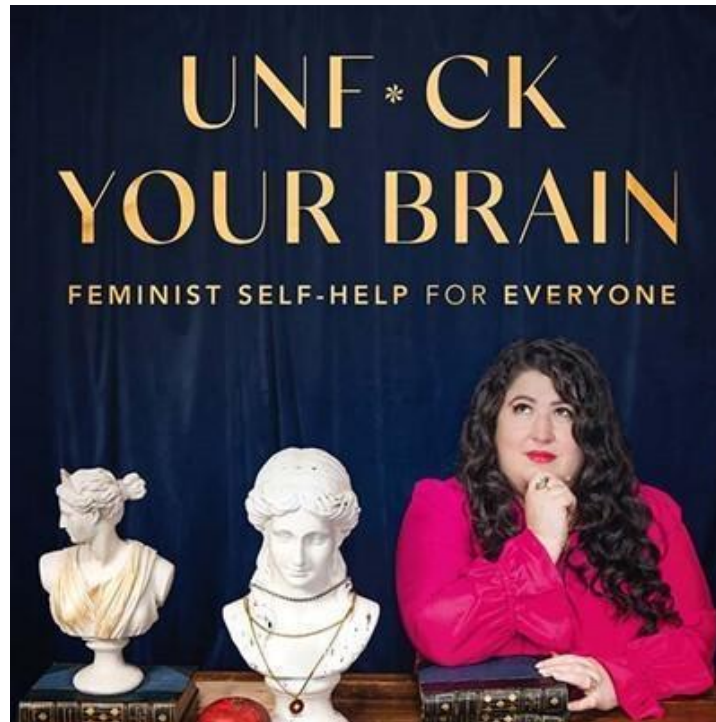


## UFYB 14: Money Mindset Mistakes



### Full Episode Transcript

With Your Host

**Kara Loewentheil**

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## UFYB 14: Money Mindset Mistakes

Welcome to *Unf\*ck Your Brain*. I'm your host, Kara Loewentheil, Master Certified Coach and founder of The School of New Feminist Thought. I'm here to help you turn down your anxiety, turn up your confidence, and create a life on your own terms. One that you're truly excited to live. Let's go.

Okay y'all, I am fired up about this podcast today. And you're going to hear why, but I just want you to know that when I was typing my notes for this episode it was just fire shooting out of my fingers a lot of feelings about today's episode. So after about six months in business, I started getting hired by other coaches and entrepreneurs to do what one of them called yell at me about my pricing. So in other words, I started getting hired by entrepreneurs who were undervaluing and underpricing their offerings and not making enough money. And it soon became really clear to me why. The fact is that most of us have a totally unconscious relationship to money. And for many of us, that relationship is also pretty much negative. We worry about money, we don't think we ever have enough, and we don't think we know how to make more. And that's because we are thinking about money in the wrong way.

And most of us are doing this completely unconsciously. Money beliefs are something most people pick up from their parents first and foremost. And I can almost guarantee that your parents did not create their money beliefs consciously either. And because you pick up on this stuff so early, it just seems like the way the world is. I know my own coach had to seriously push me on my own money mindset when I started coaching. And in fact, I'm going to tell you the story of my own money mindset and how it shifted, to show you how much this work is worth doing and how I've gone through it. And then I'm going to teach you the three most important money mindset shifts you can make. So before I became a coach, I was a lawyer and an academic, and my family actually had several entrepreneurs in it.

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My father owns his own successful business as a rare book and photography dealer. And his whole family is in the construction business. And my mother's father and brother are doctors, but her mother was a lawyer and also a business owner herself. She owned a furniture business for many decades in New York. So in some ways my childhood was really full of examples of entrepreneurs. But nevertheless, I never really identified with that. I identified with the lawyers and the doctors instead. And what that meant to me money-wise was that I believed that I would earn a fixed salary my whole life. And since I started as a social justice lawyer and then became an academic, I didn't expect that salary to be too high either. And I was lucky enough to inherit a modest amount of money from my grandparents, but in my mind that amount of money was fixed.

