

NEVER FIGHT ABOUT MONEY AGAIN

NANCY: My name is Nancy Roberts and this call, the topic is ***Never Fight About Money Again*** and I'm really excited about today's call because I have a guest speaker joining me. He's going to join us about halfway through the call because there was some information I wanted to give to you beforehand and then let Craig come in towards the second half of the call. Craig Houck is a AXA financial advisor and so he's going to be sharing with us some of his wisdom and his experience of counseling with couples throughout the years.

So back to today's topic, ***Never Fight About Money Again***. A couple of things that we're going to delve into on this call are:

- The biggest mistakes that couples make when discussing money
- The real source of money conflict, where it comes from
- And your DISC money type

Yes, DISC can be related to just about anything. And I think I'm doing a good job of finding different ways to explain DISC and show people how powerful of a tool it really is but it absolutely contributes to how we spend money, how we save money, how we view money depending on our DISC style and hopefully, you'll be able to recognize your style as well as your partner's and then how to find some common ground or at least give you different things to talk about. So let's start the content of the call and again, Craig will come in about halfway through.

The Biggest Mistake That Couples Make When Discussing Money

So when I sent out the form for the call, if you have that in front of you, it's a great way to take notes. If you don't have it in front of you, that's fine. Just get a piece of paper and a pen. I'll let you know what topic we're talking about so you can kind of keep it organized. But the first thing we want to talk about, the number one thing we want to talk about was the biggest mistake that couples make when discussing money and in my experience, at least

NEVER FIGHT ABOUT MONEY AGAIN

observing couples and I'm the youngest of six children and all my siblings have been married so I've had a lot to observe over the years, is what I see is that *people don't discuss it*. That's the biggest problem.

I'd find that when couples first get together, it's not a topic of conversation for the most part. It seems to be one of those topics that for a long time was very taboo especially if you grew up in a family that didn't discuss money then that was kind of like the example that had been set so it's not something that couples really talk about—how I relate to money, how you relate to money, how we see it differently—and so then they get into this relationship and lo and behold, money becomes one of the biggest, if not the biggest, source of conflict for most people. They say the number one reason people divorce is because of money and money issues that they had.

Top Six Tactics

So I think it's probably something that should be talked about. Obviously very early on if it's a new relationship but even if it's an established relationship, you have to find a way to bring up this topic. I found the results of a kind of a humorous survey that said that several hundred couples were surveyed and they basically were asked what tactics they used to avoid discussions about holiday spending and so here were the Top 6 Tactics that people used which I thought was funny.

1. They changed the subject. 24% of people said they do that. They change the subject.
2. 23% of people said that they hide price tags or purchases.
3. 17% said they hide recent purchases which I think that means they put them away in a closet or the trunk of the car and then bring them out a month or two later and act like they've had them for a long time. I, myself, have been guilty of that. I think I saw my mother do that as well.
4. 10% of the people said that they just walk away from the discussion when it gets heated.

NEVER FIGHT ABOUT MONEY AGAIN

5. 9% said that they say, "It's my money. I'm going to do with it what I want." And then,
6. 8% of the people say that they bring up the other person's faults so instead of discussing the issue of money and overspending, they just kind of attack the other person.

So obviously, from this survey, we see that there's not a lot of healthy habits necessarily that have formed or that we have around discussing money and especially during the holidays. It gets really tricky. That was part of my desire to do this call this time this year. One, because I know the holidays, it gets tough. People have different ideas about how much to spend. Who to spend money on? How much do we buy for the kids? That type of thing. Plus, with the way the economy's been so up and down, I knew that this was a topic that was on a lot of people's minds. So it was a good time to address it. So again, the biggest mistake couples make when discussing money, most of them don't discuss it and then when they do discuss it, they discuss it badly and we're actually going to look into why that is in the next section.

The Real Source of Money Conflict

So the second piece we're going to talk about is what is *the real source of money conflict*? So why is it that when couples go in to discuss it, there's so many challenges? It's because, if you have that form in front of you, there's two symbols. There's a money symbol and then there's a plus sign and maybe a little diagram you couldn't read or you didn't know what it was. What that is is a money blueprint, okay? So what we're looking here is the real source of conflict between people is that *they have different money blueprints*.

What's a money blueprint?

Well, what's a money blueprint? Well, a blueprint, just like a blueprint for a house, is a map or a design so that you know how that that house is going to be structured and if you have the blueprint, you understand that house. Well, we all have a blueprint from childhood about money. We all got messages

NEVER FIGHT ABOUT MONEY AGAIN

about money when we were children whether we observed things, whether we heard things, whether we saw things happen, whether we experience them, and it shapes how we think and act in relationship to money and if you think about it, everybody had a different upbringing so everyone, not only, we know it shapes our personalities. That's kind of a given but have we ever stopped to think that that also shapes how we relate to and respond to money?

