

80: How Do You Think About Your Spending?



Full Episode Transcript

With Your Host

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Welcome to *The Wealthy Mom MD Podcast*, a podcast for women physicians who want to learn how to live a wealthy life. In this podcast you will learn how to make money work for you, how you can have more of it, and learn the tools to empower you to live a life on purpose. Get ready to up-level your money and your life. I'm your host, Dr. Bonnie Koo.

Hey everyone, welcome to episode 80. So, this is coming out at the end of October and so we are definitely heading into the holidays, also known as spending a lot more money than the rest of the year. And so what I thought I would do is kind of talk about the overall topic of spending over the next few episodes in ways that you maybe haven't heard before.

But before I dive in, I hope you enjoyed the preview of my book, *Defining Wealth for Women: Peace, Purpose, and Plenty of Cash*. In episode 79 I read you guys the introduction and you'll find a link there to actually download the introduction and chapter one. So in case you missed it, just go to wealthymommd.com/book and you will be able to grab that.

And so today I want to focus specifically on different spending mindsets, or rather common thoughts that I have observed in my clients around spending. Now, the way I think about spending money is kind of similar to eating and weight loss. And so a few episodes ago I did really fun interview with a weight loss coach and we talked about the similarities between building wealth and losing weight.

And so if we overeat, we gain weight. If we overspend, well there are a few sort of consequences. You might go into debt or just don't have the money for the things you really want to do, including investing or going on vacation. But the overall theme here is there is a net negative outcome that we don't want from spending too much or not spending consciously.

I find that many of my clients have trouble with spending, also called cash flow, because of our perfectionistic thinking. Here's what I meant by that, so many of us, if we can't do a perfect budget, what's the point? Or maybe

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you've tried to "budget" in the past, but it didn't work out, so now you just can't be bothered.

Now, as perfectionist women we are really prone to what is known as all or none thinking. Now all this means is we think in dichotomies, or polar opposites, and forget that there are so many other options in between. It's almost like if we can't do it perfectly, why bother? Hence all or none thinking.

And so to really go into this, I actually sent an email recently to my email list, and if you're not on it you're missing out. So be sure to join, just go to wealthymommd.com. But in this email, I basically had a mini confession for how I spend money. And so what I said was basically that I consider myself an expert in money and coaching around money, and I overspend, sometimes by a lot.

Then I confessed on what I love to overspend on, things like makeup and skincare. My current favorite makeup is Jones Road, by the way, I'm obsessed with it. And sometimes clothes, although I have a Rent The Runway membership, so I don't actually buy too many new clothes. I love renting clothes and getting several new outfits a month.

I also recently have subscribed to this seafood CSA. Basically, every month I get fresh frozen wild fish from Alaska, from I want to say local for shrimp, they're obviously not local to me, but local to Alaska and like small fishermen, and it just feels really good to support them. And I've been ordering lots of extra boxes because they keep offering things like get an extra king salmon box or get this extra Copper River salmon box. And so I've just been buying a lot of salmon and our freezer is really full.

Anyway, I digress. But the point of this email was to illustrate that you can be many things at once, it's not either or. And so I think a lot of us, this is how we think about money. But obviously today we're talking about spending.

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So how many of you think that you're bad with money because maybe you don't spend money the way you think you should be? Or maybe you think you're bad with money because you know you overspend. You know you're definitely an emotional over spender and you just can't help yourself.

And so, the point of the email was to show you that you can be great with money and maybe have an area that needs a little work. And so some of the examples I gave in this email were you can be a great mom and yell at your kids. You can be a great doctor and make mistakes. And the point was that none of us are perfect. We're all human beings and perfection doesn't exist anyway.

So I hope you can see, or rather hear, what I'm talking about. We just have so little room for error for being human, we are so hard on ourselves. And so this can look like not even bothering to look at your money because what's the point? Or even vowing to never budget again.

