

#10: Overspending



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With Your Host

Debbie Sassen

#10: Overspending

You're listening to the *Mastering Money in Midlife* podcast with Debbie Sassen, episode 10.

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.

Well, hello, my friends, and welcome to episode 10. I can't believe I am already 10 podcasts into this beautiful podcasting adventure, but here we are. And I have an exciting episode for you today all about overspending. And women are often accused of overspending, spending too much, not paying attention, but I think I am going to have a little bit of a different take on overspending.

Before we dive into that, I want to tell you about something that I heard going on in my living room a few days ago. We've had like, the cold and flu season in our house. You might notice that I—you know, hearing in my voice, I had a little sore throat and a headache for a few days, and my teenage boys were home as well. I was feeling much better. I was in the kitchen preparing some food. I think it was a pot of lovely warm soup, and they were on the couch watching a video.

First of all, you have to understand we have very, very narrow guidelines for what my kids are allowed to watch on their computers, electronic devices, and social media. We also have a system called Web Xavier, that's Hebrew. You know, and I think it's similar to Covenant Eyes, which you find in the United States. That gives us a report of all of the places where they were hanging out, and they know they're pretty limited. They were watching a video of a Rabbi by the name of Rabbi Fanger on YouTube, I think it was.

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I heard everything in Hebrew because that's the language that my boys learn in. However, they are beautiful English speakers. I wasn't paying attention because my ears don't pick up Hebrew as easily as they pick up English, even though I speak Hebrew fluently. And all of a sudden, I hear mindset in English, and my ears perk up. I'm like, what, my boys are listening to mindset? And then, I started hearing in Hebrew, paying attention to the Rabbi was explaining the difference between a fixed mindset and a growth mindset.

Then, I walked over to the couch, I got interested, and I sat down next to my boys. My older son, my 17-year-old looked at me and said, mommy, that's what you do, right? And I said, yeah, and I went on listening and watching with my boys. The Rabbi was giving an example of two children who grow up in a home, and the father is an alcoholic. God forbid, but these things do happen in the world.

And one of the boys, I think he was talking about two boys, doesn't matter, ended up becoming an alcoholic. He threw up his hands into the air, and he was like, what am I supposed to do? That's what I saw in my house when I was growing up. What do you expect of me, right? You can't expect any better of me. That's what I saw from my father, or that's what I do. It was like he had no choice. His fate was sealed because he grew up in the home of an alcoholic.

The other son was like, alcoholic? I never want to be like that. Look at how my father he ruined his life and the relationships, and nothing good can come out of that. I don't want to be an alcoholic, and I'm going to make sure I take all measures possible not to be an alcoholic. He went, and he became something he had a thriving business, or I don't know what the end of the story was. But he didn't take the situation in his life, the deck of cards that he was dealt as a child, and decide like that was all there was.

The Rabbi was using this example of this is the one with the fixed mindset. Like, what do you expect of me? How can I do any different? You know, what I would call a victim mentality. He is just a victim of circumstances.

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And the other one was like, okay, that's where I grew up. But that doesn't mean that my future, it has to be like that. I have the potential and possibility to make changes in my life. And that's what the Rabbi was offering these listeners, my boys.

You know, in this situation is that we all have the potential to have a growth mindset and to make different choices in our life. And that's the message that I am going to bring to you today, and in all my podcasts really is that we can always make different choices with our businesses and with our money and whatever was up until today from now and into the future we can decide to do things differently.

So, let's talk about overspending. Really overspending and being an alcoholic are the results of the same thing. The same thing is going on in our minds, right? We have a situation in our life, and we're not so happy with it. And in order to not feel the dissatisfaction or not have uncomfortable feelings or, let's say specifically when it comes to spending, there's something we want and something that maybe we don't have the money in our accounts, so we buy it anyway. We get thrown into debt, or we buy and buy because we think that we're going to feel something differently.

Like, we buy a lot of clothes because we think that we're going to feel great when we buy the clothes. There are a lot of things that we do that result in overspending. Now, before I go into it more deeply, my thoughts on overspending, let me just clarify for you what overspending is not. Okay, because there is this term that exists in the world that says, you know, you shouldn't spend more than you earn.

So, if you are a person who does spend more than you earn, that does not make you an overspender. Now, let me give you an example. Let's say that you want to go to medical school, right? You don't have the money, especially if you live in the United States. In Israel, where I live, and we do have subsidized education, medical school is way less expensive than it is in other places in the world.

