

The press is full of depressing tales of credit crunching, monolithic multi-nationals toppling to the ground and high flyers hitting the dirt. In this personal tale, Monica Davidson looks at her parsimonious life and ponders the truth about being penny-wise.



## **Pleasure and Peace of Mind**

by Monica Davidson

I don't consider myself to be a miser, but I am definitely cautious about my spending. My thrifty ways were born in childhood and as a result are probably permanent. In the first place, we were poor. My mother was broke, poverty-line broke, as only a single mother without permanent work can be. I didn't know what that meant when I was small, but I remember looking for supermarket bargains, wearing home-made clothes, and cooking meals from scratch using veggies grown at home. Mum found a permanent job by the time I was twelve, and the money started to flow more easily, but by that stage my prudence was blood-born.

And then, from age sixteen, I was freelance. Having never had a proper job, I have never had that enviable comfort of knowing when I would next be paid. Without such magnificence, I have been forced to watch every cent as it wandered in and out of my life. Over the last twenty years the cents have grown into dollars, and those dollars have become more robust, but I simply can't help it. I was born to be frugal.

I'm always naively surprised when I talk to other people about their spending. I know I should be more wordly-wise, but still I am gobsmacked by the spending of the employed. I routinely hear stories of people who would think nothing of buying their lunch at work, getting a taxi home, and ordering takeout for dinner because they were tired. The fact that they just spent \$100 on stuff they'll forget about tomorrow staggers me. I'm happy to spend \$100, but in return I want either pleasure or peace of mind. For me, that's what spending is for. I rarely, if ever, spend money for convenience. I would rather spend time.

What does that mean? As a freelancer my time is my most valuable commodity, but it's also flexible enough that I usually can move it around to fit what's needed. For example, I make time to prepare my lunch most days. I enjoy the ritual and the break from thinking. Once a week I treat myself to sushi, not because it's handy but because it makes me happy. I use public transport because I find it relaxing, and as I live close to the city it's usually quick to get home. Takeout is a rare treat for dinner. I tend to have a Cook Up, as we call it, when I make two or three meals in advance and freeze them. When I'm tired after a long day, it's easier and quicker to defrost a prepared meal than wait for the pizza man. We save the pizza man for special.

It's these little things that have ensured my survival as a writer and filmmaker, and as a single mum. With three kids to support, and taking care of them on my own for many years, my frugality meant we were a step or two back from the precipice instead of plunging over it into massive debt. I shopped for bargains and cooked meals at home just like my Mum. I tarted up Kmart clothes with op-shop accessories. As my grandmother would say, I made do.

Over the years money has come and now we can have luxuries as well. We go overseas at least once a year, we have Foxtel IQ, we eat at fancy restaurants when we can. Now that I have money, and a supportive partner, I have even started acquiring the imperfect trappings of the middle class. I have a little credit card debt, and shoes I rarely wear. And in a weird way, they make me as happy as having extravagances. They mean I have prospered when I thought I would fail.

I have been asked before, many times, how I've managed to be financially comfortable, even well-off, on a freelance income. Since I'm sure I'll be asked again, I'm happy to share some of my thrifty tips for my personal life. And please forgive me if I sound like a smug cow. Those of us who are happily frugal can be annoyingly pleased with ourselves.

### **Budget is Best.**

Like a car, I have figured out how much my family and I cost to run each year. It's a budget born of fact, not wishful thinking – even though I would rather *not* spend \$150 on a night out with the girls, I know that's pretty much what I can spend on average. Big things (like rent) and small things (like haircuts) are worked out to the closest degree of accuracy I can get.

- From this annual amount I then work out a fortnightly spend, and pay myself accordingly.
- Whatever is left gets saved. I am a big believer in the freelancer's emergency fund, an amount of money put somewhere safe (hopefully earning high interest) and not touched. I think it makes us braver in our choices if we have a month or two of buffer money saved up. It certainly gives me peace of mind as well.
- And while I will use the credit card if necessary for the business, if I want something personal I save up. Old fashioned, I know, but it's called delayed gratification and as an aspiring grown-up it's something I'm trying to master.

### **Eat and Drink**

I once shared a wish with my daughter, that we could just go to the supermarket and buy whatever we wanted, without a list and a budget. Hilariously, now that we're in such a financial position, I've realised I actually love my list and my budget. I truly enjoy looking at bargains, comparison shopping, the secret (and possibly pathetic) thrill that comes from knowing the generic brand is just as good and three dollars cheaper than its rival. It's me against the supermarket and I feel like a winner almost every shopping day. It's definitely pathetic and the frugal's strange version of fun.