I'm going to give you a couple examples of money blueprints so you can kind of understand what that means. So for example, someone like Donald Trump, he has a money blueprint that is basically set to being a billionaire. That's what his blueprint is from his childhood and so even when he's a millionaire, he doesn't feel successful. That's not enough money for him because his blueprint says, "I should be a billionaire." And the proof of that is that he can lose all his money which he has done several times and within a very short order, he has all of his money back. People are pretty amazed at that. Well, not everybody has the blueprint to be a billionaire.

Some people have it in their head that their worth \$100,000 and so, in their career choices, their business choices, et cetera, they always tend to stay in that area, maybe small increments. They get a small pay increases or whatever it is but they're around that 100,000 mark. That's their blueprint. Some people have the blueprint of being in debt, of not making more than \$30,000 so whatever your blueprint is from your childhood, whatever got formed from when you were very young, that's kind of how you live and those are kind of the conditions that are going to exist or you're going to create in order to maintain that blueprint.

Lottery winners are a great example. So many stories we hear about people that win millions of dollars and within a few years, they're back to where they started or worse off, okay? And when you hear that, you can't believe that like these rock stars and sports stars that you hear about that had billions of dollars and then they've lost everything and they're back to

NEVER FIGHT ABOUT MONEY AGAIN

poverty status or whatever it was and we ask how that can happen because we don't think it would happen to us. But the point is that whatever their blueprint is, or if they weren't good at managing their money when they had very little money, just having a lot of money isn't going to make them good money managers so if we right now make a salary of \$50,000 but we're in debt. We're having trouble paying our bills. Someone giving us a half million dollars, while we think that would be a great solution, isn't going to change the fact that we don't know how to manage money and that that money probably wouldn't last us very long. So those are some examples of what a money blueprint is.

And everyone has different blueprints and so if you're in a partnership let's say and you have one money blueprint that's set to something that says, "Go bigger. Stay home." So spend a lot, that's how you make a lot. My father had that blueprint. He believed that you had to spend money to make money. If that doesn't match up with your partner's blueprint, if their blueprint is, "No, you have to play it safe" which was my mother, by the way, then you've got conflicting blueprints. Now, all of a sudden, they don't match up and that's where a lot of discord's going to come from.

What's your money blueprint?

So what's your money blueprint? That's the question you want to be asking through this part of the call. Your money blueprint comes from three different places and there's little symbols here for you to write them down. The first one is a picture of an ear and that's verbal programming. So your blueprint comes from *verbal programming, the things that you heard when you were growing up around money*. Now, maybe you were fortunate and you had positive money messages when you were growing up. Maybe your parents handled money well. Maybe they didn't fight about money and that's great but the vast majority of people that I speak to didn't get great messages when they were being raised around money.

NEVER FIGHT ABOUT MONEY AGAIN

A lot of people heard things like “money doesn’t grow on trees,” “rich people are greedy and dishonest,” “you have to work hard for money,” “money is the root of all evil,” and I had a very religious upbringing and so for me, my family’s let’s say blueprint around money was exaggerated by their religion’s blueprint around money so I got a lot of messages about, “Money would make you bad. It would make you crooked. It would make you selfish and greedy.” So there was a lot of negative things that I heard about money that got reinforced not only in the home but also in the church.

Second is *modeling* so this is what we observed, so these are *the things that happened that we saw happen in front of us when we were children around money*; things that like, if you saw your mother hiding purchases, or maybe saw someone hiding money. If you heard your parents and saw your parents saving for a rainy day so kind of always that expectation that they were going to need to save for a rainy day. A lot of people’s parents argued about money. It was a hot topic at the dinner table. Some people had parents that never splurged.

My mother, for example, she was someone who always bought things on sale, couldn’t buy anything that wasn’t on sale, always had to justify everything she bought and used coupons and I tell people that my mother had an actual filing cabinet, like a four-drawer filing cabinet for coupons and rebates and they laughed. They think that’s funny but it’s true so I have this just vivid memory of my mother clipping coupons and saving UPC labels for rebates, for a \$2 or \$3 rebate. It was this very intricate system that she had. So that’s stuck in my mind so, of course, part of my blueprint is I want to buy everything on a sale like I have to justify spending things because they were on sale or it was a good deal. That’s something that’s in my money blueprint.

