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**Navigating
Money
Markets
&
Men**

***A Modern Woman's guide
to financial independence***

Chapter 1

A new way to think about spending

Exchanging time for money

Let's start with your relationship with money.

We are all born with a set amount of time on the planet to realise our potential. We don't know how much time. That is one of life's great mysteries. We blunder along, thinking we have lots of time. This is our default position.

When we start to become aware of money, we become consumers. We want things. They are put in front of us. They are sold in bright colours with happy jingles and we are taught to desire. We didn't want these things before they were presented to us. They were sold to us. The desire was created out of nothing. This is marketing.

Our exposure to marketing starts at a very young age and becomes more pervasive the older we get.

So, we decide we need money to buy the things we want. To get money, we need to work.

We are born with time. This is all we have, and we don't know how much of it we will have. But when we work, we willingly trade our time for money.

This is explored in a book called *Your Money or Your Life* by Vicki Robin and Joe Dominguez. They outline a stepped process for becoming financially independent.

Their first step is determining how much money you have made

in your lifetime. This is a brain-bending exercise that takes quite a bit of time.

This hurts because once you add all that up, the second stage is to look around you and see what you exchanged your life essence for. Their point is that if you are exchanging your life (time and energy) for money, it better be worth it. And they're right!

They take it a step further, and this part of the equation hurts. What are you actually earning when you exchange your time for money? I will keep the math simple here for illustration purposes.

Let's say you make a figure of \$1000 a week gross. That translates to \$25 per hour in a 40-hour week. But that's not really what you are getting. First, your employer will probably take out a sum of money for taxes, holiday pay, sick leave, etc. (if you are lucky enough to get it).

That leaves you roughly \$800 per week. Then if you add in the commute (let's say two hours per day), that brings your hourly rate down to \$16 because that is 10 hours a week that are not yours to do with as you please. What does it cost you for your commute? Petrol? Car? Transit? Insurance? Take it off. Then clothes and shoes. Then maybe daycare costs. You're down to not very much per hour.

Once you have calculated the actual exchange that you are making per hour of your work, whatever it is, you will be at a much lower rate of pay than you initially thought you were making. Don't despair.

This is an integral part of the brain shift that must happen.

If you work out that you are trading your life essence (time) for about \$10 an hour (if you are lucky), are you going to squander a nearly full week's worth of work/hours on a pair of fashionable shoes that cost \$400? What you may initially have thought was just 16 hours of your wages now represents a whole week of your time. It's not a good exchange, and it's a lousy return on an entire week away from doing things that you might rather be doing, like crafting or being home with the kids.

And you might say to me, Jude, I want those shoes, and I'll wear them for the next year, and they will make me happy. And I would

say back to you, okay. But they will be worthless, unfashionable and thrown away in a year or less. That money invested at 9.5%, the average stock market return (over time), will become \$2,242 over 20 years without doing anything else with it.

In just one year, it would become \$436. In five years, it would potentially become \$615. And you then might say, 'Chickenfeed!' And I would say, sure, but apply it to everything you buy.

It's a choice that you need to make with every dollar you spend.

Every purchase you make today takes you further away from the time you could spend doing something you'd rather be doing. The things that will enrich your life emotionally and make you happy on a deeper level.

You should also consider how to get better value out of that hourly rate. Will it go up if you get a local job, work fewer hours and pay for less daycare? Less of a commute?

This isn't easy.

Start the mind games!

Aside from doing the exercises already outlined, start thinking about how and where you spend your money. *Every purchase commits you to more working hours.*

There is no end of money-saving websites available for you on the internet. A few good ones, aimed primarily at women, are listed in the resources section at the end of this book.

Limiting your spending is a mind game. You are playing just against yourself, so it's tough. You must be motivated to win.

First and foremost, you must decide that you do not care about what anyone else thinks. You are going to do your plan, your way, for your future. Full stop.

So, here are some ideas to win this mind game you are about to play.

- » Don't go 'shopping'. Don't spend time in shops unless you have to go there to buy specific things. Don't window shop, don't look at things for entertainment or go to shopping malls.
- » Do the same on your phone. Don't look at ads. Don't listen to testimonials and don't 'browse' magazines or flyers. Don't go to websites unless there is a specific thing you need. Buy and go.
- » If you need to leave your house for items, list what you need, buy those things and go home. If you didn't need it before you left the house, you don't need it now.

Why? Why do these things? Because everywhere there is advertising, marketing displays and enticements. There has been a great deal of psychological research going back decades into what makes people buy, and it is used ruthlessly by shops, marketers and display companies.

Do you think they don't know what presses your buttons that say 'buy'? They do. You will unlikely be able to resist their siren call until you are well-trained to ignore them.

For the shopping, you must do the following:

- » When shopping for food, set a menu for the week and shop for that. List what you need. This will limit the extras you buy while wondering what you *might* make during the week and will reduce the waste at the end of the week. Food waste is a monumental problem in Western countries.
- » When unpacking your groceries, write the cost of each item on the outside of the packet. When you throw it out at the end of the week, you will get a gist of how much money you are wasting on unused groceries.
- » Order your groceries online and avoid the impulse shopping that results when cruising the aisles.
- » Make slightly larger batches of things and freeze the extras. This will mean you have stuff on hand when you don't feel like cooking and you won't have to resort to a fast-food option. It will also allow you to

take something to work for your lunch, saving the spend on that.

