#74: 8 Steps to Financial Sustainability and Freedom

Full Episode Transcript

With Your Host

Debbie Sassen

#74: 8 Steps to Financial Sustainability and Freedom

You're listening to the *Mastering Money in Midlife* podcast with Debbie Sassen, Episode 74.

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 undersaving, sabotage the growth of your business, and prevent you from building the wealth that you desire.

Hello, my friends, and welcome back to the podcast. It is just a few days before Passover, we say in Hebrew “Pesach”, the holiday where we celebrate the exodus of the Jews from Egypt. I'm recording this podcast with the theme of freedom in mind. Because when we left Egypt, we went from being slaves to Pharaoh in Egypt, to being a free people who was then able to create a connection with God, with HaShem.

And it was a time of renewal and rebirth. It was the birthing of the nation of Israel as a people. And that is also why we always celebrate Passover in the spring. Because the spring is a time of rebirth and renewal. And in fact, when I go into my garden, there is this overwhelming fragrance of orange blossoms and lemon blossoms. I have four different citrus trees in my garden. And it is a very powerful smell. And you can just tell by walking outside of my house what a beautiful time of renewal this is.

And with that theme of rebirth and renewal, I wanted to record a podcast that will be dropping during the week of Passover. And it is all about creating financial sustainability and financial freedom. Before we jump into today's episode, I did want to mention to you that on April 19th I am hosting a webinar, it is called Six Money Myths That You Want to Bust to Break Through Your Income Ceiling.

And there are so many pricing myths around money. I think it's important, if you are a business owner, that we really delve into what is holding you back from raising your prices. I've had conversations with people recently;

they're going to feel greedy; they're going to feel guilty. There are a lot of negative emotions connected with prices rising and it's time for us to bust those myths.

So, go to my website DebbieSassen.com/webinar and register for this pricing masterclass. Wednesday, April 19, 10am, Eastern Time, 5pm Israel time. And if you can't join me live of course, of course you will get the recording.

All right. So let me now jump into what we're going to talk about on the podcast, which is eight steps to creating financial sustainability and freedom. I specifically chose the number eight, because eight, in Jewish Gematria, or you might call it numerology, is a very special number. Seven, we have seven days of the week, seven is you connecting with the world in a natural way. And we know that eight is a supernatural number.

I will give you the spoiler alert. Number eight is prayer and your connection with God. But that is just a little hint of what's to come on this podcast episode. Let us start with number one. Step number one to becoming sustainable and free with your finances is to spend less than you earn.

Now, if you have been with me on the podcast for a few episodes, you've listened… In fact, last week I talked about “Debt-Free Entitlement”. You know that I am neutral on debt. So, what does it even mean to spend less than you earn? And we have to look at this in terms of our long-term relationship with money.

And if you are creating anything with depth, sustainability, longevity, it's going to be a long-term relationship. We're not talking about quick fixes. We're not talking about fast money, making a quick overnight success with your money. We're talking about your business being long term. We're talking about your personal finances being long term.

And over the long term, if you want to create financial sustainability and freedom, you need to spend less than you earn because some of your income needs to be put away for the future. And those are some of the steps that we're going to talk about today on the podcast.

#74: 8 Steps to Financial Sustainability and Freedom

Even in your business, when you are earning money, you should be putting away money for your salary, money in a profit account for paying yourself dividends or a bonus at the end of the year, or money that you want to reinvest back into your business. And as we've talked about, if you need to take a loan, which is fine, then you make sure that you have a line item in your expenses for debt repayment.

If you are continually overspending in your business, and in your personal finances, you aren't going to be able to grow your financial cushion and to live financially free in the future. In your personal life, what this also means, is that you're going to have income coming into your family, and some of it is going to be put away in savings for a rainy day, or I call it a “financial freedom account”.

And that's going to be step two. You also need to put money into a retirement account. And if you want to grow your asset base, you could even put it into investments, in the stock market, in digital assets, in real estate. There are avenues for growing your wealth over time when you don't spend every dollar, every euro, or every shekel that is coming into your personal account.

Step number two, save money in a financial freedom account. People call this account an emergency account, your rainy-day fund account, sometimes I'll call it an oopsie account because oops, life happens, or life happens account. I love calling this a financial freedom account because when you have money in savings, and something does arise, you're not going to start spinning out, getting anxious, or having to take on debt unnecessarily.

