

# SMART MONEY

YOUR WEEKLY GUIDE TO PERSONAL FINANCE

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## Vancouver's Smart Cookies take story to Internet and book agents

**SELF-HELP** | Friends who began debt diet club want to take their message to others

BY JOANNE LEE-YOUNG  
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**Y**ou could call it Saving in the City.

It started about a year ago when five women — three public relations specialists, a social worker and a budding real estate agent — started hanging out every Tuesday night. The friends nibbled and noshed. They gossiped.

Then, they started analysing their bank statements, bills, cellphone plans and paycheques. Together they found ways to give up some of their high-life habits and sort out their finances.

Andrea Baxter, Katie Dunsworth, Sandra Hanna, Robyn Gunn and Angela Self call themselves the Smart Cookies. They recently appeared in an episode of the *Oprah Winfrey Show* to talk about cutting unnecessary spending, trimming debts and saving money.

Now, they are launching a website and talking to agents about writing a book.

Their story is compelling because as twentysomethings living and working in an urban setting, the women represent “probably the most tempted age group,” when it comes to having disposable income and going crazy with it, said Baxter.

Indeed, Baxter had accumulated some \$13,000 in credit card debt. “I was spending \$1,500 a month on stuff that I really didn’t need,” she said, listing jeans, clothes, makeup, magazines, dinners and drinks out. “It was everything that has no value at the end of the day.”

Now, they give each other \$100 a week to spend on miscellaneous items. Instead of using debit cards, they take out cash once a week, make it stretch and report progress back to the group.

So, Baxter has two coffees a week, not five. She makes dinners at home and takes leftovers for lunch during the week. On weekends, she might eat and have a few drinks at home before going out for the night.

At first, each person was spending



The Smart Cookies saving club members kid around at Oprah Winfrey's studio in Chicago, where they appeared on her hit television talk show on Jan. 18.

about \$20 on food and drink for their weekly meetings. Now, we “walk the talk,” and there is a \$6 cap for each person’s contribution. “We make a lot of pizza, have cheese and crackers, apples,” said Baxter.

They also started sharing clothes — including a \$300 pair of jeans. “We realized that we all have the same tastes and shop in the same stores. Why not share? It’s easier than feeling the need to spend something every time,” said Baxter.

Gunn combs through her closet each season and takes a bag to a local consignment store. She makes about \$500 and puts that back into her wardrobe “so I am not using income for clothes.”

She also rents out her parking spot. “I can technically park on the street so I rent it to someone who has two cars and make an extra \$50 a month.”

Dunsworth and Hanna are giving up their cars to save between \$600 and \$700 a month once they stop paying for gas, insurance and repair costs.

They all switched to low interest credit cards. Gunn went from paying 19 per cent interest to 11 per cent.

They boosted their salaries. Gunn went back to school to do her master’s in social work, which will double her salary when she graduates in April. She also does part-time contract work.

Baxter negotiated a 12-per-cent raise. “I didn’t just go in for the annu-

al three- to five-per-cent raise. It’s knowing what you are worth and asking for it,” she said.

Their weekly meetings are about exchanging information. The women assign each other research topics like mortgage or RRSP rates. They scrutinize each other’s purchases. Did you need that? Can you return it? How are you going to use it?

The meetings are also about moral support. There are confessions and chidings. “Sometimes, one of us falls off the wagon. ‘Omgod, I spent \$150 on my hair,’” said Baxter. “The others will say, ‘That wasn’t debt-diet approved and you know it!’”

Other friends have just accepted that “we want to be careful about our

spending. It was hard at first. You feel like you always have to say yes to everything. Then, the money just disappears,” said Baxter. “Now it feels good. I know I am building a savings account. I am paying off debt. I know there’s a reward at the end for me.”

The women want to encourage others to talk about their finances and to start their own clubs. Their first suggestion is to link with people who are like-minded. “We socialize and build trust. It’s like group counselling,” said Gunn. “For me to sit down with someone like a 65-year-old retired man isn’t beneficial because he wouldn’t understand why we need to think about buying \$300 jeans.”

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