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Open Up

The power
of talking
about money

Alex Holder



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A note from the author

Apart from named professionals and quoted experts, I've changed the names and sometimes identifying features of people in this book. It turned out, at the time of writing, that to get people talking about money I had to offer them anonymity. Here's hoping that when they've read this book they'll feel differently, and so will you.

WE NEED TO TALK

This is a book about our emotional relationship with money. It's full of conversations about money in everyday life, how we earn it, how we spend it and how it affects our relationships, friendships and career choices. It's for people who want to read a book about life, love, passion, awkward bosses and judgmental friends; it's probably not for people who want to read a book about the mathematical intricacies of finance. It might make you feel awkward, but it will never make you feel bored.

1

Look where not talking about money has got us

When I was terrible with money I talked about it. I complained about how far away payday was. I took pride in my reckless spending. I showed off to friends by withdrawing my last £20 from a cashpoint, then running into Tesco to buy two bottles of prosecco on my card before the bank realised I'd taken all my money out. I was proud of how useless I was. Despite buying into the idea that the more money someone has, the better their life is, I felt strangely comfortable being bad with it. 'Reckless 20-something' was a relatively uncomplicated character to play – I was that person, the one who could get their ass in gear to book a flight to Berlin but who never opened a bill. Maybe, because I knew I wasn't earning the most money, I took refuge in bowing out of the competition and just being bad with money. There seemed less shame in staying broke than admitting money mattered.

There was a time when all my friends were open about money. When we were leaving university and trying to get our first jobs, we were all at the bottom of an imagined ladder and there was a pack mentality: us against the world. Sharing benefitted us all. In a couple of conversations we'd

know what to expect salary-wise by industry and entry-level position, which for a graduate was pretty invaluable information. Then as we slowly peeled away from each other and into different industries, some of us earning more, some earning less, money became a shameful subject. Perhaps it's because people can literally be placed in a pecking order of highest earner to lowest that we stopped sharing what we earned. No one wanted to feel that they were in a league table with their friends and subject themselves to that kind of direct comparison, so money became a subject to skirt around. The more complicated our lives got, the more it solidified into a taboo subject. As we moved forward as adults, we faced decisions about money on our own: how much salary to ask for, what was a normal amount to pay in rent and whether we could really afford to go to that hen do in Barcelona.

The idea that our salary and the money in our bank account defines us – that it represents our happiness, our power, our status, our popularity, our intelligence and our freedom – is a hugely popular idea that we are constantly encouraged to believe. It's why we protect our salaries to such an extent; we're warned that revealing our number might feel akin to public masturbation or broadcasting a therapy session, that if you spoke about your salary, people would know you too intimately. It was something I completely bought into as a young adult, yet as I've got older I've realised that salary isn't as defining as I first thought. That number doesn't indicate everything; it's not your happiness or your popularity or any of those other identifiers. In fact, I've seen people who earn less be happier than people who earn more. I've learned to see that there are many currencies in life other than money: love, health, time, passion, purpose and freedom. Now I can't

help but see how often we sacrifice the other currencies in pursuit of the only one we recognise to the decimal point – money.

The social code dictating that we shouldn't talk about money was invented and perpetuated by the richest of society and trickled down to the rest of us; not talking about money is a privilege of the wealthy. For those who inherit wealth, discussions about money serve no purpose: their funds are secure, they don't need to talk about it. In contrast, if you're not rich then discussing money becomes critical to your survival: 'Where are the cheapest places to buy food?' 'Where are the affordable places to live?' Equally, if you're trying to make it in a new country, or a new city far away from your home town – in New York, or London, or Paris – you are going to want to discuss how the hell people afford rent. If you're a woman and suspect you're being paid less than your male colleagues, the only way you're going to find out is by asking. If you're a person of colour and think you're being charged more for your insurance, you're going to want to make it known. If you can't afford to eat at that restaurant you are going to have to tell your friends.

