

FINANCIAL FAIRPLAY

All may be fair in love and war but not when it comes to money, says Susanna Stuart

A man finds a brass lamp in the gutter. He rubs it, a genie appears and grants the man three wishes.

After a moment's hesitation the man blurts out: "A Ferrari, I've always wanted a Ferrari!"

Bing! A bright red Ferrari appears. The man notices a celebrity playboy over the road. He's that slick yapping-on-his-mobile-phone-and-clinching-a-property-deal type. Bing! Bing! The celebrity gets two Ferraris.

Our man is astounded. "I asked for one – how come he gets two?"

"Don't worry," says the genie. "What's your next wish?"

"I wish for \$10 million."

Bing! A big bag of bank notes appears. But the playboy – still chatting on his mobile and throwing his cigarette stub on the pavement – gets two bags of cash.

"That's not fair," complains our man. "What did he ever do?"

"It's not your concern," says the genie. "You just scored \$10 million. Aren't you happy?"

"Yes, but..."

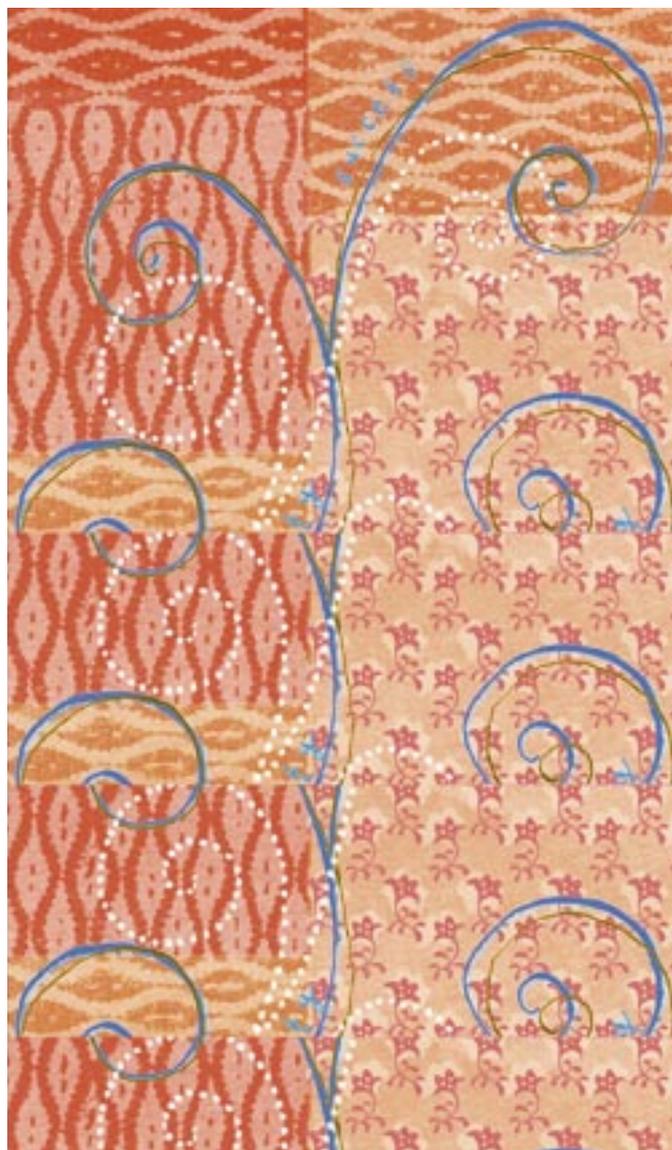
"What's your third wish?"

The man looks across at the sleazy celebrity with his two Ferraris and \$20 million.

"Okay," says our guy, "I've always wanted to donate one of my kidneys..."

Fairness is a value that is hot-wired into humans. We usually see it as a good virtue, but it can be destructive.

There's a psychology experiment called the Ultimatum Game. It's a clever little test because it helps gauge human greed and reason. Player one



player one should work out they can keep most of the loot – and get away with it.

Generally the offers are closer to 50/50, and if player one offers less than 20 per cent the other person will forfeit rather than allow player one to get too much. In other words a sense of fairness overrides cold logic.

Our innate sense of fairness is a strong element in our sense of financial wellbeing. We gauge our salary not just in terms of the amount but in terms of what others are paid. Our satisfaction with home and possessions is tempered by what friends possess and the houses they have. Our work motivation and shopping patterns are not determined by just our goals but by our social radar.

A client of mine expressed this sentiment exactly when she said: "My choice has been to live modestly and invest my funds into my university education – but when I see some of my friends' wonderful houses, I suddenly feel so disconsolate."

We all know the feeling, it's only human. Sometimes, our sense of fairness makes us less happy than we ought to be. ■

has 100 items and can nominate how many they keep and how many the other player is allowed. Player two has only one right: if they aren't satisfied they can veto the results and no one gets anything.

In theory, even if I offered you only 10 per cent of the loot, you'd be better off accepting this than hitting the veto button and getting nothing. In theory,



CELEBRATE SUCCESS

Got a twinge of the 'it's not fair' blues?

* Measure your success in terms of your own personal goals. Celebrate these.

* Celebrate the successes of others. Wish them luck – don't judge your friends by their wealth.

* Adjust your focus. Is financial success measured in possessions or by preparation for retirement, sleeping well, being debt free and able to face the unexpected without having a financial crisis?

* Explore a less advantaged nation... and you say your life isn't fair?