

Applying the Psychology of Money to Grow Financially

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Wealth Advisor | Author | Presenter

Recognized thought-leader in navigating retirement readiness and the unique financial challenges of women. Helping people maximize finances and live their best lives as a wealth advisor with a specific focus on investments, taxes & estate planning.

- Created ***two national AICPA podcast series - Retirement Readiness and Women and Wealth.***
- A ***TEDx presenter on Retirement: Longevity and Security.***
- Regularly published and quoted in national and local publications, including ***The Wall Street Journal, CNBC, US News & World Report, Kiplinger's, The Business Journal, The Tax Adviser, Journal of Accountancy, NCACPA Interim Report, How Stuff Works*** and more.



- *AICPA Advanced Personal Financial Planning Conference Investment Committee Lead*
- *AICPA Personal Financial Specialist (PFS) Credential Committee Member*
- *Greensboro Estate Planning Council Board Member*
- *Society of Financial Service Professionals (SFSP) Board Member*
- *Society of Financial Service Professionals (SFSP) Foundation Board Chair*
- *NCACPA Triad Women's Initiatives Group Chair*
- *Women's Professional Forum Financial Divas Chair*
- *Plenteous Financial Forum Chair and Founder*

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Money, Money, Money...



First Principles

Boiling Understanding Down to the Simplest Level

...And Then Building it Back Up.



Money: First Principles - Defined

- 1. Seemingly Irrational Behavior Due to Personal Vantagepoint**
- 2. Prioritize Doing What You Want, When You Want**
- 3. Luck and Risk Influence Outcomes in Unpredictable Ways**
- 4. Nothing is Free – A Monetary and Emotional Price to Pay**
- 5. Experience the Snowball of Compounding**
- 6. Be Content with Enough - Without Envy and Unhappiness**
- 7. Getting Wealthy Vs Staying Wealthy**
- 8. Showing People Your Money is the Fastest Way to Lose It**
- 9. Saving for the Sake of Saving, Not to Spend It**
- 10. Be Rational, Reasonable and Adaptable**

Source: The Psychology of Money by Morgan Housel

L-Seemingly Irrational Behavior Due to Personal Vantagepoint

Not important
or dominate
your thoughts?

Unable to save
enough or painful to
spend it?

Money,
Money,
Money...


Do you and your
spouse talk about
money – or argue
about it?

Feel you'll be ok if you
work hard or compulsively
try to micromanage your
planning?

Worry a long time over big
purchases or impulsively
buy the big stuff – worrying
if you made a mistake?

Unable to budget or
follow one rigidly?

