending exercise she was surprised at how much her spending on coffee and croissants added up to – just £2.80 a day amounts to well over £50 a month. But the biggest shock was her monthly clothes spend, which added up to the size of a small mortgage, and it was this that spurred her to take positive action.

Instead of reaching for her habitual shopping fix she said 'no' and started to tackle her stress by Doing Something Different. She began to break her shopping habit when she joined a dancing class two evenings a week after work. That helped her burn off negative emotions in a way that was healthier for her mind, her body and her bank balance.

Feeling energized and more motivated, Lara then committed to a cash only regime. She worked out an affordable weekly spending allowance, divided it by seven and just took that amount out with her every day.

At first, leaving her credit cards at home felt like abandoning an old friend, but for the first time Lara felt what it was like to spend with power, to exercise her own control and, with that, her self-esteem improved and her anxiety began to abate.

Tracking her spending helped Lara start spending with power.

One of our trainee Sheeconomists discovered the power that tracking her spending gave her and knew she'd never want to go back to how she was before:

'I got myself into a lot of debt and knew something needed to be sorted out. I write everything down monthly: my outgoings and what I have left out of my wages – then everything I spend through the month gets taken off as I go along, so I know where I am with my money all the time. I have been tracking my spending for three years now and I wouldn't go back. I've long since stopped going shopping for something to do – I don't

crave the buzz like I used to – and I've nearly cleared my debt.'

Tracking where the money goes will show up your spending triggers: working late means a takeaway, tough time at work means a shopping treat, anything with the word bargain on it. Identify your triggers and break old habits.

If you have money left when you deduct your expenditure from your earnings then you're in the black, congratulations. But before you throw a party to celebrate, remember, first you need to pay off any debts – and it would be wise to boost your savings towards the things you really want in the future. So, ideally, immediately divert any money you have after deductions towards debt, or into a savings account.

Tip

Try calculating three months' worth of spending and taking the average. That'll give you a more realistic idea of what you spend in a typical month. If you have online access to your bank and credit card accounts, have a go at downloading your statements onto a spreadsheet and analyse your spending this way. Or you can buy software, such as Microsoft Money, to do the analysis for you.

The power of a spending plan

Time to think budgets, but let's see it more as a 'power spending plan'. In the money tracking exercise you saw where your money has been going. The idea of a spending plan is now to give you the power over where it goes in the future. You can use it to work out which items of spending to prioritize and the ones you want or need to cut back on. If you owe money, you'll need it to help you work out a budget for repaying the debt. And, if you're starting to wake up to the need to make your money work for you, it'll help you figure out a way to fund a pension or other savings or investment scheme.

One of our trainee Sheeconomists described how she felt about her spending plan:

'I took my head out of the sand two years ago when I realized the [monthly] juggling of no disposable income and numerous credit card payments was a ridiculous place to be. I now have a set budget which I actually enjoy keeping to.'

You'll find a Monthly Spending Plan after the Income and Spending worksheet at the end of this chapter. Use it. Decide how much to allocate to each area of spending. For example, if you currently spend £400 a month on food and know you need to cut back, try reducing it to £300. Make this kind of adjustment

wherever you can. You know the areas of spending you can play with.

If you can't face doing this exercise on your own (or feel you're slowly losing the will to live) ask someone to be your mentor – maybe a non-judgmental friend who's good with money and willing to help out. When you've filled in your spending plan, give yourself a great big pat on the back and put it somewhere safe so that you can refer to it easily and keep it prominent in your mind. You could also ask your mentor to meet up with you from time to time to help you stick to the plan and monitor it.

Most spending plans fail either because they're not realistic – like if you currently spend £200 a month on clothes but allow not a penny for clothes in your budget – or because nothing has been set aside for occasional expenses like annual car services, dentist's bills and holidays that come along and blow the budget. And don't underestimate the cost of the little things like snacks and newspapers, which soon add up.

Try some of the suggestions below then we'll move on to how to monitor your spending plan.

Tip

It's hard to keep track of cash spending. Keep a check on how much you withdraw in cash each month and

write down where it goes. From now on, get into the habit of keeping receipts for cash purchases, particularly if you're a regular visitor to hole-in-the-wall cash machines.

Ten ways to release your inner miser

- 1. Shop around for the best deals** Don't automatically renew your mortgage with your existing lender or your car and household Insurances with your current Insurer. And certainly don't be tempted to use one lender for all your debt. Get yourself an Independent broker for your mortgage and try www.moneysupermarket.com for comparing loans and household Insurances.
- 2. If you owe money on credit cards** Transfer the balance to one offering an Introductory rate of 0 per cent. Use any spare cash to reduce the debt, rather than waste it paying Interest. Look at the best-buy tables in weekend newspapers or visit a comparison website like www.moneyfacts.co.uk to find cards offering the best deals.
- 3. Slash your gas and electricity bills** Tariffs offered by different providers do vary so use an energy comparison site such as www.uswitch.com or www.switchwithwhich.co.uk