You're going to have a financial base and a financial cushion. You'll be able to breathe easily. You'll be able to say, “Wow, ahh,” right? You could just take that deep breath, and exhale. And you're going to just feel much more calm and relaxed if something unexpected arises, and you want money to pay for it.

And that can be something like a medical emergency. Or it could be that you all of a sudden want to travel because there is an event. Maybe it's a business event that you want to go to, a conference, or somebody is getting married, and you want to go to celebrate the wedding with them, and you just found out about it.

Whatever comes up, that wasn't already in your forecast for the year, if you have money set aside in savings, then you can just feel relaxed and calm. And you just know that this is why you have your financial freedom account, where there's things that just weren't expected.

Now, I will point out that if, for example, in your business, you have a computer and your computer is four or five or eight years old, you know that at some point, you will have to replace your computer. Things just wear out and there's new technologies, your old computer does not run as quickly as it used to.

And so, that expense is not going to come out of your financial freedom account. There should be a separate savings account, in your business or in your home life for things that you know are going to happen in the future, you just don't know when they're going to occur.

But step number two is always to make sure you have money put aside for the unknowns. Because that will help you sustain where you are right now, and feel financial freedom.

Step number three is control debt. I don't want to contradict what I said last week and on previous podcast episodes, but when I talk about controlling debt, it's making conscious choices about where you are spending money in your personal account.

You want to make sure you're controlling debt, because it's going to put pressure on your business to increase income quickly if you're running into overdraft or credit card spending. Or if you're taking personal loans from the bank that your business cannot yet sustain.

#74: 8 Steps to Financial Sustainability and Freedom

Your business is here to serve your life. Your life isn't here to serve your business. And if you're overspending in your personal life, it's going to put so much stress on your business to make money quickly, and that will just result in irrational behaviors. You're going to put things out into the world that haven't been thought through.

Again, you're not going to be focusing on the long term and the sustainability of your business. You're always going to be on this hamster wheel running and running and running. So, you really want to be discerning about the debt that you take on.

There is, and we've talked about this before, a concept of what is good debt and what is bad debt. I don't want to make any judgments about debt, because debt is just borrowing from your future self. So, you really have to ask yourself in the moment; wait, do I want to borrow from my future self? Do I need this? Is this a want? Is this the thing? Do I really need this, or do I just really want something?

And you have to slow down. Pause for 24 hours before you make a purchase that is outside of your regular budget. And think about it thoughtfully and with discernment. Controlling debt is step number three.

Step number four is investing for the future. And there are different ways that you can do that. I mentioned a few of them in the beginning; you can invest in the stock market, you can invest in digital assets, you can invest in artwork, collectibles, you can invest in real estate. There are different ways to invest for the future.

Investing, by the way, in the stock market is investing in other people's businesses. You reinvesting your cash in your own business is another way of investing in businesses. I always love reinvesting in my business, and in my commitment, the growth, and the thought that I'm putting into my business.

And here is the thing, none of us has any guarantee of what the future holds. I don't know that I'm going to be healthy tomorrow; God willing, I will be healthy tomorrow. I don't know that there isn't going to be something

else happening in my family life that is going to call me out of my business. I just have a big, huge question mark. I hope and I pray for the best, but because I do not know, putting money into financial assets that will grow over time is a another way to protect myself for the unknown for the future.

Also, if I have money in a retirement account. And it's always worthwhile to have money in a retirement account because there are tax breaks for that money. If I have money in my retirement account, it will continue to sustain me when I'm at 85, 90, 95, 100. God willing, I will have the strength and the interest and the desire to keep showing up and working in my business at 90 or 95.

But what if I don't? I can't rely on my business to always be the cashflow for my life. So, having money in a separate retirement account is going to give me a nest egg, a financial cushion for the future. So, make sure, wherever you are in your trajectory of your business, that you're also putting money away that other people are managing, and it is not dependent on you.

Your business is dependent on you. We want to create something financially sustainable for your future. For that future, as I said, that is unknown. And also, once you have money in a retirement account, you have a passive source of income that can fund your lifestyle if you decide to scale back on your business, or there's something else that is calling you. So, make sure that you have money invested for the future.

