

The joy of spending

If you have \$2 million and can't force yourself to buy a coffee, there's a problem.

By [Julie Cazzin](#) | From MoneySense Magazine, [Summer 2010](#)

Tony and Cecile McGregor worried about money their whole lives. They constantly saved and hated to spend — always looking for cheap bargains before they considered any purchase. It's no wonder they became extreme savers, unable to buy and enjoy even the simple pleasures in life, like a coffee from Tim Hortons or a pair of tickets to a baseball game.

Two years ago, the McGregors' (we've changed their names to protect their privacy) inability to enjoy spending began to take its toll. "I spent hours pouring over the flyers looking for bargains in the grocery stores and then Tony and I would split up and spend Saturday going from store to store, buying only what was on sale," says Cecile, 59. "We never bought anything unless it was an absolute necessity because we'd feel foolish and afraid that our money would run out. To be honest, I couldn't remember the last time I bought a new dress."

You'd think they were struggling, but the couple was far from poor — they had close to \$2 million, with no plans on how to spend it. Tired of their compulsive penny-pinching, they sought financial counselling in 2008 and started on the road to learning the joys of spending.

"They needed permission to spend," says Vancouver money coach Sheila Walkington. "They got endless messages from childhood that it was bad to spend unless absolutely necessary, so they were ashamed to do so."

So what's the key to getting such extreme savers to spend happily? Financial experts say super-saver couples need to see the hard numbers crunched for their particular situation. They need to be reassured that they really do have enough money saved to last a lifetime. "People need to feel safe," says Ruth Hayden, a financial educator and author based in St. Paul, Minn. She recommends a plan with several different types of savings, so extreme savers can let go of their fears. One strategy Hayden uses is to set up three "money pots" — one for savings, one for emergency cash (six months to one year's worth) and a third pot for what Hayden calls "regret-free living." "This is when we talk about their goals," says Hayden. "If they were close to death, what would they wish they had done?"

Does the approach work? The McGregors say it does. Their "regret-free living" pot now holds \$10,000 — enough for two wonderful Caribbean cruises a year. "We now spend happily on our vacations because we have a plan," says Cecile. "Plus, we're not spending our capital. Knowing that our main pot of money is safe means that we're spending without stress for the first time in our lives. It took us almost a year to feel good about this, but now it gives us so much pleasure, our only regret is that we didn't do it sooner."