We've basically allowed privileged people to determine how we talk about money. And as a result, we're stuck in a place where talking about what we earn, spend and save is just too awkward. There is seemingly too much at stake to talk about money with any level of earnestness; everyone is too scared of embarrassing anyone else and too scared of feeling any shame themselves. Also, we don't know how to talk about it. We haven't developed the vocabulary. How do you tell your mum you've got into more debt than you can handle? Why does sharing a money trouble sometimes feel

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like a request for funds when what you really need is an ear and some advice? Shame feels so intrinsically tied to money. But shame is an emotion we harbour in secret, and so it's possible that if we were more open about money it wouldn't be allowed to fester to such a degree.

I was a sell-out. For years I worked in advertising, selling beer, junk food and clothes on credit to people who couldn't afford them. My job lacked purpose. It left me with little time to myself, and I often went years not exercising, but it did pay me a decent salary. Weirdly I feel more shame admitting I had money than I ever did about not having it. Talking about money when you have it feels crass and materialistic, like you're 'showing off', or suggesting that you're better than someone else – two things my Northern upbringing taught me to scorn. I still feel uncomfortable admitting I'm not in my overdraft, and I sometimes miss the student camaraderie of all being in the same skint boat, even though I appreciate I'm lucky.

I can think of so many conversations with friends lately that have felt inauthentic because money-related parts of the story were missing. Just because I'm no longer a skint student doesn't mean I don't have money issues I need to work through. We all do. When I quit my full-time job to go freelance I didn't really talk to friends about it, because to elicit any real advice I'd have had to talk actual figures. I'm tired of skirting around the subject of money with people I love and trust. It feels ridiculous that I've accompanied a friend to a sexual health clinic but I have no idea how she bought a flat in London.

It's not just our friends' finances we're curious about – every year the BBC has to publish a list of its top earners,

and there's not a year it hasn't made front-page news. When *Forbes* reported Kylie Jenner was on track to become the world's first 'self-made billionaire', the Internet wasn't shy in its outrage. 'Self-made' isn't a term that seems to fit someone born into a celebrity family, with huge amounts of wealth and countless assets at their disposal, and the commentators were quick to point this out. When *Grazia* printed a piece by a woman who admitted that despite earning nearly £40k a year, she'd moved back in with her mum and dad and still required handouts from them most months, it incited judgement and online berating, with a minor smattering of empathy and understanding. The attention these 'news' stories attracted proved how starved we are of conversations about individuals and their financial situations; they also proved how much judgement abounds when it comes to talking about money.

Other people's wages are interesting not just because we're nosey but because the more we know about what other people earn, the more we know about our own salary – you can't tell if you're being under- or overpaid without the context of what other people in your industry earn. I would never have known it was time to ask for a pay rise before the day some of my colleagues' wages accidentally went public. Someone from accounts had left a notepad lying open in the meeting room of the advertising agency I worked at, and there, written in blue biro, were the names of eight of my colleagues, alongside their current wages and salary increases. That scrawled page of notes was photographed and passed around the agency from person to person to person, and we gorged on those pen marks, each colleague gifting them to another. The wages ranged from £22k to £130k. There was no formal pay structure; instead people earned what they

were brave enough to negotiate, which meant the figures were varied and fascinating. The highest earner was (of course) a man. He had a couple more years' experience than me, and was earning £38k more. Based only on the information on that bit of paper I asked for a pay rise and I got it (see, knowledge really is power).

Secrecy keeps pay gaps intact. It puts power in the hands of the employer and it breeds feelings of shame. Transparency has been touted as the answer to addressing pay inequality across gender, age and race, and as the first step to closing the growing income gap between the richest and poorest. It was the 2018 gender pay gap audit that kickstarted a very public conversation about what we earn. Journalists, economists and even Hollywood actors couldn't help but discuss, share and debate other people's wages. Public conversation, the kind that makes newspaper headlines, is needed – it changes society and challenges perceptions. But while we're getting more comfortable with the subject of salaries and remuneration, we still find it difficult to talk about our own money. But the power of transparency can work at an individual level too. One-on-one chats with friends or family is how we first deal with most of life's issues. Talking is healthy and liberating. It's how we share stories and educate each other.