So that was the most money I'd ever have and if I spent it, it was gone forever. And that led to a lot of scarcity thinking around money, as you can imagine. And as we know from this podcast, scarcity thinking does not actually produce conservation of the resource. In fact, if you stress yourself out that you don't have enough money, you're actually likely to spend more. It's counterintuitive. So when I became a coach, I understood intellectually I would need to be running a small business, along with actually coaching my clients. Coaching my clients is a service that I deliver. It's the value that I create in the world, but I have to have a business infrastructure that keeps that going. I have to be able to market to my clients and have consultation calls and have a client onboarding process, and people have to pay me so I can keep doing this.

There's a business aspect to it, but I haven't worked through my money beliefs. And so initially my business stayed pretty small. I was really disproportionately focused on how much I had invested in my business to pay for training and expenses. And I kept thinking in terms of replacing that money. I didn't understand that money was a fungible resource and that I could just create more of it. I thought it was a pile of gold coins had to be maintained at a certain level, that would never rise above that level and I

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was like Scrooge McDuck, sitting on top of the gold coins. Now my coach really pushed me on my money beliefs hard. And she challenged me to explain why I didn't identify as someone who could create more money by producing value that people wanted. I didn't identify with being a business owner or an entrepreneur, and what I thought that meant about me.

I was trying to be a coach and have as little to do with the business side as possible. She challenged me to really think beyond the pile of gold coins I thought I was supposed to be replacing, to not have my vision be so limited and constrained and to think about money as a resource that I could create more of if I wanted to. It took quite a bit of coaching, but when I finally broke through, the effect was pretty dramatic. My revenue in my business in 2017 was literally 10 times what it was in 2016. Now I don't teach the law of attraction. I made 10 times more money because I took, conservatively let's say, a metric fuck ton of action. I did a lot of work. But I didn't work 10 times as hard, that wouldn't have been possible, there's only so many hours in a day.

Changing my mindset enabled me to see what different actions I could take to create more value for the world, to create more of what my clients and my listeners wanted. More ways of thinking about your thoughts, more tools, more ways of changing your life. All of that created more money. Without that mindset shift, the financial shift would never have happened because I literally would simply not have seen what actions I needed to take. When I wasn't willing to identify myself as an entrepreneur, as a business woman, excuse my little beep there, when I wasn't willing to do that, I, of course, couldn't really be those things. Instead, I was a coach who made a little bit of money by coaching, as opposed to an entrepreneur who could build a successful business. And the truth is that's not even about money.

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The more that I produce, the more I can reach more people. The bigger my business, the more people I reach. So it's not even about making the money for the money sake. The money partly is a symbol of my region of how many people I can help. So today I want to teach you the top three ways to unfuck your money mindset. Thinking about money the way that I'm going to teach you today removes the emotional drama from your relationship with money. It allows you to see it as a resource that you can always get more of if you're willing to do the work and deal with the emotional discomfort you might experience. These three mindset shifts are not in any particular order, but they're all crucial. And I want to be really clear, this is not just for entrepreneurs. Whatever your job or profession, how you think about money is impacting how much you make, where it comes from and how you save and spend.

And I'm not telling you you have to make a lot of money. If you don't want to, you don't have to, but I want you to be able to choose. I don't want you to not make money because you think you can't, or you are in an emotional childhood about money and emotional drama about it. I want you to be able to decide I could make money if I wanted, I understand how my thoughts would need to change, maybe that's just not my priority. That's fine. But be honest with yourself about that. Okay, so here we go. The first major money mindset mistake I see women make is leaving money on the table because they are not willing to be uncomfortable. Leaving money on the table because they are not willing to be uncomfortable. This is another way in which we fail to see how we are costing ourselves money by not managing our minds.

