

162: You Need a CFO with Emily Sandberg



Full Episode Transcript

With Your Host

Bonnie Koo, MD

162: You Need a CFO with Emily Sandberg

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 you are in for a treat with this episode. So I have my CFO/bookkeeper on the show. Now, some of you might be wondering, why do you have that person on since this isn't, generally speaking, a business type podcast?

But I know many of you listening do have a business, whether you're a coach, whether you're a practice owner, et cetera, you're going to find this valuable. And even if you're not a business owner, you will find it valuable as well because the principles of money are the same whether it's business and personal finances.

I'm also going to share some of the things I've struggled with in my personal finances and my business finances and why it's so, so important to have, honestly, a coach to look at your mind because even though I'm a coach, my brain is still a mess, especially when it comes to money. I think that's also why I love coaching on money because I think in general we usually do a business or maybe even go into medicine for a specific specialty because of the experiences that we had.

And so I decided to have Emily on to talk about some of those things that I've struggled with, but also to talk about, I think, a really important topic that I don't think I've spent enough time on, which is how so many of us use money as a measure of our self-worth.

And we might not be consciously thinking about that, but I want you to tell yourself the truth. Do you feel less than when someone else has more money, at least when you think someone else does? And it could be something like, oh, they send their kid to that private school and I wish I

162: You Need a CFO with Emily Sandberg

could send mine. It could be a little sneaky that way. All right, so have a listen. I know you're going to find so much value out of it, and here we go.

Bonnie: All right, Emily, welcome to the podcast.

Emily: Thank you. I'm excited to be here.

Bonnie: Yeah. So why don't you introduce yourself for those who don't know you?

Emily: So I'm Emily Sandberg and I work as a bookkeeper and fractional CFO mostly for life coaches, but online businesses, people who run memberships, sell courses, and I'm a certified life coach. So I get to work with both the money side of things, the numbers side of things, as well as the brain and the mind side of things.

Bonnie: Yeah, so needed. So we'll definitely talk about how we started working together and all the things that you've helped me with. But I think what's interesting about you is sort of how you fell into this. Because I don't think you were an accounting major, were you? Or maybe you were.

Emily: No, I have a degree in math, but not accounting.

Bonnie: Okay, so it's numbers related.

Emily: Yeah. Yes, I fell into this because I had a neighbor who was an orthodontist who found out his bookkeeper was stealing from him. And he was like, "Who do I know that I trust, that is smart, that could come in and do this work?" And he knew that I was available as well, my youngest child was starting kindergarten. And so he said, "Hey, do you want to come learn to be a bookkeeper?" And I said, "Sure, I've never thought about that before."

So I worked in his office a few hours a week, learned how to do bookkeeping and noticed that things weren't great. Like the CPA called me at one point and was like, "What's happening over there? This is not good."

162: You Need a CFO with Emily Sandberg

Turn this around.” And I was like, “What do you think I’m going to do? I just learned to be a bookkeeper.”

But I took personal finance principles that I had learned recently, because we had been through our own financial – I wouldn’t call it a crisis, but it was certainly an uncomfortable period in my home life. And I took those principles and helped him, the orthodontist, apply them to his business. And we turned it around pretty quickly. It was really fun to watch.

Pretty soon he needed somebody full time because the business had grown so much, and I didn’t want to work that much. So I hired my replacement and quit working. And then my brother was doing the same kind of work online, he invited me to come work with him. Our clients were life coaches. So that’s when I was certified as a life coach, just because I wanted to be able to speak the language of my clients. And here we are.

Bonnie: Here we are. I remembered the story but I forgot some parts of it. So I think what people might be interested is hearing, some of you who might be listening I know are physicians who own their practice and then you might be a coach or just some sort of entrepreneur

And so I talk to a lot of people who don’t quite know the difference between a bookkeeper and what a CFO can do. Because obviously, correct me if I’m wrong, a bookkeeper just keeps track of the numbers but doesn’t make recommendations or help with strategy. They’re just making sure the books are balanced so that they can present a P&L to the CPA, right?

Emily: Their job is to simply record the transactions and make sure it’s accurate, yeah.

Bonnie: Yeah.

Emily: And then as a CFO, I spend more time helping the client analyze their financials, what’s actually going on here? How can we be more profitable? Well first understanding why the books are the way they are, why the numbers are this way. And then how can we improve them? How

162: You Need a CFO with Emily Sandberg

do we want to improve them? What goals does the business owner have? And then working toward those with a basis in the data.

Bonnie: So I think what you just said about the bookkeeper stealing money, that's, unfortunately, a relatively common story with physicians and dentists because most of us don't want to deal with the business, right? And so I know a lot of people don't even look at the numbers, they just assume everything's fine because everything's fine in terms of patients are coming, they're getting paid, et cetera.

Emily: Right.

Bonnie: But I also know so many of them can optimize their finances. One of my friends, she's a pediatrician. And when she started her first job, she joined a practice and I think she became a partner, that means fractional ownership of the practice. And I think she was kind of entrepreneurial numbers minded, so when she looked at the numbers, it was kind of the same thing, it was a mess.