The third way we get programmed is through specific incidences so what we experienced, things that actually happened to us, things that we were involved with. Different things, stories I’ve heard from people over the years are, I knew one girl whose father lost his job, came home, was very angry and

NEVER FIGHT ABOUT MONEY AGAIN

the next day, he left family. Now, that doesn't necessarily mean those two things were tied together but as a young girl, in her mind, that's exactly what happened. Dad loses his job. There's no money. He leaves the family. So, of course, money is a very painful issue for her and her life.

I heard one story of a child who lost his money. He had been entrusted with a certain amount of money for the first time. It was the first time his mother gave him some money to go to the store and buy some bread and he lost the money and then he was told that he was irresponsible and that he would never be allowed to have money again. Tell me if you don't think that guy has money issues in his life. He has a hard time holding onto money. Not a big surprise.

Some people got caught stealing money as children and maybe even before they realized that that was the wrong thing to do and they were severely reprimanded for it. So they have a lot of guilt around that. Some people found money, couldn't keep it so there's so many different things that you can experience when you're young around money. Everyone's got their own stories.

Specific Money Memory

So what I'd like you to do right now is maybe some of those examples kind of reminded you of some things that might have happened to you around money. I'd like you to write down a specific money memory. Okay, so write down on a piece of paper or on the form that you have, write down a specific money memory and I'm going to give you about 30 seconds to do that. You can always add more details later but just get the basic story or whatever it was happened. Just get that down. [LONG PAUSE]

[RESUME] Okay, I'm not sure whether that was 30 seconds, more or less, cause I actually don't have a watch but I just wanted you to jot down the basics. You can always add detail in later. And what I'd like you to do is tonight or the next time you see your spouse or partner and by the way, this

NEVER FIGHT ABOUT MONEY AGAIN

can be a business partner. This doesn't have to be a personal relationship. Business partners will have different money blueprints too and therefore, will be a source of conflict as well.

So but the next time you see this person, I want you to ask them what their most memorable money experience was from their childhood and just give them a few, kind of give them some examples maybe share with them yours but just ask them what their most memorable experience. Now, it's not always negative. Some people are really fortunate and have a great, positive experience around money which is wonderful. They probably have less issues with money in their life than the others do but just ask them for their earliest or most memorable money memory and then what you want to do is you want to share yours with them and ask them to share theirs with you and then talk about the impact that this has had on you.

Because what we find is that when we hear what people's early childhood memories are around money, it has always impacted them in how they treat money as adults. I've done a lot of work on this where I've really dug into the way my parents viewed money, talked about money, handled money and how it's impacted me and created my blueprint. So that's a homework assignment I'm going to give you. Talk about the impact that it's had on you.

DISC Money Type

Another way that our money blueprint kind of shows up, I think, from our childhood is in our DISC style. So we kind of know that our personality is formed at a very young age and so each of the DISC behavioral traits or behavioral styles has an inherent money blueprint in it which is really funny to think about but when you look at the different styles. All Ds will have some similarities in how they handle money and how they spend their money and what they choose to spend their money on. Same with High Is, High Ss, and High Cs.

NEVER FIGHT ABOUT MONEY AGAIN

So we're going to talk about that a little bit. So on the form, if you have it in front of you, number 3 is your DISC money type and there's a four cell diagram where it's got D in the upper right-hand corner, I in the bottom right-hand corner, S in the left-hand bottom corner, and C in the top left corner and so basically, I'm just going to go through some of the characteristics of each and then tell you kind of what their money blueprint or their money type is, okay? So if you know your style, then you're obviously going to want to identify your type but if you know the style of your partner or your spouse, you're going to want to identify their type as well.

High D Money Type

So let's start in the upper right-hand corner and if you don't have this form, then you can just take notes on a piece of paper. That's fine. We're going to start with the D. So what are some things that we know about High D behavioral styles? Well, we know that these are the results-oriented people of the world. These are the people that like to produce results. They are high risk takers. They're very daring. They're very adventurous. They're extroverts but their task-oriented. They feel like they are in control no matter what environment they are in. They're very competitive and they want to win, okay? So those are just some characteristics.

So how do you think they relate to money? Well, they're going to relate to money in the exact same way that their behavioral style is. They're going to be daring. They're going to be adventurous with it. They're going to take risks. When it comes to investing, these are going to be the high risk takers. They're not going to want to play it safe. They would have to be encouraged to think long-term cause they're going to look at short-terms and they are going to try and gain as much as they can. They want to win. They want to be competitive. They're probably going to have the latest gadgets. That's something that High Ds would spend money on, things that are kind of impressive, that would impress other people.