- When times were tighter I would also shop around. I have been known to get meat from one wholesaler, veggies from the markets and only the most basic home-brand groceries from the supermarket.

- Buy in bulk. When things are cheap buy loads of them, as long as they won't go bad.
- When you cook, make extra and freeze it. Actually, freeze whatever you can't use today.

### **Roof Over Head**

I live in Sydney and have never had a regular income, plus I have three kids, and therefore I have no mortgage. The opportunity to buy only presented itself to me once (a flat, back in 1989), and of course I regret not leaping on the chance to buy, but c'est la vie. I'm a renter, and will probably stay that way for the foreseeable future.

- As a renter, you are probably paying much less than your pals with mortgages. When you have money spare and a house is in your future, start saving now.
- If you have a mortgage, pay it off weekly and pay more than you're supposed to, if you can afford it. The more often you pay, the less interest you accrue (as it's calculated monthly). If you pay off extra, you can afford to take a break if your freelance life ever gets a little dry.

### **Kids**

Kids are expensive, that's the way it is. Every week there are shoes to be purchased, books to be bought, excursions or extra classes to attend. Even going for a movie and Macca's on Cheap Tuesday costs my family just under \$100. So, we spend when we need to, and we find other ways to save when we don't.

- The most obvious saving is public school. While there are still costs, they're comparatively little. Having said that, I didn't choose public school for the bargain value! If private education had been a priority for us, I would have found a way to pay for it.
- Leisure time is usually riding our bikes to the park, bus trips to the beach for a picnic, or hanging out at home to watch a DVD. Time spent together is what they like best, and the money that gets spent is irrelevant.
- We happily accept all hand-me-downs, and with three girls it's easy for them to share.

### **Transport**

Yes, maybe we're weird, but as inner-city dwellers we have no car. We live two minutes walk to a bus stop, 10 minutes from a station and a short cab ride to the airport. We walk or ride bikes when we can, and when necessary get a maxi taxi. No car means no petrol, insurance, repairs, rego... I spend about \$15 per week on public transport for my personal use (travel for the business is a tax deduction).

- We also like to take advantage of the new Family Fun Day introduced by Cityrail – all travel on Sundays via bus, train and ferry is \$2.50 per person. We can get to Newcastle, Manly or the Blue Mountains, and all for \$12.50. Bargain!

## **Going Out**

I usually only go out one night a week, on Fridays. Kids means we tend to socialise at home, which is of course a frugal's dream. Making dinner for mates and sharing a bottle of wine over a heated game of Monopoly is more fun than you might think!

- I'm also a princess, with a chivalrous boyfriend. When we go out together, he likes to pay. And I like to let him.
- When going out with my friends, I take the amount of cash I'm prepared to spend, and no ATM card (credit card for emergencies and the cab ride home). Once that cash is spent, it's time to go.
- I also tend to avoid rounds, and alternate each drink with water. This is more a preventative measure against my two-pot squealer tendencies rather than a cost-cutting measure, but it does save some.

## **Staying In**

As mentioned, I love to entertain and stay in. I also love to cook (I am a Nigella devotee), and never scrimp on ingredients. Some things are worth spending money on.

- A home cooked meal for friends who bring dessert and a bottle of wine would probably cost me about \$20. Dinner out would be much more than that.
- We also live a short bike ride from a liquor discount warehouse. We routinely buy 6 bottles and get the discount, which means we pay just over \$100 for our favourite wines with usually a bottle of sprits added to the bargain.

## **Shopping**

Being 172cms tall and a size 14 (on a good day), I don't always find shopping as pleasurable as my shorter, slimmer peers. Shoes, on the other hand, are my weakness, but I have big feet as well. As such, when I find clothes and shoes that fit and make me feel beautiful, I'll buy them, but I shop very rarely and try to buy quality that lasts.

- I tend to look for mid- and end-of-year sales, and I frequent those clearance stores that are dotted all over the inner city (and are a bike ride from my house).
- I look after my beloved shoes and will have them repaired, resoled and professionally cleaned several times before I'll let them die.
- I love a good op shop. Who doesn't?
- I have learned to mend, I can sew a little and I'll dye clothes different colours to make them look better (or the same colour if they need rejuvenating).

This past Christmas my grandmother asked me what I wanted for a present. I was truly stumped, because my life is an embarrassment of riches. I have smart healthy children who make me laugh, a partner who loves me just as I am, brilliant friends who like to dance, a roof over my head, yummy food in my belly, good books to read and movies to watch. I get to go on planes all the time, and I have savings in the bank. I want for nothing. Nana had to give me a voucher, the gift for the girl who has everything.

If that's the price to pay for being frugal, I'm happy to pay.