And they were making money, but there was just so much more potential. And so she turned it around, and I forget the number, the multiple, but she increased the profits by a big multiple. So, obviously, the other partner was really happy.

Emily: I bet.

Bonnie: But it was a significant amount. She told me, I don't remember off the top of my head, but it was a significant salary increase for everybody. So it's just the power of understanding your numbers. And we're talking about businesses, and not everyone listening has a business but, Emily, I wanted to share with you I've been using YNAB for my personal finances for a long time.

And for those listening that are like, "What the heck is this?" It's Y-N-A-B, You Need A Budget, and it's the budgeting program that I've been

162: You Need a CFO with Emily Sandberg

recommending since I've used it, since 2015. And it's what I have my clients inside my paid program use as well.

So Emily's, obviously my bookkeeper/CFO, if that wasn't clear. And they use YNAB as well, which we can talk about in a second because it's not really designed for business, I actually kind of stopped really – Well, I shouldn't say using it. I would look at my numbers in YNAB, but you know how if you're overspending and not paying attention, the budget is not accurate, right?

Emily: Right.

Bonnie: And I wasn't paying attention to that. I was just making sure the numbers lined up. I know, right? Like I'm telling on myself here.

Emily: Oh, I've been there. I've been there.

Bonnie: I think it's a great example that I'm a human being and I'm not going to do things perfectly, right? Because I think a lot of my clients beat themselves up because they're not handling their money perfectly. And it's like it doesn't matter who you are, it's so easy to kind of stop paying attention. Anyway, the reason why I decided to pay attention is because we have some money goals financially.

So what I love about YNAB for personal finances, is like it's the same thing as looking at your business numbers, right? You can clearly see where the money is going. And that's one of the first things that people in my program, like you have to know where the money's going, unless you don't have financial goals and don't care, right?

Emily: Right.

Bonnie: But they're working with me because they want to get a better handle on things, right? And so it's like when you see everything and everything you're spending, then you can make decisions about like do I want to keep spending this way? You can't really make decisions if you

162: You Need a CFO with Emily Sandberg

don't understand the numbers. So that's for both personal and business as well.

And so you can really kind of pull some levers in the budget like, okay, well, I really would love to, I don't know, let's just say have a few thousand dollars a month to save up for investing, right? So it's like, how do we make that possible, right?

You could move money around, you can lower expenses, or maybe you'll notice that there's this category that you really don't want to spend money on now that you clearly see that it's a decent amount of money. You're like, I don't really want to do that anymore. Or you could figure out how to make more money, which is something a lot of people don't think about in terms of, maybe not business owners, but I don't want to say people with regular jobs, but you kind of know what I mean?

Emily: Yeah.

Bonnie: It's like we never really consider that, okay, you can cut expenses, but we could also figure out how to make more money. And if you're able to do both, then obviously a lot more synergy.

Emily: Yeah.

Bonnie: So that said, I think the punchline here is you've got to look at your numbers, you've got to understand them so that you can make better decisions about your cash.

I want to talk about what are the most common things that you see your clients struggle with? While you're thinking about that, since you were saying how most of your clients are life coaches, I'm thinking some of the people listening might be like, "Well, why do they need a money coach if they're already coaches?"

Emily: Yeah.

162: You Need a CFO with Emily Sandberg

Bonnie: Or maybe this is for any type of coaching, right? Because I still get coached, I'm sure you do. I actually just hired a parent coach. So it's not money related, but I want to mention that because even though I'm a coach and I know how to coach myself, my brain is still a mess. That's the best way to say it, right?

Emily: My husband and I just had this conversation. He is a golf pro and he teaches lessons. And he just went and took a high-end golf lesson for himself. And he came home, he's like, "I can't believe all the things this other coach could see in me." And I was like, "Yeah, and that coach I just hired," because I did just hire a new coach. I was like, "Yeah, I can't believe all the things she sees in me. I'm a coach, I should know these things."

And yet we're both like, "Yeah, we're going to let go of the 'I should's' and just go with this is amazing. I love having someone else's eyes on my life, another little perspective that can help me see what's happening."

My clients are generally life coaches, and even if they're really good with money, they have a great money mindset, they don't always have, just like you said, you weren't necessarily watching YNAB or using it to its full potential. You were just kind of letting things slide. For whatever reason, you didn't place as much attention as you might have or you wanted on your money.

And that's okay, but when you have someone there sitting next to you, or across from you on Zoom or whatever, talking you through it, asking you different questions than you would ask yourself, it allows for huge aha moments, breakthroughs, understandings of what's actually happening. And also, that other person ideally helps take away the shame that all of us feel around money simply because of the culture we've grown up in.

Bonnie: Yeah. So I should probably mention that this is something where we meet once a month. And so there is someone who does the books, like makes sure all the transactions are et cetera, et cetera. And then when I

162: You Need a CFO with Emily Sandberg

meet with you or Dawn, it's to review the numbers too and there might be some transactions that we want to make sure are labeled correctly.