NEVER FIGHT ABOUT MONEY AGAIN

They will spend money on things for status. They will spend their money on nice cars and nice clothes, nice homes. Their furnishings in their office will be impressive. That's kind of the image that they like to portray. They're going to want to spend their money on innovative and new things. Old-fashioned traditional things don't appeal to them. They want new, and they want it to be on the cutting edge. That's their behavioral style. They would be typified. Their money type would be considered a spender, okay? If you were going to look at different money types, Ds would be spenders, okay? They're going to have to be encouraged to save. They're going to be encouraged to put away for retirement because they're going to want all their money accessible right then. That's going to give them that feeling of power and control. So they're spenders.

High I Money Type

Let's take a look at the High Is. So High Is, they're all about interaction with people. They're the people-oriented people of the world. They love relationships. They love connecting with new people. High Is are also high-risk. I would say they're more high-to-moderate risk-takers. They love to have fun. It's all about the experience. It's all about the present, the here and the now. They're not real good at thinking about the future and planning for the future which would give you some indication as their money type. They're extroverts as well. They absolutely feel like they're in control. They want to look good to others, okay? So they want people to think well of them.

So these are the type of people... So all those things are going to apply when they relate to money. They're going to be very generous, very generous with their money. They're probably going to give too much of it away. They're going to want to treat their friends. They're going to be very generous tippers. These are the people that will tip 30% to 50% on a bill. They will spend money on the experience so if something's a fun thing to do, it doesn't matter if they don't have the money. They'll find a way to pay for it and they're going to buy things that are flashy and one of a kind, like they want to

NEVER FIGHT ABOUT MONEY AGAIN

be unique, that they want to stand out so those of types of things will appeal to them. So they're more like a spender avoider money type. They absolutely will spend money but because they don't want to think about the future. They don't want to worry about the future cause that's going to cramp their style, they're going to avoid probably the details of the money.

High S Money Type

Okay, so High Steadiness people. So these are the people that really want security and stability, okay? They're low risk-takers. They prefer the status quo. They don't like a lot of change. They're introverted. They don't feel like they're in control in situations and they want peace and harmony. That's what they're striving for. So these are the type of people who are going to need a lot more time when it comes to making big purchases cause for them, making big purchases is risky. So they're going to need to take time to feel comfortable with it.

They will tend to spend money on their families and family members and not so much on themselves. So they'll tend to deny themselves certain things in order to provide either for their spouse or their children. They will probably live very simply because they prefer to save their money and when they do spend money, they're going to want traditional products. They're going to want things that are tried and true for their sense of security. So their money type is they're a saver with somewhat of an avoider. They are a little bit of an avoider as well but they will tend to be more of a saver than a spender.

High C Money Type

Then the High Compliant person. So this is the person that wants information and details. They are "no risk." They don't want any kind of risk. They're looking for the right way or the proper way to do things. They're introverted. They don't feel like they're in control and they want and need to be correct about things like they really want to be right. They see things more of a black and white kind of way.

NEVER FIGHT ABOUT MONEY AGAIN

So what's going to appeal to them? Obviously, technical gadgets. These are people who are usually up on the newest technology. They're going to be the type of people that are going to have their calculator to help them figure out the tip for the waitress. They will probably have a very specific budget and they'll use Excel or Quicken to track their expenses cause these, like I said, these are the people that are into the details. When they do spend their money, they're going to want proven products. They're going to want guarantees. They're going to want warranties. These are the people that may actually purchase that warranty extension or whatever it is that they try and sell you when you buy something. So High Compliant people, their money type is savers as well.

So you've got Compliant and Steadiness are the savers; Dominant and the Influence are the spenders; and then Steadiness and Influence people have a little bit of the avoiding money type as well.

The Simplest, Most Effective Money Management System

Okay, so let's go on to number 4. So now we know the money types and hopefully, you were able to identify yourself as well as a spouse or partner and if they're different, you can see where the conflict could come in and if they're the same, if you happened to be married or with somebody or partnering with somebody who's the same style, then you might see the challenge comes in that you're overboard on one side so let's say two High Is and you're both spenders and you both love to spend for the experience but neither one of you is saving for the future, you can see how that could be a potential problem.

Well, here's the solution to that. Number 4 talks about the simplest, most effective money management system and while I would love to take credit for this, unfortunately, I cannot because I learned it from someone else and I learned it about three years ago. I remember it was October of 2005. Actually, it was a few months before that that I actually read the book. The

NEVER FIGHT ABOUT MONEY AGAIN

book is called *Secrets of the Millionaire Mind* and it's written by a man named T. Harv Eker and in there, he shares the money management system and then in October 2005, what I did is I went to his *Millionaire Mind Intensive* seminar and they teach you how to do this system at the seminar and I've been using it not perfectly, I'll be honest but I've been using a form of this system ever since. And I'll share after I give you this system and some of the details, I'll share with you how it's helped me arrange my finances and the great things about it that I've seen.

