

PATH to Prosperity

How Changing Your Money Mindset Can Change Your Financial Reality



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ALL IN THE FAMILY

“Our savings account has over a million dollars. Should we speak to an investment adviser?” Tova Steiner* asks me.

Her husband, Moshe*, nods.

Wow. I could never have imagined them asking such a question when we first met, three years ago.

When money has wings

The Steiners came to me overwhelmed, in debt, and at odds with each other. Despite their mounting bills, Tova didn't want to work anymore. “It's too much,” she said. “Something has to go, and we know it's not the kids.”

“I hear her frustration,” said Moshe. “But we need her salary.”

Together, we worked out a realistic spending plan. Moshe's salary was already their primary income. By cutting expenses and employing wealth-building strategies (see sidebar), Tova could live her dream as a stay-at-home mom. It required some sacrifices, but the Steiners were happy with the trade-offs.

Once Tova didn't feel cornered, her anxiety-free mind began to think creatively. Soon after we met, she started a home-based *sheitel* business. The flexible hours were perfect for her growing family. Tova loved the work, and her business quickly took off.

That should have been the “happily ever after” ending. If the Steiners could live on Moshe's salary alone, now they should have money to spare. But too soon, they were back in my office, still in debt. Money was flying out the window, and they couldn't understand why.

Struck by lightning

We could have created a new spending plan and insisted on frequent check-ins to maintain it, no excuses. However, experience taught me that when

people don't understand their own money behaviors, it's futile to go straight to the spending plan. If we try to change our money behaviors without addressing our underlying money mindsets, we're doomed to failure. Understanding how and why we think and feel about money is often a necessary precursor to financial planning.

Money genograms are an excellent way to discover subconscious money beliefs. A genogram is a therapeutic tool that explores family dynamics through a family tree. Used in financial therapy, a genogram explores the money messages that were passed down through the generations.

Your money story is the history of what you observed, were taught, and experienced. It includes your exposure to different money personalities and cultures. These attitudes and beliefs affect how you see, spend, and save money. They're buried so deeply in your subconscious that you're usually unaware of their influence.

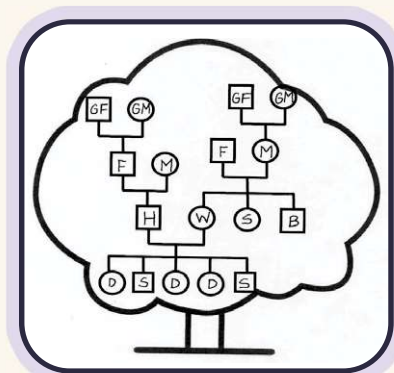
Money genograms are fun and easy. You can make one yourself at home. First, draw a simple family tree including at least three generations, such as yourself, your parents, and your grandparents. Males go in squares, and females are in circles.

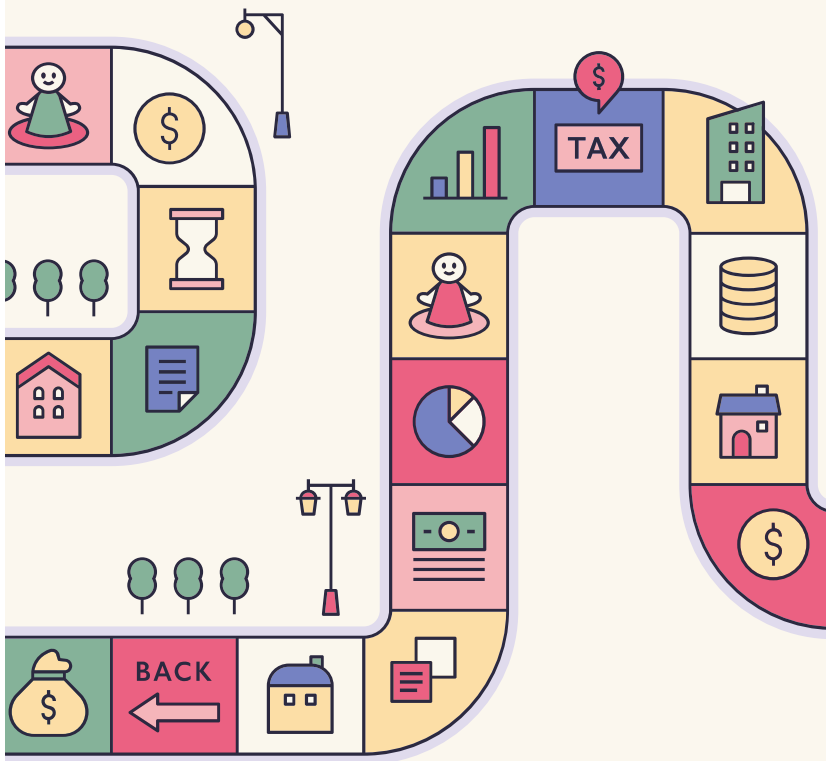
Now label each person with three symbols:

1. Smiley face = content | Sad face = discontent
2. Plus = over-spent | Minus = underspent
3. Check = managed money well | X = didn't manage money well

Looking at her money genogram,

Tova had a lightning-bolt moment. Her father's parents





were quite wealthy but extremely unhappy; their children and grandchildren avoided them. Her maternal grandparents, in contrast, never had much money but lived with love and *simchah*. As a child, she internalized that money leads to discontent and disconnection.

Adult Tova therefore sabotaged her finances so that she never amassed wealth. It was a subconscious attitude that she hadn't recognized. With her new-found understanding, though, she could rewrite her money story and prosper.

Path to prosperity

Secure with the understanding that money will not be the catalyst for unhappiness, Tova now felt comfortable enough to implement a spending plan. We reworked the couple's plan to include Tova's new income and work-from-home lifestyle. As before, the plan included strategies for minimizing expenses and building wealth (see sidebar). The Steiners could log into their account themselves or schedule check-ins with me.

They did both, sticking religiously to their plan. With money mindset clarity, they dropped the excuses. Over time, Tova's business grew further. She expanded her salon, hired staff, and marketed her own products. And that's how they came to me today, asking about an investment adviser for their million-dollar surplus.

Happiness and clarity are the keys to prosperity. ●

**Names have been changed.*



Wealth-building strategies

Smart money management is about making the most of every dollar you earn. Here are three easy-to-implement strategies:

- **Pay upfront**

Certain annual expenses, such as homeowner's insurance or taxes, allow you to pay in monthly installments, but you pay up to 2 percent more for the convenience. Therefore, make every effort to pay the entire sum upfront. Then, prepare for the next year. Each month, deposit a monthly installment in a high-yield savings account. When the bill comes next year, the entire amount will be sitting safely in your bank. And instead of losing 2 percent, you earned 4 percent interest and made 2 percent more money on your money! Now that's smart!

- **Maximum money down**

You can finance a car, a phone, or even solar panels. Companies often entice customers with "\$0 down." But the less you pay upfront, the higher your monthly payments will be. Instead, pay as much as you can afford upfront. (1) You'll pay less interest. (2) You'll keep your monthly obligations as low as possible. Keeping your monthly expenses to a minimum reduces stressful months, and it frees you to save money each month and earn interest over time.

- **Use credit cards as an investment vehicle**

If (and this is a big "if") you have good discipline, you can use credit cards to build wealth. When you charge a credit card, you're essentially getting a 60-day interest-free loan. Deposit your paycheck into a high-yield savings account and keep it there until you have to transfer it to checking. In the time between the credit card swipe and the credit card bill payment, your money grew. Plus, you earned points or perks. Again, this strategy comes with a huge disclaimer: It only works with impeccable discipline and preferably accountability to a financial counselor. Using credit cards without discipline is a recipe for financial disaster!

Time is money's best friend! Taking advantage of interest-yielding accounts or another savings vehicle is a fundamental tool for prosperity.

Simi Mandelbaum CFT-I, AFC, FBS® is the founder and CEO of PROSPR Financial Wellness. She is one of 300 certified financial therapists in the US and currently one of only two *frum* CFTs. But Simi expects to go down in history as the only *frum* former fitness trainer financial therapist ever. Try to say that 10 times fast!