The main things I discuss with her or you is kind of just looking ahead, like how much money do I need to bring in? What are my expenses? Just, this is my goal, are we on track? And just like all different ways of looking at the numbers. And then it's kind of fun, she kind of moves some numbers around based on different scenarios. And so it's kind of like planning for a worst case scenario kind of.

Like when I was talking to you about the conference that I'm planning, I remember you asked me like how many people need to sign up to break even? And I was like, "Oh, I didn't even think about that," for example.

Emily: A lot of times I go to the worst case because I find that one of the things that's pretty consistent across my clients is there's some fear around money. There's fear around investing or spending a big amount on, say, advertising or a new program or whatever it is. There's fear, like what if this doesn't work out? What then?

A lot of my clients, I'll notice they go straight from being fine, and they actually are fine. Their money is fine or even great, and they're like, "Yeah, but I could be homeless in six weeks if X, Y, or Z happened." It's nowhere true. But that's the nature of our brains, to go to the worst case scenario.

And so I take my clients there. I'm like, "Okay, let's actually walk through what it looks like in six weeks if all these things go wrong." And I've never been able to find a client homeless at the end of whatever time that they thought it was going to be.

Bonnie: Well that's good, right? You have a good track record, Emily.

Emily: Yeah.

Bonnie: My clients have a similar thing. I think it's like they don't really believe they're going to be homeless, but that's the level of fear. But then

162: You Need a CFO with Emily Sandberg

when I actually ask them like, well, what would actually happen if this actually happened? They'd be like, I guess I could move in with my parents, it's not ideal. But I'm like, oh, so you're not going to be homeless?

Emily: Yeah. Yeah, the brain just wants to go. Somehow we think, as humans, our brain has developed in a way that we think going to that worst case scenario and telling ourselves that's what's going to happen will somehow motivate us to get out of it, right? Or to make sure it doesn't happen.

And a lot of times there's that fear. We don't look at it, but that fear is there and it affects us. We're not as creative generally, when we're afraid. I think we just don't make as good decisions.

Bonnie: We don't do anything.

Emily: Or yeah, we sit there frozen, exactly.

Bonnie: Yeah, which makes it more likely to go towards that homeless stage.

Emily: Yeah, exactly. And we avoid our numbers then. When we're afraid of them, we avoid them. That's uncomfortable.

Bonnie: Yeah.

Emily: And pretty much everyone experiences that at some point.

Bonnie: Yeah. So definitely one thing I wanted to talk about, at least in my experience, I don't think people are consciously thinking, "I have less money than XYZ, and therefore I feel less than." Actually that's not true, and I wonder if it's a business thing, but maybe it's also personal finances. So when I think about personal finances, because people don't really know what kind of money other people have.

But it's so funny, my stepson who's in high school, I don't know, he was talking about some person in his high school. And they're like, "Oh, he's

162: You Need a CFO with Emily Sandberg

really rich.” I’m like, “Well, how do you know?” He’s like, “Well, they have a really nice house and a car.” I’m like, “That just means they have a really nice house and a car.” He’s like, “No, no, no, but they’re rich.” I’m like, “Do you know how much money they have?” He’s like, “No.”

Emily: Yeah, or how much debt they have.

Bonnie: Oh yeah, exactly. Yeah, it’s more like, I mean, you don’t know, right?

Emily: No, you don’t.

Bonnie: Yeah, because those outside things just show that they’ve spent money on it. And then when I think about business I definitely – And I think I still have it, so I definitely need, like maybe Dawn has to coach on this next time. But I definitely felt, and I think I still do to an extent, I think it’s just a lot less now, like a lot of my coach friends, entrepreneur friends make, some of them, significantly more than my business does. And I do feel, I don’t even know what it is. Is it insecure?

I almost feel like they shouldn’t be friends with me or something like that. I can’t quite articulate it, but I think I do feel smaller than them. Like I’m not as equal as if that’s even a thing in friendships. It’s like all these layers. I’ve examined this, I’m like, that’s interesting, as if there’s like hierarchy of friendships, or et cetera. And then I think there’s a part of me that’s like, well, they don’t really want to be friends with me if they really knew how much my business – It’s fascinating, right?

Emily: It is, we have come, you know, money is such an easy way to measure something, right? Because it’s linear, I mean, it’s very much discrete. We can count how many dollars we have. Or we can see the balance in the accounts or whatever it is.

So I think as a way of shortcutting how do we quantify something, or how do we tell the worth of a person, maybe? We’ve started ordering ourselves, giving ourselves this hierarchy of who makes more money. And then when

162: You Need a CFO with Emily Sandberg

we can't see how much they actually make because not very many people are walking around showing their W2s or their balance sheet –

Bonnie: They're not?

Emily: So we look at the things they have; their houses, their cars, their clothing, the purse, whatever.

Bonnie: Sending their kids to private school.

Emily: Exactly. Exactly. And then we put ourselves in a pecking order there. And generally we're looking for, we're not generally looking for where we're above, although sometimes it feels good. But we're looking for who's above us. And I don't measure up to them because of some financial thing that we actually have in our head because we don't know how much money they actually have or how much they actually make.

