

UNDERSTANDING YOUR FINANCIAL FEARS

I finally know what distinguishes man from other beasts: financial worries.

—Jules Renard

EMOTIONAL FACTOR: Fear of Financial Success

I am not afraid to be a millionaire!" That is what people often declare when they learn that the title of this book is *Who's Afraid to Be a Millionaire?*

While I am pleased to see the book's title spark such an enthusiastic response, I always wait to hear the person's next comment. Some people simply smile and move on looking perplexed. Others ponder the book's title for a moment and murmur softly to themselves, "I don't think I am afraid," then smile at me and move on. Everyone wants to read the book just to confirm their belief that they are not afraid to become millionaires.

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This book's title compels readers to ask themselves, "Has fear been an invisible nemesis undermining my financial success?" For many Americans, the answer probably is yes.

Every day, Americans must cope with the economic realities of living in the twenty-first century. Our economy is totally different from the one that our parents and grandparents had to face. Most of us know it is unlikely that our employers will continue to provide insurance to pay for our medical bills when we retire. Many of us don't know how we will afford the ever-increasing costs of housing, food, and education. Likewise, we are concerned about the economic instability of the Social Security program. The bottom line is that most Americans hope to achieve the American dream their parents believed in, but the reality is that families today don't know if and how they will afford it. This financial fear creates anxiety in many American households. Sometimes the fear fades, but it lingers deep in our individual and collective psyches. You will be well served to understand financial anxieties and how to cope with them. This book can help you.

Behavioral economists, psychologists, and researchers have been studying the connection between economics and psychology for some time. At the Hebrew University in Jerusalem in the late 1960s, Amos Tversky and Daniel Kahneman started psychological experiments to determine how people make financial decisions. Their research helped in the formulation of *judgmental heuristics* that identify how people make quick financial decisions. Their studies suggest that people's personal economic decisions often are more emotionally based than rationally based. In 2002, Kahneman shared a Nobel Prize in Economics for his pioneering work. As a result of the efforts of Tversky, Kahneman, and many other researchers, we are beginning to understand the relation between our emotional life and our financial life.

Let's focus on the most recognized symbol of financial success—money. Our relationship with money is an odd affair. Money is an inanimate object that societies the world over use as their core medium of exchange for goods and services. Still humans often seem to bestow life-giving powers on money and create many powerful money myths.

Money Myths

In her ground-breaking examination of money and relationships, Olivia Mellan, author of *Money Harmony* (Walker Publishing, 1994) writes, “Most Americans believe in at least one money myth; many of us believe in a number of them.” These beliefs, she continues, “can trigger intense emotions about money (anxiety, fear, obsession) and can even make it difficult for us to handle the simplest financial decisions.” According to Mellan, here are the most common money myths:

Money = Freedom
 Money = Happiness
 Money = Love
 Money = Power
 Money = Security
 Money = Self-worth

After reviewing this list, it is easy to understand why people have created money myths. Each myth offers a hint of truth about this innate object we call money, but it is also easy to see how these and other money myths could distort a person’s understanding and relationship with money. We are fortunate to have committed financial therapists like Mellan to help us understand, “Money does not equal happiness, love, power, freedom, self-worth or security. Money equals dollars and cents.” The best-selling financial author Venita VanCaspel points out that money is our servant and not the other way around. She wrote in *Money Dynamics*:

It is important to keep money in its proper place. It is vital to your well-being, but it is only a servant, a tool. Granted that money is necessary to modern life, but you only need so much of it to live comfortably, securely, and well. Too much emphasis on money can reverse your whole life and make you the servant and money the master” (Venita VanCaspel, *Money Dynamics for the 1990s*, Simon & Schuster, 1988).

VanCaspel’s reference to people’s relationship to money in terms of servant and master is timely because fear can also cause people to be subservient to their financial phobias instead of overcoming them. Although money has

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neither life nor life-giving properties, through the ages, it has struck fear in the hearts of people.

Age of Financial Anxiety

It is natural for people to fear what they don't know or cannot understand. Kathleen Gurney, a pioneer in financial psychology and the author of *Your Money Personality: What It Is and How You Can Profit From It* (Financial Psychology Corporation, 1988), writes "Anxiety over one's finances is a condition of life. It's a constellation of uncomfortable, troubled feelings that nearly everyone has experienced in one form or another. We live in an anxiety-producing and uncertain economic environment. You would be inhuman not to feel worried, or even terrified, about money now and then."

Americans, Gurney writes, have been conditioned to worry about money; it's part of our capitalistic birthright. Money problems are an accepted part of the price we pay for living in a competitive, free enterprise society. There is, however, a big difference between money problems and money worries, and most of our thoughts fall into the latter category. Regardless of income, most people don't feel particularly good about their financial status. But worrying about money is never a solution to a money problem.

In addition to worrying about their personal financial situation, many people worry about how their financial circumstances could be devastated by a natural disaster, terrorist attack, new national economic policy, major corporate decision, or a major correction in the ever-changing financial markets.

People have good reason to worry because unexpected financial disasters occur more frequently in our lives than we acknowledge. Many people are panic stricken when they realize they are living in uncertain economic times that are made riskier by uncontrollable environmental disasters. Coping with these new stresses means that Americans must secure their financial future in a time of great financial anxiety. Understanding financial fear can help you accomplish this task.