So take as an example, an entrepreneur who avoids introducing herself to new people and offering her services because she's afraid she will feel awkward or they will think she's pushy. So let's quantify that. It's so important to put number figures on this, because you can agree with me that intellectually if you're not putting yourself out there, you don't make as much money as you could. That just feels vague. Put some fucking

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numbers on it and see what you're leaving on the table. Let's say she's a physical trainer, and one of 10 people she meets with hire her if she told them that she was a physical trainer and that she had space for clients. And let's say her average client brings her \$30,000 over a lifetime with working with her if they use her services once a week for five years. So her average client brings in 30 grand, and one out of 10 people she meets would hire her if she told them what she does and how it's valuable and why it helps and that she has space for new clients.

So what does that mean? That means that for every 10 people she doesn't talk to, she is paying \$30,000 to avoid the discomfort of talking to them. She's paying \$30,000 in order to not introduce herself to 10 people and have a five minute conversation with each one of them. She is paying \$30,000 to not feel awkward for a total of 30 minutes. Now, if someone said to you, "Listen, you have to have an awkward conversation for 30 minutes, but then I'm going to pay you \$30,000, would you do it?" I for sure would do it. I don't know about you. Now, how about if you don't ask for a raise, let's say you work in an office and you're thinking well, who I introduce myself to doesn't matter.

Well, what if you don't ask for a raise because you're afraid that your boss will think you're being greedy. Remember when you worry about what other people will think, you're really only worrying about what you think. We talk about this on the podcast all the time, your thoughts cause your feelings. So you're not asking for a raise because you don't want to feel anxious or uncomfortable. You're afraid that you'll have a thought during the conversation that makes you feel uncomfortable. So how much money are you leaving on the table for that reason? 5,000 a year, 10,000 a year, 20,000 a year. How does that compound over the life of your career. Your salary in the future is often tied to your position and salary in the past. You are probably sacrificing thousands and thousands of dollars, hundreds of thousands probably, maybe a million, who knows, because you are not

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willing to feel an uncomfortable emotion. An uncomfortable emotion is just a sensation in your body.

Remember, that's all feelings are, they're just sensations in your body. So it's like saying, "I'd rather pay someone \$500,000 over the course of my life than to have a leg cramp for a couple of days." Now, personally, I am willing to have a leg cramp for a few days if someone is going to give me hundreds of thousands of dollars for it over the course of my career. And I've had to make that bargain many times myself, every time I take my business to the next level, my brain tells me I'm going to die. To me, that is no contest.

So, that is money mindset mistake number one, and honestly this might be the biggest one, not recognizing how much money you are basically paying to avoid being uncomfortable. And we're not even counting all the money you spend on things to numb out so you don't have to feel uncomfortable. Not even counting the booze or the pills or the weed or the Netflix or the binging or whatever else you do to not feel uncomfortable when you get home at night. I'm just talking about the money you leave on the table because you are not willing to be uncomfortable in a conversation. That's what's happening. You are not willing to feel uncomfortable during a conversation and so you are leaving hundreds or thousands or tens of thousands of dollars on the table.

Number two, second money mindset mistake I see people making, is not understanding that when you spend money, you are investing it. You are always getting some kind of return on the money that you spend. The question is what kind of return it is and whether it is worth it to you in financial terms or otherwise. When you spend money on a meal in a restaurant, the return you get is the taste of the food, the nutrition of the food, the social enjoyment of dining with your companion, whatever you're doing at that dinner.

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When you spend money on training for your career, the return you get are the financial dividends of making money in your profession down the line, as well as the emotional satisfaction of doing work you want to do, or the intellectual satisfaction and developing expertise. Whatever you spend money on, you are getting some kind of return. That's why you're spending it. You are exchanging it for something. Now I get to see how women think about this all the time, both through working with my clients and through the consultation calls I do, and the biggest thought system error I see is not thinking about how you spend your money as an investment, because wherever you were spending money, you are getting some form of return. Sometimes it's immediate. And sometimes it's longer term. If you only think about the money going out and you don't think about what you're gaining from the expense, you can not make wise money decisions, because you are only thinking about the money going out and you are not thinking about what you are exchanging it for.