I find this especially in the online business world, because that's where I spend my time. I don't know if this happens as much outside of online business. But yeah, people are constantly telling us how much they make. Oh, I had a six figure launch, or I made seven figures.

Bonnie: Right, so we know.

Emily: Yeah, so we think we know.

Bonnie: We know the top line anyway.

Emily: We know the top line. We don't necessarily know the bottom line. And quite frankly, none of us are asking that question. But really does it even matter? Do I need to compare myself with another business in order to know if I like my business or if I'm happy with the way it's going?

Bonnie: It comes down to comparison, basically. And if you make less money, then you feel worse about yourself. And the flip side, right, if you make more money, but that's a crappy way to feel better, right?

162: You Need a CFO with Emily Sandberg

Emily: And yet I think we use it a lot of times, at least subconsciously. We may not be aware that's what we're doing, but absolutely.

Bonnie: Yeah. So how can we help the listeners? Because I think everyone listening has probably experienced, how can we help them, and help me at the same time, uncouple this hierarchy? I kind of wish I had a nifty name for it. But yeah, how can we uncouple ourselves, basically it's like our self-worth from our net worth?

First of all, I think it's just hearing they're unrelated because even that sentence can be powerful, I think. They're not related. They're totally separate things, right? Do you have any idea of why we've collapsed the two by the way?

Emily: I think there's a desire to put ourselves in a hierarchy because it feels safe to know where we are. And I think also, like I said, money is a simple way to count, it's quantifiable. And so it's a lot easier to quantify someone's worth using money rather than using actual human worth, which is not quantifiable.

Bonnie: Yeah. And then what also came to mind as you were saying that is like money is used as status in our society.

Emily: Oh, absolutely.

Bonnie: Right?

Emily: Yeah.

Bonnie: And so, obviously, there are certain privileges that are afforded when you have more money. So multifactorial, basically, right?

Emily: Yes.

Bonnie: So tell me some of the things how you've helped your clients on uncoupling that. I mean, I'm guessing it's like a constant reminder.

162: You Need a CFO with Emily Sandberg

Emily: It's a constant reminder. One of the things I get to do in my job is I see behind the curtain or inside the books of hundreds of businesses, I've looked at their books before.

Bonnie: Can you tell us the range of income just so –

Emily: Sure.

Bonnie: Approximately.

Emily: Anywhere from \$100,000 a year up to 6 or 7 million a year. That's kind of where I spend my – I don't spend too much time at the bottom end of that range, they just don't come to me, they don't need my services at that level. I typically work with people once they start hitting about 250 a year, between 250 and 500,000 a year.

Bonnie: Yeah.

Emily: So I see behind the curtain of those businesses. And what I see time and again is wonderful people working hard to put out this business, to put out their product into the world. And sometimes the money is great and sometimes it's not.

And I will hear, I hear from – I know now to listen for these things as I hear people talk about their six-figure launches, whether they're my clients or not. I'll know because of other cues that I hear like, "Oh, that was a six figure launch, but how much did you spend in ads to get it there?" Or that kind of thing.

You may have a person, like your son came home and said, "Well, they have this really nice house." Well, what's the mortgage on that house? And really, I don't care, except I don't care anymore because I know that you can have a beautiful home with a mortgage, you can have a beautiful home without a mortgage. You can also have a less, maybe a less expensive home, you can be as happy in the less expensive home as you are in the expensive home.

162: You Need a CFO with Emily Sandberg

And the reason I know that is because I have watched –

Bonnie: No one believes you, just so you know.

Emily: I know.

Bonnie: They're like, "No, I will feel better if I have the bigger, beautiful home with the custom made kitchen.

Emily: Okay, well let's actually go there because my clients' goal is always to make a million dollars, right?

Bonnie: Yes, yes.

Emily: They want to hit that seven-figure mark. And then when they get there there's that initial euphoria of, "Oh my gosh, I made it." And a lot of times we're emailing back and forth for a few weeks like, "Am I there yet? Did I hit it yet? I just made another sale, is it yet? Is it yet?" So then I get to, you know, it's really fun to send that email and say, "Hey, you hit a million dollars today, congratulations."

But they get there and there is that euphoria. But then it's like, they still have a business. They still have problems. They still have employees who need help or whatever. They still have problems that need to be solved.

Bonnie: The business doesn't get magically easier on autopilot, is that what you're saying?

Emily: It is not rainbows and daisies at 1, 2, 3, 4 or \$5 million. I can tell you that.

Bonnie: There's more, well I shouldn't say more. There's different problems as you make more money.

Emily: Different problems, yeah.

Bonnie: You have more expenses, right? You have high payroll and all that stuff.

162: You Need a CFO with Emily Sandberg

Emily: Exactly. And so I know that in these more expensive homes, or if you drive a more expensive car, or you wear more expensive clothes, or you go on more luxurious vacations, you still are that person. You still have family and friends, relationships that you need to maintain or take care of just the same way you did when you weren't taking those vacations or living in that house or driving that car. It's still a human life.