Recently the power of conversation has lifted the stigma from another taboo subject: mental health. We've seen something of a 'coming out', where people are sharing their mental health stories; people seemed to realise that talking and sharing helps. There is now less shame attached to having anxiety or suffering from panic-attacks. Ten years ago it wasn't something you spoke about; now people even put 'I'm having a mental health day' in their out-of-office email.

When a celebrity shares her experiences of postnatal depression it makes thousands of women feel normal. Sharing liberates the individual and helps others feel less alone. We need a movement like this for money and personal finances, and I'm hoping that the public pay gap conversations prompt personal ones. I'm not saying you should reveal your salary to the person sat next to you on the bus, but I am looking for some affinity between how we discuss sex or mental health and how we discuss money – whether in the public sphere, online, in the press and at policy level. And on an individual level, we should feel we can chat about money with people we trust, in spaces we feel safe.

We go through life rarely discussing money, which means that a lot of what we learn from our parents and the world we grew up in remains unchallenged. Without realising it, how we think, behave and relate to money often doesn't have anything to do with what we earn and our present situation, but instead can be traced back to a few formative experiences. If money was tight when you were growing up, or you have memories of a parent being made redundant, you might find spending feels painful. If your parents were very strict with you and enforced saving, spending recklessly could be your way of rebelling. If you were surrounded by messages that having money is greedy and corrupts you, then you're probably not going to become rich. We're never going to break these habits or create new beliefs if we don't learn how other people think about money ... or indeed spend it. To understand our own relationship with money we need to hear different stories from other people.

As well as having little knowledge of how the people around us spend or save, it's also been made really easy for us

to distance ourselves from the numbers of our own everyday spending: we have Apple Pay, we have one-click checkouts, and Amazon's Alexa means passing thoughts can become purchases in seconds. Then at the other end of the spectrum, mortgage products and loans can be so baffling in their complexity that they create a different kind of avoidance: 'I don't understand it, so I'm not even going to try.' We have to process a lot as an individual, with little by way of straightforward help, and are expected to come out on top. No wonder we've created a whole load of avoidance tactics.

I often wonder was I so bad with money for so long because I only heard money stories from friends who were bad with money? It definitely wasn't the case that all my friends were living on takeaways and had their electricity cut off (as I was), it's just that those were the only sort of stories I heard. No one told me about their savings accounts and pay negotiations. I guess those stories fell into the gauche conversation pile, which is such a shame, as they're the ones I could have learned from. Just as I'm sure some friends learned what not to do from my tales of being bad with money, I could have learned from them about pension schemes and compound interest.

Here's the thing – we don't know how society might function if we spoke about money. But we do know that the wealth gap between the richest and the poorest is increasing. We know women and people of colour are routinely paid less than white men. We know that millennials are struggling to buy property. Talking won't fix those things immediately – but it could be an important start.

Americans are a little further ahead of us Brits in tackling the taboo around money. Gaby Dunn has spearheaded

many awkward conversations in her brilliant podcast *Bad with Money*. She's revealed the actual numbers of her bank account, challenged the American dream of economic mobility and spoken about what it's like to have people recognise you from YouTube fame while serving tables for minimum wage. Refinery29 is the leading global media company focused on young women, and their most popular content – *Money Diaries* – began on their American site. On the surface *Money Diaries* simply features women tracking their spending, but in reality it is addictive reading, because it reveals a truth about millennial lives that was hidden before. But here in the UK we're still behind on the conversation, especially the personal, which creates a strange imbalance in our knowledge – before I wrote this book, I didn't know my sister's salary, but I did know the amount of child maintenance One Direction's Louis Tomlinson has to pay.