Let's say you want a new job and you think about hiring an executive recruiter or a coach of some kind to help you improve your skills and get that new job. So let's say the executive coach is, I don't know, 25,000 for the year. I'm not an executive coach, but let's say that's what it is. They work with you to help you find a new job, figure out what your skillset is, et cetera. Now, if your reaction to this was to think, "Oh my God, that's so expensive. I would never do that," you are not thinking about it rationally, because what is the financial benefit you stand to gain? If you are making 75,000 right now, and you want a job where you make a hundred thousand and an executive coach is going to help you get that, you have made back your investment in the first year and every year after that you are making money on that investment.

And that's not even counting all the other benefits from a new job. And this is true at any income level or expense. Let's say that your cholesterol is high and you don't really move and you want to start moving and you want to develop a fitness routine. So you look into hiring a personal trainer, but it



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costs \$100 a session. So you think to yourself well, that's too expensive, I could just work out on my own. Yeah, you could theoretically, but you're not. That's why you're considering hiring a trainer. And what are the costs to you of not working out now? What are you giving up in terms of physical benefits now? And what are your medical costs going to be down the line? And that's not to say that you should terrify yourself about future health problems as an a motivational strategy.

Of course, I teach that does not work. I also teach there's nothing objectively wrong with high cholesterol, it's only a problem if you have a thought that it's a problem. But I'm using this example because it's one a lot of people can identify with and it illustrates how we don't think holistically about what the costs are of our current situation and what the return is on investing in improving it, whatever area of your life, that's it. It also helps you compare different expenditures. What's the return I get if I spend my money this way, financial or otherwise? What's the return I get if I spend my money this way, financial or otherwise? Looking at it that way helps you better understand where you want to spend your money because of what return you are getting. It also takes you out of the scarcity mindset of oh, money just goes out. There's not enough, and it just goes out.

Thinking about money as always being an investment in getting some kind of exchange, some kind of value back for it helps you see that money is just one form of currency and energy, along with time and effort and energy that you exchange for things that you want. Number three, the last biggest money mindset issue, money is not about gratitude or deserving. Money is not a way to express your feelings. So many of my clients get caught up in this problem when they are trying to earn more money, particularly when they are either selling their own services as an entrepreneur, or when they're trying to advocate for a raise or a bonus in an employment system. So one problem is that society socializes women to believe they should be grateful for what they're given.

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Women don't want to be seen as ungrateful or greedy. And we suspect that we are being those things if we ask for more money. This is not a thought process that most people socialize as men have. And I see this take a really sketchy... Not sketchy, but what's the right word? Just subtly problematic turn in the self-help community. When people have not worked through their money shit, they just decide to feel grateful instead of uncomfortable and they continue undercharging and under advocating for themselves because they've decided that they're just grateful for what they have. In that context, grateful is a problem. I'm all for feeling grateful. You want to feel grateful, that's great. But hiding and feeling grateful because you're not willing to feel uncomfortable about charging what you actually want to make or what you need to make for your lifestyle or what people are willing to pay you for the value of your services, that is not a good reason to stay in quote unquote grateful.

And grateful isn't the only problem. The opposite approach is thinking that you deserve a certain amount of money and that is not useful either. And this is a place that I think pop psychology really leads women wrong because there's this empowerment light discussion about asking for what you deserve. It's supposed to be empowering, that's the idea. But really think about it. If you decide you deserve something and someone else has to give it to you and they don't give it to you, do you feel empowered? No. You feel terrible because either you decide that means you are not deserving, and give them the power to decide if you're deserving and you feel shitty about yourself, or you decide that they don't recognize what you deserve, they're not validating what you deserve and you get mad at them.

And it's either you feel bad about yourself or mad at them or both. So I don't think that thinking about money as something you deserve solves the problem either. Here's what solves the problem, realizing that money is not an emotion. You don't have to feel grateful for being paid. I mean, a gratitude practice is fine if you enjoy that, I am grateful that I have created the life that I have in a general sense, but you don't have to keep yourself

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small and underpaid under the guise of being grateful for whatever someone else has decided to give you. You also don't have to make getting more money be about deserving it. You don't deserve more money any more than you deserve fresh flowers or chocolate. It's something nice to have that you may find enjoyable, but it's not an evaluation of your moral status or worth.