2-Prioritize Doing What You Want, When You Want



**I am the
Boss
of Me**

3-Luck and Risk Influence Things in Unpredictable Ways

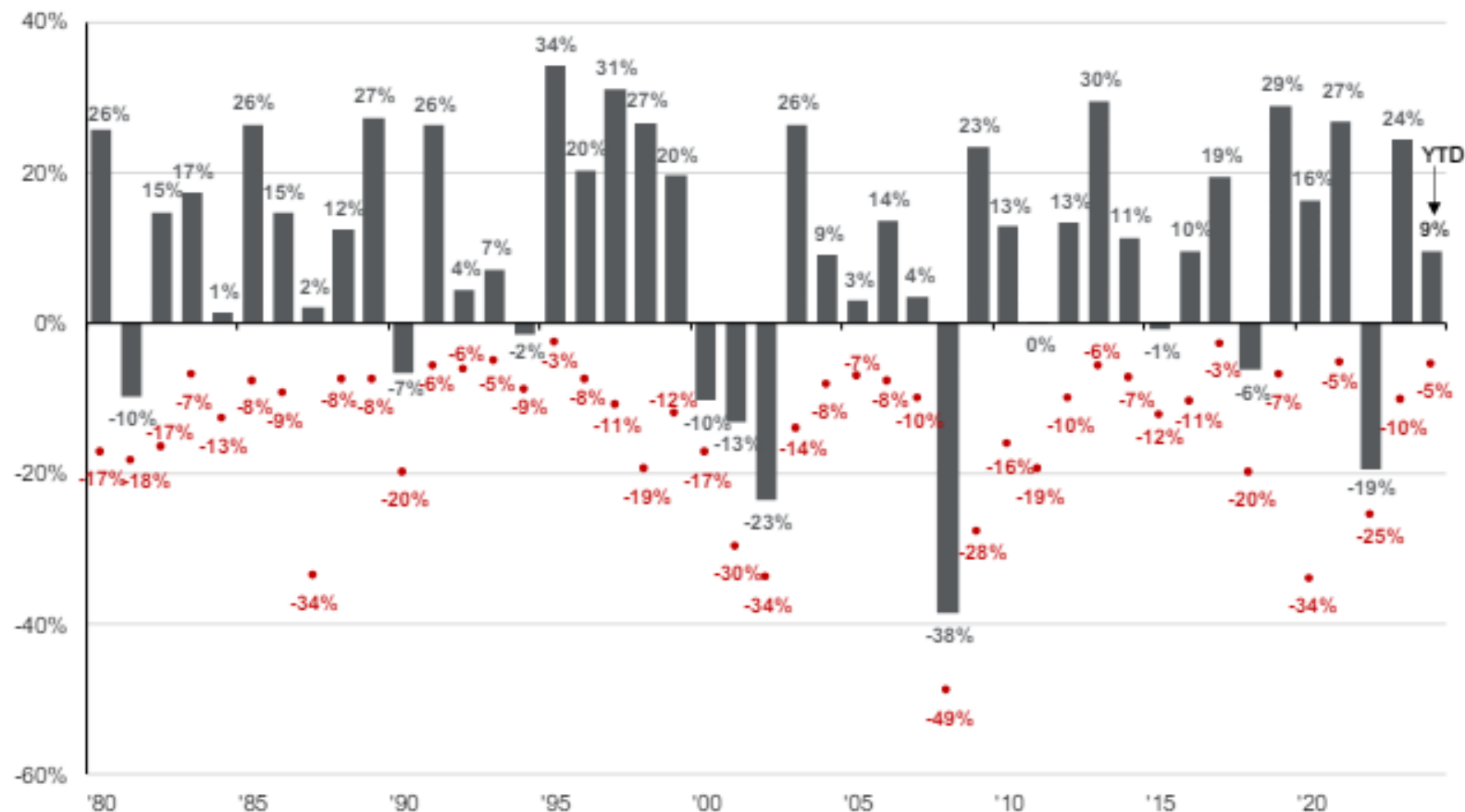


Luck | Risk

4-Nothing is Free – A Monetary and Emotional Price to Pay

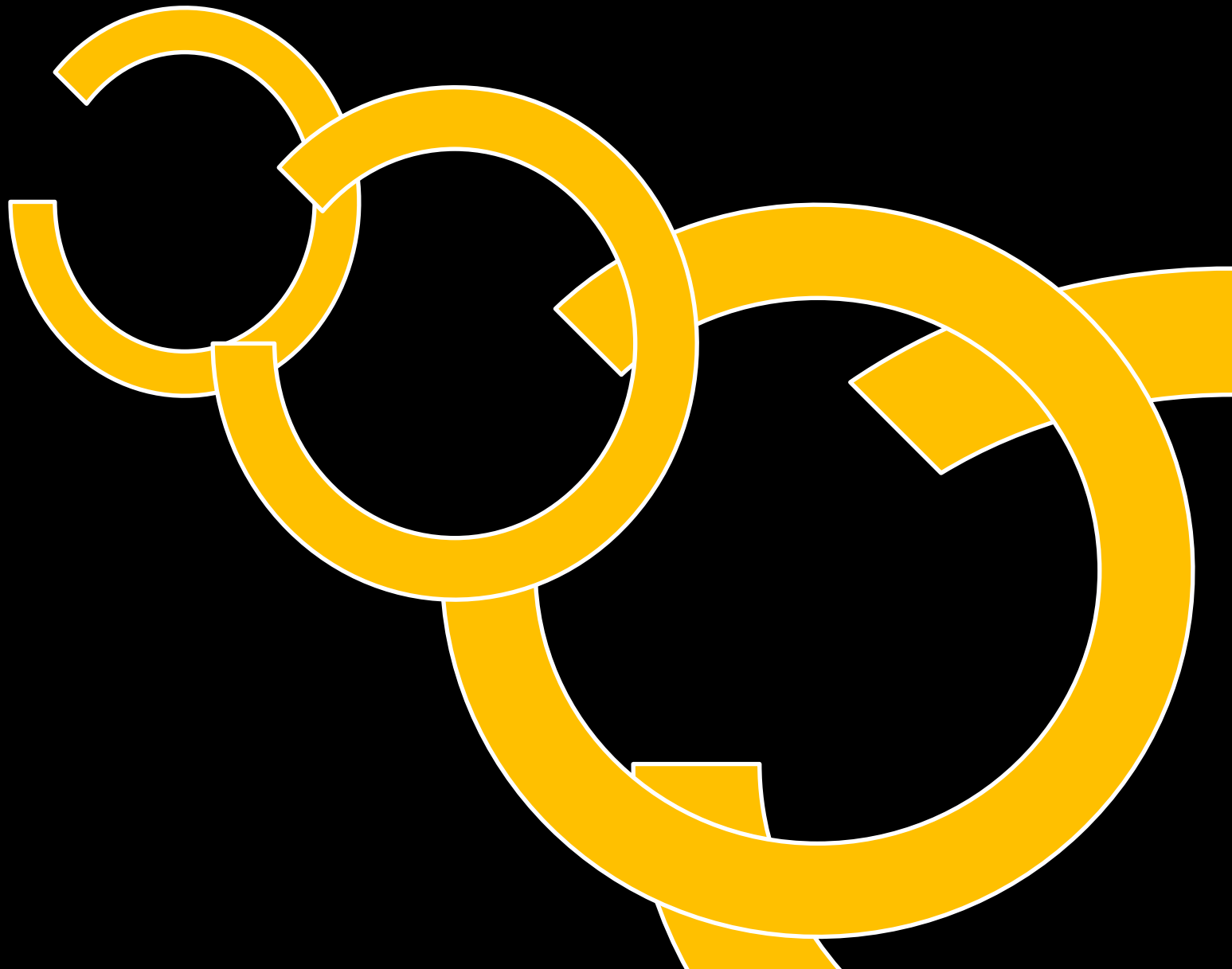
S&P intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.2%, annual returns were positive in 33 of 44 years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2023, over which time period the average annual return was 10.3%.
Guide to the Markets – U.S. Data are as of May 10, 2024.