4. **Use price comparison websites** If you're after a new MP3 player, washing machine etc. Check out online offers and do a price comparison (e.g. www.kelkoo.co.uk) before shopping on the high street. Check out websites that give you the secret codes for getting money off your online shopping (e.g. www.vouchercodes.com). And you can earn money while you shop online through cash-back shopping sites such as www.greasypalm.co.uk
5. **Find the cheapest place to buy petrol** Visit www.petrolprices.com
6. **Search out the cheapest tariffs for phone calls** Visit www.18185.co.uk for cheap calls to UK numbers, as well as good International rates. And www.onecompare.com for the best mobile phone deals. Check out other tariffs at least once a year to see if you're getting the best deal. And try negotiating money off your mobile phone bill instead of upgrading your phone.
7. **Check what you're paying on each insurance policy** and in exactly what circumstances the policy would pay out. Decide whether they're worth having and if so, whether you could get any of them cheaper. Don't be hoodwinked into buying financial products that you don't need – like payment protection on your loans. Shop around for home, car and travel insurances by visiting www.moneysupermarket.com

And try www.cavendishonline.co.uk for cheap life and critical illness insurance.

- 8. Have money-saving rules and stick to them** Only order tap water with a meal, don't buy takeaway coffee, steer clear of ATMs that charge for withdrawing cash, never withdraw cash from your credit card, return clothes/goods that are no good. Only use the minutes and texts allowed within your mobile phone tariff and never phone non-geographic numbers like 0845 or 0870 but use www.saynoto0870.com to find alternative numbers instead.
- 9. Stop lining the gym-owner's pockets** If you don't go regularly, switch to a pay-as-you-go gym and ditch the direct debit.
- 10. Become an old haggler!** Barter goods and services by joining your Local Exchange Trading Schemes (LETS). You can 'buy' goods using tokens and 'earn' tokens by providing a service back, e.g. baby-sitting or window cleaning. Check in your library for any local scheme. And try haggling in shops too – you may be pleasantly surprised. Visit www.howtohaggle.com

DO SOMETHING DIFFERENT: TRIM YOUR FOOD SHOPPING

Our appetite for luxury, gourmet food is denting our bank balances. Try one or more of these ideas for reducing your food shopping bills:

Make a list before you go shopping

Stick rigidly to it and you'll avoid impulse buys 'falling' into the basket.

Do your shopping online

Despite the delivery charge it limits how much you spend and is the best way to keep to a food budget. Visit www.mysupermarket.com to compare different supermarket prices. And check out www.madaboutbargains.co.uk and www.fxtureferrets.co.uk for offers and promotions from the main supermarkets.

Buy seasonal and locally produced food

It's often cheaper and cuts down on food miles – a greener way to shop. Look out for local farmers' markets, farm shops and fruit and veg markets. If you drop by before they pack up for the day you can buy stuff for a fraction of the full price.

Avoid high-priced brand name products

Supermarket own-brand products are cheaper options. Pick up an own-brand can of tomatoes or pasta and, usually, you can't taste the difference.

Target your shopping

Don't look down on stores like Lidl: they can be great for certain goods, like tinned food, bulk loo paper, fabric conditioner and cleaning products.

Don't get sucked in by special offers

Buy one get one free is only a good deal if it's for something you'd normally buy and is non-perishable or freezable. If you just end up eating twice as much or binning one that goes past the sell-by date, it's madness.

Make use of what's in the cupboard

The food waste in this country is shameful. Four million tons of perfectly good apples get binned every day. Check out www.lovefoodhatewaste.com to see what delicious dishes you can cook up from your bread crusts and a broccoli stalk.

Monitoring your spending plan

So you've got your spending plan sorted. Now it's just a case of keeping to it. There are various ways of doing this, but one great way is to get into the habit of regularly downloading your bank statement onto a spreadsheet (ask the bank if you don't know how) and using it to keep a close eye on different areas of spending. If counting every penny feels too obsessive, then just monitor those areas of spending that you're trying to cut back on – especially any personal spending vices. For a lot of the women we spoke to they include: eating out, taxi fares, clothes and presents. Keep a spending diary to record those expenses whenever they crop up and regularly check them against your plan.

The more you do it, the more routine it will become and the more you'll enjoy being in control. If you've been plagued by out-of-control feelings in the past, this will give you a kick that many clients say feels as good as the buzz they used to get from shopping.

Here are some ideas to help you stick to the plan:

- **Pay your fixed monthly costs by direct debit** Make sure they go out just a few working days after your salary hits your account. Then you'll know that the important stuff's paid for and thus what's left for the month. And you'll only need to monitor variable and occasional costs.
- **Use cash to help you stick to a budget** Calculate an affordable weekly spending allowance for things like going out, clothes, drinks, books, CDs, etc. Then take enough cash out at the start of the week to cover those and make it last the week. No cheating though.
- **Don't be too rigid with your plan** If you need to overspend in one category, don't feel like a failure. Just try to reduce spending in another area that month.
- **Find a way of making it fun** Set yourself mini goals. Maybe save by not eating out one month and inviting friends for dinner and asking them to each bring a course.

