

Hire a money coach to get your finances in shape

BY LISA EVANS, OTTAWA CITIZEN APRIL 25, 2013

OTTAWA — Unlike the annual spring cleaning ritual doesn't just require ridding your home of unwanted items. Cleaning up your finances is a lot tougher than deciding whether to keep or toss a knick-knack you bought on vacation 10 years ago. Karen Brown realized her finances were as buried in dust as her attic and hired a money coach to help clean them up. "I was a big procrastinator when it came to my finances," she says.

Unlike a banker, a money coach doesn't sell investments, offer lines of credit or lower interest rates. They simply offer unbiased financial advice, helping clients determine financial goals and objectives and teach the tools of money management. Ottawa money coach Haidee Gagnier "did a thorough exam of my finances and devised a budget that would work for me," says Brown.

Money coach Judith Kane likens her services to that of a personal trainer. "You buy a gym membership and you may go a couple of times then you stop. But if you have a personal trainer, that person is your motivation to keep going and achieve your goals," she says. We asked these two financial personal trainers for some tips to spring clean finances.

1. Create a money spot. Do you toss bills on the counter, stash them in a drawer or bury them in your purse, hoping out of sight means out of mind? Gagnier and Kane say getting organized is the first step to dealing with your financial reality. Create one spot in your home where all the bills go to ensure you don't miss anything come payment time.

2. Go on a cash diet. Kane and Gagnier recommend clients ditch credit cards for four to six months. "It really connects you to your money when you use cash," says Gagnier. Kane says a cash diet is often required to get us in tune with our financial reality. "Credit cards are a tool to spend more money than you have," says Kane. While convenient, credit cards can have us constantly playing a game of catch-up. "By the time the statement comes, it's already a month behind, so you're catching up from the month before," says Gagnier. If you do use a credit card, pay it off as soon as you go home to ensure you don't spend more than you have in the bank.

3. Create a net worth statement. While you may think money management is simply about tracking spending, Gagnier says "tracking spending only tells you where you've been, it doesn't tell you where you're going." Make a list of expenses, debts and assets and create a net worth statement. "What you want to do is look at that picture six months from now (and see your net worth increase)," says Kane.

4. Visualize financial goals. Create a vision board, using images and words that represent short, medium and long-term financial goals and place it in an area that you see every day. The financial vision board can help to reduce the temptation of impulse buys because your brain is constantly reminded of your real goals. "The more vision you have and the more reasons you have for wanting to

achieve them, the easier it is to stick with (your goals),” says Gagnier, who also provides clients with a credit card condom; a sleeve that holds a credit card with an area on the outside to write down goals.

“When you go shopping and pull out the credit card, it forces you to think twice about whether this purchase is going to get you closer to your goal,” she says.

To find a money coach, visit moneycoachescanada.ca.

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