

#4: Managing Fluctuating Income



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With Your Host

Debbie Sassen

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Welcome to Mastering Money in Midlife, a podcast for midlife women in business to overcome financial anxiety and make more money without burning out or sacrificing their families. Join certified life and money coach Debbie Sassen, as she shares practical business strategies and mindset shifts, that help you dissolve the money blocks that keep you stuck in a cycle of underearning and under-saving, sabotage the growth of your business, and prevent you from building the wealth that you desire.

Hello, my friends, and welcome to episode four of the podcast. It's late November when I'm recording this podcast, and we were supposed to be launching yesterday. Which is a little bit funny. The uncertainty that has been generated around the podcast, getting it launched, getting it out there into the world. And it's almost like a baby. And as a mom of eight, I have had this experience a few times in my life where you have a due date in your mind, and you're expecting that your baby is going to arrive on November 23rd, or March 10th, or whatever it is, and then you get closer to the date, and the anticipation increases, and every little time you are feeling something in your belly, a little pain here, a little pain there. You start wondering, is this it? Is this not it?

Is today going to be the day? That's kind of the way I have been feeling about the podcasts, and last night we got word that we are actually delaying the launch for a whole week. Now, by the time you are listening to this episode, it's already going to be December, and the podcast would have launched. Now, it's just kind of like I have a new due date for the baby. And it's like, oh, okay, let's just recalibrate all of our expectations and reorganize our brain for something new.

We've got new information, new data points, and let's focus on the new date. And it kind of ties right into what I'm going to be talking about today. Which is fluctuating income and the uncertainty that the entrepreneurs have around the ups and downs that kind of rollercoaster ride around

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fluctuating income. A lot of entrepreneurs say they don't really like that part of being a business owner. They love being out there in the world. They love serving their clients. They get a lot of satisfaction from being out there and doing the thing. But the money part, the income part, the ups and downs that like, rollercoaster ride, that gets everybody to show up at Disneyland and Disneyworld. That's not the fun part of the process.

So, we're going to dig in a little bit into how your brain is hardwired, and why it's a problem, let's say, why it's a challenge for entrepreneurs and what you can do instead. All right. So, the first thing that you have to be aware of is that your brain has been hardwired to look for patterns. It takes the data points that are out there in the world, and sometimes we don't have a lot of data points, and it tries to organize them and create meaning.

Our brain wants to tell us a story, and it wants to keep us alive. And it doesn't matter that the data that's coming in is true or not true. It wants to give you meaning because the job, the main function of your brain, is to keep you alive and to keep you safe. So, imagine, for example, that you're out hiking in the mountains, and three and a half years ago, I was in Northern California, in Yosemite National Park, with my family. And we were hiking; I hiked Half Dome, and if you want to go and take a look on my website, on my blog, there's a whole blog that I wrote about hiking Half Dome.

I made it to the top. It was an amazing, exhilarating experience. But during part of the hike, on those trails, there was actually some time we heard some rustling in the bushing or rustling in the leaves, and we looked over the side of the trail. Actually, there were a lot of people looking over the side of the trail by that time, and there was a rattlesnake. And, of course, that's what your brain wants you to do. It wants to hear sounds that are unfamiliar. That rustling in the bushes, maybe it's a snake, maybe it's a bear, maybe it's some other predatory animal, or once upon a time, it could have been an enemy tribe that was going to attack you.

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Or if you're out at night, right? Your brain is going to be listening for unfamiliar sounds, maybe steps that are running after you because it wants you to run, flee, hide, and stay safe. And another incident happened to me, 22 years ago. I had a newborn at the time, and I was nursing him in the middle of the night. It was a rainy winter night, and we were living in a new neighborhood at that time. There was a lot of building going on, and it wasn't uncommon in the wind to hear the scaffolding around the buildings that metal scaffolding rattling in the wind, and I heard the sound, and my brain is processing information, taking in the data, and thinking to myself, does this sound like scaffolding?

As I paid closer attention, it sounded to me like the window bars, the security bars of my house were being rattled. Then, I woke up my husband, and I said, I think there's somebody trying to break into our house. And he jumped out of bed, ran downstairs, and looked out into the garden, and indeed there was somebody trying to break into our house. He banged on the window, and the guy made a face at him. I think he actually gave him the finger and ran away. Interestingly, probably that same robber had actually gone to one of the neighbors down the street.