Step number five, and this is where a lot of people push back, step number five is tracking your money. Tracking your money in your personal spending account and income, and tracking your money in your business. People hesitate to do this because it feels really uncomfortable.

So many of the clients that I have worked with have avoided looking at their numbers, they have avoided looking at the data. And that's all your numbers are, they are data. It is a single point in time. It says nothing about you as a person. It says nothing about your future. It is giving you information. And when you have information, it makes you more powerful.

#74: 8 Steps to Financial Sustainability and Freedom

You can make thought out decisions, having the numbers for your business; how much you're spending, how much you're earning, how much you're paying in taxes, how much you're putting in your profit account. And similarly for your personal account.

Again, how much are you receiving in income from your business? Or if you're in a marriage, how much is your partner bringing into the relationship? How much are you spending? How much on your housing, on your clothing, on your car, on your utilities, on travel and entertainment? Those are all data points.

It is like doing bloodwork and getting the results from your blood test. You don't know if you have low iron, low vitamin D, if you have an issue with your cholesterol or with high blood pressure. You don't know any of this until you actually do your blood work and analyze the data. And that is exactly what you get when you know your numbers for your home finances and for your business finances.

You have numbers and now you can decide, what do I want to do with it? It is just a data point that can help you make decisions about where you're going. Your numbers don't tell you where you're going. That is all where you are empowered for your future. But you can't figure out where you're going in a thought-out manner if you don't know where you're standing right now.

It is just like going on a trip in your car. You put your coordinates into your navigator, where you are and where you're going, and then you find the smoothest path to get you there.

Step number six is to think positive thoughts about money. Our thoughts really impact the way we show up and do the work that we do in the world, our work in our business and our work in our home financial life. If you're thinking, "Money is so stressful. There's never enough money. I don't want to do this. I never have enough," you can even hear in my voice all these, "oh, I should be further ahead right now," all of these really heavy, negative

thoughts. Then, of course, money is going to be this really burdensome activity.

Money is simply a tool that gets you everything that you need, and a lot of what you want and desire in the world. It is a medium of exchange. It is energy that moves to you and through you. Money can be so much easier than you think. And when you start thinking like that, “Money can be easier than I think. Money can be fun. Making money can be enjoyable. Money is a reflection of the value that I put into the world. Money solves so many problems.”

There are so many beautiful, positive thoughts that you can think about money. And you can go to my website, DebbieSassen.com/resources, and there's a handout there, “22 Money Mantras”, that can help you rethink your thoughts about money.

I will just give you a little caveat there, that if you're thinking negative thoughts about money and they're embedded into your nervous system from activities, events, life experiences. And they're really feeling negative and there's a push back inside of your body when you're thinking positive thoughts about money. Thinking positive things is not going to be the end-all and be-all. You will need to drop into your body and find those uncomfortable emotions and release them.

But just for today, really thinking positive thoughts about money when you sit down and you track your expenses, when you sit down and track your income. So many times, we're like, “Oh, my business isn't making any money. I'm not making enough. It's not working,” and then when we sit down and we look at our numbers, it's like, “Oh, I didn't realize I've had such a great quarter. I was just looking at this week and that week, but I wasn't really paying attention. And I forgot about that.”

And since we are in the beginning of April, if you have not yet done your assessment for the first quarter of 2023, this is also your invitation to go back. Track your numbers, look at the data, and get clear on where you are.

And always think positive thoughts about money. When you get a bill, just bless your bills. “Isn't it amazing that we have electricity, and we can pay the electricity company for taking care of us?” And you can say thank you to the electricity company. If you have a mortgage on your house, isn't it amazing that there was a bank that thought that you were credit worthy and lent you money so that you can actually live in your house before you have earned enough money to pay for it outright?

There are so many positive thoughts that you can think about money, about this beautiful tool that you have in the world that sustains you on a day to day, month to month, year to year level. So, thinking positive thoughts is number six about money. And I will actually just add one additional point. Think positive thoughts about people with money.

Oftentimes, our thoughts are, “Oh, that rich person, they're evil. They're greedy. They're mean. They're miserly. They make so much money and they don't share it.” That might be true about some rich people. And there are also rich people who are generous. I was recently on LinkedIn, and I noticed that people were talking about how much they are sharing and giving and giving to charity during the Passover holidays. People who have very successful businesses and are paying it forward to other people.