- **Avoid using credit cards** There's nothing more disheartening than paying a bill six weeks after your shopping trip. Use a debit card instead so that you can keep a better track of spending.
- **Record everything you spend against your budget** Use a notebook or computer spreadsheet to do this. Divide it into sections for each type of expense, like food, petrol or travel expenses, and have a column for the cost and another column for what's left in your budget. Then, when you buy something, note it down in the appropriate section and work out what you've got left to spend that month.
- **Plan a way of spreading the cost of occasional expenses** For example, start a holiday savings account and put away a bit each month. The same goes for car repairs and presents. By opening a savings account with your main bank, you can transfer money quickly and easily between accounts. This way you'll have the money when you need it, rather than a big dent in your finances every few months. Don't kid yourself that these are real savings though – they're more for planned future spending – so you ideally need to build up some additional savings for emergencies.

Sometimes a day-a-week doing – or not doing – something acts as a reminder and stops those bad habits creeping back in.

It could look something like this:

Money-free Monday Your no-spend day

Tally-up Tuesday The day you block out thirty minutes to tot up the figures

Walk-to-work Wednesday Leave the car at home and walk at least part of your journey

Take-your-own-lunch Thursday Pack up a healthy treat

Frothy-Friday The only day you indulge that cappuccino habit

Make up a few of your own. Add monthly checks too, like aiming to have at least two shop-free weekends a month.

Do build in plenty of feel-good, cheap and cheerful treats that will take the place of your spends. When you're being pulled by a strong desire to spend, try and feel a sense of pride at having got your finances under control. If you're denying yourself all the time it'll rebound on you, as this trainee Sheconomist found:

'I want to spend money when I don't have any, and when I'm trying to be good by depriving myself and trying

to stay within budget – that's when I seriously go mad and spend, spend, spend.'

Don't let economizing turn you into a miserable grump and be careful about getting trapped in self-limiting beliefs. So what if you've messed up in the past? Learn from previous attempts and believe that this time it'll be different. Think positively and focus on what you have, not on what you think you should have. It takes willpower but it will transform your outlook – you'll start feeling richer. The key thing is to be motivated, to stay in control and to spend with power.

Retail 'therapy' is a myth: find alternatives

In a nutshell, shopping is not the route to happiness. But what do we replace it with? When it comes to putting a spring in our step, what can top a new pair of shoes? Or a Mac lipstick for putting a smile on our face? We all need rewards and treats in our lives – we deserve them, don't we? But take a close look at what we really need and we'll see it doesn't come with a receipt. The solution to regaining real and lasting happiness is to get our highs from life, not from shopping.

More than half the women in our survey said they would spend less if they had other ways of cheering themselves up. Modern life has squeezed out those other ways and, for many women, it seems shopping is all that's left for them. To counter this we have to strip money of the power

we've deluded ourselves it has as a cure-all. It's time to refocus on what really makes us happy in life.

What would you save if your house was burning down? Would you battle through the flames to grab your Gucci handbag? Researchers have asked people about their most treasured possessions. Women name photographs, love letters or memorabilia – relationships and meaningful experiences matter most to us. Women's most treasured possessions are loaded with sentiment so that, when push comes to shove, we actually don't give a damn about all that other stuff we've been so busy accumulating. For men it was cars and music – they value their possessions in a more pragmatic way.

When the going gets tough, it's a fact that the not-so-tough go shopping. More than half of the women we surveyed told us they shop when feeling low. More than a third of women suffering from depression reach for the retail equivalent of Prozac – that is, they shop in an attempt to cure themselves. Except it doesn't work.

It is a myth to think that shopping can be a cure for feeling down and escaping worries, and to refer to shopping as retail *therapy* only keeps the myth alive. Spending does not cure depression. Indeed, it can cause depression: all the problems overspending stores up for the future can only add to the underlying problem.

The Office for National Statistics says that one in four of women's trips outside the home is for shopping. Also, according to research by GE money, UK women spend more than eight years of their lives shopping. Stop and think about that for a moment. More than eight years. That's twenty-five thousand, one hundred and eighty-four hours and fifty-three minutes, to be depressingly precise.

Mull over that eight years next time you're queuing to hand over your hard-earned cash for another object of desire that a merciless marketing person has seduced you into thinking that you can't live without. Just imagine what you could achieve with eight years of time to play with. Think what you might do that would really make you feel good: an Open University degree, perhaps, or even a doctorate, learn to play a musical instrument, run a marathon or learn to speak Mandarin.

By rediscovering – or discovering for the first time, perhaps – that you can find pleasure in the non-material you'll know what real, lasting happiness feels like. It'll do wonders for your self-confidence and it will provide positive proof to dispel the retail therapy myth. It's all about breaking your shopping habit and regaining control of your life.

Some of the alternatives to shopping that we're proposing you try here will probably surprise you and may, on the face of it, not look that exciting or appealing. Nevertheless, all the suggestions are founded on solid, psychological recipes for happiness and wellbeing. Giving away money for example. Research has shown that giving money away makes us happier than spending it. Student participants were given money and told either to spend it on themselves, or on someone else. Those who had to spend on another measured higher on happiness scales than the ones who'd indulged themselves. So, handing over £20 to a friend in need should, in theory, make you feel better than handing it to the sales assistant in Top Shop.

