

Francesca used to mask the pain of her deteriorating relationship by buying things she didn't need



MY SHOPPING ADDICTION ALMOST LEFT ME HOMELESS

With one-in-three Aussies struggling with credit-card debt, Francesca Tulk, 40, reveals how her spending habits left her more than \$30,000 in the red

AS I MAKE a beeline for the shopping-centre car park with an armful of groceries, a wave of pride washes over me.

Not only did I resist the temptation to step inside a clothing store but I also haven't used my credit card in more than six months.

It may not sound like a huge milestone but it couldn't be more significant for me; not long ago, I couldn't go near the shops without emerging laden down with bags.

My spending habits were so out of control that, over a period of two years, I racked up an eye-watering \$31,500 in credit-card debt.

Today, I'm hugely relieved to say that I've done a complete backflip and am not only resolutely chipping away at that amount but plan to be back in the black by mid-next year.

Yet even now, I'll lie awake at night wondering why I did it; why I got myself into so much debt that I was in danger of losing my house.

I've always been a big spender and, until very recently, was of that mindset that if you work hard, why shouldn't you go out and buy what you want, exactly when you want it?

Still, my spending habits were relatively normal until I started dating my ex, Tod*, the father of my 8-year-old daughter.

As a tour manager for bands, he spent a lot of time abroad and would leave the country for months at a time.

I found it increasingly lonely, especially after I gave birth to Morgaine – I might as well have been a single mother.

I was desperate to ignore the

problems between us for the sake of our family, so I filled the void with "stuff" – and lots of it.

I'd buy 15 or more items of clothing in one hit, then come home and chuck them into my wardrobe without a second glance.

I didn't even bother to remove the tags, nor would I attempt to hang anything up – before long, there was no space left.

When I wasn't actually at the shops, I was browsing things to buy on eBay.

Somehow I managed to accrue more than 200 pairs of jeans (I wore three), 100 lipsticks, 100 pairs of shoes, 15 swimming costumes (I hate the beach) and racks of cocktail dresses.

It reached the point where my wardrobe was so full I couldn't see the floor and my drawers were fit to burst with makeup.

I didn't need – or want – most of it, but I kept spending because surrounding myself with nice things made me feel more secure.

I'd spend my own money and, when that ran out, I'd bang whatever I fancied on either of my two credit cards.

I didn't consider the fact that it wasn't my money I was spending and instead naively thought, "It will get paid off eventually."

I'd fool myself into thinking my habits weren't doing any damage because I was paying the minimum off my cards each month, but I was spending faster than I could pay it all back!

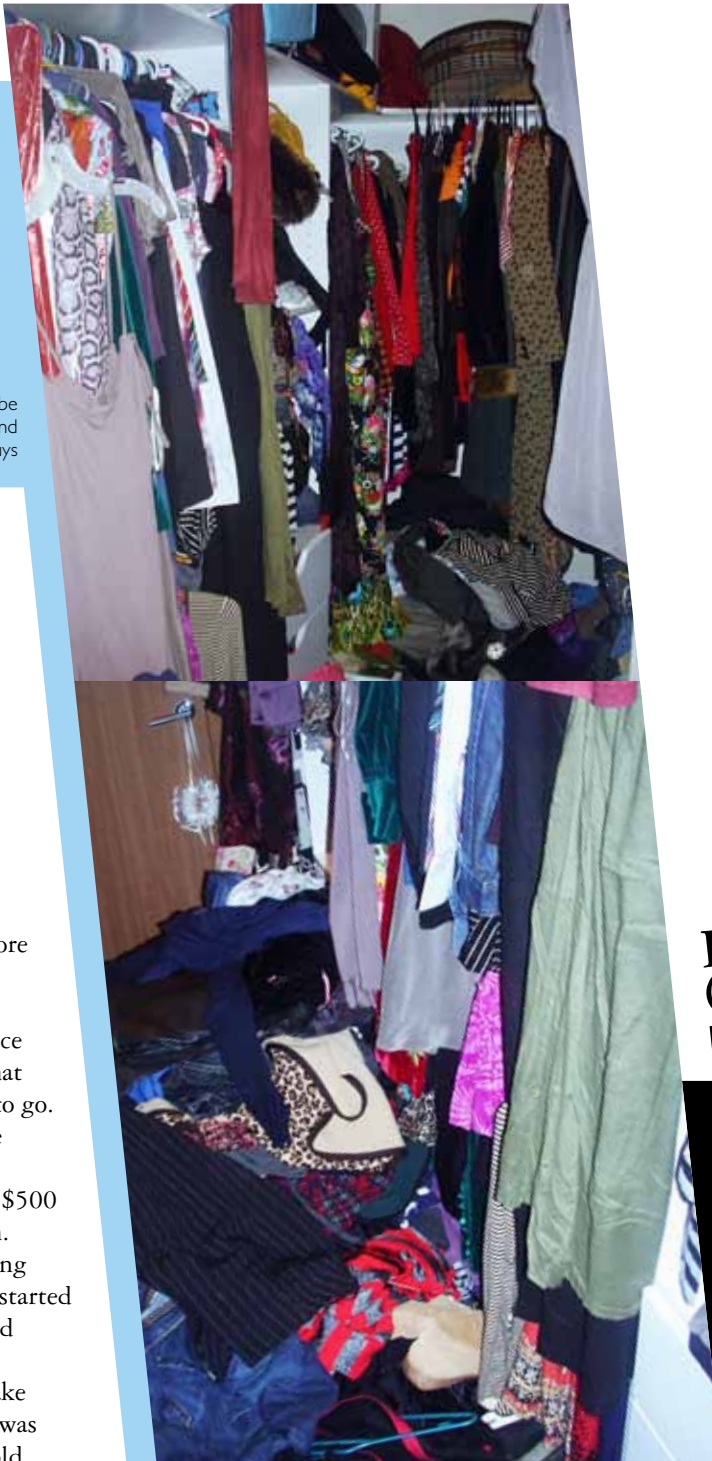
The debt kept piling up, and the interest was huge; what was once a "bargain" had tripled in cost before I'd paid for it.

