



## Know thy enemy: money

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There's something about money.

We love it and need it, but it also scares the hell out of most of us most of the time – especially at tax time. And it's not just those of us who may have to remit funds to the government this month. Even friends who are expecting a windfall this April are feeling nervous about having a lump sum dropped into their bank accounts. Why?

According to a new book released by Money Coaches Canada founders Karin Mizgala and Sheila Walkington, we're scared when we lack control. *Unstuck: How to get out of your money rut and start living the life you want*, offers a ground-up guide to uncovering how you feel about money, what you should and want to be doing with it and assessing what you already know.

Unfortunately, the statistics suggest most of us haven't got a clue.

"People have lost the ability to look at the value of money," says Judith Cane, with Money Coaches Canada in Ottawa. "They've forgotten what the function of money is – that you're exchanging cash for a product or service."

No surprise, Cane says much of it has to do with our society's reliance on virtual money – in the form of lines of credit and paying with plastic.

"I often take clients back to using envelopes of cash," says Cane. "Putting that \$20 per hour you earned into an envelope and then taking it to the grocery store to buy food helps to create that link between what you're making and what you're spending."

And that link is an important one. The basic principle around money is that what comes in must be greater than what goes out. But when money never touches people's hands, they not only lose track, but they fail to comprehend that principle. That's when things get scary, says Cane.

"People are afraid of money because they have no idea what their situation is," she explains. "If you stopped people on the street and asked if they had debt, they'd probably say yes. If you asked them when they'll have the debt paid off, they'd have no idea. Nine out of 10 people don't have a clue about their own net worth."

Cane works on the principle that once people know who the enemy is they don't have to be afraid of it anymore. And it's not just for people in debt.

Money Coaches Canada was founded by former financial advisers Mizgala and Walkington in Vancouver with the goal of providing financial help to people who need it – not just those that have money to invest. They developed a fee-for-service model to appeal to a broad range of individuals – specifically, those who want guidance with money that's not tied to any products, services or investments.

"There is a huge demand for financial planning services like this right now," says Cane.

The fact is everything about money has become more complex. Just when we think we've got a handle on things, the situation is apt to change.

Much of it comes down to demographics. The sandwich generation means families with young children are trying to account for childcare and eldercare costs simultaneously. A high divorce rate means people are learning to raise families on a single income, at the same time dividing up what they own and, perhaps more importantly, what they owe. Young professionals are waiting longer to start families, which means they have more disposable income for longer than they did historically. And at the other end of the spectrum, the Baby Boomers are retiring en masse and they're projected to live for a very long time on their pensions. It's almost as though every family could use its own certified financial officer, says Cane.

"I had a retired couple in last year and they'd been blue-skying for years about spending a few winter months in Arizona," she explains. "But they were always saying, 'wouldn't it be nice,' without actually having a plan. They were worried about spending too much money, not having anything to leave to their children. Once we got into the minutia of their financial situation – spendings and savings, living and death benefits – we were able to get them to Arizona and they felt good about the decision."

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