

■ STOP THE BLEEDING

Get your spending under control to enjoy your life

There is a good reason that diets don't work: as soon as a food is declared "off limits," there's nothing in the world you want more than a huge slice of chocolate cake or a drippy cheeseburger.

That's because restricting things almost inevitably makes them more desirable.

Well, the same rules apply to money. If you are weighed down by debt and know you need to restrict your spending, there's likely nothing you want more than to hit the mall. But if cash-flow is a problem, then you probably already know that budgets are hard to stick to.

"In my opinion, budgets are like diets. They don't work because it's like deprivation," says Katherine Davidson, a Kingston-based money coach and educator with Money Coaches Canada.

Rather than budgeting, which she says can have a negative connotation, Davidson works with her clients to do a spending and savings plan.

"We don't track expenses or analyze how you spent your money last month — instead we look forward. It's like setting an intention for the future. We figure out how much you have, and



Katherine Davidson

how much you can spend."

As well as looking at fixed costs (things like your rent or mortgage, and utility bills), Davidson helps her clients identify their "unconscious spending" — small costs like that daily latte or

lunch out — that can add up over time.

"I really want to help people to 'stop the bleeding,' and get their daily spending under control," she explains. "Nobody means to spend \$200 a month at Starbucks, but a lot of people do that, even on tight budgets."

For Davidson, it's all about balance.

"If you have debt, you have to commit to paying it down, but you can't have every spare dime going to it. You need to be saving a little money too, so that you have cash on-hand."

She helps her clients keep their impulse spending under control, while guiding them towards their goals.

"It's like with dieting," Davidson says with a laugh, "you don't need to skip dessert, you just need to have a smaller piece."

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