He had got into their house on this rainy, windy night when their brains weren't processing information is dangerous, and he managed to load up their car with a bunch of stuff. I think the computer, I don't know, maybe some cell phones. Other things, but it couldn't get the car started, so he ran away, leaving all of the things from their house in the car.

Okay, so just beware that if you have something going on in your business, your brain is trying to create meaning from it. And if you don't have steady, repeatable, predictable income, your brain is thinking, oh no, no food, we're going to die. So, that's the first thing to notice. The second thing is that your brain loves predictability. Right?

This is why there are people who just love being employees. They love working in a job and knowing that every single month they're going to have money coming in, the same amount. It doesn't even matter—It does but, it

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doesn't matter so much if it's a lot of money or a little bit of money. There's safety created when you can rely on the same amount of money coming into your bank account. Your brain can relegate that to the lower part of the brain, the unconscious lower part of the brain.

Your unconscious mind, you don't have to think about it anymore. Now, your brain can get back to doing other things that it wants to do, like keeping you well fed, well hydrated, keeping your body temperature even, and making sure that you are staying safe in other ways. So, when your income drops and all of a sudden it's unpredictable, again, your brain is going to start creating meaning out of that, and it's going to be, oh no, what's going wrong here. It's really going to think that something is happening that shouldn't be happening.

And if we think about this, as a parent, let's say, like, if you want to create safety for your children, and since I have a lot of them, I love talking about my kids. Right? Morning routines and bedtime routines create a lot of safety for our children. They know what's going to happen next. They know 6 or 6:30 is dinner time, and then they are going to brush their teeth. There's going to be maybe a story; mommy daddy is going to read them a story.

Of course, they're going to ask for a drink of water because kids always want a drink of water before they go to bed. Then, with our kids, we say a little prayer with them before they go to sleep, Shema Yisrael. Sing a song. There were times when I would lay down in bed next to my kids, to also help them create that safety. But regular nighttime routines and regular morning routines help us know what to expect so we don't have to think about a lot of other stuff going on.

Especially in the evening, we've had so much going on during our day, so many stimuli, so much data coming into our minds that our brains are just exhausted. If we can go to sleep without having to think what to do next, it makes it so much calmer and so much easier. Of course, everybody likes to vacation when we are out of routine, but let's be honest when we get

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back to the day to day, get up in the morning, go to work, go to school, go to bed, get up, eating food, going to exercise, whatever we're doing in a regular pattern we breathe a sigh of relief because it's familiar, safe, we know what to do.

Third thing about how your brain is wired is that it's been familiarized with cause and effect. This starts when you are a baby, fresh out of your mommy's womb. Right, baby cries. The baby feels uncomfortable for some reason. And mommy comes and picks up the baby, cuddles the baby, nurses the baby, feeds, diapers, right? The baby obviously can't express what's uncomfortable. What's bothering him or her, so the mommy does whatever she can in order to comfort the baby.

The baby learns if something's not going well, cry, and somebody is going to come and take care of me. Then, as the baby grows up and gets older, maybe now you have a toddler. She is learning to crawl or learning to walk, and when that baby has that growth spurt and does the next thing, then everybody claps and cheers, and again, there's cause and effect.

Then, the baby goes to school, and she learns her ABCs, or she learns her timetables, and now that young child is learning, oh, if I study hard, I do well, mommy and daddy are happy. Maybe the teacher gives me a gold star on my forehead, I get a hundred percent on my test, and everybody loves me, there's a happy face on my test. Right, we make a connection between what we're doing, which is the studying and the learning, and the reward that we get on the other side, which is the grade, or the star, or the cheers. Whatever it is.

Then, you go out into the world, and you go to work. And if you're an employee, you learn that you work and you get paid. You put in the effort, and you get paid. You put in more effort, and maybe you'll get a bonus, or you're going to get a promotion, and we just have these expectations going on in our mind that we do the thing, and something is going to come back at us, almost immediately. Right?

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Maybe you get paid once a month at the end of the month. But there's this almost instant expectation of doing something now and achieving the reward very, very, soon thereafter. And let's just throw in that we're in an industrialized, high-tech world that has created this biased towards instant gratification, and we want to see the rewards now, even more quickly.

Now, what happens when you're a business owner or an entrepreneur? And your income fluctuates? Well, first of all, it's not predictable, and that already sets off this lack of safety in your mind. And not only that, your brain can't relegate income to the lower part of your brain. Now, it has to exert effort focusing on the data points.

