



The Australian Finance Podcast Episode Transcript

Episode: 5 limiting money beliefs (and how to overcome them)

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Episode transcript:

Kate:

Owen, welcome back to the podcast.

Owen:

Yeah, Kate, it's great to be with you today. There's three of us in the studio today.

Kate:

Yes. Friend of the podcast, Tash, is back with us in person, in our Melbourne studio.

Tash:

Woo-hoo, keen to be here.

Kate:

And we are talking limiting money beliefs, which is something we've been discussing a lot in the office recently.

Owen:

Yes we have. And we talked about it last week at an event as well. What holds people back?

Tash, what is a limiting money belief?

Tash:

Oh, what is that definition? Well, God, I don't know. How do I summarise that nicely? I'll pass that on to you, please.

Kate:

Something that holds you back from moving forwards to your financial goals, maybe a mindset. Would you say it's a mindset?

Tash:

Yeah, definitely. Well, things or reasons for stopping you from doing something, I guess. There's many of them, we all have our reasons for not wanting to do things in general, like holding us back from exercising or any kind of healthy habit. So limiting money beliefs, those that hold us back from improving our finances.

Owen:

Yeah, we've talked about things like behavioural psychology on the show before and the little quirks of our mind and how they play tricks on us.

Owen:

We've talked about how mental accounting is one thing where if you get money from two different sources to treat it differently. For example, if you have \$10 and you earn \$10, how do you feel about that versus if you spend \$10? There's exactly the same amount of money, but we feel differently about those two things.

Owen:

So there's many different ways our mind plays tricks on us, I guess. And today we're going to talk about some of the primary reasons people don't do something about their money.

Owen:

This is delving into psychology we talked recently about this as well on the show.

Owen:

Kate, did you have any limiting money beliefs growing up?

Kate:

I think growing up, I don't know. Money was weird growing up in because it was something you needed for things with friends and family. And it was whether you... You're always comparing yourself to your friends based off, if you could buy this item or if your parents gave you some lunch money and theirs didn't or vice versa.

Kate:

I just remember those situations growing up or some friends got more Christmas presents than you. That's probably how I saw money growing up. I didn't think about it too often, apart from

that small amount of pocket money, but I guess it's interesting just thinking back to the very start of my personal finance journey and investing. It was, I don't really know what to do. And that kind of led me down that rabbit hole. But what about you?

Owen:

I definitely did. I definitely had limiting money beliefs and not just money beliefs. It was just basically the way I was raised, is that Mom was more or less inclined to think logically about her money and invest longer term. So she was more focused on hard work and to an extent Dad was too, but neither of them were investors. Neither of them really explained the stock market. Neither of them saw a financial advisor, all of these different types of things.

Owen:

Mom actually remarked that one day there was an AMP advisor that was door knocking in our area. And she regrets not speaking to them. So we didn't really have any introduction to money. And so it was always really a point of insecurity for me.

Tash:

I think you kind of touched on two different things there with what's your money story, and then how does that shape your money beliefs as well? Like your money stories, all that stuff that's happened. And then what beliefs did you have from that?

Tash:

I grew up the same with a very open family, I guess, as maybe Kate's. We all talked about money, but I thought investing was always for people with finance degrees. So my limited money belief was investments really hard and it's only for people who've studied finance and it's only for older people. It's only for people with more money and that was kind of shaped by that earlier money story.

Owen:

So I remember when we spoke to you the first time on the podcast, you said that you would have conversations about money and that was one of the most important things.

Tash:

Yeah. Yeah. My parents are very open about it. They always discuss their mortgages or budgeting for holidays and everything like that, which definitely gave me a really great start in the world of personal finance.

Tash:

There was just definitely interesting seeing my Mom and dad's different perspectives of money. Because mom was very risk adverse and wanted to save and not really invest or spend as much. Whereas Dad was like, "Let's buy a house and then go on holiday and let's see what happens and move around." So the two perspectives is definitely very interesting.

Owen:

Yeah, it is.

Tash:

Yeah.

