

#110: Unshaming Debt & Debt as a Cashflow Management Tool



Full Episode Transcript

With Your Host

Debbie Sassen

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You're listening to *The Jewish Entrepreneur Podcast* with Debbie Sassen, Episode 110.

Welcome to *The Jewish Entrepreneur Podcast*. I'm your host, Debbie Sassen. I went from being a financial adviser, author and chronic underearner to building my business to six figures as a financial planner and money mindset coach. And then, on to multiple six figures as a full-time money and business coach.

I help entrepreneurs create money making businesses and build wealth, using sales and money mindset strategies in alignment with authentic Jewish values. Now, let's dive in to today's show.

Hello, my friends, and welcome back to the podcast. I know it's probably a cliché, but I cannot believe that we are in 2024. Does everybody say that at this time of year? I think they really do. But when I think back on the last 12 months, which have been incredibly full, I really think about last year in January.

At exactly this time, my husband and I were planning a trip to the United States. We were just about to get on a plane. My cousin's son got married, and we went to the wedding. We had a beautiful holiday in Puerto Rico. It seems like a lifetime ago; it was a beautiful holiday.

Now, after having lived through the last three months in Israel, we are still at war with Hamas, the terrorist organization that brutally massacred over 1,000 of our people on the seventh of October, it really just seems almost surreal. But anyway, that's not what we're going to talk about today.

Before we do jump into today's episode, I want to remind you that doors to *Wired for Wealth* are open for just two more days. I am enrolling four new clients in my group coaching program *Wired for Wealth*. It is a lifetime access program, which means I will coach you until forever. I mean, not really forever. God willing, until 120, as we say in Hebrew. I should be alive and healthy and well.

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I promise at least two years. My goal is for you to invest in the program, grow your business doing the work that you love doing, that you know God designed you to do and bring to the world, and 10x your investment. If you know that that is the thing that you want to get going in 2024, sign up for a sales conversation right now. Press pause on this podcast.

I mean, let me give you the place first you need to go, DebbySassen.com/consult. Press pause now on the podcast, and go sign up for a consult. It's really just two more days.

I'm accepting just four people because I want to integrate everybody into Wired for Wealth beautifully. And, to make sure that you are going to get the growth in 2024 that you desire. Doors don't open again until March. So, now is the time to get yourself locked and loaded for 2024.

All right, my friends, today we're going to talk about debt. I know it's a kind of funny topic to start the year with. Like, shouldn't we be talking about goals, setting income goals, how you want to grow your business? That, by the way, is what we're doing January 9th in Wired for Wealth. But we should have this vision, and seeing and believing, and it should be all about possibility for the new year.

So, why, pray tell, is Debbie talking about debt? Let me tell you why. 2023, for some people, did not turn out to be the year that they were hoping for at the beginning of the year. About halfway through 2022, we already saw in the global economic arena that there was a contraction in economic activity, and that carried on through 2023.

Then, of course, in the last three months of the year in Israel, many people's businesses were impacted by the war. There are some people who just didn't make as much money as they were expecting to make in 2023.

My clients are split; some made more, some made less, some treaded water and were about the same. It was a no-growth year. They hit an income plateau. But many people either had debt, and they weren't able to

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climb out of it. They maybe got into debt because they had expenses that were pretty fixed, and because their business didn't grow like they were anticipating 12 months ago, they took on some debt.

I want to begin 2024 by unshaming debt. There's no useful reason, there is no nonanxiety inducing reason for you to have any negative feelings about being in debt, if you have debt.

I've worked with clients who have student loans, that's taken for granted. People don't usually feel shame or embarrassment about their student loans. If you had a medical expense that caused you to have to borrow money, people don't usually have too much embarrassment or shame about borrowing money and going into debt for medical expenses.

But for some reason, when it comes to business, especially online business; if you're a coach, a website designer, if you're a copywriter, a photographer, if you're a healer; people who have less tangible businesses.

If you ended up with some debt, or if you had some debt for the last few years and you have carried it over... Maybe it even originated in your personal life... it's not helpful, it's not useful for you as a business owner to be feeling negatively, to be feeling down about your debt.

Debt is simply negative money. Rather than having a positive balance in your bank account, you have a negative balance in your bank account. Really, if we think about it in a longer horizon time perspective, what you ended up doing when you took on debt was borrowing money from your future self. Meaning, you in one year from now, you in two years from now, you in three years from now.

If it takes you 10 years to pay back the debt, so be it. All of your future selves have to pay back that minus that you are currently carrying in a bank loan, on a credit card, wherever it is; personal, relationships, maybe you have money that you borrowed from family or friends.