Now, I'm not going to say for a minute that there aren't things that are easier when you have more money. Absolutely. Absolutely, it is a privilege. There's a lot of good that comes with it. But don't expect that it's all rainbows and daisies just because you now make more money or have a nicer home or a nicer car.

Bonnie: Yeah, well, I think most of my listeners know that on some level, because we all thought once we finished residency and started making, you know, because during residency you're making between 40 and 50k. And then when you graduate, depending on your specialty, you could be like 200 to 500 plus, right?

Emily: Yeah.

Bonnie: I think we all think life will be magical and live happily ever after. I thought once I got into dermatology residency, which is like the hardest residency to get into just because of the number of people applying and the number of spots. I remember thinking, "If I could just get in, my life will be perfect." It didn't happen.

Emily: You got in.

Bonnie: Yes, and it was fantastic, initially of course.

Emily: Yeah, there's a level of money and there was a study done several years ago that was like at \$70,000, everything up to \$70,000 as you increase from \$0 a year to \$70,000 a year, that will significantly increase your happiness. But beyond that, we don't find people are happier. Now, I suspect with inflation, that number has come up a little.

162: You Need a CFO with Emily Sandberg

Bonnie: And maybe higher in New York City, yeah.

Emily: Yeah, definitely. But you just don't find significantly higher levels of happiness. Ease, convenience, yes. But happiness, not necessarily. And I've seen it happen. I've seen it happen as you hit milestones. If it wasn't there before, it's not there at the new level, until once you pass that 70,000 or whatever it would be currently.

Bonnie: Yeah. Let's use myself as a case study for some of the money blocks that I've had in business. Because it's like I think of having a business, and this is even just putting the money part aside, it's like it brings up all of your unresolved issues very fast in business, right? Because you have to deal with things and, yeah, it's very challenging. Buckle up, right?

Emily: Right.

Bonnie: It's a roller coaster of emotions. So since we're both in the life coaching world, as you said, seven figures is like a big milestone. But I think the initial milestone is that everyone wants to make their first 100k.

Emily: Yeah.

Bonnie: Which was interesting to me, because I think also as a physician having been already a high income earner, 100k was like that's not enough for sure.

Emily: Right, yeah.

Bonnie: It was like a given that that would at least happen. But I also know that's a celebrated milestone. And so I'm trying to think, I think when I hit 200 I definitely had some euphoria. And then it's like you just get hedonic adaptation. Like you just get used to it, right?

Emily: Mm-hmm.

162: You Need a CFO with Emily Sandberg

Bonnie: And then I think the most I have made in a 12 month period is about \$500,000. And it's like on one hand I know so many coaches would be, like they would love to be there. But then my brain is like, "Not enough."

Emily: Right, yeah.

Bonnie: And then I realized, unfortunately, there's no number that's going to make me feel like enough. And all my clients think a certain amount of money, a certain amount of whatever, money in the bank or investments will suddenly make them feel secure. I mean, I still believe that on some level. I think we all do. I think until you get to that number, first of all, it's like, what is that number, right?

So let's just say for me, it's \$5 million in investments. So then when I get there, that's the true test. But we also know as coaches you'll be happy, you made your goal for sure. You'll be thrilled and certain things will change. You'll be like, oh, now I can, I'll just give the example of I can really cut back at work significantly. So those things will be fantastic. But my brain will probably go back to I don't have enough money. I'm pretty sure of it.

Emily: Yeah, if you could take yourself back to when you hit that \$200,000 mark and there was some euphoria, it was exciting.

Bonnie: Of course.

Emily: Can you remember what you might have been thinking about hitting \$500,000 when you were a \$200,000 business owner?

Bonnie: What do you mean? Like when I was making 200, what I thought I would think at 500?

Emily: Yes, yep.

Bonnie: It probably just was some form of "it'll be better," right? When I was making 200 I wasn't quite entrenched into the life coach world that you and I are in. I think I got certified around then because I already had a business before I got certified. I don't think I knew that there was these certain

162: You Need a CFO with Emily Sandberg

milestones that people are really wanting, like 100k, 1 million. Does that make sense?

Emily: Yes, yes.

Bonnie: So I don't think I was thinking about far ahead, to be honest.

Emily: Then let's take it right now and say, what do you think you'll be thinking when you hit \$5 million in investments?

Bonnie: 5 million in investments? Well, we could talk about even 1 million as a coaching business, right? Because I haven't done that yet.

Emily: Yeah.

Bonnie: There's a part of me that's like ultimately, it's just bragging rights.

Emily: Okay.

Bonnie: When I think about it, not that that's why I want it, but when I really think about it, that's kind of all there is.

Emily: And what will you be able to brag about? And we know you won't actually do this, but what will the sentences be that are going through your head that are like, "Well, I make a million dollars," so now you know, what?

Bonnie: I'll get some award from my coaching school.

Emily: Yep.

Bonnie: Because that is a milestone in terms of an award. It's like even just talking about it I'm like, "Okay, now what?"