Financial Fear

When cited in this book, financial fear refers to a feeling of discomfort, including a panic attack, that interferes with a person's ability to deal with

daily financial affairs. Worrying constantly about money can undermine the quality of people's daily lives. What is it about financial fear that is so crippling? This type of fear is the ultimate head game, but no one is playing it with us. We do it to ourselves just by thinking about what we are afraid of; we don't need to be in the actual situation. The more we think about the object of our economic stress, the more we become entrenched in the status quo of our economic existence.

The fear of money, clinically named *chrematophobia*, is perhaps the most widely known financial fear. At its extreme, chrematophobia produces symptoms such as dizziness, perspiration, loss of breath, nausea, dry mouth, heart palpitations, and the inability to think clearly. We recognize these symptoms as an *anxiety attack*.

What we often fail to recognize are the different types of financially related fears that affect our monetary decisions. Because these financial fears may not be severe enough to cause even a brief panic attack, they often go undetected and are rarely treated or resolved. Still, these undetected financial fears can cause serious short-term emotional discomfort and long-term financial disease.

Short-term emotional discomfort occurs in many first-time homeowners, investors, and entrepreneurs. Most of these financial novices overcome their fears, but some do not and may suffer the emotional and economic symptoms of financial disease. They often feel as if their financial life is not all that it could be or should be.

To help you avoid that feeling, we are not limiting our discussion to just the fear of money. To help you master your financial fears, the following phobias' financial impact are considered in this book: *plutophobia*, the fear of success (both financial and personal success); *decidophobia*, the fear of making decisions; *hypengyophobia*, the fear of taking responsibility; *metatbesiophobia*, the fear of change; *chrematophobia*, the fear of money (financial loss); *gerascophobia*, the fear of growing older; *thantophobia*, the fear of discussing mortality; *atychiphobia*, fear of failure; and *orthophobia*, the fear of owning property. This list of financial fears seems straightforward and easy to grasp. But what is neither straightforward nor easy to grasp is how these fears can impact your monetary life.

Each of the aforementioned financial fears can be directly connected to one of the financial success strategies described in this book. Studying

Table 1.1
Emotional Factor Chart

<i>Financial Fear Factors</i>	<i>Financial Success Strategies</i>
Fear of financial success	Becoming a millionaire
Fear of personal success	Developing human capital
Fear of making financial decisions	Financial planning
Fear of taking financial responsibility	Managing credit
Fear of changing comfort zone	Becoming a homeowner
Fear of losing money	Investing in stocks
Fear of growing older	Saving for retirement
Fear of discussing mortality	Insuring your financial dreams
Fear of business failure	Starting a business
Fear of owning property	Becoming the millionaire next door

Table 1.1 will help you understand how various financial fears can impact various financial goals.

Where to Get Help

The goal of this book is to help more people understand their financial fears. Still, it must be stated that the information presented here does not represent or purport to represent medical or financial advice. For such information, you should seek counsel from a medical or financial professional. Always seek professional advice before you take any action that will impact your emotional or financial well-being.

Most people can cope with the minor financial worries they encounter every day when making economic decisions. However, severe cases of financial fears may require professional assistance. Persistent financial anxieties and other social anxiety disorders are treated by a wide variety of health professionals, including psychiatrists, psychologists, clinical social workers, and psychiatric nurses. In the United States, anxiety disorders are the most commonly diagnosed mental condition in adults between the ages of 18 and 54 years. Each year, the cost of treatment exceeds \$42 billion (1993

study from the Institute for Behavior and Health in Rockville, MD). Anxiety disorders are no laughing matter, especially because many trigger symptoms of physical illness.

This book can help readers better understand the link between financial fear and the wealth-building process. At the same time, it may help readers who have suffered much from persistent financial fears realize that they need to seek professional help. I encourage readers to seek professional advice if their financial phobias severely disrupt their daily life.

You can learn more about anxiety disorders by contacting the Anxiety Disorders Association of America (ADAA) in Silver Spring, Maryland, at www.adaa.org. The ADAA provides educational materials, a quarterly newsletter, and state-by-state listings of self-help groups and mental health professionals who specialize in treating anxiety disorders.

The Three Master Keys

Studying, understanding, and implementing the three master keys presented in this book will enhance your emotional and financial well-being. Sections that focus on the three master keys—Knowledge, Action, and Belief—appear at the end of each chapter.

To master your economic anxiety, for example, you can find guidance in knowledge to refute the irrational foundation of your fear. Under Action, you learn how to move beyond your fear to Belief. You must learn to believe in yourself, free enterprise, and a higher power that can replace your fear. As explained in this chapter, these master keys can help you understand, implement, and believe in your ability to reach your financial goals.

Knowledge

There are three ways we can use knowledge to help us play the money game. First, we can gain confidence by increasing our general knowledge about financial fear and financial wealth-building strategies. You should think of your financial education as an enjoyable lifelong learning process. We cover the subject of knowledge in detail when we review enhancing your intellectual capital in Chapter 2. For now, I just want to point out that

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you should never underestimate the wealth-creating power of financial knowledge.

Second, you can use knowledge to master the money game by learning the acronym I have created for the word *fear*. In my acronym, the letters FEAR stand for “False Economic Anxieties Appearing Real.” That is what fear means to people who have learned how to play the wealth-building game.

