

Put a 'condom' on that card

Money coach helps clients beat back debt

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She calls it a credit-card condom, and Vancouver money coach Sheila Walkington uses it to help her clients take control of their finances.

"It's for safe spending," Walkington jokes. But she is serious about the way her little credit card-sized sleeve can help people focus on their goals rather than pulling out the plastic without considering the consequences.

And since January is often the time people set goals -- coinciding neatly with the arrival of the December credit-card statements -- it's a good time to think about some financial resolutions for 2007.

"It gets busy this time of year," says Walkington, a certified financial planner and owner of Money Really Matters.

"Everybody wants to take control in January. Unfortunately, people don't want to come to me at first -- it's like going to the dentist."

She says people who have clear goals they want to achieve are the most successful at altering their spending habits.

"Getting out of debt is not that motivating for people, unfortunately, but it's a barrier to all the other goals," Walkington says.

People who are struggling with their debts often don't have goals, she says, which makes it tough to stick to financial plans and not slide further into debt.

"They don't have anything positive to look forward to," she says.

"I try to help people find that little carrot that will keep them moving forward."

After Walkington identifies the goal -- it could be taking a winter vacation, buying a home or changing jobs -- that will motivate her client, she has him or her write it on one side of the credit-card condom, then tuck the credit card inside. The other side of the sleeve lists four questions:

1. Do I need this right now?
2. Can I afford this?
3. Could I get this cheaper/free elsewhere?



CREDIT: Jon Murray, The Province
Financial planner Sheila Walkington helps clients stick to restraint goals.

4. Will it move me one step closer to my goal?

"If you've got something really powerful and positive, you'll stick with it," Walkington says. "And I encourage my clients to share their goal. Most of us are embarrassed to say we can't afford something, but if you choose not to spend money on dinner and have drinks instead because your goal is to go to Mexico in November, that's a positive thing."

With the holiday spending binge out of our systems for another year, Walkington offers a few suggestions to get 2007 started on the right track:

n Take a spending break and buy only the necessities for one month.

n Put away the credit card for the month of January and see what a difference it makes to your spending.

n If you can't pay your entire credit-card bill this month, decide what you will give up -- or put off -- until you pay it off.

n Find out how much the holidays really cost. Add up the bills so you know how much you spent. If you're OK with the amount, start saving each month so you can pay cash this year. If you don't like the number, make a list of things you will do differently this year and pin it to your calendar for November as a reminder.

n Make a commitment to pay off your entire credit-card bill every month this year. It will force you to make a spending plan.

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