- » Limit your purchase of alcohol. This is also hellishly expensive as a regular purchase.
- » If you are going out with friends, don't go to bars. Meet someplace where you don't have to drink or if you do, go to a BYO where you can take your pre-purchased alcohol. Bars charge you three to four times what the alcohol is worth before you go on to eat or go elsewhere. If you must go to a bar, limit your drink to just one or have a non-alcoholic alternative. All bars must have free water available, so that's an option, too. Money evaporates in bars!
- » Do not gamble or play the pokies. The house will beat you every time. Every time. A win will encourage you to put more money through the machine and the house will take it back. Ignore the pokies. Get your entertainment by watching someone else lose their money (preferably not your partner).
- » Limit your external entertainment. Once a week to a bistro or a cinema outing is okay; we aren't monks. But clubs, bars and concerts are high ticket items. You can put your money to better use. Put on some headphones and crank your favourite music. The effect is the same, and you don't have the crowd issue. (Spoken like a proper old person!) Really. Paying hundreds of dollars to watch an act in a stadium on monitors is a shocking waste of funds.
- » One of the greatest scams ever perpetrated on the population is the idea that wearing a brand name on your clothing is stylish! You are not a billboard. The fact that you are expected to pay extra for advertising a product that does not benefit you in any way is perverse. It might have been an interesting idea when it was a rare thing, but how cool can it be when every man and

his dog gets around in brand names like Champion, Nike or Tommy Hilfiger?

- » The other truly insulting idea of these designer brands is that they are made in the same low-wage, developing country as the stuff you turn your nose up at, probably in the same factory with only slightly better materials. It's a practice you are supporting. Please stop it. Seek out brands that are doing something about slave wages and lousy environmental returns if you insist on brands.
- » If you are still stuck on paying a premium so that other people recognise you as stylish, buy second-hand. There is a roaring trade in second-hand designer clothing that you can purchase. The people selling quality designer outfits are picky about the condition, so it will likely be in excellent condition with a much smaller price tag. You get the branding at a cut-rate price. That keeps it out of the landfill, at least. Seriously, do you think people can pick second-hand from new? Not on your life. Besides, when someone says, 'Hey, where did you get that cool thing by So and so?' You can look down at it and say, 'This old thing?' and know you still look fabulous at a reasonable cost.
- » A hint around online shopping, especially for apps and software: the seller often creates a sense of urgency by placing a time limit on your buying. Ignore this – it's a method to get you to buy.

With online shopping, especially app subscriptions, if you reject the first offer, it will be offered again at a massive discount. This is called a tripwire funnel. The thinking is: if you are reading, you are interested. If you reject the first offer, it is offered again at a massive discount. If you still reject the offer, you will be offered a lesser product for a tiny sum of money or even free. The object here is to get your email address, get you to buy *something*, and then continue to market to you relentlessly over the coming months. If you purchase something, hit unsubscribe on the first email they

send you unless you are keen on the business because you WILL be hearing from them a lot.

And that, of course, is another issue. This relentless consuming. The cost of pulling it out of the ground, transporting it, sending it overseas to become something, then bringing it back at an inflated price only to be purchased, used slightly and then thrown away. We are choking on our own waste. It's not just about clothing – it's everything we consume. Plastics are in our oceans, chemicals are in our food, and pollution is in our water and air; it's desperate, and you have a role to play in addressing it.

Fast fashion is one of the biggest offenders of this – materials made from oil or natural products that need tonnes of poisons to be grown successfully. We poison our soil and water for the latest dress length or sleeve design.

Australians acquire an average of 27 kilograms of new clothing and discard an average of 23 kilograms of clothing into landfills per person every year.

It's estimated that the fast fashion industry produces about 20% of the world's wastewater and more CO2 emissions than shipping and aviation combined. Clearly, hopelessly unsustainable.

Think carefully about this. Buy items that are made locally if you can. Made from organic materials – organic wool, cotton, bamboo or hemp, in styles that will last more than one season. Minimise.

Buy quality originals and support local crafters.

Some manufacturers and designers are trying to do the right thing. It's not a full-on movement yet, but a starting point that at least indicates an awareness of the problem. Sustainable clothing brands are emerging but aren't in the bargain bin category. This is a space to keep a close eye on. More designers and manufacturers are working on this problem – use your search engine to find those close to you.

There are many more, but now that you know they are out there, take your time and purchase thoughtfully.

All of this sounds like I'm hectoring you; I don't mean to. I am suggesting that we all have a role in getting better outcomes for our lives and the earth. They are not mutually exclusive. If you consume

less and consciously consume, we will reduce the drain on the earth's resources while reducing the drain on our personal resources. Consume carefully. Think about what you are buying and why you are buying it. Is it an impulse? Walk away for 10 minutes. If you still think you want it, maybe it's worth your money. But if you have already moved on and are thinking of something else, you have escaped the clutches of the marketing people pressing your buttons. Do more of that.