One of the realities about financial fear is that much of what frightens us is not real. We perceive things as we think they are or as we think they will turn out. How many times have you worried yourself sick over a financial situation only to discover that it wasn’t as bad as you thought after all? We cannot read the financial future, yet we worry about it often, creating a horror show in our minds. Remembering the acronym FEAR will help you to stop creating financial horror shows in your mind.

Third, you can use your knowledge of financial fear-reduction strategies to avoid the traps created by your economic anxieties. Just knowing these strategies will help you avoid many of these emotional traps. Financial fear-reduction strategies are listed in Table 1.2. Throughout this book, I describe steps you can take to limit the economic havoc that financial fear can inflict on your financial life.

Table 1.2
Financial Fear-Reduction Strategies

<i>Fear Factors</i>	<i>Fear-Reduction Strategies</i>
Fear of financial success	Learn more about the wealth-building process
Fear of personal success	Embrace success with your body, mind, and spirit
Fear of making decisions	Implement the strategies in your financial plan
Fear of financial responsibility	Take responsibility for your financial life
Fear of changing comfort zone	Move beyond your physical comfort zone
Fear of losing money	Start investing monthly in a mutual fund
Fear of growing older	Plan and save for your dream retirement
Fear of discussing mortality	Enjoy planning and sharing your good fortune (or insurance) with others
Fear of business failure	Start a part-time home-based business
Fear of owning property	Invest in more appreciating assets

Knowing financial fear reduction strategies will help you avoid or escape many emotional traps. One of my favorite sayings is, “If knowledge does represent power, then financial knowledge must represent financial power.” This being the case, the information that you glean from the Knowledge master key sections will empower you emotionally and financially.

Action

The second master key—Action—may be the most important one because it can help you face your financial fears. The ultimate way to reduce fear is to act on it. Eleanor Roosevelt offered similar advice. She observed, “You gain strength, courage, and confidence by every experience in which you really stop to look fear in the face. . . . You must do the thing you think you cannot do” (John Cook, *The Book of Positive Quotations*, Rubicon Press, 1993).

One of my acquaintances didn’t have a choice. He was forced to face his financial fear. Robert was afraid of the whole financial thing. Being single, he is solely responsible for his own keep. He said that he used to be afraid of the financial upheaval if he should lose his job and not be able to pay his rent.

He has family and friends, so it is unlikely he would ever have ended up on the street collecting soda cans, but he still had been fearful. He feared losing his independence and his lifestyle. But he is not afraid of this anymore.

Why? Because his fear was realized when he did lose his job. He went through a bleak time, and guess what? He survived. He is no longer afraid of what might happen, because now he knows that he has the fortitude to see himself through if he again loses his job or faces some other financial crisis.

Robert overcame his fear of job loss after he was forced to deal with losing a job. I hope that you will not be forced to face your fears. Nevertheless, to overcome your fear, you will eventually have to face it. Where financial fear is concerned, you should seriously consider the advice offered in the Nike advertisements and “Just Do It!” The second master key—Action—will remind you to just do it. Take action and face your financial fear.

Face Your Fears

One of the most effective ways to face your fears is to write them down. You can do this on your computer or with pen and notepad. Just begin

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writing down your financial fears. Don't edit as you go along. Allow the thoughts to stream out of your mind. . . . No matter how small the financial concern is, write it down. When completed, your list may include everything from paying a credit card bill to the inevitable breakup with your significant other. Your list may also include your concerns about the stock market and the state of a military conflict in another land. Whatever causes you any financial anguish, put it on your list. Once you write down your financial fears, you will begin to see how you can effectively address them.

When undertaken sincerely, this exercise is amazingly utilitarian, and a surprising shift is bound to occur in your thinking, from helpless, overwhelmed mind to strategic mind. This is the most dynamic aspect of writing the list and thus has great potential for personal growth.

Once you have made your list, look it over and put an "R" next to the items that seem real to you and an "F" next to the ones that, with a little thought, you see are false fears. Once done, spend a little more time looking at each item you have marked with an R. These are the money fears you believe are beyond your control. Perhaps that R item is a tax problem or several overwhelming loans heading toward default.

After you have reviewed your list of identified fears, it is time to take action. If there is an item on your list that you can do something about, such as reducing your credit card usage, take the steps to do so. Some items on your list may require assistance or professional help for resolution. In that case, by all possible means, seek professional help. If necessary, talk to a financial counselor, financial planner, or mental health professional.

Lastly, if there are fears on your list that you can't do anything about—the state of the economy or a terrorist attack or a natural disaster—turn those concerns over to a higher power and get on with your life. I once saw a small poster that read, "Every evening I turn my worries over to God. He is going to be up all night anyway" (Mary C. Crowley). It is a wonderful reminder to set aside your financial worries at the end of the day. If you have acted on those financial matters that you can act on and found help for those that require help, then why shouldn't you let go and let a higher source handle those financial concerns that are beyond your control? People who have placed their financial concerns on paper say this simple exercise helps take loads of pressure off their minds and hearts.

Know Your Financial Comfort Zone

In addition to helping you face your financial fears, taking action will help you move beyond your financial comfort zone and overcome secondhand financial stress that prevents you from achieving emotional and financial success.

Rhonda Britten, career coach and author of *Fearless Living* (Berkley Publishing, 2001), conducts seminars across the country to help people live without fear. In *Fearless Living*, she writes, “Fear is the gatekeeper of your comfort zone” (p. 23). Your comfort zone is whatever is familiar to you. Your financial comfort zone would represent those financial experiences and matters with which you are familiar. All other financial experiences and concerns could make you feel apprehensive. Why? Because these new or seemingly risky financial situations would not be a part of your normal financial comfort zone.