So, that's already the first thing that's exhausting, is your brain is working harder than it would be if you were an employee. Then, it takes the data that it has, and it's going to start searching for a pattern. It wants to create meaning from the information. This is where you, as an entrepreneur, get onto that emotional rollercoaster because if you have an amazing blockbuster month, and you go from, let's say, \$5,000 of income in one month to 10, or \$20,000 the next month, your brain is excited, thrilled, celebrating, you're on a high. You might even go on a spending spree.

We can talk about that another time. But there's this elation that something is going well, and something is amazing in your business. Now, what happens when it goes the other way? You had a great month; maybe you've had a few great months, 10, 11, \$12,000 in your business. And then, all of a sudden, things start going the other way. Now, you've got a \$5,000 month, a \$2,000 month, a \$4,000 month, your brain takes that information and is like, oh, no, I am doomed. I don't know what went wrong. Something's happening; this shouldn't be happening here. Why is this still happening to me? I have been in my business for so long.

Let's remember that your brain's most important function is not to think on purpose about the information that's coming in. Its main purpose is to keep you alive. When your brain sees this downward trend in income, it starts worrying that it's not going to have food or water, or it's going to be able to

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keep you out of danger. It starts getting stressed out and worried, and maybe frustrated, and all of a sudden that elation that you might have felt in the previous month when you had a great income, all of a sudden you start getting scared and shrinking and wondering what's happening.

So, here are six things that you can do as an entrepreneur to help you create safety on purpose. Because you need that feeling of safety and security in order to go out into the world and do the thing that you do and serve the clients the way you love to serve your clients.

The first thing is to take a deep breath, drop into your body, breathe deeply, and breathe on purpose, and notice what's going on. I also am a practitioner of EFT emotional freedom technique, and one thing that I love to do is to tap under my collar bone just gently with a few fingers, maybe even your whole hand, just lightly tap under your collar bone. And that also creates a feeling of safety. It releases any negative emotion, or energy, or stress that's in your body.

Even if you're not into, like, body center practices, or yoga, or meditation, or getting down on the mat and doing those kinds of things, we want to really stop and create a pause. So, that we can focus intentionally on what's happening and send a message back to our brain that everything is okay. We are still alive, we're still breathing, there's still food in our refrigerator, and we're going to be okay.

Number two, you want to look intentionally for patterns. Because your brain has probably created meaning from just a few data points. So, zoom out, and what does your income look like if you look for the last year? Are you looking at data points for the last two years or three years? Depending on how long you have been in business, is there a seasonal pattern to your income? Is this a one-off? This is just one month where it's a blip on the scale, and when you keep going in your business, it won't be noticeable. Right?

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I remember a year and a half ago, I was working with a coach, and it was right after the Jewish holiday of Passover, *pasa*, and I was feeling really low because I had a drop in my income. I came to our coaching session, and I explained it, and she's like, let's zoom out and look at the patterns of what's really going on in your business. And I had created a story in my mind that I had more or less consist in \$10,000 income months at that time.

So, I pulled up my bookkeeping software on my computer. And in Israel I use this software called Green Invoice, it has lovely green bar charts. And we looked at the real information. What I noticed was that there was an up and down pattern to my income. It might have been 10,000, 9,000, 11,000, 8,000, like my income was hovering around \$10,000 consistently per month, but there were fluctuations. And if we looked over a year's worth of information, the trend of income was going up.

So, this one month when my income dropped to, I think it was \$4,000; it really was an outlier. But my brain wanted to create something meaningful out of nothing. So, take a look at your business and what's really, really happening. What are the long-term trends? It's Christmas season which is coming up is a time where you normally sell a lot in your business. Right?

So, look for that and make sure that you're on track to bring in the income that you're normally bringing in this time of year. If summertime is where most of your clients are on holiday. Let's say you're a therapist and you do other one on one work with people, and they go away on holiday during the summer, and you always notice that you have a drop in income during that time? So, nothing's gone wrong if July and August are quiet months for you. But make sure you're not making a big deal out of a few data points that are really meaningless in the long-term picture.

The third thing is that your brain is always going to look for what's not working in your business. We have a negativity bias because, again, our brain wants to keep us safe. So, it's going to take all the data points of things that aren't going well and create a story for you. What you can do, is intentionally look at all of the things that are working in your business.

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Look at the number of people who are paying you. Look at the conversations, the sales conversations that you are having. Notice the positive feedback that you're receiving from your emails and from your social media posts. If you have been doing Facebook Live or Instagram Live, or Instagram Reels, and people have been commenting on your social media. Pay attention to what is working in your business.

