



# SHARON O'DAY

## You Got Gremlins?

Too many women lie awake at night worrying about finances.

- They're single moms who have struggled to pull the entire weight of raising a family since a divorce and who feel vulnerable. They know that all it would take to topple them is one stroke of bad luck: a layoff, an accident, a serious illness.
- They're widows who never paid much attention to finances throughout their marriages; they were raised to believe that husbands "did all that." Now that their husbands are gone, they don't have a clue about how to start taking control.
- They're career types whose lifestyles grew with their raises and bonuses. Yet savings accounts never quite got funded. Okay, maybe they made some IRA contributions. But they certainly don't have the famous "eight months of expenses saved in an accessible bank account as an emergency fund" that Suze Orman touts.
- They're women from whatever walk of life who did everything right, but then had their savings wiped out by the recent economic meltdown. They feel so deceived by the system and the markets, they can't make themselves face what's left and do what's needed to start building again.
- They're you and me. They're your best girlfriend. They're your sister.

Whether you're wondering how you'll ever be able to retire ... or how you'll pay your credit card bills next month ... or how you'll rebound from bankruptcy ... or where you'll live if you lose the house to foreclosure ... or how you could reach this age and *still* not feel any financial peace of mind ...

... there's one question you've got to be asking:

“Now what?”

To answer that, first you need to understand how you got there.

Well, when it comes to money, it's easier to lead fantasy lives than deal with the reality of our financial situation, regardless of what that is. Instead of being focused on what and who we are today, we imagine what our lives will be like 'when we're wealthy.' We imagine all the good we can do for others. We fantasize about what it'll be like when we live out our grand life purpose and make the world a better place. Maybe our millions will come from next week's lottery or an inheritance from an uncle we never knew we had. In any case, instead of treasuring what we have right now, we mentally discount it in order to make room for what we'll have someday.

What allows much of this evasive behavior is the imprinting on our impressionable young minds of messages from parents, teachers and just life in general. When wires get crossed, often through misinterpretation, we end up with what I call Gremlins: behaviors we experience in adulthood that have their roots in childhood and that make mischief with how we think and act. And, like mischievous gremlins, they tend to sneak up on us.

grem·lin (grĕm'lin) *n.* A maker of mischief.

[Perhaps blend of Irish *gruaimín*, *bad-tempered little fellow* (from Middle Irish *gruaim*, *gloom*, *surliness*) and goblin.]

But before going into detail on Gremlins, let's see what else was going on.

## How Did That Happen?

Over the past several decades, any grasp on financial reality we might have had suffered a blow as the media morphed us into out-of-control ‘consumers’. Even our government sees us that way, wondering when we pesky people will open up our darn purses and start overspending again. Anything to jumpstart the country’s economic growth (even if that overspending is done on whatever meager balances remain on our battered credit cards).

In short, we are encouraged to adopt exactly the behavior that led us to the recent economic meltdown in the first place: living beyond our means. Living in the houses that HD television and glossy magazines told us we deserved, whether we could afford them or not. And filling those houses with new Energy Star® green appliances, perfectly hued natural silk drapes puddling on the floor and every electronic gadget promoted on the show “I Want That.”

All of that takes money. At least it used to. As we were growing up, buying something meant taking cold coins and crumpled bills out of our pockets and watching them leave our hands and disappear into someone else’s cash register. Or maybe we carefully wrote a check that would bounce if there weren’t enough of those physical bills in our account at the bank. Then came ‘plastic’ and our relationship with the real value of money became more tenuous: the boundaries between having and not having money got blurry.

Today, in the world of digital currency, the physical nature of money has totally vanished. Money is called *funds* now and funds dash around the globe at the click of a mouse. No wonder such a disconnect exists. No wonder people spend money they don’t have with such reckless abandon. No wonder there are so many people in financial distress.

Add the fact that we live in a culture where the terms *self-worth* and *net worth* mean almost the same thing. Anyone whose net worth (her bank accounts, stock portfolio and assets) isn’t as high as she thinks it ought to be – and who mistakenly assumes all of her friends have the high net worth she dreams about – is headed down the spiral of diminishing self-worth. One way to cope with that

vicious cycle is to pretend you have more than you really have ... or to stick your head in the sand and ignore your finances completely.

Compound those factors with all the Gremlins that grow out of the secrecy, cultural taboos and gender distortions that surrounded the topic of money as we little girls were growing up. Now you'll understand why such a high percentage of women discover in their fifties and sixties that they are nowhere near being prepared to deal financially with the last several decades of their lives. Or maybe, regardless of age, they're not even prepared to deal financially with next week. In virtually every case, in one way or another, those childhood Gremlins have left their mark: they've left a distorted relationship with money.

