

#8: 4 Ways to Tell if You Are Underearning



Full Episode Transcript

With Your Host

Debbie Sassen

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You're listening to the *Mastering Money In Midlife* podcast with Debbie Sassen, episode 8.

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 2022. Happy New Year, and I'm just going to open by wishing everybody good health, happiness, blessings, abundance, and prosperity in the New Year. I don't know how your New Year celebrations were since I have been living in Israel, which is 33 and a half years; I haven't really done anything for New Year's. It seems to be a relic of the past. Like, I vaguely remember when I was in school that I would have friends over, and there was the ball dropping in Times Square, and we would watch it on television. But I don't have a lot of memories of New Year's. I guess it's just been a really long time.

This year, New Year's Eve was Friday night. It was the Sabbath, the Shabbat, and it was a beautiful time to celebrate the day, which was just another day of the year with my family, and that's what we did. We had our Halal, our chicken soup together, our chicken and potatoes, and we just enjoyed the warmth of being in each other's company and celebrating the Sabbath. So, welcome wherever you are in the world, whatever you did, and I hope that we're really opening the doors, the portal to a new beautiful abundant year.

I have some exciting news for this podcast. I will be announcing the winners of the book bundle bonus for those of you who rated, reviewed, and followed my podcast. Thank you very much to everybody who participated. I'm going to announce the five winners at the end, so stay on, and you'll get to find out who they are. I'm sure that everyone is really

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curious. So, today we are going to talk about underearning. I thought that was a great topic to start the year because as you're making your plans for the year, you're setting your goals. Suppose you haven't yet set an income goal, money goal for 2022. In that case, I encourage you to look back and listen to last week's podcast, *Believing Ahead of Time*, about the importance of goals, even setting audacious goals, and really being able to stretch yourself and believe that whatever you want is possible.

So, set your goals, and today we're going to talk about underearning. And I think there is a connection between setting a goal and not letting yourself be an underearner. And I'm going to break it down into four different types of underearning. Okay, the first type we're going to talk about is underearning, where you're not even making enough money to meet your basic needs. So, if your needs are not getting met and you don't have enough income to cover all of your expenses, but the basic expenses that you need, and we're going to talk about how your brain can get very tricky and trick you into believing you need more than you actually do. So, that's underearning type number one.

Number two is you are underearning if you're not able to cover the things you want and desire in your life. That can be a comfortable way of living, or it can be an actually very abundant affluent, very real ultimate aspirational type of living, and you know you. You know your personality and the way you enjoy living, and whatever that is for you, there's no judgment. You get to decide for yourself what's really important.

The third type of underearning we're going to talk about is that you are sharing value with the world, but you're not getting paid the money that you want to be receiving for the value that you share. And I'm going to describe that as we go along. And the fourth type of underearning is that you can create many valuable resources, like, let's say, a podcast or a blog or a course. There is so much genius inside you. I really believe we all have tremendous amounts of genius inside of us. You have the potential to share what's inside your beautiful brain and mind with the world and receive more money for that.

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So, that's four types of underearning. Let's just start at the basic level. We all have needs that "to be covered" with money. We have a need for food. We have a need for housing. We want to be able to stay warm in the winter. We're now in January; it's cold in the Northern hemisphere. We want to be able to have electricity, right? There are basic needs that we would like to cover with the income that we earn. And what happens with a lot of people is that they find that they're always living paycheck to paycheck, month to month, and their hand to mouth, right? And their basic needs, they're always scrambling in order to cover their basic needs. Or they are going into debt because they're not earning enough to cover their basic needs.

What I often discover when I work with people one-on-one is that people don't even really know how much money they need on a month-to-month or year-to-year basis and how they can sort of reverse engineer their income to cover their basic needs. So, there are two things that I want to highlight. Number one is that we can actually trick ourselves into believing that we need more things than we really do. So, if you're listening to this podcast, it's pretty clear to me that you're listening to it on an electronic device. And we might actually believe that we need our electronic devices. Indeed, so much of our society has moved over to technology where we can kind of trick ourselves into thinking, yeah, I need an iPhone, I need the latest iPhone. I need to upgrade, and it's for my business, of course, I need to upgrade my computer, and if your computer is eight years old and you do use it for business, I'm not suggesting that you don't upgrade your computer.