Life enhancing, me-nurturing things to do instead of shopping

Stay in and cook

Time spent being creative in the kitchen yields more treats and more joy than shopping. There's nothing like the smell of home cooking wafting through a warm kitchen to make you happy. Food is, after all, one of our most basic pleasures. Why spend money on an improbably coloured, overpriced ready meal when you can create something delicious in your own kitchen? Baking a cake is loads more satisfying than buying one and a humble tin of chickpeas turns into

hummus at the whiz of a food processor's button and the squeeze of a lemon. And soup-making is ridiculously easy, unbelievably healthy, cheap and satisfying too.

Spend time with people you value

Our most precious moments in life come from connecting with people who matter to us, not gazing into shop windows. If you invest in family, friends, neighbours or colleagues you're less likely to experience loneliness, depression or eating and sleeping problems. Starting new friendships or rekindling old ones, walking the children to school, spending time with a neighbour or elderly relative can all make you feel good. Make the effort to join neighbourhood groups, community organizations, charities or clubs. These social support systems are vital to self-nurturing, bring long-lasting rewards and are a distraction from spending money.

Plant or grow something

Can you remember the excitement you felt as child when some seeds sprinkled onto cotton wool magically sprung up days later into mustard and cress? Recapture that sense of achievement by planting bulbs, seeds, herbs . . . anything you like. Try growing your own food: you don't need much space to grow salad leaves and herbs. A packet of rocket seeds will keep you in leaves all summer – no more

expensive, meanly packed bags of leaves for you. Or, consider sharing an allotment with friends – if you can get hold of one, they're highly sought after these days. People who share their offices with indoor plants are less stressed than those whose offices are devoid of any greenery. Even caring for plants has health benefits; elderly nursing home residents who tended a pot plant lived longer than those who didn't.

Enjoy thrift

Clothes swapping, thermos carrying and packed lunches and good, old-fashioned tap water are all gaining appeal with the Sheconomist. Not only are you saving money, you'll be doing your bit for the planet, too. Walking or cycling to work is cheap and healthy and you'll arrive at the office feeling really uplifted from the buzz that exercise gives. You can still enjoy treats but search out some cheap ones: give up £50 facials, instead buy a 99p mudpack from Superdrug and feel secretly smug when no one notices a jot of difference.

Slow down when you shop. Stores hide the best bargains away and push the things they want you to buy in your face. Better still, shun supermarkets and shop locally and at farmers' markets instead.

Expand your mind

A cultural experience will excite your brain cells and keep you contented for longer than any shopping expedition. Cinema, theatre, a concert, the opera, a ballet, the circus etc: go to something you've never tried before. When did you last visit an art gallery or museum? If the last time was in the company of your schoolteacher, go back now and discover the (free) treasures and pleasures you've been missing. And when did you last read a book that really made you think? Try swapping your local for the library one lunchtime. New passions will excite you and boost your self-esteem.

Get outside

If your day goes something like this: home-car-train-office-shop-office-pub-train-car-home you're probably not exposing yourself to enough daylight. You need a burst of sunshine to make vitamin D (also known as the sunshine vitamin because it increases energy and has health benefits). Take a nap in the park, soak up the winter sunshine, sit outside a café and people-watch, feed the ducks: however chaotic your life is, you'll feel your mood lift and your problems shrink. Research has also shown that a walk in the country boosts self-esteem, whereas a walk round a shopping centre lowers it, so what better reason to don the walking boots?

Visualize the new you

Visualization is a way of using your mind to help you achieve an aim. Put simply, it's based on the premise that if you concentrate on imagining that something is so then it will, in reality, become so.

Concentrate and imagine yourself and a group of friends sitting around chatting. The conversation turns to money and the horror stories emerge: unpaid bills, astronomical credit card debts, uncontrollable spending binges . . .

Imagine that you sit and listen to these stories sympathetically, but with a comforting sense of relief and more than a little smugness – because you sleep soundly knowing that your bills are covered and your credit cards are paid off. You know that you have the self-discipline to rein in your spending when you need to, yet you have a great quality of life, too. You reap huge joy from the non-material aspects of life. You feel strong, confident and powerful.

My Sheconomics Checklist

Law 3

How are you doing on spending with power ✓

I am my own person and can resist media/celebrity pressure	
I don't get my kicks from shopping and don't need a regular 'fix'	
If I want something I am happy to wait for it, and save if necessary	
I know my rights – asking for refunds or discounts doesn't bother me	
I don't spend more than I earn each month and I know where my money goes	
I'll Do Something Different if my spending gets out of control	

Your Sheconomics Monthly Income and Spending worksheet

As you complete this worksheet, remember to bear in mind the
exercise on page 94.