Emily: Right.

Bonnie: Well, you know what actually came to mind? Because I have thought about this, it's going to feel really awesome and then I'm going to realize that I still have to keep making money in my business.

162: You Need a CFO with Emily Sandberg

Emily: Yeah.

Bonnie: Right? It's not like the business stops and I don't have to do anything anymore. You still have to do it again.

Emily: Yeah, that's one thing I see.

Bonnie: No matter what money you're making, right?

Emily: I see really consistently with people who do hit that million dollar mark. They're like, "Oh, I still have to show up to work. I still have to market." And then their revenue can drop, and often it does.

Bonnie: I know someone who hit a million and then the next year made less.

Emily: Yeah, it feels terrible.

Bonnie: Yeah, they felt terrible about it. Yeah.

Emily: Yeah. One of the ways I like to kind of counter that very natural human part of us, I mean that is absolutely 100% just human. And I love that about us. I think it's fun to look at our humanity that way. But one of the ways I like to counter it is to talk about what is your actual goal? What is the thing you actually want to feel?

And very often then we can get to what I think making a million dollars will make me feel. It will make me feel like I've arrived. It will make me feel like I'm worthy. It will make me feel like I can now be friends with these people who I already know are making a million dollars.

Bonnie: Yes, I think that's a big part of it.

Emily: Yeah. I will have proved that I figured it out, that I'm smart enough, that I'm whatever that thing is. Then once we get there, we think that will happen. And it does, and yet it's not any more convincing that now that I've

162: You Need a CFO with Emily Sandberg

made a million dollars I'm better than what I thought when I made 500,000 or 750,000 because we also had those thoughts at that point.

But then we got to 750 and we were like, oh yeah, now I'll know when I'm a million dollars. I will know then for sure that I'm okay, or that I'm going to make it, or that everything's going to be all right. Then we get to a million where you're like, no. No one's here guaranteeing that for me. In fact, I still have to show up to work. I still have to sell. I still have to make money. I still have to watch my budget. I still have to make the mortgage payment, whatever it is.

We can transfer that to personal life as well. And so that's part of that disappointing piece. If we can get rid of that, then I'll know that I'm whatever thing it is I'm trying to be. And we can pull it back down to where I am personally and say, but do I already know that? Do I already know that I'm worthy right now? Do I already know that I'm okay right now?

Because look, I've already made this much money. Or I already got through medical school, I got through residency, I established a practice, I'm already here. Can I take a minute to recognize that this is something I wanted and I achieved it? And there are other things I want that I'm going to go achieve as well. But not in order to prove who I am, but really just because this is life, this is experience. And having experience is fun. It can also be challenging, but it's why we're here.

Bonnie: Yeah, to evolve and grow. Because I think doctors get bored after like three to five years in practice. Not because medicine is boring, but when you're in training it's like you're learning, you're learning, you're learning, you're evolving. And then it's really easy to be stagnant at some point as you're practicing, maybe unless you're in academics and you're seeing all the complicated cases.

I think it's a human desire to keep evolving at some level. That doesn't mean that you're trying to make more money or you're trying to rise up the corporate ladder.

162: You Need a CFO with Emily Sandberg

Emily: I agree, absolutely.

Bonnie: Yeah. So let's talk about some of the things that I've had to work on with you. So you had mentioned how people make a million dollars and they make less. And so that happened to me one year, I made 500,000. And then I made less the following year, and I spent like the whole year feeling terrible about it and feeling shame.

Yeah, I think it was, my thoughts were, "This shouldn't be happening." It's like, well, what was I thinking was going to happen, that it was going to be a linear upward trajectory? So Kara Loewentheil was my coach for most of that. Well, part of the year. Maybe the year after. Yeah, the year after. And when I told her about how terrible I was feeling, she's like, "Business is supposed to be up and down."

Emily: Yes.

Bonnie: And it makes sense when you really think about it. It's like you know this, but then when it's you, we think for some reason it should just be this upward rocket trajectory.

Emily: And a lot of times, I mean, you did achieve very linear growth for a while there. And you saw that in medical school, and coming up through grade school, high school, all of that you consistently achieved, right? There wasn't really a time where you really fell. And that's kind of how our culture goes.

Bonnie: Yeah.

Emily: We consistently see ourselves growing and improving and reaching goals. And then we get into business and business doesn't go that way. You could have a good month, you can have a good quarter, but it can be followed, and may likely be followed, by a not as good month, or a not as good quarter, or not as good a year.

Bonnie: Or negative, yeah negative profit.

162: You Need a CFO with Emily Sandberg

Emily: Yeah. But your reaction to it is very human. I had, yeah, two years ago I went through a quarter where I was negative profit. I was like, “Wait, this doesn’t happen to me.” I was horrified that it had happened, but then also like me, like what if my clients found out this happened?

Bonnie: Oh my God, I feel that way, too.

Emily: Yeah.

Bonnie: Especially since we’re both in the money business, right?

Emily: Yes. I went through a lot of shame, thought I needed to really punish myself for this, feel terrible about it. And then I was like, wait, how would I coach myself through this? I would not allow myself to do anything that I’m doing right now.

