



The Money Knot - your ka-ching newsletter from Sensible Coaching

Welcome to the May, 2008 **Money Knot**, a newsletter with articles that bring you to the ka-ching.

Bringing the Ka-ching: An Emotion Based Market

The Economy is in a scary place. Just listen to the news or read the paper, they'll tell you, over and over and over again. And what's the truth of it?

Well, I'm going to make an amazing prediction. I actually make this prediction every four years. And I'm right each time. Aren't I amazing! It's a Presidential election year, folks, and each time we have one of those the market and the economy go somewhat wonky. That's a highly technical term for out of kilter. What's going on is emotion. People are scared. They are worried that their candidate won't win, that the other one will. They are worried that life will somehow drastically change...and they react to that, in droves.

And then magically, after the election things calm down. Half the people are thrilled (Presidential elections are not actually won by huge margins), half are pissed, and things start getting back to normal. There is some settling down time, but things get back to a reasonable place.

True some industries may not recover to the place they were, and it's not like the concept of High Tech Dot Coms has disappeared is it? It's more like the economics around Dot Coms got more reasonable. And the housing market. Do you truly think housing prices are going to continue to go down for years and years?

So here I am, your friendly local money coach, what do I know? Let's consult an expert. How about, oh, say Alan Greenspan. You remember him? He had a long career as Chairman of the U.S. Federal Reserve for almost 20 years. He ought to know something about money! And, by gosh he does!

Here's my suggestion, go to <http://www.thedailyshow.com> for September 18, 2007 and hear what Mr. Greenspan has to say about money and people's emotions. One of the amazing things that he said was: "I've been dealing with these big mathematical models of forecasting the economy...if I could figure out a way to determine whether or not people are more fearful or changing to euphoric and have a third way of figuring out which of the two things are working. I don't need any of this other stuff, I could forecast the economy better than any way I know. The trouble is that we can't figure that out."

So the bottom line here Alan Greenspan pointed out, money and the economy is reflective of people's fears and emotions. So ironically the more scary the news, the more fears, the more reaction, the more economic problems, until something happens that shifts the fear.

So, you can respond to the fear or not. You can truly know that it will pass and choose to spend your time getting prepared and ready.

I've got some Real Estate professionals in my practice. Half of them are having their best year ever, and half of them are struggling with the fear that is being propagated by the media, which ones do you want to be?

And just as an aside, what does worrying do? Does it make you more effective? Does it help you plan better? Does it make you strategic? Or does it perhaps, keep you stuck in the same place trying harder and harder to do the same things better?

Your Money Questions:

Here's a great question to play with:

Yesterday, my husband and I visited with a financial planner. I heard myself saying, "I would rather go to the gynecologist or dentist than sit down with a financial planner." Why is that?

Well, what might the Dentist, the Gynecologist and the Financial Planner have in common? There is a way that it sounds like one of the jokes: a Dentist, Gynecologist and a Financial planner were sitting at a bar, and – But actually it has more to do with your associations than anything else. I'm assuming here that our writer feels that the Dentist and the Gynecologist are "necessary evils", things she must do, but doesn't want to do.

This is one of the problems with money. We associate Financial Planning with a "must do" instead of a "get to do". It's some how going to be hard, boring, complicated, mysterious, and several other challenging things. We don't think of it as fun, enlightening, educational, empowering. Why is that? Well conditioning for one. We've been told those things about money and the people who manage it. It's complex, money has weird words and concepts associated with it. It requires some special knowledge to understand. It's frankly bewildering.

Well, here's what I think – all those things are true ONLY if you let them be. If going to the Financial Planner seems like a arduous exercise I suggest you either change your point of view, or change your Planner, or BOTH!

A Financial Planner, in addition to be knowledgeable, effective and successful needs to be someone you feel totally at ease with. They need to be someone you feel comfortable in asking questions to, someone you'd like to have dinner with. If you aren't comfortable you will not get what you want. You may acquiesce to a plan that you don't really understand, or doesn't meet your

needs because you feel intimidated by their expertise. Pooh Bah! They are not really effective Planner if they can't explain things to you so that you feel assured and comfortable.

I knew a woman who said that she couldn't go to a Financial Planner because she didn't have Finances. Perhaps you feel that way? That it's a club you don't have enough money to belong to? And some Planners may make you feel that way – they are not the right planners for you. You want a planner that is truly interested in your long term dreams and helping you create a strategy for getting there. And you also want a planner that believes in you and is willing to help you start that plan from where you are now, even if that looks like putting away \$50 a month. An investment of \$50 a month for 25 years at 6% would give you, which is a nice chunk of change.

So what if you could find a Financial Planner like that to talk about what to do with your \$50 a month? What would that be like? And who do you need to pick so it feels more like visiting a knowledgeable friend than going to the Dentist?

Upcoming Events:

With all the current negative publicity about the economy, does your idea of what you can and can't afford change?

Teleclass: *Can you afford your dreams?*

Can you afford to miss this teleclass? Not if you want to afford your dreams.

- § Can you afford to use the word 'afford'?
- § How does that word rob you of your dreams?
- § What does the word 'afford' do to you financially?

The word 'afford' peppers our vocabulary on a daily basis.

This teleclass is an examination of how the word 'afford' sabotages our dreams: how we use it, how it affects us, the results it creates. If you have ever said "I can't afford it", you will want to participate in this call.

Date: Thursday, May 22nd

Time: 10:00 a.m. to 11:00 a.m. Pacific (1:00 p.m. to 2:00 p.m. Eastern)

Registration: at www.sensiblecoaching.com

Fee: FREE...your only cost for this call is your regular long distance call charges

Meanwhile, let's keep moving from the crunch to the ka-ching.

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The Money Knot Story:

In case you are wondering why this is called **The Money Knot**, here's the story. I've always been fond of Celtic knots, and you notice I use one as my logo. From my perspective, there are several things about these knots that relate to our money journey. One, you can see the whole knot; nothing is hidden, it's all revealed. Two, the knot has no beginning and no end; it's an ongoing, dynamic process. Three, the knot that I have chosen is a bit askew; our maneuvering is often out of the box.

Our money lives are like this knot. They are a visible maze that is intricate and sometimes challenging. Sometimes we get stuck in a corner; sometimes money is confusing, embarrassing or even scary. And yet the knot is always there. It's a never ending relationship.

Together we go into your knot, and I help you to understand and maneuver through the knot. You will get familiar with the territory, know your way around, understand the twists and turns. Together we will make sense of where you are on your own personal money path and help you get to where you want to be.