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But, let's say you're in the United States, and medical school costs tens of thousands of dollars. You know, it might even be hundreds of thousands of dollars; I'm not really in the know. But most people cannot afford to pay cash for medical school. So, they have to take a loan, right? And that means that they're actually spending money, they're sending money off to the medical school that they don't have, and they're spending more than they earn.

Now, the expectation is that in the future, when the student doctor leaves medical school, he/she will have a decent income and be able to pay back that loan. But, today, when you're buying education, you are spending more than you are earning. In last week's podcast, we talked about the difference between saving and investing. Similarly, you might decide to make an investment in your business. You might not have cash available, so you borrow money in order to invest in your business.

Like, investing is not the same, or borrowing money to invest is not the same as overspending. Borrowing money, whether it's med school or law school or to rent a space because you want to have a dress shop, right, and you want to open up a brick-and-mortar business to people or an art store, right? Borrowing money to invest in your business is different from overspending because it's an irrational thought-out decision.

Overspending is also not something that necessarily throws you into debt, right? If somebody has debt, it's not a telltale sign that person is overspending, is an over spender. There are people that have millions and billions of dollars in the bank and savings and in investments, and they buy and buy and buy goods and services, right? We probably all know people who have closets filled with clothing, clothing with tags on it, shoes that have never been worn, you know, purses and pocketbooks that have been used once, and those people might also have money in the bank. They're not in debt, and yet, they are overspending.

I just want to say that if you once in a while buy something that still has a tag on it's not a routine happening in your life that also doesn't make you an

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over spender. I think about me, in particular, this happened many years ago. I was invited to a wedding by someone who is close to our family. For whatever reason, I decided that I was going to go to the wedding. You know, every woman's first response when they have to go somewhere fancy, they're like, oh, no, I have nothing to wear. That was my response when I got this wedding invitation. I was like, oh, no, with these kinds of people, I have to show up a certain way, and my wardrobe is much more casual, and of course, I have nothing to wear.

So, I took myself shopping. I bought myself a blouse. It was a very boxy kind of shape, so I took it for alterations, so it was a little bit more form-fitted. It was kind of lacy and had a high neck. I never loved this blouse. It cost me about \$125-\$150, including the alterations. I wore it once, and it hung in my closet for about another 2-3 years before I finally gave it away. That's not an everyday occurrence. The clothes that I wear I usually love, so if it happens once or it happens twice, it happens every so often, that doesn't make you an over spender.

What makes you an over spender is when you are spending because there is a negative emotion that you don't want to feel. That can happen because you're not making enough money to cover your basic needs. We talked about underearning in the podcast episode 8, and you can go back and listen there, right? Overspending can also be the result of underearning and not wanting to look specifically at your numbers and fix the situation of underearning. So you're a little bit living in, you can call it la la land, or fogginess, or fuzziness, and just like hoping that things are going to sort themselves out.

And you may be feeling frustrated that you're not making enough money, or you're finding yourself always chasing your tail at the end of every month just to like plug the holes and make it work. And you're feeling so constricted by your financial situation. You might even be like that pressure cooker, and in order to release the valve on the pressure and let some steam out, you go. You spend money because you don't want to really face the facts of what's going on with your money and make different choices.

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You're feeling and thinking that it's going to be so hard, or you're thinking you're going to be deprived. You're going to have to cut back. You're going to have to, I don't know, maybe give up your car, move to another neighborhood, take your children out of their afternoon, afterschool activities, and you're going to have to live on a super skinny budget, and that's going to be uncomfortable. And rather than looking and knowing what's going on under the surface, which is what actually gives you control so that you change the situation going forward.

You're like, I am not going to deal with this. I don't want to feel those emotions. I don't want to feel deprived. I don't want to feel like I can't get out of this mess. Like, I can't make it any better. So, I'm just going to go spend money. Rather than feeling empowered and in control and making choices about how you want to spend money which of your expenses are in alignment with your values, which of your expenses can you put off a little bit until later?

Which of the expenses you could say, you know what, that's not really that important. I much rather feel calm about my money and about my spending. That calmness, confidence, and empowerment will feel so good, but rather than looking deeply at what's going on, you're pushing it aside, continuing to live in the fogginess and murkiness, and then you just go and spend money that you don't have. Okay, so that's number one.

Another way that people overspend, and I eluded it to this before, is if you're feeling like there's really an emotional hole in your life. You're not feeling good enough. You're not feeling worthy. You're not feeling loved. You're not feeling safe, right? There's just something emotional going on, and you buy things, you buy stuff, you buy whatever as a way to make yourself feel better. You want that dopamine hit.