So yes, while there are some rich people who are miserly, there are some rich people who are extremely generous. And there are some poor people who are miserly and there are some poor people who are extremely generous. Money is just a thing. It's the person who's holding the money and can make the choices with the money, who is maybe not being as generous as they could. But money, again, is just a tool.

Think positively about money and think positively about people with money. Because there are generous, kind, loving, compassionate people with money in the world.

Number seven, write down your goals. You might notice that there are a lot of items in our sustainability and freedom around money that include

writing, or at least noticing, you could be doing it in a spreadsheet, but noticing what's going on with your money.

But goals, it is very important that you write them down, put pen to paper, because that activates something special in your brain that creates a new reality in your mind. And in fact, there was a study by Harvard Business that talked about people who write down their goals are three times more likely to achieve them.

So, if for you, one of your goals is creating a financial freedom account with a $5,000 savings cushion inside of it daily, write down your goal: I am building a financial freedom account of $5,000. If you have an income goal of creating $200,000 in your business, write down your goal: I am a $200,000 earner already.

Your brain actually doesn't know the difference between the future and today because your brain only functions in present time. So, create that reality in your mind right now. I am a $200,000 earner already. I am creating financial freedom through my investment accounts. I am putting aside $10,000 in 2023, to invest for the future.

You can do what I call “benevolent brainwashing” by writing down your goals every single day. And as this Harvard Business study suggests, you're three times more likely to achieve your goals when you write them down regularly. And when I say regularly, I don't mean once every month or once every three months. I mean, every day. Commit to the practice of writing down your goals and remind yourself over and over and over again.

And that way if, for example, you're creating that financial freedom account of $5,000, and something automatically pops up and you're thinking, “Oh, I really want to buy that thing,” and you're also thinking about, “Am I controlling debt? Am I building my financial freedom account? Am I saving and investing money for my future?” All of these are goals. You might think twice or three times or even four times before you decide to spend on this thing that was unexpected in your life and in your business.

#74: 8 Steps to Financial Sustainability and Freedom

And the final step to creating financial sustainability and freedom is to pray. We said this in the very beginning, and we're finishing up with this very important point. That when you rely on God, and you remember that he runs the world, he owns everything, there is an unlimited supply of money in the world that the Infinite Creator created.

And he wants to give it to you. He loves you. He wants to share with you. He wants to build that connection with you. Ask God to help you. Ask Him to remember you. Help him on your path to creating financial sustainability, to building that financial freedom account, to growing your income and growing your investments for the future.

God is always there, he's open 24/7, ask him, lean on him. He's there. And he really, really wants you to grow and thrive in your money and in your finances. And then, you can also pay it forward and you can support your family, you'll be able to support your clients. And you'll be able to have this rebirth and renewal of your relationship with money and your relationship with God because you have opened your heart, opened your mind, opened your mouth and you have asked.

So, that is what I have for you, my friends, on the podcast today. Let's just do a quick recap of the eight points. Number one, spend less than you earn. Number two, save money in a financial freedom account. Number three, control your debt. Number four, invest for the future. That is, especially in a retirement account because there are tax benefits to that. And if you've maxed out your contributions to your retirement account, then investing in other assets is a great way to build your wealth for the long term.

Number five, track your money. It's just data points. And when you know where you are, you can tell your money where you want it to go. Number six, think positive thoughts about money. Think positive thoughts about people with money. Think positive thoughts about people without money. Because at the end of the day, it is just money.

Number seven, write down your goals because then you will be three times more likely to achieve them. Write them down regularly. And number eight, pray. Remember that everything comes from God, the Infinite Creator, who owns everything and wants to help you and sustain you and help you achieve financial freedom.

All right, my friends, I am wishing you a happy Passover. I hope you have a beautiful holiday, beautiful spring, beautiful time of rebirth and renewal. And before we close it off today, I want to remind you that on April 19th, that I am hosting a masterclass 6 Pricing Myths to Bust to Break Through Your Income Ceiling. Go to my website, DebbieSassen.com/webinar and enroll in this masterclass.

I look forward to seeing you there, because it is time that you raised your prices and get paid for the work and the effort and the experience and the knowledge and everything you have inside of you and the results that your clients achieve. I look forward to seeing you next week on the podcast. Bye-bye for now.

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.