

Is your windfall safe?

The statistics around money management are staggering. Aside from those struggling under low socioeconomic conditions or the perpetual middle class, money issues continue and expand with the acquisition of wealth. Many individuals accumulate more money issues as they accumulate more money. One-third of Lottery winners file for bankruptcy within five years. The majority of professional football and basketball players have serious financial challenges, many flat out broke or bankrupt, within 2-5 years of retirement. Seventy percent of inheritances are deemed a 'failure' as relationships sour and money disappears. Those who acquire a windfall through an insurance settlement or selling their business venture are also not immune. What is it about these windfalls that arrive and disappear leaving the individual and their family no better off than before?



We all desire prosperity, affluence, wealth, ahhh the 'good-life': if only there were more money. For those who acquire small, medium, or large windfalls, the windfalls are more often a curse than a blessing. Do you truly know how you would do with a windfall. If the fairies blessed you with a windfall, would it slip through your fingers? Would you squander it on new clothes, a fancy car, and other tangible luxuries? Would you manage it well, using it as a leverage up? Would you lose it in a bad investment or a Ponzi scheme: the likes of Bernie Madoff who was once endorsed by the Securities Exchange Commission?

Would you, could you, be comfortable with a change in your socio-economic status and the shift that would occur as one circle of friends fall away unable to make the transition with you. Would you feel comfortable with that new life that affluence brings, including holding your own in the requisite various business dealings with financial advisors, accountants, or lawyers? Would you be relaxed, sleeping well at night when you think about your circumstances and investments?

Many people who acquire money, whether becoming successful professionally or through other windfalls, do so later in life, when habits are ingrained. Many frugal self-made affluent individuals struggle with giving themselves permission to *spend-a-little*, as the habits that enabled them to become affluent do not change easily: while on the flip side, those who come into a windfall, who lack sound money management skills burn through the money quite quickly.

Our relationship with money is a long-term dalliance. Our true attitude towards money, and how we respect or disrespect its power and potential, are elements ingrained in our subconscious. Are you confident, about being able to achieve your money goals? Could you put yourself in the shoes of someone with sound money management skills and conduct yourself accordingly?

Those that receive a windfall often regret that it ever arrived as it unexpectedly merely unleashed a restrained dysfunctional relationship to money and a spending spree that lasted longer than the money. Left deeper in debt with torn relationships, regret and disbelief surfaces. For most people, on a day-to-day basis money is spent and allocated out as quickly as it arrives, as one covers off; food, housing, transportation, clothing, and other essentials. The presumption is that if we had more, more would find its way into our bank accounts, but not so. It is mind-boggling for the middle class to imagine that people can spend a million dollars in a single year; nevertheless, most windfalls disappear as fast as they arrive.

Money is a taboo topic in our culture and many of us, rich and poor alike, have money-hang-ups. Some people appear to have a money-allergy, they avoid thinking about it as much as possible. Without pause for reflection there is no creation of a viable plan. People avoid or postpone the discussion of money as much as possible. Even when doing business with each other; contract terms or financial aspects are alluded to but not clarified.

Without a healthy relationship to money, and a level of money-prowess, money and the use of it can be just another addiction as it slips through our fingers. Money disappears as quickly as it arrives. The higher price tags of dinners, clothes, cars and housing results in by-passing putting us in a better financial position, despite increased earnings or the arrival of a windfall. So for so many who desire "more", more is not the solution, as it fails to change the constitution of the individual managing the money.

With so many people disconnected from their money, ignorant of the fact that it is their primary relationship, culturally we dismiss how important our relationship to money is and the strong shadow that it casts as it impacts nearly every aspect of life. Nearly ninety percent of Canadians wish they had made better financial decisions, and the remainder lack the self-awareness to be honest with themselves. Ignorant of the impact of the ripple of their mistakes, for having left unseen \$100 bills on the table by missing good investment opportunities through naiveté or excessive conservatism. Alternatively, the financially prudent may not recognize the cost to their relationships as a result of their stinginess.

The wise take self-reflection seriously and learn from their mistakes, correcting both the psychological underpinnings as well as steadily improving their financial literacy. Money-denial is rampant, many are ignorant of how they have

mismanaged funds at one time or another. While some make needless purchases, many others have lost a ten or twenty dollar bill on the street. Loaning money to a friend, or bad investments, can leave us more than short-changed. I have done all of the above. No one is immune: it is merely the awareness, frequency, and extent of our mistakes. Learning as much as we can about money management enables us to minimize the severity of the mistakes, learn from them, and where possible correct them. *'Smart women protect their assets'* is more than just a clever book title by Wynne Whitman. It is a way of life for women (and men) who desire financial; independence, prosperity, and security. True financial-prowess comes when one joins the ranks of those who are very knowledgeable about financial matters. Enabling them to be in control of their financial future.

Klontz and Klontz, in their book *Money Matters*, identified three clusters of money dysfunction, that can hold you hostage and prevent you from achieving affluence and prosperity. The first is avoiding money through; failing to attend to the management of it, averting any type of risk, or stinginess. Alternatively there are those that are obsessed; from the workaholics, to those that hoard, over-spend, or take risks. The third cluster relates to how we interact with money with others: Unable to be straight about our needs or intentions, we use money to dominate, undermine, or manipulate others. All of it: money-snares.