I did that a couple of years ago, so I totally get it. My computer was as slow as a very old turtle, anyways, so there are things that you are using business equipment and otherwise, but you know we are very used to using like the navigators, the GPS ways on our phone to get us to point A to point B. We can trick ourselves into believing, oh, I need a phone. Otherwise, how am I going to be able to get from my house to this place that I want to go to? And I just want to remind you that maybe 15 or 20

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years ago, it could be even less. Still, none of us had navigators on our phones or navigators in our car, and somehow, we figured it out with a map. So, we don't really need it. I totally admit that it makes my life so much easier to get from A to B by having the navigator on my phone. But we can definitely fool ourselves into believing that we need things. Or we need to have extracurricular activities for our children. We need to have more clothes, another pair of shoes, another blouse, oh, it's winter and I haven't upgraded my wardrobe this year, right?

There are many things that if you would go through your spending, I'm not even saying your budget because maybe you don't have one, and that's, you know, totally okay. But when you do have a budget, or when you are tracking your spending, a lot of things come to light. And when you have that awareness, it gives you the opportunity to make changes and really get on yourself and say, hey, is this a need, or is this a want? And I remember many years ago, 45 years ago, let's say when I was 13 years old, and it was Hanukah. If you remember from episode number three, I mentioned my dad had been working, and he was made redundant. His boss was my mom's father, his ex-father-in-law. When my dad got remarried, his ex-father-in-law let him go. This was understandable, but that year for Hanukah was a very skinny year in terms of spending. There wasn't a lot of disposable income.

My dad gathered us all together and said, hey, this year, there's not going to be a lot of money for Hanukah. And I remember as a 13-year-old, I got one turtleneck sweater for Hanukah. Now, I have to say that I loved that turtleneck. It was this ribbed material, and it was striped in different colors. It had this beautiful lavender color. I really loved and appreciated my turtleneck, and about that age, I was 13. My sister was about 12, and my stepmom—and we were all the size where we could start changing and exchanging and borrowing each other's clothes. I coveted my sweater, and I didn't want to let anybody else wear it because I really loved it.

Also, in that year, I wanted to go away to music camp. I was finishing eighth grade at the time. I was in choir, and our music teacher had told a

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few of us that we were talented. She recommended that in order to improve our singing skills that we go away to a certain music camp if you're from the California area it's called ISOMATA, the Idyllwild School of Music and the Arts it's connected with USC, and I wanted to go. And my dad was also very clear that there was no money that year for summer camp.

So, being the determined and industrious teenager that I was and very strong-willed, I decided that I was going to music camp, and I was going to earn the money. So, what does a 13-year-old do? I did babysitting, tutoring, teaching English, and teaching math to children who were younger than I was. I went with my friend Deena down to the youth employment service. Now, the youth employment service let you sign up, and they had a lot of people who advertised for jobs; you had to be 14. I was going to be 14 in July because my birthday is July 24th, remember that, okay?

So, I might have accidentally fudged that I was born in 1962 rather than 1963. So, that I was already 14, and I could get jobs through the youth employment service. I also got jobs cleaning house. And one of the jobs that I had cleaning house was for a family, and their son was in class with me in school. It was a little bit embarrassing, but I think that he was actually away. I don't remember if we actually ran into each other when I was in his house cleaning. I do remember that his room was a mess. That's about it, but I was so determined to send myself to music camp that I was willing to clean houses to be embarrassed, you know, by showing up in the house of somebody who was a schoolmate of mine and just to do what it takes to get what I want and to earn the money for the things I wanted to do. I fully accepted that my dad didn't have the money.

I want to offer that as an example for parents today because our children come to us, and you know, I am a mother of eight children. Our children come to us with wants, needs, and desires, and as a parent, we want with all of our hearts to be able to give our children so much of what they ask for, and sometimes we just can't. Like, if there isn't enough money to pay the bills, to eat basic food, I'm not talking about fancy food, or to have electricity and running water, which we could argue running water is a need

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in 2022. We've all gotten pretty used to that, and our children want to go to summer camp, and you might think it's going to be a real disaster if you don't send them to summer camp. You know, I am just offering you the opportunity to think about it differently. Perhaps there is an alternative that is available to you if you really need the money for other expenses in your life.