Now, these in themselves aren't really a problem, but if you're finding yourself not having money to invest or do the things you really want every month or every year that passes by, then I want to offer that tackling this can be huge for you. It can be life changing.

Now, I'm going to do a deeper dive into sort of what prevents many of us from actually creating a spending plan and sticking with it, because that's definitely a whole other topic. But I want to talk about why I see many of my clients afraid of even starting or tackling this. And it's because so many of us, maybe you, including me, we're afraid of feeling deprived.

I know many of you associate budgeting as restrictive, like a money diet. I mean, it sounds restrictive, doesn't it? That you'll somehow feel deprived if you create one, and definitely if you stick with it, right? What if the opposite is actually true? Meaning that what if becoming disciplined with your spending will actually allow you to do more to enjoy your money even more?

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And so I dug a little deeper, meaning I Googled the word deprived, to find the definition. And let me just read it to you and let me explain my take. And so deprived is an adjective, also a feeling. And it said, "Being kept from possessing, enjoying, or using something."

And so I want to specifically highlight the being kept from enjoying something because I think this is the part that really stops so many of us. That makes us feel deprived when it comes to spending money. And so here's what I want to say about that. Are you really enjoying the way you spend your money now?

Or are you enjoying an instant short hit of dopamine when you buy something that you definitely don't need? Wouldn't it be more enjoyable to have income producing assets so that you can actually buy whatever you want then?

In other words, so many of us are trading short term enjoyment for long term enjoyment. We're choosing the immediate enjoyment of buying something, get that instant dopamine hit of buying something, versus the long term enjoyment of having lots of money.

And so first of all, this is normal. Our brains are literally wired to want to buy things and get that instant hit of dopamine. It's just how our brains are wired. You know, I've talked about the motivational triad.

Remember, our brain is really motivated by three things, it wants to seek pleasure, hence the dopamine hit. So buying something like closing that loop, you see something you want, you want to buy it, you buy it. So you get that hit of dopamine, that pleasure hit. It wants things to be easy, and it wants to prevent emotional pain.

Now, in the preventing emotional pain, buying something not only seeks pleasure, but that also prevents deprivation, which our brains think is going to happen if you don't buy that thing. Now in terms of ease or being easy, well, it's so easy to buy something versus actually develop the skill to not buy something.

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And so if any of you listening are feeling bad about your spending habits, it's not your fault. It's literally how your brain is wired. It's literally wired to spend money to get that instant dopamine hit versus waiting and buying and growing assets.

Because here's the thing, when you buy and grow assets to create money, to create income or income producing assets, there's no immediate dopamine hit. It's not like you buy an asset and it starts making money right away. Although that's actually not true, I mean, when you buy real estate, assuming you're buying cash flowing real estate, once the deal is done and you have renter's you start getting money. We have a cash flowing rental and it's paying us every month, right?

But generally speaking, it might not be an immediate thing where you buy something and you get that immediate pleasure of having the result of the asset making money for you. Plus, it's not that easy, at least your brain doesn't think it's easy, because you have to learn something new.

You might have to learn how to actually invest, whether it's real estate, buying stocks, or starting a business. And so your brain is like, "Oh, it's so much easier just to spend and buy that thing of makeup, buy that ring, whatever your vice is when it comes to spending, and feel really awesome. Very temporarily though, until you get that credit card bill, right?"

So this isn't supposed to be easy, and it's totally doable, and it can be done. And so that actually brings us to the end because next week I'm going to teach you the skill that you can start cultivating when it comes to spending and overspending.

In the meantime, if you haven't already, definitely go download the introduction and chapter one of my upcoming book *Defining Wealth For Women: Peace, Purpose, and Plenty of Cash*. Go to wealthymommd.com/book to grab chapter one. I will see you guys next week.

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Hey, if you're ready to create wealth, I want to invite you to join my program, Money for Women Physicians. You'll join a community of like-minded women physicians who are committed to creating wealth. Just head over to wealthymommd.com/money to learn more.