I will tell you this. I went to the seminar with my sister so we learned it at the same time. My sister at the time was going through a divorce after 27 years of marriage and of course, their number one thing they ever fought about was money for sure. And as we learned this system and as they taught it to us, I remember my sister turned to me in the seminar and said, "This system could have saved my marriage." And that like struck me because of course, I'd watched my sister suffer for years over this topic of money and now, she was going through a divorce.

So just knowing that a simple system could have that kind of impact and of course, seeing what it's done for me and my business the last three years, I'm really excited to share this with you right now. So basically what we have there in front of us, if you have the form are six jars, okay? And I'm going to give you the label for each of the jars and then a percentage that is assigned to them.

So the first jar is Necessities, okay? So you can label it NEC or write Necessities on the jar. The second jar is GIVE. The third jar is you can write FFA or Financial Freedom Account. The fourth jar is LTSS which stands for Long-Term Savings for Spending and that second S is really important and I'll explain why. The fifth jar is Education or EDU and the sixth jar is called PLAY. So we have Necessities, Give, FFA, LTSS, Education, and Play, okay?

NEVER FIGHT ABOUT MONEY AGAIN

Now, Necessities gets 50% and whenever we're talking about this system, we're talking about after-tax income, okay? So that's either the paycheck that you bring home after your taxes have been taken out of it or if you own a business that is after you've paid your taxes on your gross revenue so this is net, what's left. So 50% is in the Necessities jar and then each of the other jars gets 10% of your after-tax income, okay?

So of course, the first reaction people have to that is "Whoa! There is no way I could live on 50% of my income and I admit that is the reaction I first had when I heard this three years ago because it does seem very unrealistic. So let's call this the ideal and let's call this something to work towards, okay? And maybe play with the percentages at first, okay, when you first start with this system so when I first started with this system, I, literally, I don't think I could put 1% in these jars but more important than the amount that you put in there is the fact that you do it and that you have the separate accounts or the separate jars and that you create the habit of doing it, okay?

Necessities

So basically, what goes into Necessities? This is all your household necessities, your mortgage, your utilities, your insurances, your phones, your cable, your groceries. Now, everyone's going to consider different things necessities such as let's say, right off the top, there are women that consider pedicures a necessity and if that's you, that's fine. That's no problem. We're not going to argue with that but just know that there's certain things that you're going to want to have come out of your necessities jar or account and then there's other places those things could also be paid for.

Give

So the Give account. That is 10% of your after-tax income to give away, okay? This could be to charities. It could be to your church. It could be to the community. It could be to family members. It can be in form of gifts, donations, anything like that. It's just yours to give away.

NEVER FIGHT ABOUT MONEY AGAIN

Financial Freedom Account (FFA)

Financial Freedom Account is 10% to put in anything that's going to help you let's say create passive income, okay? So this is with keeping retirement in mind. How are you going to support yourself when you're no longer working, okay? This is money that you're never going to spend. You're never going to touch this FFA jar or account. It's solely to create passive income.

Long-Term Savings for Spending (LTSS)

Your LTSS (Long-Term Savings for Spending). This is money to spend on anything you want. You save it up in order to spend it and there's no time limit. You could save for 2 years if you want to put a down payment on a house. You could save for a vacation. You could save for a big splurge, a big screen TV, something like that. So this is money that you build up and then you spend it.

Education

Your Education. This is money that you're going to take and you're going to use it to invest back into yourself, okay? Because the concept is that for you to always increase your value to the marketplace, to your employer, et cetera, you've got to continue to develop yourself so this is for anything like long-term education. It could be courses, seminars, going back to school, books, anything that will help you grow and develop.

Play

And then the last account, probably my favorite account because of course, I'm a High I is the Play account, and this is an account that needs to be blown out once a month like you save up money or you put that 10% in and then once a month, you think of something really fun to do with that money. This is money you want to use to splurge. You want to indulge yourself. You want to do something that you don't ever do, okay? So if you get massages on a regular basis, that's not what your Play account is for, okay? Because those massages, that should come out of your Necessities but if you've never gone

NEVER FIGHT ABOUT MONEY AGAIN

and gotten like a full spa package or like a full day away at a spa, that might come out of your Play account.

And the point of that is that you're going to be so responsible about managing your money that you want to reward yourself and I can just say this. Since I started this money management system, in the past I used to spend my money, a lot of little money on the little things all the time, you know a book here, a lotion here, a candle there like just constant little purchases then when I started using this system, I started putting more in my Play account and kind of saving it up for that big purchase and I found, what happened was, it stopped all my little spending. It stopped my need or whatever that desire was to just spend this little money all over the place because I was looking forward to saving it for this bigger purchase or something that I could really enjoy.