None of us can choose the time when personal financial opportunities will come our way. But we must be emotionally prepared to seize such moments when they occur. Being emotionally prepared means sensibly understanding the fortunate circumstance, evaluating the risk, and confidently taking action to benefit from the event. Too many people let financial opportunities pass them by because their fear has paralyzed them and they cannot get beyond their financial comfort zones.

Overcome Secondhand Financial Stress

Financial fear originates from many sources. In some ways, it comes from living in a free enterprise society, as Gurney suggests. From time to time, the news media, political leaders, and CEOs (chief executive officers) of major corporations have frightened the American public with dire economic, financial, and business news. But people may exhibit the more extreme symptoms of financial fear after being exposed to the fears of friends, coworkers, and even family members. Passing fear from one person to another person has been referred to as *transference*, or what I like to call *secondhand financial stress*. Like secondhand smoke, such fears can be hazardous to your physical health. Secondhand financial stress can also be hazardous to your emotional and financial health. I know firsthand, because like so many others, I had to learn how to overcome secondhand financial stress.

Case Study

I was in my late 30s when I realized that my mother's financial comfort zone was in some ways still shaping my own. I didn't discover that my mother harbored a fear of being self-employed until I decided to become self-employed. Many years ago when I decided to start my business, the first person I called to tell the good news was my mother. I was so excited. When my mother answered the phone, I said, "Mama, I am going to own my own business."

I expected to hear my mother's excitement on the other end of the phone. But all I heard was a long loud silence. Then my mother said, "Boy, why are you going to waste that good education? You're not a businessman."

Then my mother's fear kicked in, and she roused the alarm. "Boy, you don't know anything about business. You have never owned a business, and you don't have no business going into business." That was the essence of my mother's advice and support at the time.

I still started my business, but from time to time, I would remember my mother's discouraging words. There were times when I thought that my mother was right. I lost a lot of money the first few years that I was self-employed. During those early years of my entrepreneurial career, I had a lot of nightmares in which my mama would be chasing me around the house demanding back the money she gave me for my college education. While chasing me, she would shout, "You're not a businessman. You're not a businessman."

It took some time for me to realize that my mother's doubts were contributing to my business progress or, more correctly, my lack of business progress.

My mother had unknowingly passed her fears to me. Once I began to understand what was happening, I started to confront the fear of business ownership that my mother had instilled in me. It took a lot of time and effort, but eventually I turned my business around.

After a few years of positive business growth, an interesting thing happened. On my mother's birthday, I was so busy working that I did not have time to buy her a gift. So I just sent her a check. After receiving the check

in the mail, my mother called me, and over the phone she said, “Baby, you’re such a *goood* businessman!”

Needless to say, it was one of the best telephone calls that I have ever gotten in my life. But that call from my mother came almost a decade after she had contaminated my business dreams with her fear. Today, I am glad that I pursued my entrepreneurial dreams despite her doubts. I hate to even think about what career path I would have taken had my mother’s fear kept me from pursuing my dreams.

It took me a while to understand how my mother’s fear had shaped my own. But once I realized that my mother had passed along her fear of being self-employed to me, I could correct it.

Once you identify the origin of your money attitudes and opinions, then you can adjust them. Because fears often spread from one family member to another, your financial fears may come from your family roots. The fear you inherit from a family member may be the longest lasting and hardest to overcome. Simple discussions around the family dinner table can mark our attitudes about money, investing, and success for better or worse throughout our lives.

Case Study

Grace, a graphic artist, comes right out and says it: “I was brought up believing money was evil. Not bad, but evil. I’m intellectually over it, but right now I am in personal financial trouble and don’t know how to begin to get out.” Grace may be intellectually over the bad slogans, but she nonetheless is rooted in them, stuck in the fear. When offered advice on how to sort out her financial problem, she frowned at a suggestion that she personally gather her bills and write them down on paper. She resisted, arguing that her situation can be solved only by the professional attention of an accountant, and she quickly added, “I can’t afford to hire that kind of service.” So she remains rigidly in her financially stressed comfort zone.

While she is still working to improve her money management skills, Grace must be given credit for deciding that she no longer wants her financial life to be governed by the financial values of her parents.

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Like Grace, you may realize that your attitudes about money were established in your formative years. As children, we hear adults matter-of-factly reinforcing each other's negative view of financial success. As we grow, it becomes part of the oral traditions that are fed to us and that we internalize and pass along.

Around the dinner table, we listen as the adults curse wealth or denounce its absence in their lives. We hear them repeatedly condemn the "mean green" as the "root of all evil" and reference the Bible to support this view. "It must be true, it was in the Bible."

They declare that "money doesn't buy happiness," "it doesn't grow on trees," and "I'll never have enough." They say, "I'll end up in the poorhouse," and a string of other self-defeating, ultimately self-fulfilling prophecies. As a consequence, from one generation to the next, we pass on these beliefs as a kind of oral history. We adopt and transfer feelings of guilt for wanting "too much money." We righteously declare that money is unimportant in our lives and that we only need to "earn just enough to make it in this world."

Not surprisingly, these are self-fulfilling words. Most of our lives, we make just enough to barely make it, remain frustrated for more, and are clueless that the dearth of wealth in our lives is in direct response to the belief system we have been cultivating all along.

