YOUNG, FABULOUS & BROKE

They're smart, successful and lead interesting lives—just don't look at their bank accounts BY TRACY HOWARD

IT'S A CLASSIC *SEX AND THE CITY* EPISODE: Math-challenged shoe-aholic Carrie Bradshaw calculates that over the years her heel habit—100 pairs at $400 each—has cost her $4,000. Her lawyer friend Miranda corrects her: "No, it's $40,000." The lesson: What Carrie spent on shoes could have been the down payment on the apartment she's trying to buy but can't afford.

While many of us may find that kind of extreme financial extravagance and denial hard to fathom, it seems that plenty of women can relate to not having a handle on their money. Which isn't surprising given the lousy economic climate of recent years, and that Canadian women earn only about 83 cents for every dollar earned by men. But is it only larger economic forces that are to blame for the fact that, according to a 2008 survey from Career Builder (careerbuilder.ca), 61 percent of Canadian women said they were living paycheque to paycheque compared to 49 percent of men? Or that, in April, BMO Financial Group found men are more likely than women to have investments and a financial plan?

Sheila Walkington, a Vancouver-based certified financial planner and co-founder of both Money Coaches Canada and the Women's Financial Learning Centre, thinks the financial disparity between the sexes goes back to the different ways males and females have been raised.

"You look around in our financial workshops and they're often successful career women but they all admit the one thing they're not successful at is money and they're wondering, *What lessons did we miss?*" says Walkington.

She thinks boys are still raised with the expectation that they will be the breadwinners, so while growing up they search out information on how to earn more money. In contrast, the financial lessons girls receive seem to revolve more around household management. "I suspect girls learn to be smart shoppers or how to pay bills. But they don't really learn about earning larger income, asking for raises, investing…" adds Walkington.

But even when parents don't divide financial learning along gender lines, the lessons they teach us in childhood often influence our adult attitudes toward money, either from what they tell us or what they neglect to say. Dian Marie Bridge, 36, is a theatre playwright and director from Pickering, Ont. One of six kids, Bridge remembers that she and her siblings were brought up to be conscious of what they had. And while she recalls her dad taking all the kids to the bank to open up accounts for them, she doesn't remember many financial lessons after that.

"A couple of years ago my dad said, 'I bought my first house using my RSPs, and that's what you guys should do too.' And I was like, 'Why is it that I'm 30-something and this is when you're telling me this, not at 18?' They have the knowledge and it was just passed on too late," says Bridge.

Perhaps the largest contributor to her financial straits is the student loan she has been carrying for 11 years. "When I was applying to universities, the attitude from everybody was 'Oh, just apply for a student loan and you'll get it.' So the first year I got $10,000. I just kept reapplying. Now when I look back, I would have applied the first year and never taken another one."

But as Tamara Smith, vice-president of marketing and consumer affairs with the Toronto-based Financial Planning Standards Council (FPSC), notes, loans are the only way many people can afford university, so it's important to educate yourself. "Understand how much debt you're getting into and what the ramifications are when you start earning an income," she advises.

Student debt is something Jenn is well acquainted with. The 29-year-old Ottawa lawyer details her struggles with $50,000 worth of it in her personal finance blog. (Due to the nature of her profession, she doesn't want her last name featured because of the financial details she exposes on her blog.)

"I think the big debt didn't start until law school. And then once you're in debt, you're like, 'I'm spending $15,000 a year in tuition, what's another 100 bucks here, 200 bucks there?'…And I worked through law school too, but the money disappeared because I didn't really pay attention, and when you're surrounded by other students in debt, it's a circle of people who don't really care where the money is coming from or where it's going. And we're going to be lawyers and lawyers make millions. Not actually true, that part!" she says with a laugh. >

PHOTOGRAPHY, MAX ABADIAN; EDITOR, CATALINA MARGULIS.

At first glance, Vancouver-based Krystal Yee seems the model of financial responsibility—at 28, she has just bought a house and puts in 60 to 70 hours a week between her job as a marketing coordinator, part-time work as a graphic designer and two personal finance blogs. But five years ago, just out of college, she was making minimum wage, living in her parents' basement and more than $20,000 in debt. And she was shopping. "I remember feeling desperate and hopeless when I saw a bag and realized that if I bought it I wouldn't have money for groceries. But I bought it anyway," she recalls. Her lowest money moment, however, came when she couldn't afford to take the bus to work. "That moment made me take a hard look at my life."