Awkwardness stands in the way of knowledge and possible liberation. If we're afraid to broach the subject of personal wealth, how can we challenge its inequalities? It's not easy for everybody to talk about money: some people are just too vulnerable, whether in a zero-hours contract or living in a precarious rental. At the other end, some risk their privilege, like a man sharing his salary with female colleagues. It's important to question why we're uncomfortable, and what we have to offer (not just what we have to lose) by talking. Because sharing information and stories might just be the first step to a more even sharing of resources.

I recently spoke on a panel for a big brand. They offered to pay me £150, which I didn't think to negotiate. Another freelancer kindly let me know that she'd negotiated £250, and she explained why she was telling me: 'It doesn't benefit me

if you're accepting less money, it means they'll keep offering £150 and it drives the market rate down.' It's true, I should have followed my instinct that £150 felt low, especially as the brand we were working for evidently had money. And yes, there was definitely some awkwardness when the other freelancer told me she was paid more, but the benefit to both of us completely outweighed that momentary weirdness of discussing our pay, and next time I'll be sure to negotiate my rate.

Let's learn from what we've seen happen when people started to share their experiences of mental health issues. There is far less judgement than people anticipated, and so much more empathy. In *Daring Greatly*, Brené Brown talks about the power of leaning into vulnerability. 'What most of us fail to understand ... is that vulnerability is also the cradle of the emotions and experiences that we crave,' says Dr Brown. 'Vulnerability is the birthplace of love, belonging, joy, courage, empathy and creativity.' It feels time to allow ourselves to feel vulnerable (even to the shame of having more money than someone else).

Which brings us to – why this book? Well, frankly there aren't enough conversations happening in real life, so we're starting them here for you. I know that talking about money is hard, but this book will show you that you are not alone. I'm hoping it will make you feel understood, and won't make you cringe too much. We all have our own money stories. I have lived many: I've lived on £15k in London and on the other end at £130k. I have been a wage slave and I've put myself through the freelance hustle. I've been happy and I've been sad, and these emotional states have not always correlated with my bank balance. I'm white, I'm a cis-female, I

identified as Northern working class and now as some kind of media-London middle class. But this isn't just my story, it's a collection, a rally, a coming together of many stories and viewpoints and thoughts. It's not about one person having the answer; it's about finding your answer. Currently we're as confused as a society as we are as individuals. I'm tired of navigating a culture that values possessions and money but vilifies the rich, one that flits between painting the poor as virtuous before demonising them. I'm exhausted by how we obsess over who has what but discourage any conversation, or even verbal acknowledgement of our own finances.

This book is packed with real-life case studies, dilemmas, awkward social situations and expert advice. Here we learn from others, from their experiences and their actual bank statements. We learn from people who are good with money, people who aren't and people who are in a really complicated relationship with ... money. Ultimately we'll learn that it's not about how much or how little you have, it's how your money works for you, it's how you feel about it. If money is a universal, common currency, then you'd think its meaning in our lives would come down to maths, but it doesn't: it's emotional. I believe we can change our relationship with money through the power of conversation, and while talking isn't the complete journey, it's part of the path. Here, we look at how to discuss student debt, gender pay gaps, millennial financial resentment, the problem with the title 'self-made' and the minimum wage. We question how class, race and privilege affect the money we have and therefore the lives we live.

This book dismantles some of the cultural taboos surrounding money, especially those that can affect relationships with people we love. We're going to look at what

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it's like to earn more (or less) than your friends, how to be financially intimate with your partner, how to examine your money anxieties, why you should stare debt in the face, what it means to go freelance or take a full-time job, how to ask for more money and how to live on less. We're going to celebrate how it feels to spend the money you have on things you love. We're going to explain why you feel the way you do about shopping and why rich people are vilified. We get to the bottom of why hen and stag dos cost so much. We're going to look at the relationship between money and mental health. And we're going to arm you with an answer to the tired question: should we just split the bill down the middle?