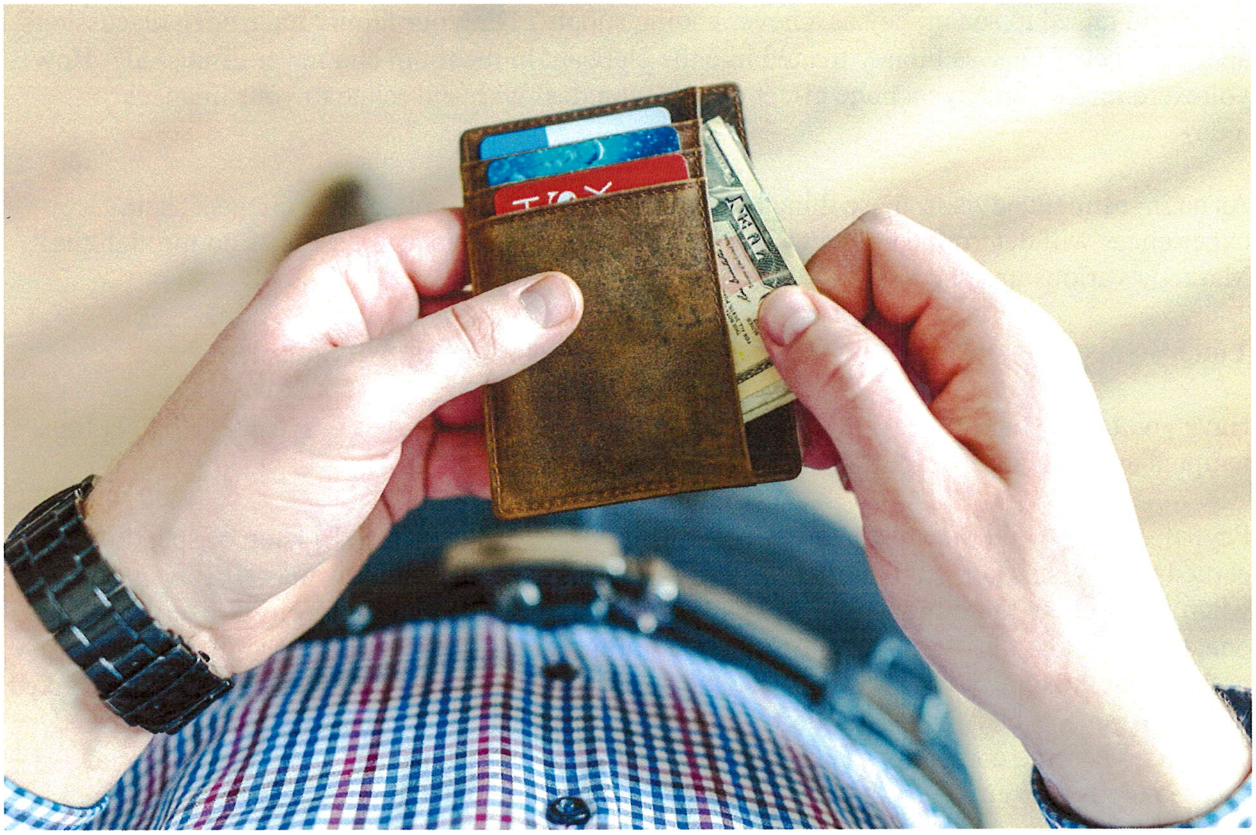
SUBURBAN Living
SERVING THE TOWN OF HOLLY SPRINGS



DO YOU CONTROL YOUR MONEY, OR DOES YOUR MONEY CONTROL YOU?

By Steven K. Lewis

Posted By: Rob FoxPosted date: August 22, 2018In: Articles, Finance

How were you raised to perceive money?

As a child through unforeseen circumstances, my mother was left raising three young children. There were times when we were asked to look through our toy boxes for loose change just to buy a quart of milk. Her excuse to protect us was to say, "I do not want to break a five dollar bill." Growing older I learned the real reasons and that impacted and shaped me as to how I view money today. As a result, I have had to overcome fears as to what money can and cannot do. Financial successes or traumas have the ability to shape our future relationships with our money.

Were you raised to see money as a never ending supply? Did your family have open discussions about finances? Or was money treated like the elephant in the room and never discussed? How you were raised can have a huge effect on how you deal with and relate to your finances today.