Those earning or receiving windfalls fall into these same clusters. Money dysfunction is an element of the human holding the wallet, not the amount of money in the wallet. Over-spenders keep over spending or give money away to anyone, with or without a sob story who hints at having money issues: while hoarders hoard with a stinginess on par with that of the pre-transformed Ebenezer Scrooge, continuing their money dysfunction. The latter leaves a trail of missed opportunities, while the former, finds themselves empty-handed financially: both are emotionally empty.

Transitioning into the land of prosperity has its challenges for anyone who does so, whether that transition is done slowly over one's career, through building a business, or if that transition is rapid via a windfall. According to *Strangers in Paradise* author, James Grubman outlines several key components on how to successfully transition from the land of 'middle-class' to a land of 'affluence'.

When I immigrated to another country, my preparations began before I arrived. If you knew you were going to immigrate to a new land, you too would start learning about your future home, perhaps, taking language classes, etcetera; so too with wealth. Prepare yourself with skills for good financial self-management as well as other aspects of a more affluent life, so that you can succeed in your new environment. You need to start thinking like someone who is wealthy. Many make the mistake of transitioning to someone who just spends a lot more and fails to think like someone who manages their assets prudently. Many newcomers err

when they believe that the path for acquiring wealth is the same roadmap for adapting to wealth.

In relocating to another country, immigrants may learn a new language among other cultural habits. To survive crossing the financial border requires acquiring a financial lexicon, so that one can interact with competence and confidence with advisors, on one's own terms in a collaborative partnership. This is just one of several psychological shifts required for proper preparation. The ability to be open, to accept input from others, and a flexible set of coping skills while holding true to one's ideas and values are also essential. The skills that lead to our success are not the same skills that are required to maintain success.

Your parents may not have successfully transitioned into the land of wealth. Even if they have money, they could still be living like immigrants who exude their former culture. Few parents can prepare you with the psychological or pragmatic skill set for wealth management: if your care-givers and mentors haven't prepared you for wealth, then you will need to educate and prepare yourself.

Integrating and adapting into the land of prosperity, requires expanding on one's skills of; a strong work ethic and self sufficiency, to a deeper level of relationship skills, as one is required to work more deeply with advisors and kin. Shifting and expanding one's competency in financial literacy to wealth literacy along with increased collaborative skills, are all essential building blocks. Even if one did not acquire these traits in one's youth, it is never too late to learn. Overcoming one's past issues related to; self-worth, shame, and deprivation, are part of the stepping stones to putting one's financial house in order. These skill sets are not acquired overnight, but come through prudent self-reflection, and a willingness to work with advisors, on both the psychological aspects as well as financial aspects of sound money management.

Those referenced in the first paragraph fall victim to improper transitioning, as their new found nest egg dwindles rapidly and they return to the same middle class status where they started, having clung to dysfunctional money habits along the way.

Aside from the over-spenders, and risk-takers, many unable to mentally adjust to the concept of more money, cling to their frugal lifestyles, denying themselves and their family small pleasures or assistance when needed. Dental or medical treatment or educational goals may be side stepped as off-spring are afraid to impose, unaware of their parents nest egg. Life-altering decisions are made in the dark. The ability to communicate honestly and openly about money with those who have both a right and a need to know is important.

Working with a good coach or therapist who understands how to remove psychological blocks is key for turning around these money snares. Being caught in

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any of these money traps may undermine you and prevent you from developing a true money-savviness and money-confidence.

Thirty-eight percent of Canadian women admit they know 'very little' about money, and men are not far behind; few can admit that they feel competent and comfortable with the topic and its intricacies. Regardless of where you are on the spectrum, prudently manage what one has now is the first principle to being prepared psychologically and emotionally. Managing the money we have today well is the cornerstone for prosperity, an aspect that is missed by many 'Law of attraction' writers and speakers. It isn't sexy to say, '*learn how to budget*'. Financial planners, lawyers, and accountants, with their papers and calculators are deemed 'boorrring'. We desire the windfall for the toys and trips that come with it, forgetting that putting money aside for a rainy day will enable us to have more toys and trips in the future, and more importantly, more peace of mind.

The world of the media and advertising focuses on the trinkets and material aspects that entertain but fail to sustain us. Lifestyles of the rich and famous, with an emphasis on the most visible exterior trappings, lead us easily astray. I have rarely seen an inspiring advertisement for the benefits of investing. I love a new outfit as much as the next woman. I also love the confidence that exists when I can look at my investment portfolio and know that the forgone coffees and other unpurchased items along the way are not sacrifices for they have accumulated to become something meaningful and comforting.

As my money prowess expands, my money worries fall into a distant memory. As such, the elements of the law of attraction (gratitude, confidence, peace of mind) are truly working for me.

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As a Wellness & Life-Coach, and Professional Speaker, she can be booked for speeches and presentations or private coaching. Partnering with a coach enables one to achieve more than what one can on their own.

Personally, she has had to overcome her own money issues to reach her current money-prowess. Along the way she spearheaded the formation of an investment discussion group, and is proud of her portfolio.