Another thing is I have a separate Give account, like I have different accounts at my bank. I actually have 5 or 6 different accounts at my bank. They probably think I'm crazy but let me tell you how wonderful it is to have a separate account for your Give money. I have an account so I have a debit card as well as a checkbook to that account so I always have the debit card with me. So anytime I'm out and I know roughly what is in that account at all times, whenever I see something that I want to buy for someone, I see the perfect gift for my sister and it's nowhere near a holiday. It's not her birthday, anything like that but I just want to get it for her. I don't even hesitate cause I never have to worry, "Well, can I really afford it?" Or "Should I really spend that?" I know it's in my account and I just get it for her.

Anytime I get a solicitation for a donation in the mail, if it's a cause that resonates with me, I have no problem. I just pull out the checkbook to my Give account. I write a check. It's done. It's like you never have to think about, "Well, should I really? Can I afford this?" et cetera because it's already separated from your income and it's just sitting there waiting to be given away which is a wonderful feeling.

NEVER FIGHT ABOUT MONEY AGAIN

Again, I'm not perfect at this system. I wish I was but I definitely am making progress but all I can tell you is in the three years that I've been using it to the extent that I have, my finances have shifted dramatically. My debt repayment, the debt that's been paid down has been significant. The income I'm making is much greater and I have no doubt that it's by paying attention to this and using a system that really works well for everybody.

It doesn't matter whether you're a spender or a saver. This system will work for you because if you are a saver, it makes you spend on yourself. You have to play with that money. If you're a spender, it makes you save. It forces you to save some money so by implementing this system, like I said, it's really easy to follow and I think everyone would see a progress no matter what type you are.

I do have more information on how a couple would go about using this system. Basically, but I'm not going to go through the whole detail. If you want more information on it, just contact me and I'll actually give you a worksheet that will show you exactly how a couple would break down their income into this system. And if we have time left at the end of the call, I'll give you more information on that but basically, how it works is no matter who makes the money in the relationship, whether if there's one provider, whether two people bring home a paycheck but one person makes more than the other, the money is pooled together and the discretionary income that each person gets to spend is equal, okay? So just cause someone makes more money or all the money doesn't mean that the other person gets less.

And then you each have your own accounts. You each have your own Give, your own FFA, your own LTSS, your own Education, and your own Play accounts and here's the most important part and I think this is really what my sister responded to was that it is not your job to police what your partner does with their money, okay? So whatever they decide to splurge on and spend their money on, that is up to them. Whoever they decide to give their money to, that is up to them.

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Now, as a couple, you will still have your joint accounts and you'll still have your joint Give, FFA, LTSS, Education, and Play accounts for you to make decisions together about what you'd like to do with that money but you'll have your separate money to decide what to do with. So I think it's a great system. Like I said, if you want more information, you can either contact me or you could also get the book *Secrets of the Millionaire Mind* by T. Harv Eker cause it explains more in there.

So we're a little bit past the halfway point and I wanted to introduce Craig Houck to the call. Let me just make sure he's there.

CRAIG: I am here.

NANCY: Oh, excellent. Wow, so you've been there listening, huh?

CRAIG: Yes, I have.

NANCY: So how did I do with the money management system?

CRAIG: Excellent! I was able to follow right through and was able to, you and I have talked about this maybe three years ago so I've seen you grow using this system and it's had a tremendous impact and me watching you so great job with it.

NANCY: Well, great. Thanks. Well, let me. I didn't give too much background on you at the beginning of the call so let me formally introduce you. Craig Houck is a AXA financial advisor and Craig, I know a little bit about your background basically what you shared with me about your parents divorcing when you were young and what kind of impact that had on you and how you apply that to your financial occupation or why you're in doing what you do. Do you want to share a little bit about that before we get into what we were going to talk about?

CRAIG: Sure. Yeah, absolutely. It definitely had a profound impact on my life with my parents going through a divorce so my choice of career is certainly impacted by that family situation so it's right on target.

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NANCY: Yeah, and I think probably more than we realize and like I started this call with talking about things that happened in our past, in our childhood and how it impacts us as adults and yet we don't really think about that. So when you explained to me that your parents had divorced and obviously, money was an issue back then that it kind of guided your choice of a career, I was like well, yeah, no surprise. I'm a behavioral analyst because I had so much relationship turmoil around it when I was a kid and the way I used to escape it was I would go into my room and play with my Barbie dolls. And I'd have my Barbie dolls having a relationship and having a conversation and solving conflict. And so when people hear that story, "Well, of course, I became a behavioral analyst."