5-Experience the Snowball of Compounding



6-Be Content with Enough - Without Envy and Unhappiness



7-Getting Wealthy Vs Staying Wealthy



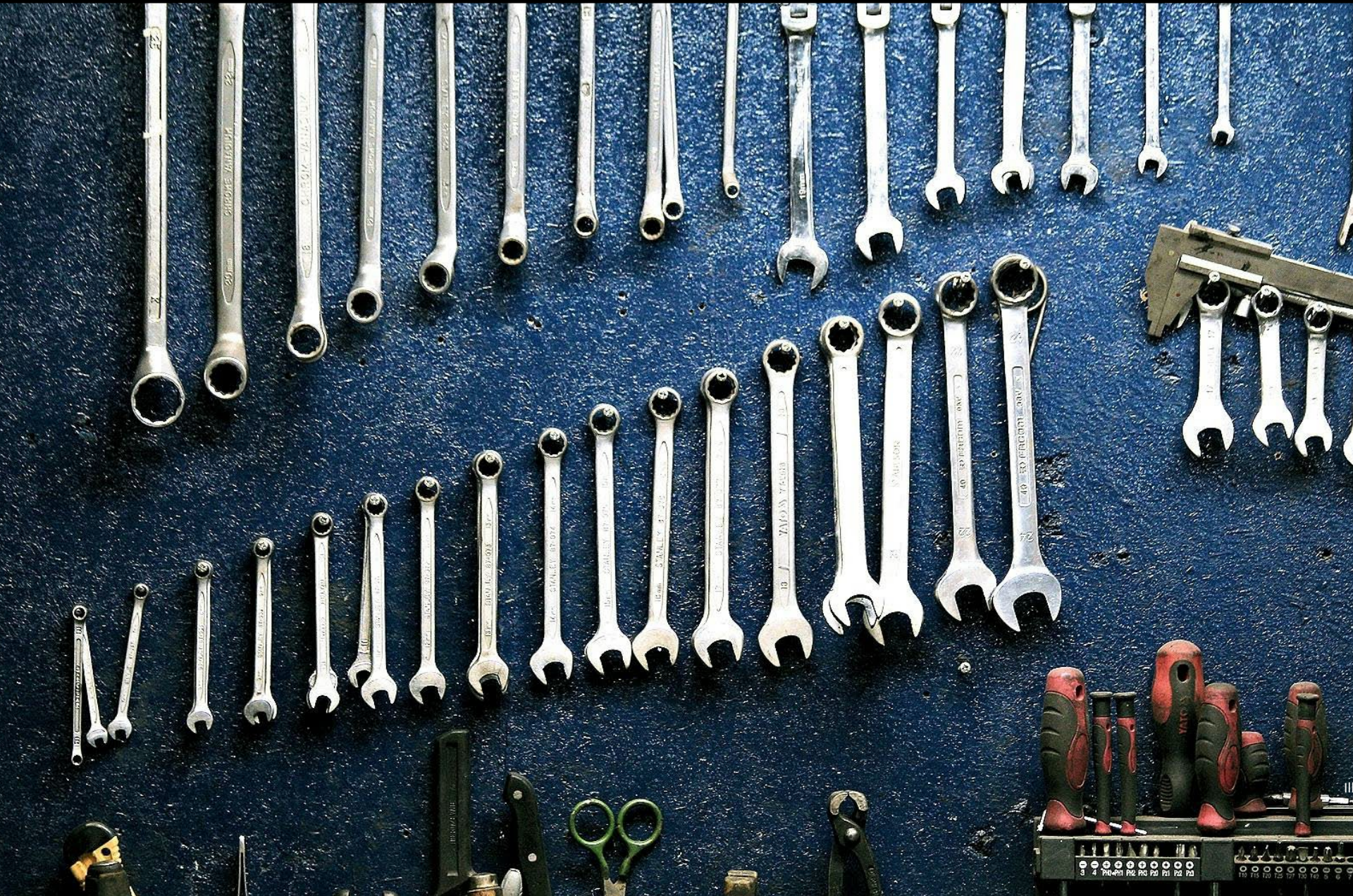
8-Showing People Your Money is the Fastest Way to Lose It



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Money: First Principles - Applied

- **What is your “Why”?**
- **What are your First Principles around money?**
- **Within them, have you found limiting or hidden money beliefs that diminish your strength and accountability?**
- **Does this exploration lead you to make changes (i.e. your risk tolerance/investment allocation, the way you spend your time, with whom you spend your time)?**

1-Seemingly Irrational Behavior Due to Personal Vantagepoint

2-Prioritize Doing What You Want, When You Want

Money: First Principles - Applied

- **What measured risks are you taking today to be available for opportunities that could arise?**
- **In considering your most recent top five financial successes and top five financial failures, assess why.**

3-Luck and Risk Influence Outcomes in Unpredictable Ways

4-Nothing is Free – A Monetary and Emotional Price to Pay

Money: First Principles - Applied

- **Do your financial plan projections reflect sustainability of assets with desired lifestyle throughout?**

5-Experience the Snowball of Compounding

Money: First Principles - Applied

- **Consider making daily entries into a Gratitude Journal, purposefully considering the difference between personal needs and wants.**

6-Be Content with Enough – Without Envy and Unhappiness

Money: First Principles - Applied

- For more consistent goal attainment, adapt a process for creating habits that drives results:
 - Habit Scorecard
 - Good Habits + - =
 - Bad Habits + - =
 - Implementation Strategy

Cue	Craving	Response	Reward
Obvious	Attractive	Easy	Satisfying
Invisible	Unattractive	Difficult	Unsatisfying

Source: Atomic Habits by James Clear

7-Getting Wealthy Vs Staying Wealthy

8-Showing People Your Money is the Fastest Way to Lose It

9-Saving for the Sake of Saving, Not to Spend It

Money: First Principles - Applied

- For better decisions, adopt a decision-making framework.
 - Consider WRAP
 - Widen Your Options
 - Reality-Test Your Assumptions
 - Attain Distance Before Deciding
 - Prepare to Be Wrong

Source: Decisive by Chip and Dan Heath

10-Be Rational, Reasonable and Adaptable

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Thank You

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