I mean, for a minute you can feel bad, for sure. But then it was like, oh no, just get back in your numbers. Engage in your numbers. Why did it happen? How did it happen? What do I want to learn from this? What can I take away from it?

Bonnie: That’s basically what I did recently with my personal YNAB.

Emily: Yeah.

Bonnie: Yeah. It’s like I’ve done everything that you’re mentioning, right? Well, this is like everyone, right? It’s like when you’re afraid to look at the numbers, just this fear just builds up and your money suffers because you’re not doing anything about it. And you’re probably –

I’m definitely an over spender. We just ordered a bunch of stuff and Matt is like, “What is all this?” It comes in waves. Like I’ll stop spending and then do a flurry of purchases and all these boxes arrive, right? So I can’t really hide that from him because I guess he sees the boxes. But it wasn’t a minute, unfortunately it was a little longer than a minute.

162: You Need a CFO with Emily Sandberg

But then once I was like, “I’m going to figure this out. I’m smart, I understand numbers.” And once I went into YNAB I understood exactly what’s happening, then I could make a plan to reach my goals. But you can’t do that when you’re feeling terrible. Because when you’re feeling terrible, you’re not going to do anything.

Emily: Right.

Bonnie: It’s really the path, right?

Emily: Yeah.

Bonnie: A lot of my clients, I think, what they tell me is they don’t even want to look at their numbers. Some of them don’t even know what they make.

Emily: Right.

Bonnie: Yeah, even if they’re a W2 earner, mainly because their partner will take care of the finances, right?

Emily: Yeah.

Bonnie: And they’re so afraid to look at the numbers because I think on some level they know that it’s not great. Or maybe they know that their expenses are more than their income. And so they’re just avoiding, avoiding, avoiding until their credit cards are all maxed out and then they have to really do something, right? But we don’t, obviously you and I don’t want our clients to get to that point.

Emily: No, it feels like a deeper hole to get out of. But if you are in that situation, you can still get out of it. Especially as doctors where you do have such high earning potential.

But I really think the important part of that is that willingness to show up and engage with the numbers. You feeling smart is huge. That’s a huge foundational piece. You know how to look at numbers or you have some competency around numbers. It feels really good.

162: You Need a CFO with Emily Sandberg

For people who don't have that, although I would guess in your education as a doctor you have to deal with numbers.

Bonnie: Yeah. Yeah, well, this is kind of an aside, my clientele, they're obviously super smart.

Emily: Yeah.

Bonnie: But some of them are like there's different levels of, well I shouldn't say it. But different specialties deal with numbers differently. So nephrology, the kidney doctors, like anesthesiologists, like there's just a lot of numbers that they have to interpret all the time. And so it's a little ironic, and I don't mean this in a bad way, that they feel so afraid of learning money and looking at their numbers when it's definitely not a learning or educational problem to look at numbers, right? It's not about that at all.

And I think one of the great things about my program is because it is a group session, pretty much everyone feels the same way about their numbers. And I think that everyone thinks they're the only one.

Emily: Right.

Bonnie: And so when they realize that everyone is freaked out and doesn't know what they're doing, I'm generalizing here, not everyone's on that boat, their shoulders just relax. They're like, "I'm not the only one."

Emily: Yes.

Bonnie: And I think it's just so important to normalize it. And also I really try to be transparent about my finances because I think it's really easy for my clients to look at me or any of the other people in the money space and think we handle our money perfectly. And that is not true.

Emily: Yeah, and I see that too, with myself and with my clients. We're humans and our humanity is part of what makes us beautiful and interesting. And as we increase our experience, we increase in wisdom generally.

162: You Need a CFO with Emily Sandberg

Bonnie: Generally, yeah.

Emily: Generally. But how important it is, and I'm assuming you see this the way I do, to have someone by your side, almost holding your hand saying, "Here, let me help you with this. This is not as bad as you think." Or "You are not the only one in this boat." And to have that person there with you, as you're confronting the numbers is so useful.

Also to remember kind of those foundational or identity pieces of I am smart enough. I figured out a lot of things in my life. Whether you're a doctor or not, I've made it to this point. I've been smart enough to get here. I can figure this out.

Bonnie: Yeah, I think that sentence, even if I have to say it to a client like, this is figureoutable. That's basically it, you can figure this out.

Emily: Yeah, absolutely. I have a degree in math, but I use fourth grade math in my job. It is addition, subtraction, a little bit of percentages. It's not hard math, it is the things we learned in elementary school.

Bonnie: Yeah, there's no algebra or calculus or quadratic equations or.

Emily: Quadratic equations are also in algebra.

Bonnie: I mean, I was a biochem major, so I did have to do it, it was like advanced chemistry and there was some crazy math. I don't even remember what it's called. I've obviously blocked it out of my mind. The math no one else uses except for a few people.

Emily: You figured all that out. Of course you can figure out your money. It's just going to take a little bit of sustained effort and a willingness to engage with the numbers.