Income	Monthly Equivalent
Salary paid after tax & other deductions	£
Child benefit/tax credits/state benefits	£
Maintenance payments	£
Interest/investment income	£
Rental income	£
Other	£
Total Income (1)	£
Direct Debit/Standing Orders	Monthly Equivalent
Mortgage/rent	£
Loan repayments (loans/hp)	£
Credit repayments (store/credit cards)	£
Council tax	£
Water/gas/electricity	£
House buildings/contents insurance	£
Service charge	£
Life/health insurance	£
Car insurance	£
Travel insurance	£
Pet insurance	£
Childminding/nursery/school fees	£
Landline telephone/Internet/mobile phone	£
TV licence/rental/Cable or Sky TV	£
Pension contributions (if not deducted from pay)	£
Regular savings/investments	£
Other	£
	£
	£
	£
	£
Total Direct Debits/Standing Orders (2)	£

Variable Day-to-Day Costs	Monthly Equivalent
Bank charges	£
Food/household expenses/toiletries	£
Cosmetics	£
Cigarettes	£
Petrol	£
Travel expenses (including taxis)	£
Classes/pocket money for the children	£
Vet bills	£
Cleaning (car/windows/house)	£
Laundry/dry cleaning	£
Hair-/nail-care/beauty treatments/massage	£
Eating out/entertainment/drinking	£
CDs/books/magazines/newspapers	£
Hobbies/clubs/sports	£
Clothing & accessories	£
Coaching/counselling	£
Charity	£
Lunch at work/snacks	£
Unallocated cash spending	£
Other	£
	£
	£
	£
Total Variable Day-to-Day Costs (3)	£
Occasional Spending	Monthly Equivalent
Car tax/service/repairs/MOT	£
Furniture/home improvements	£
Dental/eye care	£
Child/school expenses	£
One-off goods (e.g. electrical items)	£
Trips to visit family	£
Cards/gifts (including Xmas)	£
Holidays	£
Other	£
	£

	£
	£
Total Occasional Spending (4)	£

Summarize the totals in the table below:

	Monthly Income	Monthly Spending
Total Income (1)	£	
Total Direct Debits/Standing Orders (2)		£
Total Variable Day-to-Day Costs (3)		£
Total Occasional Spending (4)		£
Totals	£	£

Disposable Income = Monthly Income minus Spending £

Your Sheconomics Monthly Spending Plan

Income	Monthly Equivalent
Salary paid after tax & other deductions	£
Child benefit/tax credits/state benefits	£
Maintenance payments	£
Interest/investment income	£
Rental income	£
Other	£
Total Income (1)	£
Direct Debit/Standing Orders	Monthly Equivalent
Mortgage/rent	£
Loan repayments (loans/hp)	£
Credit repayments (store/credit cards)	£
Council tax	£
Water/gas/electricity	£
House buildings/contents insurance	£
Service charge	£
Life/health insurance	£
Car insurance	£
Travel insurance	£
Pet insurance	£
Childminding/nursery/school fees	£
Landline telephone/internet/mobile phone	£
TV licence/rental/Cable or Sky TV	£
Pension contributions (if not deducted from pay)	£
Regular savings/investments	£
Other	£
	£
	£
	£
	£
Total Direct Debits/Standing Orders (2)	£

Variable Day-to-Day Costs	Monthly Equivalent
Bank charges	£
Food/household expenses/toiletries	£
Cosmetics	£
Cigarettes	£
Petrol	£
Travel expenses (including taxis)	£
Classes/pocket money for the children	£
Vet bills	£
Cleaning (car/windows/house)	£
Laundry/dry cleaning	£
Hair-/nail-care/beauty treatments/massage	£
Eating out/entertainment/drinking	£
CDs/books/magazines/newspapers	£
Hobbies/clubs/sports	£
Clothing & accessories	£
Coaching/counselling	£
Charity	£
Lunch at work/snacks	£
Unallocated cash spending	£
Other	£
	£
	£
	£
	£
Total Variable Day-to-Day Costs (3)	£
Occasional Spending	Monthly Equivalent
Car tax/service/repairs/MOT	£
Furniture/home improvements	£
Dental/eye care	£
Child/school expenses	£
One-off goods (e.g. electrical items)	£
Trips to visit family	£
Cards/gifts (including Xmas)	£
Holidays	£
Other	£
	£

	£
	£
Total Occasional Spending (4)	£

Summarize the totals in the table below:

	Monthly Income	Monthly Spending
Total Income (1)	£	
Total Direct Debits/Standing Orders (2)		£
Total Variable Day-to-Day Costs (3)		£
Total Occasional Spending (4)		£
Totals	£	£

Disposable Income = Monthly Income minus Spending £

Index

Note: Page numbers in *italic* denote entries in the glossary section.

