



## Saving cash means a little group therapy

Discussing your financial issues amongst co-workers and friends can prove to be a big gain. TODAY financial editor Jean Chatzky offers tips

**TODAY**

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It's hard to discuss money. In fact, that alone is one of the reasons why so many of us have issues with our finances — we are simply too embarrassed, too scared and too ashamed to talk about the subject. It's considered taboo to ask about a friend's saving and investing habits, bad form to ask a neighbor what they spent on their house, outright rude to ask a co-worker's salary and when it comes to debt — nobody wants to talk about that.

That's why I started a money group — because it's considerably easier to have these conversations when that's the reason you're there. Liken the concept to a book group without the books — a bunch of friends, neighbors, or even couples who get together regularly to talk about their financial lives. You can ask questions, compare insurance plans, ease each other's worries about saving for college, and garner tips to help you ask for your next big raise. It's different from the investment clubs of the 1980s because the focus is to learn, and talk about your financial life.

My group's not the only one of its kind out there. In fact, they're popping up all the time. I recently talked to one (on "The Oprah Winfrey Show," and my Oprah and Friends radio show on XM Satellite Radio) based in Vancouver, Canada. This particular group, made up of five women who call themselves the Smart Cookies, has been meeting weekly for the past year. They hash out their financial goals, work to reduce their debt and exchange money-saving (and money-making) tips. By making small changes to their lifestyles and sticking to a budget, all together they've managed to save \$15,000, pay down \$15,000 in credit card debt, and grow their income by another \$15,000 — all in less than a year.

My goal for 2007 is to get you to start a money group of your own. I want you to come together, support each other, hold each other accountable when you mess up and cheer each other on when you do well. I want you to use your close circle to work through your financial problems, one step at a time. It'll boost your confidence, and your account balances at the very same time. In a nutshell, here's what I want you to do.

- Select your group's members. Start by talking to people you're close with. Your friends will make the best members — you already trust them, so it'll be easier to give them a glimpse into your checkbook. But if you can't talk them into it, that's fine — trust can also come with time, says Robyn Gunn, a member of the Smart Cookies.

"You want to have people you trust around, but you can also build the trust. The first time we got together, we did have to build trust — it wasn't immediate. But now we're all are really close." The most important thing is to make sure all members are truly committed to the process, and to gather up people from all walks of life — mix working moms with those who stay at home, younger members with older, and single people with married. Why? You'll learn the lessons the others have already struggled through.

- Shoot for full disclosure. It may seem scary, but your group will have the most success if members are open about their financial situations. Even if it takes a few meetings to work up the nerve, try to encourage everyone to share their debts, their investments, and even their salaries. Three of the Smart Cookies actually work together, and they survived when it came time to talk salary — they were even able to help out when one member decided it was time to ask for a raise.

- Zero in on issues. I'll be posting suggested curriculums monthly on Oprah.com. But let members weigh in on topics that are relevant to their lives. The diversity in your group could clash at this point, and that's for the best: the 24-year-old single woman can learn from the mistakes of the 40-year-old who has only recently started saving for retirement.

The idea is to brainstorm together so that you cover topics relevant to everyone's lives, from retirement and college loans to credit card debt, insurance, and investments. Come up with a list of subjects you'll focus on, and in what order they'll be discussed. "We set tangible, specific goals each week," says Andrea Baxter, another Smart Cookies member. "We focus on things that we know we can tackle in a week." The group also allows time at the end of each meeting so that members can share any tips they've come across, like inexpensive cell phone plans or store sales.

- Delegate. Each member should be in charge of a different topic, so when it comes time for that subject to be in the spotlight, they can prepare in advance. "One of my projects once was to research interest rates for mortgages in our area, and someone else may look for credit cards with low APRs, or the best places to bank," says Baxter. Whatever the topic, the member in charge will want to circulate some material around before the meeting, just to get everyone on the same page.

Keep it simple — this is not the place for books. Focus on recent newspaper or magazine articles, or research found online. That way, everyone can come to the meeting prepared, but they won't feel too overwhelmed to participate. If no one in your group wants to tackle an especially complicated topic, invite an expert in to speak.

- Take advantage of each other. The Smart Cookies are all women in the same age range, and they learned pretty quickly that sharing equals saving. Instead of buying a new outfit for every wedding, dinner date and party, they now swap clothes. Not only do they multiply the contents of their closets by five, but they also save money in the process. And the idea isn't limited to clothing — you can save by sharing your books, magazines, and even rides to meetings. With gas prices these days, that can really add up. Finally, please let me know what — and how — you're doing. The idea is to spread a network of money groups far and wide. Please email me on oprah.com to let me in on your progress.

With help from Arielle McGowen

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