Owen:

We spoke with Emma from Broke Generation recently and she basically mentioned that one of the easiest ways to track this is to try and identify what your limiting money belief is, to see where your money's going and see then how that impacts your psychology. How you feel about it? And is there somewhere you want to be and you're not there. Is there things that you don't want in your money future, your financial future? Are you heading quicker towards that than you are the other things?

Owen:

I don't know if you guys have any kind of strategies or ways for people to think about it. Is there anything that you can think of where people could do an activity? Because for example, even doing a budget is a real point of anxiety for people, because that can be one of the things, it's like, "I'm not good with numbers."

Tash:

I think tracking my spending made a huge difference, not sitting down and trying to make the perfect budget, but just being like, whereas my money going in the first place. Writing everything down and I think Emma's point if anyone follows her, she's awesome. But seeing where it's going and if that actually aligns to your goals with the future. So I think Kate, you've done an activity on that as well. What are the 10 things you value, and then what are the 10 things you spend money on the most?

Kate:

Yeah. I think that's really important. And spending in line with your values, but even more to these limiting money beliefs. It's sort of coming to that understanding that no one's born knowing all of these financial skills. We all say we wish we learned about at school. There's all those memes that go around the internet like, "I know about Pythagorean theorem, but I don't know about how to do my tax return." But none of us are born knowing this. So we actually, some people, the process is sped up because they go and study commerce or they work in finance and it or they've got those family conversations. So it helps speed up that journey, but we don't just come out knowing how to deal with money and all of this stuff. So it's more coming to the understanding that, "Okay, I'm not magically going to know how to manage my finances and it's something I want to put some time in and to learn about."

Kate:

And I think over overcoming that and knowing it's something, "Okay, you might not know much about money and investing right now, but it's something you can change if you're willing to put in the work."

Tash:
Yeah.

Tash:
I think we were joking about it the other day. If you wrote a finance book or an investing book, you could write it. And if you've pages really, because the investing principles are very simple when it comes down to it, but it's all our mindset and beliefs around it and our habits that make it a lot harder.

Owen:
Morgan household's book psychology of money. We'll bring that up again. I'm sure rest of the discussion, but the end of the day, psychology of money is all about psychology and perspective.

Owen:
Let's just dive into these five limited money beliefs that we see all the time from people. And then we can just riff on each one.

Owen:
So the first one is, "I'm not good with money and numbers." So I don't know who wants to go first on that?

Tash:
I can go with that one.

Owen:
Sure. GO ahead.

Tash:
I have never worked apart from this job, I guess. Maybe, but I'd never worked in finance. I always worked in healthcare. I studied at school, I did human bio and chemistry, I guess not really like anything businessy and I wasn't very good at maths, but you don't need to be really good with numbers to be good with finance. You can have apps that track your spending. You can have your investments automated. You don't have to sit and look at these huge graphs. When you imagine someone investing, you've got the trade-off with the huge double monitors and everything. [crosstalk 00:07:36] Yeah.

Owen:
Yeah.

Tash:
And it's not really like that. So you don't have to be that good with numbers and there's calculators. We don't really calculate stuff in our head these days anyway.

Kate:

And the money smart website has so many fantastic compound interest calculators and things you don't, and even just spreadsheets and templates you can use that you don't need to... I don't know. I don't think we deal with numbers much-

Tash:

No.

Kate:

... apart from you analysing companies. I don't really think about numbers and find details and making calculations. It's more of just the... As Emma mentioned that podcast giving every dollar kind of a job and working out how you're going to allocate and organise your money rather than thinking about it as a more restrictive thing. And I mean, I was an event the other day and a young woman, I was talking about superannuation. And the number one that she said is, "I'm not a numbers person." I think that belief can really hold us back from moving forward on our personal finance and investing journey. Because at the end of the day, it is more about that psychology and the mindset and putting a plan in place. And most of that is in words, not in numbers and it's just numbers in the bank account and in the investment account. But it's words that sort around that picture.

Owen:

I found that designers and more creative types tend to be the best with money. As if I could be a generalisation, for some reason, the designers in my life have always seemed to be really good with money. And they're not people that are science focused. And I think the reason is that they design their life and then they want to work back from that. So what do I need to do to get to that point? They don't necessarily sit there with a convoluted spreadsheet and be, "I'm going to put money first." They put their life first.