- addictive tendencies (shopping) 80–84
- Additional State Pension 303, 327
- Additional Voluntary Contributions (AVC) schemes 304, 327
- advertising 65–8
- advice agencies (debt) 204–05, 255
- AER (Annual Equivalent Rate) 286, 327
- alternatives to shopping 71–2, 79, 106–13
- anger-driven spending 19–20, 40–41, 75
- Annual Equivalent Rate (AER) 286, 327
- Annual Percentage Rate (APR) 286, 327
- annuities 301, 327
- antiques 295–296
- APR (Annual Percentage Rate) 286, 327
- art 295–96
- assets 327
- AVC (Additional Voluntary Contributions) schemes 304, 327
- aversion to money 20–21
- bank base rate 298, 327
- bankruptcy 211–12, 328
- bargaining 23, 100, 194, 195–6
- bargains 27–8, 74
- beliefs about money **32–62**
 - case studies 35–6, 38–9, 40–42, 43–5, 56–8
 - changing 34–7, 53–61
 - checklist 62
 - earnings levels 47–50
 - millionaires 51–2
 - recognizing 37–42, 52–3
 - self-efficacy 45–7
 - self-fulfilling 37
 - unrealistic 42–5
- best deals, locating 98–100, 101, 214
- bills, paying 98–9, 217–18
- bonds 139, 290, 292–4, 328
- borrowing *see* debt
- budgets *see* spending plans
- business start-up loans 164
- Buy Nothing Days 72
- buy-to-let mortgages 166, 328
- capital 328
- capital gains tax 248, 249, 328

- career-related debt 163–4, 328
- cash 79, 103, 278, 329
- cash flow 90–96, 98, 115–17, 231
- cash ISAs 139, 265, 285, 329
- cash withdrawals (credit cards) 180
- cash-back deals 167, 209
- charges *see* fees and charges
- childhood, origins of money attitudes and beliefs 24–9, 234–35
- children 240–46
- Citizens Advice Bureau 204
- clothes 67–71
- clubs, investment 294–5, 333
- co-dependent spending 74–5
- compensatory consumption 81
- competitive spending 73
- compound interest 176–8, 329
- consolidating debts 181–2, 198–200
- consumer confidence 72–3
- Consumer Credit Counselling Service 204
- contracting out (Additional State Pension) 329
- contributions (pensions) 304, 306–07
- cooking 110
- credit cards 104, 165–7, 173–4
 - see also* debt; store cards
 - cash withdrawals 180
 - cash-back deals 167
 - destroying 195–6, 199
 - funding day-to-day living 180–81
 - interest 181, 198–9, 286
 - interest-free deals 98, 166–7, 172–3
 - repayments 178, 179, 189–91, 196–7, 202
- credit levels (UK) 162–3
- credit rating/score 170–72, 197, 329
- credit reports 170–71, 197, 329
- creditors 203–4, 329
- critical illness cover 330
- current accounts 209
- dates (relationships) 217–18
- day in the life of a top Sheconomist 321–26
- day-to-day living, funded by credit cards 180
- death of partner 249, 251, 252
 - see also* inheritances
- debt 160–214**
 - see also* credit cards
 - advice agencies 204–06, 256
 - assets that are liabilities 173
 - blogs 256
 - borrowing to invest 168–70
 - career-related 167–8, 328
 - case studies 160–61, 189–95, 205–08
 - checklist 213
 - consolidation 181–2, 198–200
 - consumer credit levels 162–3
 - credit rating 170–72, 197, 329
 - and emotional crises 182–3
 - emotional responses to 191–2
 - funding other debt 175, 181
 - hire purchase 198, 332
 - listing 185–6
 - loans secured against home 181
 - management plans 185–8, 193–5, 196, 204–07, 214, 330
 - negotiating with creditors 203–04

- overdrafts 172–3, 181, 286, 334
- perspectives on 163–4
- protection plans 199, 300
- psychologically harmful 176
- store cards 179, 180, 181, 197
- unmanageable 210–12
- Debt-Free Me visualization 200
- delayed gratification 84–7, 183
- devaluation of assets 173
- direct debits 103
- discount brokers 330
- discounted mortgages 298
- disgust 20–22
- dividends 292, 317, 330
- earnings levels 47–50
- emotional response to money
 - 8–31**
 - case study 25
 - checklist 31
 - debt 182–3, 186–7
 - money personalities 29–30
 - negative emotions 13–24
 - origins in childhood 24–9, 234–5
 - reconditioning 30
 - Ultimatum Game 12
- endowment policies 299, 330
- equities (stocks and shares)
 - 139–40, 278, 279–80, 289–92, 330
 - see also investments
 - dividends 292, 317, 330
 - funds (general) 289, 291–2, 331
 - investment clubs 294–5, 333
 - ISAs 139, 289, 292, 316–17, 330
 - share schemes 275–6, 336
 - sweepstakes 288
- extra money, making 39–40, 208–10
- extras (film and television) 213
- fashion industry 68–9
- fear 15–19
- fees and charges (financial products) 200, 210, 289, 300
- Final Salary company pensions 304, 330
- financial coaches/therapists 256
- Financial Services Authority (FSA) 22
- fixed interest 278, 298, 331
- food 101–02, 111
- Free-Standing Additional Voluntary Contributions (FSAVCs) 331
- friendly society bonds 290, 331
- friends
 - buying property with 299
 - investment clubs 294–5, 333
 - money envy 222–5
 - presents 74–5, 224–5, 224
 - share sweepstakes 288
 - sharing financial intimacies 201, 216–7, 233, 259
 - shopping with 18, 79
- FSA (Financial Services Authority) 22
- FSAVCs (Free-Standing Additional Voluntary Contributions) 331
- FTSE indices 291, 331
- fuel bills 98–9
- fund managers 331
- funds 289, 291–2, 331
 - see also Individual Savings Accounts
- future, securing **261–320**
 - for major subjects see goals;