CRAIG: And you're analyzing me.

NANCY: Always, always, I can't turn it off. So when you first heard the money management system, because obviously as a financial advisor and someone who advises, I would say probably more couples than I would think single people in your practice.

CRAIG: Yes.

NANCY: Does it kind of line up with what I would consider the official way to do finances? Is there anything in that system that you think people should be aware of or cautious of? Anything that you think doesn't work? Or is it a pretty solid system even though it sounds so simple?

CRAIG: I think it's very solid I would say. Initially don't get hung up on the exact percentages. I think it's more important to have a system and then use those as guidelines to work towards so but it's absolutely investing in yourself is important, giving so there are a lot of principles around giving back 10% and then certainly, living on as little as possible, living on that 50% is a great target. Some people might have challenges initially and again, it would just be a target to work for.

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NANCY: Mm-hmm. Yeah, I think when I started out, I literally remember a couple months. This will tell you how far I've come in three years. I remember the first few months of doing this, putting \$10 in each account and that tells you how much I was bringing in and maybe it wasn't bad but maybe I really needed to live on 90% of what I was bringing in but I remember thinking, "Well, if I could just put \$10 in the accounts, that's a place to start and I can always build from there and you think about it and you go, "Well, what on earth could you... how could you play with \$10?" You know like there's... "How could you give away \$10?" You'd be amazed at what you can do with \$10 when you put your mind to it.

I remember one of the first things I bought was a really fun, funky watch. If you're not from Rochester, there's a really cute Parkleigh Pharmacy on Park Avenue and they've got some real fun, funky things and I was in there and I kind of had in my mind that I had \$10 to blow and I found like this great watch. Of course, it only worked for six months but I got a lot of pleasure out of that \$10 watch. So yeah, I agree. I think people should just start wherever they're at and in my opinion, any system is better than no system and any system with a small percentage is probably going to build the habit and you'll be able to put more and more in.

So since you work with a lot of couples, in your experience, what would you say like the biggest difficulty is when it comes for couples when it comes to planning? Is it that people aren't on the same... Well, let me just ask you that, what do you think the most difficult thing is for couples when it comes to start planning their money, planning retirement, that type of thing? What do you see?

CRAIG: I think it's just the initial communication so very few people talk about money so even just starting the process of communicating with their spouse or significant other, that's 90% of the battle. It's just starting that discussion and then understanding where the other person is coming from and then you'll get a better understanding of some of their motivations around money

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and why they have certain beliefs and why they act in a certain way so just starting the process would be a huge help and then go from there.

NANCY: And do you find that that kind of stuff comes out when you're talking to a couple like do they really get that deep?

CRAIG: Yes, and oftentimes we find that it's maybe the first time that they've ever talked about it so they may have been married for 30 years, 25 years been together and this is the first time they've really had a chance to talk about money so I would say if you haven't discussed it, it's a great time to start and also don't worry because the vast majority of people don't.

NANCY: So you probably end up being like a marriage counselor.

CRAIG: Yeah, absolutely, psychologist, counselor, financial guru.

NANCY: Wow!

CRAIG: Definitely.

NANCY: Well, and what I can see happening too is like we had talked about earlier, people's money blueprints not lining up.

CRAIG: Mm-hmm.

NANCY: I could imagine people who don't talk about their goals or their future sitting down for the first time talking to you and one guy, his dream for retirement is to sell everything and sail around the world and she gets seasick. And this is something that...they've never talked about. I can imagine that happens too.

CRAIG: Definitely.

NANCY: So what's the last couple months been like for you as a financial advisor?

CRAIG: Good question.

NANCY: Thanks. What's this upheaval done for your clients and their relationships? Have you seen any trends or anything you want to share?

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CRAIG: Well, I think it's normal to feel stressed during these times so if you are nervous, you're feeling stressed that's... Everybody is so you're not unique so it's more important how you react to the stress. Don't panic. Don't make rash decisions. Don't pull all your money and put it in the mattress. We'll get through this. We've been through this before. It's just it's going to take some time. So the last few months have certainly been interesting to say the least.

NANCY: Yeah, and I think money is a difficult topic for a lot of people to discuss just when things are good but I think when things get tough and there's a lot of stress involved, it makes things worse. Everything gets heightened and so you might go to have what could be a simple conversation but because now, there's fear and anxiety on top of that, people have even a harder time discussing some of these issues. So if you were to give people your best advice right now, would that be it? Don't panic. Don't do anything rash. Don't make any crazy decisions?