I also recommend that one of your financial needs is putting money away for your retirement. I believe your need for money and a pension or retirement comes before a lot of the spending that you might want to spend on your children. If we look at statistics, most of us are going to live into our 80s, maybe even into our 90s. Medical technology and development are such that we really do have to plan for a long extended old age. And if you don't have money to take care of yourself, and we've talked about this before, you don't want to have to get out of your rocking chair at 85 or 90 and go back to work. Like, you really do need to plan for your financial future.

Now, if you're listening to this podcast and you're in your 20s, you know we might have some wiggle room to delay putting money into your pension plan until you're 30s, or you might want to just have small contributions to your pension plan, but you do need to take care of your financial future. Your kids are always going to be younger than you are. You are always going to have that strength and longevity that you're not going to have. And they're going to have other opportunities to make money that you're not going to have when you're 70 and 80 and 90 years old.

So, your financial future, I believe today is a need. It should come before many other expenses that you might be directed to cover, you know, "needs, wants, and desires of your children." Okay, so that's the very basic need level. If you're not making enough money to cover your basic needs, then you're underearning. Then, we get to the wants and your desires, and that is a very broad category. You might be wanting to upgrade your car, your house, have vacations, have better quality food, right, you might want to have organic food, and that costs more money. There are so many

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different types of expenses that come under wants and desires, and you know you.

It makes a lot of sense, you know, depending on how much you're earning and how you're covering your expenses to really break down how much you would love to be spending in different categories. There are your household expenses, transportation expenses, education for you, education for your children, and gifts. As a mother of eight and a grandmother of twelve, just gifts for my family can cost a lot of money during the year. Then I have friends, and my friends are marrying off their children, and my friends' children are having grandchildren. The expenses just on gifts can really grow and expand to large numbers if I don't watch what is going on.

And it's lovely to spend, and it's lovely to give. It's lovely to share in somebody's celebration by giving a financial gift. Still, again if you're not putting money into your retirement plan. If you're spending money on gifts for lots of other people, you're really robbing your future self of financial security. So, let's just bring it back to wants and desires. Really go through and look at your life. Like, do you want to upgrade the mattresses in your bedroom because you have been living with them for 30 years and my husband and I did that three years ago. Is the furniture in your house falling apart, and would you love to upgrade it? Is your house getting too small for the size of the family that you now have, and do you want to move into a larger house?

So, these come under wants and desires, and in 2022 we really are living in the age of abundance. We can look around, and we can compare ourselves with our neighbors and people across town. There is so much, plenty, around us that our wants can seem limitless. We can really get carried away with wanting things. I'm not suggesting that you shouldn't want more things, but really be onto yourself and notice what's for you and what is there on your want and desire list that is there to impress your neighbors, and where does your underearning versus, you know, your expenses come in? Again, it's going to be a very fine delicate point, and

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each person and each family, each couple is an individual you have to look at it just like that. But if your income does not cover your wants and desires and you would like to upgrade your life, you have to think about ways to increase your earnings to cover it. So, that's just like a different level of underearning where you can get out of that very sort of narrow needs-based kind of living and live more comfortably and then there's the living luxuriously way that you might also want to be living.

Number three is sharing value with the world but not getting paid for it. And this is what I wanted to share as an example. I was thinking of teachers, nurses, and so many people in the helping professions. I have a daughter who's an occupational therapist. I have a daughter-in-law who is a speech therapist in Israel, and they're working for the health funds here, and they're paid what I consider very low wages. They have a lot that they are giving tremendous value; they're helping children and adults have skills, heal, and integrate better into society. But because they're working for the health funds, they're getting paid very low. Where people working as teachers, I think teachers are probably our most valuable resource or one of our most valuable resources in society, and teachers give so much. I have a daughter who is also a teacher; teaches high school.

I think we undervalue and underpay our teachers, and some people go into these professions and willingly, let's say, underearn. They're choosing these professions, and they do it understanding ahead of time that their salaries are going to be low. However, they're still underearning because the value-to-earnings relationship is skewed. If they were in the private sector rather than in the public sector, they could be earning so much more. And it's a choice, right? And everybody makes their choices; families and couples make their choices, right? If you think about people working in volunteer positions or for non-profits, right, people do make choices, and that's okay.