- investments; pensions; savings
- case study 267–9
- checklist 320
- employer benefits 275–6
- false sense of security 273–5
- financial ignorance/literacy 265, 277–9
- gender-specific factors 313–14
- ignoring 269–75, 312–13
- insurance 317–19
- letter to future self 320
- planning with partner 246–52
- risk 279–81
- gardening 111
- giving away money 22, 109–10
- goals **121–59**
 - see also* future, securing; savings; spending plans
 - age-specific 130–34
 - benefits of 125–7
 - case studies 127–9, 153–7
 - checklist 159
 - financial amounts, calculating 134
 - maintaining 147–8
 - making extra money 39–40
 - net worth 140–46
 - setting 136–40, 150–53, 158
 - long-term 138, 140, 141, 152
 - medium-term 138, 139, 141, 152
 - short-term 138–9, 141, 151–2
 - small steps 149, 151–3
 - top five Sheconomist goals 135
 - visualization 113, 129
- Group Personal Pension schemes 305, 332
- gyms 100
- habitual spending 73–80
- Hardy, Catherine 212–13
- health insurance 135, 317, 330, 335
- hiding spending and financial affairs from partner 252–8
- hire purchase (HP) 198, 332
- holidays 220–2
- home ownership *see* property
- home, working from 208
- HP (hire purchase) 198, 332
- ignorance (money matters) 22, 45–7, 282–4
- income tax *see* tax
- Individual Savings Accounts (ISAs) 332
 - see also* funds; savings
 - accounts
 - cash 139, 265, 285, 329
 - equity 139, 289, 292, 316–17, 330
- Individual Voluntary Arrangements (IVAs) 210–11, 332
- inflation 332
- inheritances 249–50, 284–5, 332
 - see also* death of partner
- insurance policies 99–100, 317–19
 - health 135, 317, 330, 335
 - life 135, 317, 318, 319
 - mortgages 300, 333–4
 - travel 221–2
- interest 332
 - AER/APR 286, 327
 - best deals 172–3, 203, 209

borrowing to invest 168–70
 compound 176–8, 334
 credit cards 172, 198–9, 286
 current accounts 209
 fixed 278, 298, 331
 mortgages 174–5, 181, 197,
 201–12, 286, 298–9, 333
 savings accounts 281, 284,
 285, 286
 interest-free deals (credit cards)
 98, 166–7, 172–3
 interest-only mortgages 173–4,
 197, 201–02, 298–9, 333
 internet 23–4, 261
 investment clubs 294–5, 333
 investments 278, **286–301**, 333
 for major subjects see equities;
 property; savings
 alternative 295–6
 borrowing to invest 168–70
 case study 292–4
 choosing 237–8
 couples 248
 goals 138–40
 returns 292–4, 296, 336
 tax-efficient 288, 289, 290, 302
 top tips 289–90
 ISAs see Individual Savings
 Accounts
 IVAs (Individual Voluntary
 Arrangements) 210–11, 332

 joint accounts 226–31

 letters, to future self 320
 liabilities 173, 331
 life insurance 135, 317, 318, 319
 logs 57–9, 90
 lost money, finding 209, 311–12

 lying to partner about spending
 and financial affairs 252–8

 market research 209
 mean men 240
 millionaires 51–2
 mind-expanding activities 112
 mindsets, money 60–61, 232–6
 MIP (Mortgage Indemnity
 Premium) 300, 333–4
 money envy 222–5
 money personalities 29–30
 Money Purchase company
 pensions 304, 333
 Mortgage Indemnity Premium
 (MIP) 301, 333–4
 mortgages 297–301, 333
 see also property
 as bad debt 174–5
 buy-to-let 170, 328
 case study 207
 comparing 299
 duration 301
 fees and charges 300
 goals 135
 as good debt 164–5, 169–70
 insurance 300, 333–4
 interest 172, 174–5, 181, 202,
 206–7, 291, 303–4, 338
 remortgaging 169–70, 175,
 206, 335–6
 repayment options 201–02,
 298–99
 savings-linked 285
 switching lenders 301

 narcissistic spending 74
 National Debtline, The 205
 national insurance 186, 334

nature, enjoyment of 113
 net worth 140–46, 265–6, 334
 non-priority debt 203–4, 334

 occasional expenses 104, 135
 offset accounts 285, 334
 organizing finances 17
 overdrafts 172–3, 181, 286, 334

 parties (product retail) 214
 partners *see* spouses and partners
 pay levels 47–50
 payment protection insurance
 (PPI) 198, 300
 Payplan 205
 pensions 252, 261–5, **301–17**,
 335
 alternatives to 316–17
 case studies 307–08, 311, 315
 company pensions, desirability
 265, 275
 contributions 304, 306–08
 failure to join schemes 312–13
 lost policies 311–12
 options (schemes) 304–06
 projected income 306–10
 reviewing 310
 state pension 261–2, 303, 315,
 327, 328, 337
 tax-relief 302, 307–08
 Permanent Health Insurance (PHI)
 335
 Personal Pension schemes 305,
 335
 petrol prices 99
 PHI (Permanent Health Insurance)
 335
 PMI (Private Medical Insurance)
 335