CRAIG: I would say 'Don't panic' but also 'Don't put your head in the sand and ignore it' so certainly now is a good time to look at your situation and make some adjustments if there are some things that need to be done. Now, is a great time so it's happening. It's going to happen and we will get through it but make some changes. Use this as a great opportunity to start those lines of discussion with either your spouse or significant other or an advisor you're working with and move forward so we will get through it.

NANCY: Mm-hmm. So one thing I really appreciate about you and by the way Craig works... He has a partner at AXA. His name's Phil and one thing you and I have talked about is that when things get scary for people, a lot of times they can't find their financial advisor. Their financial advisors kind of go AWOL and one thing I really love about your and Phil's philosophy is that even if we don't have good news, we will be in touch with our clients. We will stay in touch. We will be accessible and I think that's really important because I think that's very comforting to people, like I said, even when you don't have good news to share or even when you can't paint a silver lining to what

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they're going through, you and Phil do a really great job of keeping in touch with people.

CRAIG: Yes, Nancy knows about it. An event we have coming up in December, we're going to host... We expect probably about 250 people but it's our annual holiday appreciation brunch and even during these times we're still going to hold that and still show that we care about our clients and we're working through this situation with them and we will get out on the other side together.

NANCY: Well, and I think that's a great message that you're sending not just to your clients but also to business people in general because a lot of people use this type of economic situation to really they retreat in their business. We see people hold back marketing ideas and plans. We see people scale back on their spending and from what I understand, you and Phil, you're having more people to this brunch than you did even last year so I know out of your own pocketbooks, you're spending actually more money to show your clients that you appreciate them and that you're there for them and I think that's great because I think it sends a message that we're not going to cower and run away and neither should you. We're all going to kind of face this together.

CRAIG: Yes, it's easy to hide under your desk and not return phone calls and not return emails and not be with people but for instance this week, I think I will have about 25 client meetings this week so it's important to sit down and just address the fears and answer questions and give guidance during good times and in bad.

NANCY: Okay, so the last thing I want to ask and I'm assuming this is the case for other people cause I know it was the case for me is that a lot of people have never met with a financial advisor for the simple reason that they're a little bit intimidated because they think they've got to have all their ducks in a row or they think that they need to have a better handle on their situation than they do and maybe there's some type of embarrassment that goes along with

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it like I really don't want someone to dig into that part of my life. Is there anything you can tell people like about a preliminary meeting or what do they need to be prepared to go meet with a financial planner or advisor for the first time? How painful or painless is it?

CRAIG: I think it can be very painless. I think the important part is to just start the process. Find somebody you're comfortable with so listen to friends and family and co-workers who have had positive experiences and this is a great kind of a great litmus test to see how the advisor's going to do so not that they're making money during this market but are they returning your phone calls? Are they scheduling meetings with you? Are they being proactive? So it's I think just starting the process, finding someone you trust, and you'll be grateful you did it.

NANCY: Okay, is there something they should do before they come meet with you? Is there anything they should, before even a meeting, should they know what they want? Should they have their goals outlined? Should they have a budget? Do they need any of that or can they just come in and start the process?

CRAIG: I think just start the process and typically, we would help them try to answer some of those questions so initially, just a general conversation, understanding what the goals and objectives are so even maybe having some high level thoughts around what your long-term and short-term goals are and then meeting with somebody who can help walk you through what your choices are and what options you have and helping you align your goals with your finances.

NANCY: Mm-hmm, okay. Well, since I have you on this call, before I open up the lines, can you give people your contact information just in case they want to reach you with any questions?

CRAIG: Sure, best thing to do is probably through either my web site which is CraigHouck.com and my phone number is 585.402.6552.

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NANCY: Okay.

CRAIG: That's probably the...

NANCY: And you said that you, from this call if anybody contacted you, you'd be willing to have a consultation with them at no charge?

CRAIG: Yes, absolutely.

NANCY: Okay, great. So we will make sure that when we send out the recording to the call that we also send Craig's contact information too and then I had mentioned a couple resources through the call that I just want to give you now and then I'll open up the lines to see if anyone has any questions.

If you want to look up on Amazon.com for the book *Secrets of the Millionaire Mind*. Again, the author is T. Harv Eker and also in there, he talks about his *Millionaire Mind Intensive* course which is a three-day weekend which kind of explains the concepts and principles in the book but you kind of experience it and if you want more information on that, you can go to PeakPotentials.com. Again, that's PeakPotentials.com and you just, under the 'Events', you look at *Millionaire Mind Intensive* and they have those all over the country and in Canada so most people could get to one within a few hours of where they are. So okay, so I think that wraps up that part of the call. So everyone have a great day and if you have any questions, feel free to call me or email me.