So Yee embarked on what she describes as her journey out of debt. She began to educate herself by first googling "Help, I'm in debt!" and became so immersed in personal-finance blogging that she was inspired to start her own, givemebackmyfivebucks.com, in the hope it would motivate her to write down and stick to financial goals.

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While Yee hit financial bottom on a bus, Jenn remembers hers happening when she maxed out her credit card. Before that she says credit didn't seem like real money. "I'd go to pay for something and think, *Okay, is there enough money in my bank account to buy groceries? No, I guess I'll put it on the card*...Never really connecting that I was racking up debt," she recalls.

Smith thinks that the consumerism of today's society combined with easy credit feeds our obsession with instant gratification. "With credit there is a sense that you have more money than you generally do," she says, citing how, in contrast, previous generations had layaway programs in which they would have to wait until they'd deposited enough money on an item to take it home. Walkington agrees that credit cards can create a false sense of affluence. "Banks are quite happy to give us credit and it's quite easy to run up $10,000, $15,000, $20,000 before you've even moved out [of your parents' house]," she says.

As for what's fuelling our consumerism, one answer is the affliction that has probably plagued us since caveman days: keeping up with peers. Yee thinks a big reason she got into debt was wanting to experience everything her friends were experiencing. Toronto-based Heather Mills, 29, is a marketing manager at the FPSC, and while her job has exposed her to a lot of financial information, she has also struggled with keeping up with friends. "I have to learn to balance my short-term goals and the idea of saying no to things that are unfeasible, or really work toward setting goals, which I did this year with a trip to Tremblant, Quebec. I started saving for it a few months in advance, but I don't think a lot of my friends did," she recalls.

As if keeping up with your Facebook friends weren't enough of a strain, the effect of reality TV means we're now also trying to keep up with the Kardashians. Walkington thinks the influence can be profound. "You see all these shows with women in great clothes and shoes and cars. And we think we should have that too."

But sometimes we spend just because it feels good. Dr. Jayne Hanna, a clinical psychologist in Toronto, says there's a reason it's called retail therapy. "Sometimes it's trying to get away from a bad feeling by doing another behaviour, so when you're shopping too much, it's trying to avoid feelings of loneliness or boredom. You know, retail therapy works. The difficulty is it's not therapeutic when it goes to an extreme."

And when we're out of financial control, the result is often shame. Jenn says she went to the Internet rather than to her parents for financial advice because she didn't want them to know that she'd failed at something. "It's big to be out of control of your money because underneath it is the feeling: *I'm no good; I'm a failure; I can't do this*," explains Hanna. It seems that money really is the last taboo conversation. Indeed, of the women profiled in this story, only financial planner Walkington remembers her dad talking to her extensively about it.

The good news about having financial challenges when you're young is you have time to turn it around. Jenn has eliminated her credit card debt, cut $10,000 from her student debt and has $20,000 in savings. While Bridge isn't out of the financial woods yet, she says she's learned that in addition to saving for specific goals, you also have to save for life. And Mills says she's become more introspective about her spending, and through her employer's matching program she's accumulated a sizable amount in her RSP. But Yee may be the most inspiring. Through saving, budgeting and setting goals, she says her net worth has increased by $82,000 in five years. And while some of the budgets she posts on her blog seem strict, Yee swears she doesn't feel deprived. So when she needs to replace her pricey Skyn Iceland face cream, she'll budget for it, which may mean cutting down on entertainment that month. "I'm obsessed with financial independence. I want to be able to stand on my own two feet and know that debt isn't going to hold me back from the life I want," she says.

Walkington agrees that taking financial control comes down to balancing needs and wants. "I think women need to consider what their priorities are. Very few of us will think a new purse is our highest priority, yet it often calls the loudest. But if you think about it, you might determine: *I'd like to get out of debt, take a yearly vacation and maybe buy a house.* Then why aren't we putting our money toward those things? They're not calling us because we haven't conceptualized that they are important to us. They're in the back of our heads while we go shopping." In other words, even if you do buy that new handbag, make sure you carry your financial goals along with it. □