Bonnie: But it's worth it, right?

Emily: Absolutely. It feels so much better when you're doing it than when you're not.

162: You Need a CFO with Emily Sandberg

Bonnie: The fear gets so big sometimes that like that's when your brain, it's like you might not be thinking this consciously, but the fear is at the level of I'm going to be homeless tomorrow.

Emily: Yeah.

Bonnie: It's not logical fear, but I feel like it just gets worse and worse the longer you avoid it. Or you're just so, like you avoid it for so long, it's like there's this story I heard, it's like you just shoved it under a rug and then you close the door and turn the lights off.

Emily: Yes. Totally, you avoid it at all costs.

Bonnie: Yeah.

Emily: For me it's not homelessness. For me it's like this black cloud that I just feel that I am refusing to look at. As soon as I turn and look at it, the blackness dissipates. And it might not be great news, but getting rid of that blackness, it's heavy. It's very, you know, it causes me to kind of run in fear or try to escape it, try to hide from it. But just turning and looking at it just helps dissipate it, it takes some of its power away almost immediately.

Bonnie: Yeah. All right, I feel like we've talked about some really great stuff. Is there anything that we didn't talk about that you think would be useful?

Emily: The power of time. The power of that sustained effort. Taking care of your money is not generally a one and done thing, unless what we're doing is creating a system that takes care of it, right? It doesn't mean it's going to be set it and forget it forever. But you probably talk about automatic deposits, automatic investing, that kind of thing. Those are great, but there's never a time when I stop paying attention to my money.

Bonnie: Yeah, I think people are really bummed out when they hear that.

Emily: Once you get the system set up, it doesn't have to take a ton of time. But it does have to be sustained over your lifetime. You're always going to have to look at it.

162: You Need a CFO with Emily Sandberg

Bonnie: The podcast that came out before this one, assuming the schedule is on time, was about doing that, like one time organizing everything. I talk about a money dashboard. It does take an effort and I know a lot of my clients, it's like this big hump. But once they get over it, a lot of them actually, they might not enjoy the actual but they enjoy knowing what their numbers are and knowing that it's going to work out and that they're moving towards their goal.

So yeah, and then once you do take a look, the maintenance is so much, just like YNAB. So many people, I don't know if you hear this too, they find it very complicated to set up. And there's a learning curve, right?

Emily: Yeah.

Bonnie: And so I have to help a lot of them be like just do it. And I even have, I don't know if you know this, Emily, I actually have YNAB tutorials. I actually hired a YNAB coach that goes in line with how I teach how to create budgets and spending plans. There's even worksheets. But they have to do it.

But I always tell them, once it's set up, maintaining it is relatively easy. It doesn't take a lot of time. But yeah, that initial setup and then understanding, I think the credit cards get people a little mixed up because of the way they handle credit cards. I think what you're saying is just the importance of spending time on it and it's not a one-time thing.

I heard Brooke say, I don't know if you remember, was it two years ago when she started weight training?

Emily: Mm-hmm.

Bonnie: And I heard her say like, nobody told me that once I got to my goal whatever, muscle goal, I'd have to still keep working out.

Emily: Right.

162: You Need a CFO with Emily Sandberg

Bonnie: It's like getting a six pack, what, I've got to still keep doing crunches?

Emily: Yeah, but it gets easier, don't you think? It's like remember when you were learning to drive? And you would come up to an intersection, do you remember that fear? Like, okay, I'm going to have to push the brake. Oh, the light is green. And what if I'm going to turn left at an intersection?

Bonnie: The left is hard in the beginning, right?

Emily: Into the intersection, how far do I go into the intersection? I've got to have my blinker on, my foot is on the brake. But I'm going to have to turn which requires a little bit of gentleness or the right acceleration on the gas pedal. In order to make all of that happen there was so much thinking going on. I remember I had to turn the radio off in order to learn to do those kinds of things.

Now it's second nature. I drive into an intersection, I can turn left no problem, even if I'm driving a stick shift. So it will take a lot of thought and effort right now to set it up. But then you're going to be able to get it more on autopilot. But you're not going to ever quit putting your foot on the gas and the brake. You're not going to quit that, it just doesn't take as much thought or as much effort as it used to.

Bonnie: I really hate changing lanes on the highways. I still do. I still get a little scared that I'm not going to see something. It's like a little fear, but it's always there.

Anyway, all right, well thanks so much for being here. I don't think I've had that conversation about how we tie our worth to how much money we have and that we feel less than if we think someone else has more money. So I think that's an important topic.

Emily: It is.

Bonnie: So thank you. Thanks for being here.

162: You Need a CFO with Emily Sandberg

Emily: Thank you so much, I love being here.

Hey there, thanks so much for tuning in. If you loved what you heard, be sure to subscribe so you don't miss an episode. And if you're listening to this on Apple Podcasts, I'd love for you to leave a review. Reviews tell Apple that this podcast is, well, awesome. And it will help women find this podcast so that they too can live a wealthy life. And finally, you can learn more about me and what I do at wealthymommd.com. See you next week.