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When you're feeling tight and constricted and anxious about money that you borrowed, it really impacts the creative capacity in your mind. You as an entrepreneur need to be thinking expansively. You need to be thinking broadly about your business, about your clients. All those creative juices that you have inside of you, I want you to use them in order to go out into the world and serve your people.

If you have this huge rock sitting on your shoulder telling you, especially if that rock is telling you, whispering voices, that you're a bad person, God forbid, because you got into debt. That is the story so many people are telling themselves.

I really want to offer you that there is nothing wrong about the debt that you are now carrying. You might have made some choices, five years ago, four years ago, whatever, that if you had the mind and the wherewithal and the vision that you have today, like you wouldn't have done it. But if you continue to beat yourself up about it, you're really only hurting yourself.

I invite you to let it go. I really, really believe in healing your relationship with money. Stop beating yourself up about debt, about negative money, about borrowing from your future self. There is no useful reason for you to keep banging yourself over the head and knocking yourself for being in debt. So, I just really want to invite you to unshame debt.

I'm just going to drop that I will be launching a Money Healing course in the future, and that might also be a way for you to dig in. It's going to be a self-study course where you will be able to get some healing around your debt. So, that's really number one.

If you have it, don't go into 2024 believing that... Also, that you have to pay it back quickly. That's point number two. Sometimes if you have debt, doesn't matter if it's \$1,000, \$10,000, \$50,000, if you have this inner drive to pay it back quickly, there's this scarcity energy around money.

There's this hustle energy around, "I need to make money. I have to make money. I need my clients." You kind of look at your clients as the way to

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pay back your debt, and then it's not a clean relationship. You really want to be in a place of serving your clients with your highest-level skill set and brain space.

When you need them to pay off your debt, the relationship is dirty; it's a messed-up relationship. We want you to be in clean energy when you're selling to them or working with them. There should be no biases in any way in that relationship.

So, number one, is not to beat yourself up about it. Number two, is not to feel like you need to hustle to pay back the debt. It can be paid back over two years, three years, five years. We can create a debt repayment plan.

That's actually a little course that I have inside Wired for Wealth to help my clients get on a smooth path to paying back their debt. It can be \$100 a month, \$200 a month; whatever your business today allows you to, to slowly get out of debt. Getting out of debt slowly is the way to do it.

As your business grows and you make more money, you will be able to increase the amount of money that you put down on your debt repayment. So, that's point number two.

Point number three. Back in the day, a long, long time ago, I worked on Wall Street. You may know that about me, I worked on what we call the "fixed income trading floor" at Goldman Sachs. Fixed Income is another word for debt. Companies borrow money, they use that money to invest in their business, and they are able to put growth-oriented projects into place for their company.

I helped companies, back in the day, borrow money that they could then invest in their business to grow their business for the future. I'm going to give you a very black-and-white example.

If they could borrow money at say, 5% interest, and when they looked at the projections for the future expected growth of their investment it was expected to return 10% over a number of years, it was a no brainer to

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borrow money at 5%. With the expectation that the money would grow at 10%. They get to take out 5%, that's like gravy, right?

That's all of the extra earnings that the company gets by borrowing money today, in order to invest in a project that will provide future growth for the company.

Some of the clients that we worked with at Goldman Sachs were Ford Motors, Monsanto, and or other name brands. I don't know, it's been a long time since I worked at Goldman. But they had clients who were their long-standing clients. I worked there back in the 1980s. So, it could be that those clients are no longer their clients. Maybe they've gone to the competition, who knows? But those were some of our clients back in the day.

And you as a business owner, can also use debt without any shame, without any beating yourself over the head, in order to put a growth-oriented project into place in your company.

Now, let me just tell you another way that companies use debt. There is something called a "revolving credit facility," and that's a long term. Basically, what it means, is that cash flow fluctuates from month to month. Right now, we're in January 2024. We have just gone through the biggest consumer shopping season of the year, where people go out and they buy and they buy and buy.

There is a huge cash influx into department stores, retail stores, clothing stores, wherever consumer products are sold. But those companies oftentimes borrow money in September or October to fill up their warehouses with merchandise that is going to be sold during the December holiday period.

And so, there's money going out in September or October, and there might be a need to borrow money in order to purchase inventory. And then, cash flow is coming in in December, the end of November a little bit, Black Friday, then all of December, sale after sale. And even now in January,

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there is all of the January sales. When all of the 2023 merchandise is being sold all of the end-of-the-year sales, all of the end-of-season sales. You know what I. There's going to be, in most businesses, a seasonality.