Every business should have its KPIs your key performance indicators. Now, for some businesses, that's going to be the number of people who land on their website and click through to a blog, to an ad, to a buy now button, and depending on where you are in your business, your KPI's might be the number of sales conversations that you're having. The number of people who say yes. Your conversation ratio, the number of people on your email list, figure out for your business, what is the data that you should be focusing on. The main thing is you don't have to focus on everything. But know for this stage of your business what you should be focusing on and noticing what's going well and what is working.

Number four, if your brain tells you that you should be doing it differently already. This should be working. You should not be experiencing fluctuating income because you have been in your business for so many years your brain is lying to you. Just notice that. Because the reality of the situation is, is that you are experiencing fluctuating income.

So, if this is what's happening in real life. It should be happening. So, tell your brain to just calm down a little bit. This is what's happening and let's take a look a little bit more closely about why you're getting that message. So, it could be for one or two reasons. Number one, your brain could be shaming you. It's like that voice of your teacher, or maybe your parent in your head. You should be doing this differently already. Like, you're old enough that you should know by now. Right?

And as a mommy, I'll tell you that when we shame our kids and tell them what they should be doing that they're not doing, it never works. They're going to go into the corner and start crying because we made them feel

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bad, and they'll probably just get really angry and want to fight back at us. And so, when we're should'ing our kids, or if teachers are should'ing their students or if we're should'ing ourself we are shaming ourselves and telling us that something's wrong, and that never works. It just makes you shut down.

The second thing that could be happening is, if you think that this shouldn't be happening, there might be a tinge of entitlement in your thinking process. Like, at a certain point in your business, you should have arrived already. Like, this shouldn't be happening to people like you, and it's sort of like putting your foot down and saying that something outside of you, something external, is wrong, and you're entitled for things to be different. It might even be a little tinge of indignation in your voice or in your mind when you're thinking like that.

And again, when you're feeling entitled or indignant, it shuts out the possibility of looking at the external world. Looking at the data with an open mind and trying to create your own meaning out of the data rather than your brain doing something on purpose.

Number five, if fluctuating income is part of the pattern in your business at this stage, create a contingency fund. Open up an emergency fund or an emergency account, and this should be for both your household budget and your business budget. If you're regularly sending money from your business into your personal bank account, make sure that there's also a safety net in your personal bank account for those times when your business income drops.

Also, make sure there is a safety fund, a buffer, or contingency fund in your business for when your income drops. Just be aware that there are fluctuating cycles in your business, and you want to be able to eat, and feed yourself, and pay your mortgage or your rent, your electricity bill, you want to be able to carry on your day-to-day activities and stay alive even when your income drops.

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Number six is recognizing that the money you receive in your business is always a lagging indicator of the value that you have already put into the world. And this is different from a job where you show up, let's say on the first of the month, and you work, work, work, you put in your effort, and then on the last day of the month, you get your paycheck. As a business owner, things work differently. You write the blogs, you run a workshop, you run a webinar, you give value on social media, you launch a podcast, you do YouTube videos, Instagram Reels, whatever it is. You put your value into the world over and over again, and the more value you put out there, you can rest assured that sometime in the future, that value is going to come back to you in the form of money.

As a business owner, the reward comes later. It's not such immediate gratification as it is as an employee. Now, you might run a webinar or a workshop, and somebody immediately signs up to work with you, and that's fantastic, and you can call that an extra special cherry on top of being a business owner. But for most of us, the way we create more predictable income in our businesses is to show up for a year, or two, or three, or sometimes more, and continue creating value with the awareness and the knowledge and the confidence that the reward will come. So, keep putting value in the world. Share your goodness, share your gifts, and rest assured that in time money will follow.

All right, my friends, that's what I have for you today, and I look forward to seeing you in the next episode.

To celebrate the launch of the show, I'm giving away five popular business and money books, including my book *The 1K Investor*, simple, smart steps to start investing with a thousand dollars or less. I'll be awarding five lucky listeners who follow, rate and review the show. It doesn't have to be a 5-star review, although I sure hope you love the show. I want your honest feedback, so I can create an awesome show that provides tons of value. So go visit MasteringMoneyInMidlife.com/podcastlaunch to learn more about the contest and how to enter. I'll be announcing the winners on the show in an upcoming episode.

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Thank you, and bye for now.

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