



How to Turn Money Worry into Success

The following article appeared in an online publication to which I subscribe. At first, I thought it was simply showing support for the work we do at MoneyMinding. Yet, after pondering the statistics further, I realized there was a huge clue to building personal wealth that would likely be overlooked by most readers.

Money Matters Make Canadians Cringe by Steven Lamb

August 06, 2008, Advisor.ca

Many Canadians are worried about their personal finances and do not understand important financial concepts according to a poll conducted by Harris/Decima for BMO Financial Group.

Nearly half (46%) of all respondents reported feelings of anxiety when confronted with their finances. Those feelings subside slightly as incomes rise, but even among those with a household income over \$100,000 more than one-third said they had lost sleep worrying about money.

The single greatest concern regarded retirement with 43% worrying they would not have "enough" money to fund their post-work years. Spending beyond one's means was the second most frequently cited concern, at 20%.

Only one-quarter of respondents said they felt completely fluent in money matters, with 71% admitting they needed help understanding their finances. And 51% said financial institutions were only making matters more complicated.

"The fact that people are anxious about money shows there's a need for more clarity," says Sherry Cooper, chief economist, BMO Financial. "There is a real opportunity for financial institutions to help Canadians better understand money matters, which can ease some of these anxieties."

Given that just thinking about their finances causes anxiety among so many, it should come as no surprise that 46% are least comfortable talking about money — preferring religion or politics as a topic — especially among non-family members.

At home, however, Canadians open up a little more where 76% of parents said they talk about money with their kids.

"Helping kids to understand money and make sensible financial decisions today and in the future is a great opportunity for parents, educators and financial institutions," says Cooper.

Interesting statistics, and ones I would agree with given the type of conversations I have with MoneyMinding members on a regular basis. It seems that this article is just restating what everyone already knows – so my question is, “What’s the answer?”

First, the article has demonstrated a general awareness of the anxiety surrounding money topics. It has also uncovered the key areas of money stress and that the situation exists regardless of income level. These aren’t new statistics.

Armed with this awareness, it’s clear that simply taking some courses on money matters, or finding a new advisor to work with, is not the answer. We also know that setting a goal to save more money or make better investment decisions isn’t the answer either. If it was as easy as recognizing the stress, and setting a goal to address the area of concern (retirement or debt management for example), everyone would have done it long ago.

The answer is much more subtle because recognizing the fear and facing it is actually like pouring salt on an open wound – it’s painful. I heard an amazing speaker tell her story of struggling with a cancer diagnosis. She said the distance between where you are and where you want to be (or where you expect to be) is like a yawning chasm. It’s a gap that needs to be closed. Yet the path to closing the gap isn’t usually known because no one wants to admit they have concerns that they might not be on the right path.

There is also the perception of a huge obstacle of time, work, money or some sort of physical or emotional energy that will be necessary to crossing the chasm and closing the gap. So, most people do nothing and pretend the situation isn’t there, all the while secretly hoping it will go away or a windfall of money will come (the lottery thinking) and solve all their problems so they don’t have to expend the energy to closing the gap on their own.

The answer to money stress, and the secret to building wealth from this awareness, is to start right where you are with the awareness of your anxiety; to be grateful for where you are because now you have a place to map out your journey towards your goal. Without this first step, you don’t even know where the road starts let alone which road to take. When you have a starting place and a destination, you can start to ask questions to get answers to the things that might seem daunting until you face the fears, face the unknown, face the potential ‘what if’ and take one small step at a time to accelerate your results and increase your performance.

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Money expert Tracy Piercy, CFP is the founder and CEO of MoneyMinding Inc., a wealth building system that turns conventional money wisdom upside-down. MoneyMinding offers a turn-key marketing and coaching program for advisors who understand the importance of empowering their clients with education, and are looking for a system to streamline their client financial education process.

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