## The Price of Unknowing

The price that women pay for their distorted relationship with money is high. And the distortions play out in their lives in infinite ways. Here are just a few:

- From the time Barbara married, her husband told her not to worry her pretty little head. He'd take care of the finances and keep her secure forever. No alarms went off in her head because that's exactly what her dad had told her mom, and look at them: still married and happily retired in St. Augustine, Florida. Three children and 27 years later, Barbara's husband just said, "I need more space" and is filing for divorce. What do they own? What does he earn? How will she live? How will she get her fair share of their accumulated assets? How will she take care of herself now, much less when she gets old?
- Nicole and her husband had started and built their business together, splitting the financial responsibilities between them. It had supported them nicely over the years, allowing them to live in larger and larger houses, to put their kids through private schools and to take exotic vacations with the kids (and then without them once the kids were grown and out of the house). Most important, they were able to set money aside for retirement. Before the economic downturn, they decided to sell the business and take life a bit slower. They even scaled back from the big home to a smaller, easier-to-maintain condo and put the extra equity into

their investment portfolio ... the portfolio her husband handled. Shortly thereafter Nicole's husband died, unexpectedly. When the accountants looked into the portfolio, her husband had been leveraging his investments dangerously and the portfolio's value had been decimated. Now what?

- Evie was a single mom even when she had a husband. Eventually she kicked him out, got a divorce and hunkered down to build a life for herself and her daughter. She moved up in her job from secretary to administrative assistant, from telephone sales to on-the-road sales rep, with ever-growing salaries and benefits. The size of her house grew too, as did her credit card balances as she made up for her daughter not having a father by never saying "No." Fortunately, the credit card companies kept raising her credit limits and for awhile her incoming mail brought offer after offer of new cards. What was harder to deal with was the pile of statements. For awhile she transferred balances to lower interest cards, but even that got overwhelming. And recently she received letters saying her credit limits were being lowered. She had hoped to spend less of her income after her daughter finished college and had planned to start saving for retirement. But last week, after payment of her sales commissions came in later and later, her company closed its doors. Bankrupt, straight to Chapter 7. No assets. No severance. At 52, in a bad economy, where does she go from here?
  
- Frannie was never going to be like her mother, dependent on a husband who spent their combined incomes however he chose and left too little for her mother to feed and clothe the kids correctly. Tired of hearing from her father that she'd never amount to anything and that she'd better find a husband while she still could, she left her small town right after high school, went to Chicago, took some college courses and got a job selling cars at one of the better dealerships. It felt good to be in control of her life: where she lived, what she earned, what she spent. In fact, what felt best were the admiring looks she got when she drove up somewhere in her new sports car, with the latest haircut and wearing this year's above-the-knee boots. But once her commissions grew to a certain level, she found it harder and harder to close the sale with customers. It didn't make sense. She knew she had the chops. And she knew she had to keep spending to keep up the appearances of success because "success breeds success." (Besides, she

could never let her girlfriends know there was anything wrong. What would they think of her?) Frannie found herself falling deeper and deeper in debt. How come?

These are just a few of the ways that being less than candid ... or confident ... or clear about your relationship with money can lead to financial disaster. What is certain is that, more often than not, the major culprits are those mischievous Gremlins.

## So How Do You Know If You've Got Gremlins?

What does a Gremlin look like in your adult life? It's usually a repetitive and predictable behavior that has financially self-destructive results. Those results could take the form of any kind of anxiety, stress, worry or disruption in the important areas of your life. Although you know you should change these behaviors, you can't for whatever reason. And, because your inability to do so causes you shame, you try to hide them from yourself and those around you.

Briefly, they're symptoms of unfinished business from your childhood that could be explained by emotional issues, a dysfunctional family, misdirected coping strategies or what seemed like painful experiences. They could even result from a young little mind misinterpreting what was going on around her, at a time when she had no perspective to know if she was in danger or not ... but better be safe than sorry and put up some protective barriers.

Here is a list of statements that could be evidence of Gremlins that are keeping you from a healthy, stress-free relationship with money. Read through them and mark any that apply.

- I have credit card and other invoices unopened and stacked somewhere.
- I've been charged late fees in the past year.
- I rarely if ever balance my checkbook.
- I forget to record the checks I do write.
- I don't even have a simple budget as a target for my spending.
- I have no idea what the total amount of my debt is.
- I have no money set aside for my retirement.

- I have no idea what my net worth is.
- My family sometimes gets me out of financial messes.
- I owe back taxes.
- I get calls from creditors.
- I hide invoices from my spouse/family.
- Money worries keep me from sleeping soundly.
- I've been turned down for a loan in the past year.
- I only pay the minimum payment on my credit cards.
- I have to juggle what credit cards I pay each month.
- I have no savings account.
- I make cash withdrawals via my ATM from my credit card.
- I can't seem to keep even two months of living expenses in my bank.
- I've avoided going to the doctors because I can't afford it.
- I turn all my financial decisions over to someone else.
- In my heart of hearts, I believe I'll be rescued by someone or something.
- Sometimes I have to pay bills out of savings or my IRA.
- I live month to month, so I'd be in trouble if I lost my job.

If none of the statements apply, be sure to take yourself out to a fine dinner and celebrate the fact that you are one of a small number of women who have a truly healthy relationship with money!

If some of the statements do apply, join us as we delve into which adult behaviors come from unidentified childhood messages ... and how to change your money mindset in ways that empower you to take control of your finances. By doing this you can open up to the prosperity you deserve.