

SAVING VERSUS SPENDING

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**MODELLING PROJECT FOR JOHN SEYMOUR
ASSOCIATES PRACTITIONER TRAINING**

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Abstract

Would you like to have savings rather than an overdraft? Then read on. I have an overdraft and would love to have savings. I decided to model someone who was good at saving. I chose Marian from my practice group to model.

Marian's strategy is to have a hard core of savings that she adds to regularly. Once a week she sits down at her computer and goes through her 3 spreadsheets. She has one for her bank account and also one for her Barclay card. She also has one for her Marks and Spencer's account. She uses her Barclay card for cash flow and always pays it off each month. She has a formula on her spreadsheets and forward projects the money she could save each month. Even if she does not save money she always considers saving before spending the money.

Methodology

I had thought of modelling a skill that my husband has to begin with. Then I decided that it would be easier to model someone who knew NLP. Modelling Marian seemed to a better option.

I did not use Implied Modelling. I did not follow Marian as she went to the bank or Building Society. I used Explicit Modelling. I went to her house, asked her the TOTE questions and the Multi-Levelling modelling questions.

Richard, who is also in my practice group, kindly offered to lend me his video camera. After a quick lesson from him I set off for Marian's house to start my interview. Luckily Marian's husband John was still at home. He helped to set the camera up on the tripod. I have used a video camera before but I normally prefer to let someone else operate the camera.

I decided to have a back up system. I made a tape recording that ran at the same time as the video. This was a sensible precaution. We needed to ring Richard in the middle of the recording and I switched the camera off. I thought I'd switched it back on again. I had not switched it back on again. I only recorded the TOTE questions with the video camera. Discovering this at the end it was helpful having the audio recording as a back up.

I decided to make a transcript of the whole interview verbatim. This took some time. I felt it was worth the effort as I could refer back to it whenever necessary.

I found it very useful to have the video. It made it much easier to see Marian's eye and facial movements. It was harder with the tape remembering what her eye and body movements had been.

Results

Marian began saving money when she became pregnant with Charlotte who is now almost 16. She realised that she would have no money coming in. She decided to start saving money on a regular basis.

Marian stressed the word 'savings' in her speech when she told me her method of saving. Throughout the interview her eye movements were predominantly Vr with some V`. Marian is auditory. She started the interview in classic auditory phase, hand on her head, pointing at her ears. She also raised her eyebrows when beginning to answer the first question that I asked her.

Often during the interview, Marian spent time reflecting on her answers to the questions I asked. This is typical of an auditory person. I did not notice eye movements that related to feelings only Vr with some V`. She looked at me a lot while she was speaking to me. She emphasised certain words by stressing both the words and using gestures like wagging her finger. For the latter part of the interview she took her hand away from her head.

Marian does not save up for a particular item that she wants to buy. She has a hard core of savings that she adds to on a regular basis. When she became pregnant she realised she needed to start saving money on a regular basis.

Marian has an analytical mind and has 3 Exel spreadsheets on her computer. Each week she sits down and enters figures into her Marks and Spencer's account. She does the same with her Barclay card account and her bank account. She has a formula on the bank spreadsheet that projects how much she is spending. The formula also forecasts the money available for saving at the end of each month.

Marian always considers saving money before anything else and she always pays off her Barclay card. She never pays interest and never will. She has a rule about this. Even if she has to withdraw money

from the Building Society she pays her Barclay card. She tries to spend only what she has earned that month. Marian uses her Barclay card as cash flow. Occasionally she spends more than she earns and has to dip into her Building Society account. However, if she can she avoids using the money in the Building Society.

When her bank statements come in they confirm the amounts on her spreadsheets at home.

Marian enjoys saving money which is easy for her. She emphasised by shrugging her shoulders how easy she found it was. She believes that everyone can save money however little they earn. If you see what you spend money on, it's possible to cut back and save money.

There was a period when Marian was lucky. Her savings improved without her having to add to them herself. She won some money. The Building Society gave her some shares and she also bought shares in British Gas. The bulk of her saving is in a Building Society book. While she was telling me this, her head was moving from side to side, gently.

Every so often Marian checks her Building Society book. She looks back and sees how much money she had on that day a year ago. If she has more money she is always surprised and delighted. If she has less money in her account she will analyse her spending habits for the past year. If there has been an outstanding expenditure that year then she understands why her savings are less.

When Marian wants to buy an item she always thinks that she can afford the item. However, she carefully weighs up the idea. (She used her hands in visual squash fashion, weighing up the best thing to do.) Often she decides not to buy something. She prefers feeling that her savings are increasing rather than having the particular item.

Marian can help her family too. She has helped her sisters and her mother when they needed things. She does not have a vision or a

mission. She has a need to have a large amount of money accumulating in her Building Society.

Having several thousand pounds in the bank gives her a sense of power. Marian feels that she is a responsible person. Having money makes her feel that she has the potential to be someone else. She could run her own business or to stop work for a while if necessary.

I recognise a pattern here. My daughter Amanda, also has a Building Society Account, a Barclay card and saves regularly. She too pays off her Barclay card each month avoiding interest.

However, Amanda does not have the computer or analytical skills that Marian has. She does not know what she spends her money on each month. She has no idea where to cut back her spending if necessary.

The pattern of having a credit card and paying it off each month is one that is recommended. Financial articles in various newspapers, The Daily Telegraph, The Times and The Mail on Sunday suggest paying off a credit card in full each month.

Practical Application

If you would like to accumulate savings like Marian you need to save money regularly. Everybody can save money, even those on a low income. You also need a credit card to use as your cash flow. Once a week sit down at your computer. Enter all the money that you have spent in the past week onto a spreadsheet. If you do not have a computer then keep hand written accounts. It is important to keep an eye on how you spend your money.

It is not necessary to have a specific item in mind that you are saving for. Just concentrate on accumulating savings. Each month, with any spare cash, the first thing you need to do is to consider saving. Have a Building Society Account like Marian. Decide what will be the best day or week to transfer your money in order for you to get a better interest rate. Go to the Building Society and transfer the money from your Bank Account into your savings account.

If you want to spend your money on a particular item, consider carefully whether you want it. Do you really need it? Is it so vital to your lifestyle that you cannot live without that particular item? If you do decide that you truly want the item then go ahead and buy it.

Buy it on your credit card. -Choose the right time of the month to buy so you have the longest period of time before you have to pay off your account in full.

Enter the amounts you spend into account books or onto your spreadsheets each week, without fail. This way you will be able to analyse what you are spending. You will then know when you have to stop spending. Only spend what you can afford out of your salary or income.

You have a large expenditure, have spent more than your salary, cannot pay off your credit card? Then use your savings to pay off your card. Never pay interest, keep that as a rule that you never break.

If you have overspent for a month, go back through your books or spreadsheets. Cut down on your spending until you are able to start saving again. You can get used to a certain level of spending. It's surprising how you can cut back and put your money back into the Building Society.

If you have Family Allowance then consider having that paid direct into your Building Society. Pay this money into a PEP for your children. This will give them some security when they reach the age of 18.

Guard your savings carefully, they can give you a sense of freedom and power. They also enable you to help other members of your family. You can also give money to charity and spoil yourself without feeling guilty. Enjoy saving, start a Building Society account today. If you have not already got one then apply for a credit card. Use it wisely and pay it off in full each month.

Like me, Sarah, Marian's boss was always overdrawn. Marian showed her how to use the formula, and now Sarah has accumulated savings. We can all have savings if we use Marian's method. Start now. Enjoy saving money.