Florence Scovel Shinn was a gifted twentieth-century metaphysician and writer whose work was published between 1925 and 1945. In one of her enduring books, *The Game of Life and How to Play It* (Simon & Schuster, 1925), she wrote, "No man can attract money if he despises it. Many people are kept in poverty by saying: 'Money means nothing to me and I have contempt for people who have it.'" Expressing contempt for financial success is the very attitude that separates us from it. Such boastfulness might have been designed to exhibit financial virtues, but it also exposes financial fear.

Parental displays of financial angst can foster fear in children. More parental care is advised in this matter. Often just a better choice of words can help children develop positive money attitudes along with a stronger sense of financial security.

Diana was fortunate that her father instilled in her frugality tempered with reason.

Millionaire in the Making

Diana, 49, works with a Certified Public Accountant and has been planning for success for more than 20 years. She has investments in stocks and in real estate, but right now, she says that real estate is her most productive investment. She says that living a frugal lifestyle has actually led her to live a better lifestyle.

She began her retirement savings when she started her career at age 21, and she got into real estate in her early 30s after deciding to generate some additional income. She now owns her own home and three other investment properties.

She attributes her lifelong patterns of saving and spending wisely to ingrained behaviors from her childhood. Diana's father heavily influenced her spending habits. He taught his six children at an early age to save. They also watched how he lived.

He was, by Diana's account, a thrifty person and showed his children how to live a frugal—and financially rewarding—lifestyle. She says, "I didn't grow up in an affluent home. I wasn't given everything on a silver platter, so I have an appreciation for what I earn."

Enrolling in a 401(k) when she first started working 28 years ago has allowed her to appreciate the compound interest theory, as she is already seeing the result of years of accumulation. Saving with a 401(k) has never been a hardship for her; as she says, "What you don't see, you don't miss." She also is careful with her annual and other performance bonuses. She is never tempted to take the money and splurge, instead, she either adds it to her investment portfolio or uses it to pay down a mortgage, increasing her equity.

She knows she is doing all the right things with her savings and 401(k). She also has a reliable pension plan, thanks to her many years with a secure company. By the time she is ready to retire, she will have fully paid for her retirement home. Her home, investments, and savings now provide her with a financial security that she describes as being able to "do what you want without having to live paycheck to paycheck." Diana's inherited money management skill seems to be serving her well. She grew up in a household that inspired her to lead a frugal but financial rewarding life. Unfortunately, not all households instill these emotional and financial attitudes in their children.

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Author Olivia Mellan writes, “Most of the time, direct and open communication about a family’s finances just doesn’t happen. What does get communicated is free-floating anxiety, fear, and general sense of malaise. This causes a lot of psychic harm and can lead to anxiety” (*Money Harmony*, Walker Publishing, 1994, p. 38).

The point is that the financial fear you have today may have been unknowingly instilled in you when you were a child. Over the years, your parents’ financial insecurities and personal circumstances, good or bad, may have nurtured your fears. Knowing the source of your fears will help you understand your comfort zone.

Your parents’ fears may lead you to live in a financial comfort zone today that resembles their zone in past years. You may choose not to let your parents’ financial comfort zone define your own. Financial maturity occurs when you decide to create your own comfort zone.

Once you understand the attitudes and opinions that helped shape your financial zone, then you can adjust them. The good news is that knowing you can create or re-create your comfort zone will help you successfully control your emotional and financial life.

Bob and his wife, Tracey, completely changed their financial comfort zone, and they are glad that they did. When asked how they feel about money—in fact, if they fear money—they both responded in gleeful unison, “Not anymore.”

Case Study

At 39 and 40 years old, respectively, this husband and wife have become savvy and comfortable talking about and handling money. It was not always that way. “We were terrified about finances. Our fear was based on the uncertainty of its presence in our lives, that money could be cut off,” Bob said. “We were taught at home to get a job, get an education, get stuff, and retire.”

Both Bob and Tracey’s parents worked until retirement age in jobs at the post office and at Bethlehem Steel—a big private corporation in the Baltimore, Maryland, area that employed generations of workers. The children learned that the social order of things was to get a “permanent” job working for a manufacturing company like Beth Steel or, better yet, with the federal government. For those who were diligent, a government job would mean pre-

dictable promotions with good salaries that allowed for the acquisition of a house, cars, college education for the kids, and other symbols of success. Then there was the afterlife of retirement on a good pension and medical benefits.

It was a mentality that Bob and Tracey's parents inherited from their depression-era parents and were passing along to their children. A good government job was prestigious and for decades meant lifetime employment. "But the chessboard has changed," Bob noted. Bethlehem Steel is gone, as are other huge companies that were lifetime employers. Government employment is no longer a certainty. "We can't do what our parents did."

Bob and Tracey realized they had to do something different. They were living in a new world order, and something was blocking them from making the income they wanted and having enough of what they made left at the end of the month. The couple set about uncovering the origins of their monetary view of life and mapping a strategy that would work for them the way government employment had worked for their parents.

They developed a new money philosophy. "You've got to have income working for you, not you working for income," Bob said. Seeing their financial selves on paper made them begin to think about money in a different way. "Once you begin to understand what it takes to obtain wealth, then the fear subsides and confidence takes over," Bob said.