So gratitude and deserving seem like two opposite ends of the spectrum, but actually they share the same problem, which is that they attach emotional drama and weight to money that it doesn't have to carry. Money is business. Your skills have a value in the marketplace that depends not just on what other people see fit to pay you, but on what you ask for. So ultimately the value of your skills is what the market will pay for them, the financial value, just talking about the financial value, not the value of them in a moral way or in an emotional way. It's the financial value. The financial value of your skills is what the market will pay for them. But many of you aren't even near that amount because you're taking that to mean whatever money the market will shove into your hand while you try to hide, as opposed to what will people pay for these skills if I ask for the amount of money that I want?

So how much you make is not an evaluation of you as a person or a reflection on your worth. Wanting to make more money doesn't make you greedy unless you decide to think that about yourself and other people don't owe you money to prove they value you. You don't deserve a certain amount of money, unless we're talking about a standard government living allowance, which I would totally support, but that is a different podcast. If you try to negotiate with a boss or charge clients coming from a place of believing that they have to agree and pay you to show that you deserve it, you are creating an enormous amount of emotional drama. And it's the opposite of empowering, because what this means is that you often won't even ask for the raise or the promotion or sell your service because you're

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afraid to find out that you won't get it because you're going to make that mean you don't deserve it or that other people don't believe you're worth it.

Let's go through that again, because it's so important. If you give other people the power to decide the moral worth or value, or even the financial value of your services or what you have to offer, and you think they have to agree with you in order for you to believe and feel that you quote unquote deserve it, you are creating so much emotional drama. And when you create emotional drama, what happens is you hide. So you won't ask for the raise because you don't want to hear no and then have to think to yourself they don't think I deserve it, and then feel bad about yourself or mad at them. You don't want to go through that emotional turmoil so you just don't do anything. And that circles back to mistake number one of leaving money on the table. This is why we leave money on the table, because we don't want to have the conversation because of what we're going to make it mean.

But all of that shit is optional. You do not have to layer all of that emotional drama on the question of how much your employer pays you, or how much you charge your clients. How much money you make is not about gratitude or what you deserve or any other moral or emotional drama, it is just business. If you make it have emotional and moral meaning you are making yourself less effective as a negotiator and a salesperson. And you're disempowering yourself, not the other way around. So those are the three biggest money mindset mistakes I see, and here is how you fix them. Number one, ask yourself where you're leaving money on the table because you don't want to have the equivalent of a leg cramp to get it. I tell you, once you start seeing your life this way, you cannot go back. Once you start seeing how many places you are leaving money on the table because you're not willing to have an uncomfortable physical sensation in your body, you will not be able to unsee it.

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Number two, whenever you are spending money, think about what you are investing in and what your returns are. When you were making a decision about what to invest in, think about what are the financial returns and what are the emotional or social or enjoyment returns, whatever they are, but take that holistic view of what am I getting for this money and is it a sound investment for me, whether that's financial or otherwise. If you are thinking financially, if you're going to spend 10, are you going to make 30? That's a good investment. Even if the number 10 seems big to you. Number three, money is math, not drama. Take all of that emotional weight off of your financial negotiations and stop making your financial life mean anything about your value or worth as a human being in your own or others' eyes.

All right. I feel like I was yelling this whole podcast. I have so many feelings about this. I'm sure there's going to be more money podcasts, but hopefully that gave you a pretty good overview. All right my chickens, have a good week. Don't leave so much money on the table and I'll talk to you next week.

If you're loving what you're learning on the podcast, you have got to come check out *The Feminist Self-Help Society*. It's our newly revamped community and classroom where you get individual help to better apply these concepts to your life along with a library of next level blow your mind coaching tools and concepts that I just can't fit in a podcast episode. It's also where you can hang out, get coached and nerd out about all things thought work and feminist mindset with other podcast listeners just like you and me.

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