 pocket money (children) 244, 245
 power of attorney 319, 335
 PPI (payment protection
 insurance) 198, 300
 presents 74–5, 218–20, 224
 priority debt 185–6, 203–04, 214,
 335
 private letting relief 249
 Private Medical Insurance (PMI)
 335
 property 278, 296–301
 see also investments;
 mortgages
 buying with friends 299
 costs of buying 300
 couples 249–50
 investment potential 296–7
 loans secured against home 181
 protected rights 335
 protection plans (repayments) 203,
 300
 publications (investment products)
 289
 purses 87–9

 RAM (Running Away Money) 229
 records (spending) 89–96, 98,
 104, 115–17, 231
 reference anxiety 18–19
 relationships *see* spouses and
 partners
 remortgaging 169–70, 175, 201,
 335–6
 repayment mortgages 201–02,
 298, 336
 retirement *see* future, securing
 retraining 167
 revenge spending *see*
 anger-driven spending

- risk 279–81
- Rule of 72 (investment returns) 296
- Running Away Money (RAM) 229
- S2P (State Second Pension) 327
- save-as-you-earn (SAYE) schemes 275, 336
- savings 336
 - see also future, securing; goals; investments
 - case studies 282–3, 311
 - compound interest 176–8, 329
 - delaying 131–2
 - savings accounts 139, 281–6
 - see also Individual Savings Accounts
 - interest 281, 284, 285, 286
 - mortgage-linked 285
 - savings schemes (employers) 275, 276
 - SAYE (save-as-you-earn) schemes 275, 336
 - secured loans 181, 333
 - Self Invested Personal Pensions (SIPPs) 305, 336
 - self-efficacy in money matters 45–7, 265
 - selling (eBay) 214
 - SERPS (State Earnings Related Pension Scheme) 336
 - 7 Laws of Sheconomics 7
 - shame 22–4
 - share incentive plans 336
 - shares see equities
 - sharesave schemes 280, 336
 - sharing financial intimacies see friends; spouses and partners
 - shopping see spending
 - SIPPs (Self Invested Personal Pensions) 305, 336
 - spending, compulsive
 - addictive tendencies 80–84
 - anger-driven 19–20, 40–41, 75
 - combating see spending with power
 - fear-driven 18
 - hiding from partner 252–8
 - shame 23–4
 - spending habits 73–80
 - spending plans **96–106**, 328
 - see also goals
 - best deals, locating 98–100, 101
 - example 118–20
 - food shopping 101–02
 - maintaining 103–05
 - monitoring 102–03
 - rules 100
 - spending with power **63–120**
 - addictive tendencies 80–84
 - alternatives to shopping 71–2, 79, 106–13
 - case study 77–8, 93–4
 - checklist 114
 - consumer confidence 72–3
 - delayed gratification 84–7
 - habitual spending 73–80
 - purses (indicators) 87–9
 - resisting pressure/temptation 65–72
 - spending plans see spending plans (above)
 - tracking spending 89–96, 98, 104, 115–17, 236
 - visualization 113

spouses and partners, death of
 249, 251, 252
 spouses and partners, sharing
 financial intimacies **215–60**
 admitting financial problems
 255–9
 case studies 247, 256–8
 checklist 260
 children 240–46
 communication 236–7
 early stages of relationship
 217–18
 hiding spending and financial
 affairs from 252–8
 holidays 220–22
 joint accounts 226–31
 money mindsets 232–6
 planning financial future 246–52
 presents 218–19
 properties 249–50
 source of conflict 225–6
 tax considerations 248–50
 Stakeholder Pension schemes
 305, 336
 standard variable rate mortgages
 298
 State Earnings Related Pension
 Scheme (SERPS) 336
 state pension 261–2, 303, 315,
 327, 328, 337
 State Second Pension (S2P) 327
 statements, financial 253–4
 stock market 337
 stocks *see* equities
 store cards 179, 180, 181, 197
 see also credit cards
 student loans 167–8, 337
 sweepstakes (shares) 288
 targets *see* goals
 tax 248–50, 332
 capital gains 248, 249, 328
 credits 208
 inheritance 249–50, 332
 on interest 284, 285
 relief (pensions) 302, 307–08
 tax-efficient investments 288, 289,
 290, 302
 telephone tariffs 99
 text messages 225
 thrift, enjoying 111–12
 tracker funds 291, 337
 tracker-rate mortgages 298
 transfer fees (credit cards) 172
 travel insurance 219–22
 treats, small 79
 Ultimatum Game 12
 unmanageable debt 210–12
 unsecured loans 181, 200, 333
 utility bills 98–9
 visualization 113, 129, 200
 volatility 337
 wage levels 47–50
 wills 319
 wine 295–6