Bob and Tracey's financial fears began to disappear once they decided to face them. Their decision to act helped them move beyond their emotional comfort zone and overcome the secondhand financial stress their parents had given to them. If you want to successfully walk the same path as Bob and Tracey, you will have to take action that can help you face your financial fears, move beyond your emotional comfort zone, and overcome secondhand financial stress. Action—the second master key—will remind you to *just do it*.

Money Autobiography Questionnaire

To identify the attitudes that helped shape your financial comfort zone, take the Money Autobiography Questionnaire (Form 1.1) developed by

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Form 1.1

Money Autobiography Questionnaire

This questionnaire is designed to help you understand your relationship with money by developing an awareness of yourself in the context of culture, family, value systems, and experience. This is a process of self-discovery. To fully benefit from this exploration, please write down your answers. You will not get the full value from the exercise if you just breeze through and give mental answers. While it is recommended that you first answer these questions by yourself, many people relate that they have enjoyed sharing them with others.

As you answer these questions, be conscious of your feelings. Describe them in writing as part of your process.

1. Childhood
 - a. What is your first memory of money?
 - b. What was your happiest moment with money?
 - c. Your unhappiest?
 - d. Name the miscellaneous money messages you received as a child.
 - e. How were you confronted with the knowledge of differing economic circumstances among people—that there were people “richer” than you and people “poorer” than you?
2. Cultural Heritage
 - a. What is your cultural heritage, and how has your heritage traditionally interfaced with money?
 - b. To the best of your knowledge, how has your heritage been impacted by the money forces? Be specific.
 - c. Does this circumstance of heritage or culture have any motive related to money?
 - d. Speculate about the manner in which your forebears' money handling decisions continue to affect you today.
3. Family
 - a. How is/was the subject of money addressed by your church or the religious traditions of your forebears?
 - b. What happened to your parents or grandparents during the Depression?
 - c. How did your family communicate about money? Be as specific as you can be, but remember that we are more concerned about the impact on you than on historical veracity.
 - d. When did your family immigrate to America (or its current location)? What else do you know about your family's economic circumstances historically?
4. Your Parents
 - a. How did your mother address money issues?
 - b. Your father?
 - c. How did they differ in their attitudes toward money?
 - d. How did they address money issues in their relationship?
 - e. Did they argue or maintain strict silence?
 - f. How do you feel about that today?
5. Please do your best to answer the same questions regarding your life or business partner(s) and their parents.

Form 1.1 *(Continued)*

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6. Childhood Revisited
 - a. How did you relate to money as a child? Did you feel “poor” or “rich”? Relatively?
 - b. Or completely? Why? Were you anxious about money?
 - c. Did you receive an allowance? If so, describe amounts and responsibilities.
 - i. Did you have household responsibilities?
 - ii. Did you get paid regardless of performance?
 - iii. Did you work for money?
 - d. If not, please describe your thoughts and feelings about that. Same questions, as a teenager, young adult, and older adult.
 7. Credit
 - a. When did you first acquire something on credit?
 - b. When did you first acquire a credit card?
 - c. What did it represent to you when you first held the credit card?
 - d. Describe your feelings about credit.
 - e. Do you have trouble living within your means?
 - f. Do you have debt?
 8. Adulthood
 - a. Have your attitudes shifted during your adult life? Describe.
 - b. Why did you choose your personal path?
 - c. Would you do it again?
 - d. Describe your feelings about credit.
 9. Adult Attitudes
 - a. Are you money motivated?
 - b. If so, please explain why? If not, why not?
 - c. How do you feel about your present financial situation?
 - d. Are you financially fearful or resentful? How do you feel about that?
 - e. Will you inherit money? How does that make you feel?
 - f. If you feel well off today, how do you feel about the money situation of others?
 - g. If you feel poor, same question.
 - h. How do you feel about begging? Welfare?
 - i. If you are well-off today, why are you working?
 - j. Do you worry about your financial future?
 - k. Are you generous or stingy? Do you treat? Do you tip?
 - l. Do you give more than you receive or the reverse? Would others agree?
 - m. Could you ask a close relative for a business loan? For rent/grocery money?
 - n. Could you subsidize a nonrelated friend? How would you feel if that friend bought something you deemed frivolous?
 - o. Do you judge others by how you perceive them dealing with their money?
 - p. Do you feel guilty about your prosperity?
 - q. Are your siblings prosperous?
 - r. What part does money play in your spiritual life?
 - s. Do you “live” your money values?
-

Source: “Financial Planning Handbook for Physicians and Advisory,” Jones and Barlett Publishers, 2005.

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David E. Marcinko, the CEO of the Institute of Medical Business Advisors, Inc., and author of the *Financial Planning Handbook for Physicians and Advisors* (Jones and Barlett Publishers, 2005).

Other questions that would be useful to answer may occur to you as you progress in your life's journey. The goal is to know your personal monetary attitudes and their ramifications for your life, work, and personal mission.

This exercise is a "work in progress" with answers both complex and incomplete.

Don't worry. Just incorporate fine-tuning your knowledge of your monetary attitudes into your daily life.

Belief

The third master key is Belief. Developing a positive belief in your self, free enterprise, and a higher power will help you replace your negative financial emotion with a positive financial emotion. This process can help you win the wealth-building game.

The Sanskrit word for faith is *visus*, which literally translated means "to have trust, to breathe freely, to be without fear." When you believe in yourself, you can trust your monetary decisions more than you trust your financial fears. When you believe in the American free enterprise system, you will breathe more freely or feel less anxious about making long-term financial decisions. When you believe in a higher power (God, Nature, Supreme Being), you will live with your financial decisions without financial fear. For these reasons, you need to constantly nurture your belief in yourself, free enterprise, and a higher power.