As an investment advisor, these things are important to work through with clients. Their experiences will determine how they will be potentially affected as their assets go through the Market's various ups and down.

You also need to consider how society affects your relationship with money.

Have you taken steps to become immune to its many influences or has easy access to debt traps tempted and ensnared you?

Paypal, Amazon and the ability to pay quickly, without any conscious decision of spending hard earned money, has landed thousands of families into financial peril known as DEBT. I recall when I was in the retail industry back in the late 80's and our company (Vons Grocery Co.) was one of the first companies that created the Electronic Funds Transfer (EFT) card. Though it was nothing but the typical club card you use today at various grocery stores, the card was also linked to the customer's bank account where purchases could be easily and electronically transferred. That first year, the company's sales rose 4%, which was unheard of in Southern California. Do you remember the era when, in order to get cash, you would have to literally walk into a bank to obtain it? Not any more. I hate that 'Cash Back' button at the registers.

One of the classes I took in obtaining my Master's degree in Financial Services was "Investment Behavior" which is what we all have. My wife and I have completely different investment behaviors. I will not say which one, but one of us is far more frugal than the other. Our differences are a result of how we were raised to view and handle money. We have all read the many stories of those who come into 'big money', via a large inheritance or through a winning lottery ticket, only to blow through it by gifting, getting ripped off, etc. Some of these "lucky" individuals have even committed suicide.

That being said, it is critical that if/when you seek professional financial consulting advice, you clearly state and write down your concerns to them. Most consultants call this a Risk Profile assessment. This is where you answer a series of multiple choice questions regarding you and your money. But it is far more than that. A financial interview should be an exhaustive process, so the consultant can clearly understand where you are coming from and what your needs and goals are. Are they realistic, based on fears, lies, pie in the sky expectations or all of the above?

Your financial approach should not be a cookie cutter process, but unfortunately, it has mostly become just that with many financial institutions.

An ideal financial consultant should assist you in seeing through any pitfalls that still exist in your investment behavior. It is critical that you have a clear understanding as to how you will achieve your financial goals. As a financial professional, I learn to understand my clients and their behavior when it comes to money and their financial future…especially through retirement. How about the individual that unexpectedly loses a spouse? This can be extremely difficult for the spouse if they were not the main one handling the finances. I recall receiving a phone call late one Friday evening from a widow (we'll call her Mary). She was the spouse of

An ideal financial consultant should assist you in seeing through any pitfalls that still exist in your investment behavior. It is critical that you have a clear understanding as to how you will achieve your financial goals. As a financial professional, I learn to understand my clients and their behavior when it comes to money and their financial future…especially through retirement. How about the individual that unexpectedly loses a spouse? This can be extremely difficult for the spouse if they were not the main one handling the finances. I recall receiving a phone call late one Friday evening from a widow (we'll call her Mary). She was the spouse of
my client who did not make it through what was expected to be a routine surgery. Mary stated that I was the second one on her list to call and she was very clear that she had no idea where their assets were. Since that call from Mary, I make it mandatory that both individuals (if they are a married couple) meet with me. Question: Does your spouse know how to take care of your finances if something happens to you? Does your spouse know the login instructions if any bills are paid via the internet? How about the logins for your investments? A good place to keep these records is in a safe and or on the 'cloud'.

Lastly, evaluate your current relationships with any financial professionals you have. I have been in the position where I had to extricate myself from a relationship with my accountant after 17 years. It was not because that person was unethical, or didn't prepare my tax returns properly, infact, he was the nicest person one could ever meet. It was because this person did not take the time to understand my behavior, needs and goals. This resulted in costing me thousands of dollars in taxes that I never had to pay. Why did I wait so long after those 17 years in this relationship? I did not want to hurt their feelings. Are you currently in a relationship with a financial professional that is detrimental to your financial health because you fear hurting their feelings if you were to go elsewhere? I see this time and time again, and it is understandable, but disturbing. It is sad to see potential clients lose great chunks of their wealth due to not wanting to hurt the feelings of the financial professional that is supposed to be helping them. Your business with that professional can be replaced, but your wealth can't.

There are so many factors that run through the filter of how we view our money. Some of it good, some of it bad. Some of it lies, and some of it true. It's our job to sift through and decide which views are beneficial and which views are harmful to our relationship with our own wealth. It is only then that we can become the drivers of where our finances come and go and not just be a helpless passenger.