You know, you want that feel-good stuff that comes from the alcohol, right? If there's things going on that you don't want to feel, you know, an alcoholic will drink in order to numb that feeling, and it's similar with overspending. If there are, again, not good feelings that could be going on and lurking under

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the surface, right? You go and buy something to make yourself feel better. Whether it's a piece of jewelry or a new shirt, blouse, or a new pair of shoes, you know, for some people, it can be a new car. It can be really expensive.

Oh, and when I have that thing, I'm going to feel better. And yeah, we all feel better for a little bit once we spend money, but that feeling is femoral. It just disappears after a short period of time, and then we need another hit. We need to spend more money in order to feel good again. And rather than getting under the surface and figuring out what's really going on, that cycle of overspending happens again and again and again.

It really does become the self-fulfilling prophecy that when you spend money, whether you do or don't have it in order to feel good, it just keeps going. At some point, if you want to get out of the cycle of overspending, you have to decide to feel uncomfortable because your body is just going to like, want to spend money. You're going to have this need to spend, and when you decide to stop that process, it doesn't feel good, right?

You have to really control your urges for a period of time until it becomes normal and natural for you not to be an over-spender. And let me just sum up with what it means to be an over spender in your business. In last week's episode, I talked about the difference between saving and investing. We can make big investments in our business for the long term, and I talked about how I invest \$50,000 a year in my business coach, right?

But sometimes, if our business isn't growing fast enough, whatever fast enough means, right? We're thinking in our mind it's not growing fast enough, and we're not waiting with that long-term investment horizon for our business to really take off, right? But we're like hustling, and we're feeling impatient, and we want it to happen quickly, and we're not feeling so good about the growth of our business.

We might go invest, spend, right, it's not an investment, but we do kind of convince ourselves that we might spend money on another course,

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updating our website, tweaking our fonts and our branding, and doing all sorts of little things in our business that cost money because we don't want to feel like things are happening too slow. Or, we don't want to feel like the competition is doing better than we are.

We get into this compare and despair situation, right? Rather than staying the course and having a long-term investment horizon in our business where we make rational, thoughtful decisions of what we really want and need right now to grow our business for the long term, you know, an over spender in business will start throwing money at things, courses, online courses, tweaks, and all sorts of different stuff, for lack of a better word. But throwing money into little things in order to see results faster.

And sometimes you see all of these promises that are like floating up in your Facebook feed or in your Instagram feed, like, you know, buy this course for \$4, buy this course for \$37, and I call those Band-Aid fixes. They make you feel good, right? They give you that dopamine hit for the short term because you're thinking, oh, now, I've done something for my business, but really let's be honest with ourselves.

When you are investing in your business rather than spending or overspending in your business, you're doing work, right? You are really focusing, thinking, and thinking on purpose and applying what you are learning. You're not jumping from thing to thing to thing, from a \$99 product to a \$159 product, to a \$1,000 product in order to grow your business. You're really staying the course in the one or two big things that you've invested in, and you're making sure that you're getting that long-term return that you know that you want and that you expect in your business.

Alright, my friends, let me recap for you what overspending is and what it is not, okay? Overspending is not necessarily something that's going to cause you to go into debt because you could be the type of person that has a lot of money and still be overspending, right? Overspending is not necessarily spending money that you don't have because you could be making a rational decision to borrow money for future long-term growth, right?

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Overspending is a reaction to a negative emotion that you do not want to feel, and you don't want to feel it now. So, you spend money in order to feel good. If you know that's happening, I offer you the opportunity to really stop doing that. The way to stop doing it is to allow yourself to feel like your business is growing too slowly, clients aren't coming fast enough, other people are doing it better than you are, that you're not worthy, that you're not enough; it doesn't feel great. It feels pretty horrible, actually.

But when you allow yourself to feel the feelings and just know what's going on in your brain rather than reacting and going and buying another thing, that is the exact moment when things can change for the future. That's the exact moment when you switch from being in a fixed mindset that everything out there is happening to you to that growth mindset that you're taking charge of, and you're making different decisions to grow your business and to grow your money for the future.

Alright, my friends, that's what I have for you today. If you are or do have a tendency to be an over spender, reach out, let's have a chat, and let's see how I can help you change your money mindset and the way you deal with your business and your money for the long term, bye.

Thanks for listening to *Mastering Money in Midlife*. If you want more information on Debbie Sassen or the resources from the podcast, visit masteringmoneyinmidlife.com.

Thank you, and bye for now.