Belief—the third master key—will help you win the financial success game. You need to believe in yourself because gaining financial success requires courage. You will have to make many courageous economic decisions about everything, from when to pay your debts to when to invest in the stock market. While the wealth-building information in this book can help you, ultimately you must make these decisions; and for this, you will need courage. To foster your courage, always learn as much as you can about the financial matter that concerns you. You do not have to become an expert. But you can become an informed user of financial products and services. Read as much as you can about the matter under consideration. Then seek to support your findings by getting the best advice you can find about the subject at hand. After doing this research, you will be able to trust your

ability to make a positive, calculated decision. The more times you successfully use this financial decision-making process, the more you will believe in yourself.

It is easy to live in the American free enterprise system and still not believe in it. Those of us who live in the United States tend to forget that this nation is about the creation of wealth. Is our economic system perfect? No. However, it still stands as the best in the world. Each day, this great society—this economic democracy—offers you many wealth-creation opportunities (home ownership, stock ownership, business ownership, employment, education, etc.).

Each day, you must decide whether you will use these avenues to increase your net worth. That is the wonderful thing about this country. You can access the wealth creation opportunity in the United States, or you can choose not to do so. Let me suggest that you choose to do so. Let me also suggest that you not take the economic incentives of living in this nation for granted. For “only in American,” to use the words of successful fight promoter Don King, can anyone become the millionaire next door. Our free enterprise system offers you the possibility to become that millionaire. To succeed in this system, however, you must first believe in it. Belief—the third master key—will remind you to believe in the free enterprise system.

Your belief in a higher power can also diminish your financial fears and therefore help you master the great financial game of life. Spiritual activities, whether they are part of an organized spiritual group or an individualized belief in a higher power can shift the dynamics of financial fear. Herbert Benson a renowned researcher, speculated, “Spiritual experience serves as a physical balm to counter the rapid pulse and adrenaline rush associated with stress.” Believing in a higher power (God, Nature, Supreme Being) will help you face your financial fear because fear and faith in a higher power cannot occupy the same emotional space. One will eventually block out the other. Use your belief and faith in a higher power to block your emotional and faithless fears. Here are a few ideas that will benefit you as you foster your belief:

- “If you begin with prayer, you will think more clearly and make fewer mistakes” notes the founder of the Templeton Mutual Funds, Sir John Marks Templeton.
- There is no lack in the universe and if you tap into the universe there will be no lack in what you can achieve (Catherine Ponder).

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- Trust the abundant spiritual force that is always with you and wants you to succeed (Willie Jolley).
- “Every evening I turn my worries over to God,” Mary C. Crowley explains, “He’s going to be up all night anyway.”
- Economically successful people use their strong religious faith to reduce their financial fears (Thomas Stanley).

Lastly, you should know that it will be your belief in a higher power that will give you the emotional strength to get up after your financial fear has knocked you down. Fear is something that will stay with you most of your adult life. There will be days when you will feel certain that you have overcome all financial fears, only to wake up one morning full of emotional dread about some unexpected financial problem. So while you confidently make your financial decisions, accept that financial fears will always be with you, and sometimes they may get the best of you. Sometimes your fears are going to push you down emotionally, and you may get so emotionally tired of dealing with them that you are going to just fall down.

Every time a financial fear knocks you down, you must get right back up. Remember that your financial success will not be determined by how many times your fears knock you down, but by how many times you get back up. If you stay down, your financial fears will win the emotional fight. Likewise when you get back up, you will be the winner. When your financial fears have made you fall down, use your belief in a higher power to help you get back up.

Each master key can help you play the millionaire game, but the three keys can unlock much greater emotional and financial success when you use them together. The success you want to find is not something that is outside you; it is buried deep within you. It will take knowledge, action, and belief to unlock this hidden source of success. As you continue to read this book, remember that the three master keys in each chapter are there to help you unlock your buried treasure.

Profile in Courage

Knowing that most wealthy Americans didn't inherit their wealth underscores a point often made by Gail Perry-Mason, a best-selling author, financial ad-

visor, and friend. When someone asks Perry-Mason, "How do people become financially successful?" her response is always the same: "Oftentimes, it's not your net worth, but your self-worth that determines your success."

Your self-worth represents the potential for success that is locked away within you. Gail Perry-Mason can speak about this self-worth because over the years, she has used the three master keys (Knowledge, Action, and Belief) to unlock her success.

Perry-Mason has faced numerous personal and financial challenges during her 20 years in the financial services industry. Some of them had a direct influence on her financial life, causing her many worrisome nights. But she coped effectively with all of them because she used her knowledge, took action, and kept her faith.

Twenty years ago, Gail was not a woman with a plan. She was a student, studying biology, when, as she puts it, "I had a child, got married, and was divorced all in the same year." But it was in fulfilling her immediate need to support herself and her new baby that the door to her future opened. And once she stumbled on her dream, she kept at it, reached out to those who could help her, and refused to listen to those who said no. And today she is a vice president for a major investment advisory firm.

Twenty years ago, Gail took the only job that she was qualified for, as a receptionist for a local brokerage firm. Curious and interested in people, Gail would engage the clients who came into the office in conversation. She remembers one client in particular, a woman who came in with one million dollars that she had obtained in a divorce agreement. The client's plan was to invest the windfall and live off the interest. Gail, herself recently divorced, but with a meager financial settlement, became intrigued by this woman's position. So she decided that she wanted to learn more about the investment business.

