



Mother Knows Best

THE 7 "TRUTHS"

YOUR MOTHER TAUGHT YOU ABOUT MONEY
THAT SIMPLY AREN'T TRUE



Think back to your childhood.

Did your parents teach you how to save or invest money?
Did they discuss household bills in front of you?

Perhaps like me, you grew up during an era when parents didn't talk to their kids about money. It was a time when money management was the man's domain.

My family was no different. My father made the financial decisions, while my mother had very little input.

Neither of my parents talked to us kids about finances, but I sure learned a lot about money by observing my mother.

In this paper, I share the seven "truths" that my mother unknowingly taught me about money. Together we'll challenge these untruths that, perhaps, you learned from your mom too.



MOTHER'S TRUTH #1

What my mother would say: Women took what was left and never complained.

We say: Women must have a say in financial decisions.

Mom was always the last one on the list. If there was money left over from the paycheck—and even if there wasn't—my father's toys took precedence over anything mom might have wanted: a new refrigerator, a new appliance, a modern couch, whatever.

Does that scenario sound familiar? Perhaps you observed the same financial priorities in your household while growing up. Maybe even now, your partner's needs and wants are taking precedence over yours.

It's time for women to have a say in their family's financial decisions. I implore you to prioritize your desires and needs; I encourage you to become more active in the management of your household's finances.

MOTHER'S TRUTH #2

What my mother would say: Personal finances are exclusively the domain of men.

We say: Women are capable of learning about money.

Women have many fears about money and most of them are based on a perceived belief that personal finances are exclusively the domain of men.

We were raised to believe that the male figures in our lives would handle the finances, so why bother to learn? If not my father, my husband, or my son, then some other male will take care of it.

It's time that we take off the blinders, confront our misplaced assumptions (e.g. "I just can't understand finances") and start with the basics.

When you learned how to ride a bike or first started wearing makeup, you probably began from a place of zero knowledge. But because you committed to the result, you sucked it up and let yourself admit to ignorance as the only place to start. You probably made some mistakes along the way, but that did not stop you from continuing forward. And eventually you were competent.

The process of learning about money is similar: Once you get the basics down, the training wheels will just come off.

MOTHER'S TRUTH #3

What my mother would say: Don't buy anything unless you have the money first.

We say: Learning about the proper use of credit can allow us to make purchases without having the money in the bank first.

First, we need to unravel the assumptions you may have made about money as a child. If you can remember the first time someone put a dollar bill or some coins in your hand, think about what that meant to you. If you wanted something that you had to have, what did your parents or caregivers say you had to do to get it? Save for it.

Saving up taught you that in order to make purchases, you have to have the money first. So, bottom line? Don't buy something if you can't pay for.

But credit isn't the demon our mothers made it out to be. In finance we like to consider that there are two types of credits: good and bad.

For instance, mortgages are a form of good credit. In our current economy it would be impossible for most people to purchase a home with cash. Mortgages and home ownership will enable you to save money in the future once their paid off.

However, credit card debt and other high interest debts are forms of bad credit. But under the right circumstances and proper use, credit cards are a great way to build a credit rating, and in some cases earn rewards!

Understanding the types and applications of credit are important to being financially successful.

MOTHER'S TRUTH #4

What my mother would say: If you need money for something, go ask your father.

We say: Earning your own money and saving or investing some of it can give you freedom.

Perhaps you grew up in a house of plenty, or perhaps you were a paycheck-to-paycheck home. But either way, whether you needed money for back-to-school clothes or to go see a show, you knew who to ask.

Your father.

He controlled the family finances, which, as it turns out, controlled a lot more than just your household's bottom line.

When it comes to your own finances, having the ability to earn your own income and decide how to spend it gives you the freedom of choice your mother likely never had.

You're more than capable of making financial decisions that address your desires (e.g. buying new sunglasses) and needs (e.g. putting 10% of each paycheck into a savings account).

MOTHER'S TRUTH #5

What my mother would say: Learn to live within your means.

We say: Don't accept the limits of your salary. Get creative and find ways to make more money.

Our mothers grew up in the era of 9-5p.m. work days. Men worked 40 hours a week, brought home X amount of dollars, and families found a way to make those dollars cover their basic needs. And that was it.

But you don't have to build your life solely around that singular paycheck anymore. We live in a gig economy. If you have a talent or hobby, such as baking or knitting or photography, you can offer up these services in your local community to help fund your next vacation or addition.

And while many of us were too early for the Internet-based business, I am sure there are those of you right now who are reaping the rewards of being a top seller on Amazon, Etsy, or eBay.

And for those of you aren't digitally inclined, you may still be collecting those extra spending dollars from self-promoting in your community.

We're no longer limited to one paycheck. We can be creative and come up with multiple sources of income.

MOTHER'S TRUTH #6

What my mother would say: Make sure you can afford to take the risk.

We say: : It's your limiting beliefs about money that holds you back from creating your own wealth.

There is no right or wrong belief about money. Period.

Our beliefs and often our fears about money are based on limitations and restrictions we put on ourselves. Several studies have confirmed what we already know about ourselves as humans: We have a greater fear of loss than we do a hunger for gain.

You are not limited to creating your own wealth simply because your mother was. You can, with the help of a professional, find ways to safely take risks and develop your own sources of wealth. Risk doesn't have to be a bad word.

MOTHER'S TRUTH #7

What my mother would say: A woman can never have too much in a rainy day fund.

We say: With the help of the Internet, look beyond the constraints of a paycheck for additional sources of income.

Have you ever bought that pair of shoes eyeing you from across the mall, taken them home, checked your VISA statement and felt instant regrets?

I'm no stranger to this feeling, and many of us are guilty of sabotaging our desires to save and invest by buying the next thing we thought we really, really needed, only to find that having it didn't make us that much happier.

In fact, buying that thing may lead to regret to know that we are now further away from achieving that goal of financial independence. We are continually fighting the urge to spend rather than save.

Any way you look at it, it's a constant struggle to stay on track, to satisfy the here and now and, at the same time, to satisfy the need for future financial independence. So how do we have it all?

We need to start thinking outside the box. Way outside the box.

You are not limited to the paycheck you bring home—or the lack of one. Your fears of stepping out of your comfort zone of one income is what holds many of us back from pursuing other sources of income. Perhaps it's a hidden talent or simply a well managed stock portfolio. Either way, if you're finding yourself struggling to maintain the balance of save and spend and simply can't give up one or the other, why not just increase the pot?