I'd often hide my purchases behind grocery bags when I came home, like a drug addict or alcoholic ashamed of a binge.

If friends or family asked whether I was wearing something new, I'd lie and say: "This? It's five years old!"

Tod didn't know the full extent ►

Francesca's wardrobe became a dumping ground for her impulse buys



of my spending because I made purchases on my cards and not his, mostly to keep it private.

Our relationship was unravelling. One day, after seven years together, he suddenly announced he didn't love me anymore and was seeing someone else. His words devastated me.

He moved out and my spending escalated.

In the year I was single before meeting my now husband, Nathan*, I bought all new furniture for the house I'd once shared with Tod; anything that had a connection to him had to go.

I increased the limit on one credit card from \$16,000 to \$21,500, and the other from \$500 to \$10,000, maxing out both.

Six months ago, my shopping bubble burst when the bank started sending me final demands and ringing me constantly.

I was told that if I didn't take responsibility for the debt, I was at risk of having my house sold from under me as collateral.

That's when the cold, hard reality of my behaviour set in: how could I be 39, earning a healthy wage of \$80,000 a year and have nothing but debt (and some nice clothes) to show for it?

I resolved to do something proactive about my situation and started by cutting up both credit cards and ringing the bank. Financial specialists helped me consolidate my debts and spread the repayments out, which made it manageable.

There's no comparison between my attitudes then and now; I haven't bought any clothes for six months and, when I do buy anything, I think about it long and hard beforehand.

I never impulse shop anymore

and will actually feel guilty if I spend my money on anything that isn't food or essentials.

Best of all, I don't actually feel like shopping – it's liberating!

Now I aim to put \$800 of my pay into a special savings account every single fortnight, and up to \$1000 of that goes towards paying off my credit-card debts at the end of each month.

Starting a blog was another huge step forward, as it's made me accountable for my spending; I track all my repayments.

Now I use my eBay account to sell the things I don't need. Last week, I sold a leather jacket that cost me \$300 for \$30, but I figured it was

better than nothing at all.

I'm thrilled to say I've paid back the \$10,000 I owed on one credit card, and have just \$14,000 left on the other.

I've also given more than 500 items of clothing (that's 20 full rubbish bags!) to friends, family or The Salvation Army.

Strangely enough, I'm much happier with less "stuff" than I ever was when my spending was OTT.

Maybe I'll never understand exactly why I dug myself such a huge hole, but I can safely say I've learned from my mistakes.

There's no doubt in my mind that, even after I'm totally debt-free, I'll never fall back into a pattern of frivolous spending.

www.tasmanianminimalist.blogspot.com; www.shopyourwardrobe.com

KICK THE (DEBT) HABIT

JANET WEBBER, SENIOR FINANCIAL PLANNER FOR COMMONWEALTH BANK, SHARES HER TIPS...

UNDERSTAND where you spend your money. Know how much you spend on non-negotiables, e.g. loan repayments, and don't forget to consider your mobile-phone bill, clothes and entertainment expenses.

BE ASSERTIVE Think about how you can reduce your expenses going forward. For example, are you impulsive when it comes to buying clothes?

Instead of eating out, invite friends over. **PLAN AHEAD** Once your debt is under control, try and have at least one to three months' salary invested for a rainy day. Consider a separate account to save for holidays and gifts, and don't forget to consider your future – which might mean saving for a house or investing funds into superannuation to gain the government co-contribution.

SET GOALS Be prepared for short-term constraints while repaying your debt. Set yourself a target date to repay the money; it will help if you feel on top of the debt cycle. Also ask yourself how much you'd like to have as a security net, for when you want to purchase a car, buy a property, start a family, etc. Stick to it.

www.commbank.com.au

*NAMES HAVE BEEN CHANGED. ASTOLD TO VANESSA LAWRENCE. PHOTOS: JULIAN KINGMA. HAIR AND MAKEUP: ALANA HOLMES/KHM. WITH THANKS TO FEDERAL COFFEE PALACE