Soon thereafter, she became a secretary. In this position, she was more involved with the clients and therefore was in a better position to learn the ins and outs of the brokerage business. She decided that she wanted to study for the Series 7 test to become a broker. Her bosses discouraged her, saying that it was too difficult. (She was an exceptionally good secretary, and they preferred to keep it that way.) Gail was disheartened until one evening when she came across a Series 7 study guide that someone had left in a conference room. She leafed through the book and knew it was something she could, in

fact, handle. “They told me I couldn’t study for it, but when I saw the book, I knew I could do it,” she said. So she zeroxed the book and studied on her own time. Unbeknownst to her bosses, she took the test and passed. When she let them know, they said that they wished she hadn’t done it; but since she did, she was promoted and allowed to develop her own client base.

Gail took the same approach each step of the way throughout her career. Whenever she heard “no,” she dug her heels in and kept after her goal, even if it meant finding another, nontraditional, way to achieve it. She overcame her fears with persistence and determination, keeping her eyes on her goals and remaining focused on what she wanted to achieve. “When people said, ‘no,’ I just did it anyway,” she says.

“So many times I didn’t think I could do it,” Gail says, remembering those early days, when she was working two jobs (she was also a waitress), going to school (she switched to business), and raising her son, “Prayer helped, and something inside said that I had to press on.”

Gail’s action helped to increase her earnings over time. Every time she got a promotion (and she got many), she saw her income and net worth increase. You can do the same thing by increasing your education. Table 1.3 illustrates that progression. But it also illustrates another important point: You are probably already a millionaire in the making—a person whose life-

Table 1.3
Expected Lifetime Earnings per Educational Level

<i>Highest Educational Attainment</i>	<i>Lifetime Earnings (\$)</i>
Some high school, no diploma	1,000,000
High school diploma or equivalent	1,200,000
Some college, no degree	1,500,000
Associate degree	1,600,000
Bachelor’s degree	2,100,000
Master’s degree	2,500,000
Doctoral degree	3,400,000
Professional degree	4,400,000

Source: “The Big Payoff: Educational Attainment and Estimates of Work-Life Earnings,” U.S. Census Bureau, 2000.

time earnings will surpass a million dollars. Now that is the good news. The bad news is that you could still end up flat broke when you are ready to retire if you do not make proper use of your financial resources. To avoid this misfortune, successfully deploy your emotional energies and financial resources. While you are reading this book, always remember that you are a “millionaire in the making” with the emotional capacity and the financial wherewithal to win the millionaire game.

Moneywise Master Class

When Mark Fisher, author of *The Instant Millionaire* (New World Library, 1990), was my guest on the *Moneywise* television series, he shared several tips that all millionaires in the making will find useful. Here is a portion of my interview with Fisher:

BOSTON: Mark, in your book, *The Instant Millionaire*, you talk about attitude and having a million-dollar consciousness. How can people develop a million-dollar attitude?

FISHER: You must be aware of the fact that you’re worth more than you or others might think. For example, the other day I was giving a speech and a lady came to me and said “Mr. Fisher, Mr. Fisher, I’m very excited. Last week I was going for an interview. I said to myself that I wasn’t going to take anything under \$25,000 a year. And the night before my interview I read your book, and I said why not ask \$40,000?” And she asked for it, and she got it. I said, “Not too bad for a two-hour read, you know a \$15,000 raise.” So just the fact of being aware that maybe you’re worth more than you think, will help you begin the process.

BOSTON: What can people do so that they can prepare themselves to become financially secure?

FISHER: Read books because it expands your consciousness. Sometimes, you just get one thing in a book that is going to help you get to another level or just give you another idea that’s going to bring you great success.

BOSTON: Anything else?

FISHER: People have to take action. It’s one thing to read a very good book, but you must take action on what you read.

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BOSTON: You have written that people pursuing success must be fearless. Why?

FISHER: If you don't believe in yourself, you're not going to take action. And the first time you see failure you're going to stop. I read a lot of books about very successful people. They have a lot of failure but they try again and they finally make it.

BOSTON: If I'm an ordinary, average hard-working individual, can I become a millionaire?

FISHER: You have to be a believer. You have to be a dreamer, and you have to take action. And stick to it. A lot of people quit early. My seventh book was successful. My six previous books didn't do well. People have asked me, "Why did you keep on writing?" I said, "because I thought I would make it eventually." Sometimes it takes time and you have to persevere.

The title of this book raises this question to readers: *Who's Afraid to Be a Millionaire?* The answer is, all readers who:

- Have not faced their financial fears
- Have not moved beyond their financial comfort zone
- Have not overcome secondhand stress
- Have not learned to use knowledge, action, and belief to control their emotional and financial well-being

Now take a moment to review the master keys for this chapter.

MASTER KEYS

Know

If you want to conquer fear, don't sit at home and think about it. Go out and get busy.

—Dale Carnegie

Act

Understand your financial comfort zone.

Write your financial autobiography.

Know that fear is a false economic anxiety that appears to be real.

Make a list of your fears.

When fear knocks you down, always get back up.

Use knowledge, action, and belief to control your emotional and financial success.

Believe

I am not afraid to become a millionaire!

I am a millionaire in the making!