But, if you are in a situation where you are underearning relative to the value that you share with the world, and you would like to earn more because you need to because you want to because you desire to earn

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more, I just want to offer you to notice and just come clean with yourself and say yeah, I'm underearning and I want to earn more. Then, you can go look outside of yourself, outside of where you are now, for other opportunities where you could be earning more. And in fact, I remember a woman about six months ago, she responded to one of my posts that I put up on Facebook.

And she had been influenced by the content that I regularly shared on social media. Part of that was that she moved out of the non-profit sector to the for-profit sector. She increased her income by 30%, and when she went to negotiate her rate package, she got more vacation days and better health care. I don't remember all the details, but she did recognize that she had a lot of value to bring to the world, and it was time for her to get paid for it. And in fact, when I was working for the government in Israel, when I worked at the Bank of Israel, that was my situation also. I had a lot of value to share, but as a mother of many young children, it was very convenient for me to be working for the government, where every time I had a baby, and I had lots of them, I could take six months off, and nobody could fire me because I had a tenured position with the government. I also had extra insurance plans, and if I had a baby, I could leave early. There were special hours for working mothers. For nursing mothers, it was very convenient. At the same time, I knew based on the value that I was underearning. And when it was time, that's when I left.

The fourth type of underearning is that you have so much value to share with the world, but you're not sharing enough of it in enough ways to get paid for all of the genius in your brain. So, for example, I'm just going to give the example of this podcast, which obviously I am offering to all of my beautiful listeners for free, but it's what we call that one-to-many type of offer. I'm one person, and I am sharing what I have to offer with many people who are listening at the same time. And again, this is a free offer, and I consider all of you my free clients. If you're listening in, you are my client, I consider you my client, and we get to enjoy this relationship for free. Right now, I am working as a business and money coach one-on-one

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with my clients, and at some point, in the future, I will offer a group program where I will share value to more people at the same time, and then it will be a higher-income earning offer for me. Because I will be sharing the same type of value, which is going to be a tremendous amount of value with more people at the same time.

So, you also can search inside the value that you're sharing with the world and ask yourself, is there a way for me to share what I have with more people at the same time and get paid more. And you are underearning if you have more to share, more lives to touch, more people who you can help them improve, stop suffering, get out of pain, enjoy more, have more happiness, have more pleasure, have more income, right, you are underearning if you are not sharing what you have with more people and you want to be sharing what you have with more people and making more money.

Alright, my friends, that is what I have to offer you today. Let me just recap the four different types of underearning that there are. Number one, you are underearning if you're not covering your basic needs. Number two, you are underearning if you have wants and desires that you would like to spend money on, and you're not bringing in enough money to cover your wants and to cover your desires. Number three, you're underearning if you are sharing value with the world, but you're not getting paid money that reflects the value that you're sharing, and you want to get paid more money. Again, if you want to work at a non-profit sector, if you want to volunteer and share what you have and not get paid, or get paid low wages, and you're fine with that, that's beautiful.

But if you have value and you want to get paid more, that opportunity is out there for you as well. And number four, you're underearning if you can share more value with more people and get paid more. So, you know who you are. You know where you are. Take a moment to be introspective and ask yourself as we move into 2022, how can you rewrite your money story so that you stop underearning in whatever ways you are underearning now. You know, is it raising prices? Is it inviting more people into your space? Is

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it switching jobs? Is it switching what you do? And I invite you to rewrite your money story and get paid more money.

Alright, that's what I have for you, and now I am really excited to announce the five winners of the book bundle bonus. For those people who followed, rated, and reviewed this show. So, number one is Lauren Allen Nutrition, number two is Bat-Chen Grossman, number three Yocheved Kornfeld, number four, Shira Brown, and number five Lisa, I don't have your last name Lisa, shoppinforlisa1103@gmail.com. I will be in your inboxes soon, so I can get your addresses and sharing with you those five books, including my book, *The 1K Investor*, simple, smart steps to start investing with a thousand dollars or less. Have a beautiful January. Welcome to '22, and I look forward to helping you rewrite your story with money, redefine your relationship with money, and make more money. Bye for now.

Hey, if you want to flash a fresh financial inspiration and actionable tips to rewrite and master your relationship with money every week in your inbox? You better get on my email list! Sign up to receive my free money mindset workbook. It's been known to get people making more, investing more, and having warm, fuzzy money conversations with their partners. So, get on that link in the show notes, and I will see you in your inbox.

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