When cashflow is high, that's beautiful. Sometimes when cashflow is high, that's when companies will issue bonuses to their employees. Or sometimes they will take some of that cash flow and they will put it aside in savings.

There are other times when a business will experience a cashflow dip. If they have a revolving credit facility in place, basically a way to borrow money, they borrow that money to get them over the dips in their cash inflows.

Again, as a business owner, I would expect that your income is going to fluctuate. There will be months when your income is higher and months when your income is lower. There will be years when your income is higher and years when your income is lower.

As I said, 2023 was a down year, or a plateau year, for many companies even small businesses, and those businesses didn't grow. And so, if you needed to borrow money, or you do need to borrow money now, to tide you over until the global economy starts to expand, or if you're a local business until your local economy starts to expand, again, there's nothing wrong with it.

I don't want you to go out of business because you don't have cash flow. If you have a business model that has been working, maybe you just got your forecasts a little bit wrong in 2023 and it didn't work out the way you expected. I think there's nothing wrong with that. You can, responsibly and sensibly, use debt in order to tide yourself over, and get you through the rough spots as we move into 2024.

What I want to highlight in particular, is if you have a business investment on your radar... And in particular, if you're thinking about joining Wired for Wealth and you don't have the cash in your business bank account at the

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moment... First of all, I do offer payment plans. But secondly, if you get on a consult with me, a sales call with me, we can talk about if borrowing money makes sense for you and your company.

I have had so many clients over the years who have borrowed money and it has been the best investment of their life, because they've been able to grow their business without waiting to build up their cash reserves in a bank account.

I have a client, where we really had to work on her mindset on this, in November last year. In wanting to understand exactly what it meant, debt, for her business. But when she then went and borrowed money, and just left it parked in her business bank account... Some of it she needed to use right away for various things, and some of it she could just leave there.

We talked about really using that money to pay herself a salary, month by month by month. Not a large salary, because she is trying to keep her personal expenses, her family expenses, low while she grows her business. But it just gave her so much breath, like she could breathe again. She wasn't feeling tight.

She said her deserving level... She just felt that she deserved things in a different way. It just gave her so much calm and serenity. I call it your "setpoint." There's a worthiness and a deserving setpoint. When she allowed herself to have that money in the bank and just sit there... didn't need to spend it, didn't need to pay it back... She just felt her worthiness and deserving setpoint rise. It was a different experience.

That also allowed her to show up in her business much more expansively. Her brain just came up with so many creative ideas. It was interesting last year, just watching in our Slack channel, how she put out a free lead magnet into the world. So many people signed up for it. Her energy was attracting people into her world, because she internally felt more worthy and felt more deserving of having money.

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That's what I want to offer you. If you're thinking about joining the program, or if you're thinking about a different business investment, having money, bringing money, borrowing money, bringing that into your world, into your bank account, even if it's going to go out again, just changes who you are. You internally feel more deserving and more worthy.

That's what I want to offer you about debt. Debt doesn't have to be a negative thing. I know there are a lot of people out there, in the personal financial space, who are anti-debt or no debt. They're really, really going to raise that flag about no debt. But I want to really offer you that in business, it is a different situation.

It is a way for you to leverage money in order to get faster results, and there is nothing wrong, and there is nothing shameful out there in the big world. As I said, that's what I was doing on Wall Street, and that's what some of my small businesses... We're not talking about hundreds of millions of dollars, like I was dealing with back in the 1980s.

We're talking about women who are borrowing thousands and tens of thousands of dollars in order to grow their businesses, without any need, really that inner need, to pay it back in the next three days. They'll allow themselves some grace in terms of time, so that they can build their beautiful businesses and go out into the world and serve their people beautifully.

That is what I have for you on the podcast. We are unshaming debt. You learned about revolving credit facilities. You learned that if you borrow debt at, let's say, 5% interest, and your expectation is for your business to grow by 10% over the long term... By the way, small businesses often grow by 50% or 100%. One hundred percent growth means you double your revenue stream, let's say, in one year.

Even in my program, your \$6,000 investment, I want you to 10x your investment in a year or in two years. That kind of growth is unbelievable. It certainly doesn't happen when you're dealing with big companies, but it is

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totally possible for smaller companies, and I definitely see it with my clients. So, if Wired for Wealth is on your radar, please, please, you have two days left. Reach out to me at DebbieSassen.com/consult, and I look forward to seeing you in 2024.

All right, my friends. Thank you for tuning in. I will see you next week on the podcast. Bye-bye, for now.

Thanks for listening to *The Jewish Entrepreneur Podcast*. If you want to stop underselling and underearning and close more sales, you need to clear the limiting money beliefs that are sabotaging your business growth.

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