Tash:

Yeah. How do I optimise every single dollar? Yeah.

Owen:

Yeah. Because they appreciate these things and the finer details. And so that's a common trait I've seen with a lot of designers and that's a generalisation.

Owen:

Some of them surely I'm sure not that good with money, but the other thing is there's this formula and I'm going to, I think we're going to bring up Morgan Housel a lot or at least I am, but Morgan Housel wrote this blog six years ago where he drew the formula, wrote out the formula for what it takes to predict where a baseball's going to land so you can catch it. And it's like street lines long. It's a really super convoluted formula. It looks like a parabola going up and then coming down and you're predicting where it's going to come and you just go and catch it with your glove. And at the end of the day, you know what? Most people don't think that.

Owen:

Most people don't do the formula in the head. They just walk over and catch the ball.

Tash:

Yeah.

Owen:

We don't think necessarily about the formula when we're trying to predict these things. We just go to where it's going to land.

Tash:

I'm not sure to catch it perfectly. We're just trying to make it work out.

Owen:

We're just going to get over there.

Tash:

And catch it's [crosstalk 00:10:05]. Yeah.

Owen:

And that's how most people can be with the money. They don't have to know all the formulas.

Tash:

Yeah.

Owen:

You can just use the money smart compound interest calculator. And see, "Okay. That's possible."

Tash:

You don't even need to use that though. Going back, you don't need to all those calculations to set up an online transfer and start really, really, really small.

Owen:

Yeah.

Tash:

Because I think we always talk about these cool calculators and stuff, but they're not always necessary as well.

Owen:

Well, no, they're not. Yeah.

Tash:

Yeah.

Owen:

That one was for me though. Just like an eye opening thing.

Tash:

I loved it as well. Yeah. I used it a lot.

Owen:

Yeah. It's just like, "Oh, these tiny little things and then that amount of money. Okay, cool." How about this one then this one maybe is related. "I'm not smart enough." Kate, what do you think?

Kate:

Yeah. And I it's another one I hear all the time and probably one, I potentially overcame myself a few years ago thinking that you had to be a person who's "Smart."

Kate:

And I don't know, that was more of a limiting lifestyle belief I had in my head that there were smart people and there was just everybody else.

Owen:

Yeah.

Kate:

And so given I wasn't putting myself in whatever I self defined as smart. I think that was quite limiting because I didn't think I could do certain things or I couldn't say things, or I couldn't be in certain conversations because I didn't identify as that. And I think once I overcame that and I'm just like, "Everyone's just a person." Why am I putting people into category? And by not putting myself in that category, I was holding myself back in what I was studying and what I was doing for work in the way I spoke.

Kate:

And I think overcoming that barrier and just going, "Well, I'm smart enough to work towards my goals. Why do I need to fit into this category? And why am I splitting people into categories? It actually is just holding me back." I think that was really helpful. Just going, "Okay. I have enough intelligence to actually come up with a plan and I have enough intelligence to read critically through Google and look at different sources and books and podcasts and resources, and actually start making some headway by just doing 30 minutes a week and working on my finances that way."

Owen:

I feel like it's a mirage, the finance industry. You kind of see it from a distance. And you're, "Oh wow. It's so amazing."

Tash:

Yeah. All the guys in businesses doing really smart things that they computer.

Owen:

Yeah. And then you get up and you're, "Oh actually, no, it's just another patch of dirt."

Tash:

No one knows what they're doing really. [crosstalk 00:12:11]

Kate:

Just people. And a lot of people who you meet working in different roles in the finance industry. They also don't have their financial shit together.

Tash:

Yeah. Yeah.

Owen:

That's it.

Kate:

I've met so many people working in finance because finance is not all people trading. That's actually very minimal part of finance. There's a lot of people from all sorts of industries working in the financial services industry and most of them are still just working it out.

Owen:

Yeah. They're just figuring out.

Kate:

[crosstalk 00:12:34] comparing my mom and dad, because my parents being brought into this that work all the time. But my mom was always like, "Oh, dad's the smarter one. He is an engineer. He knows what he's doing. He'll do the finances." And then last year I got her to set up her own investment account and she was like, "Oh, look at me doing it all by myself." And she like invest \$200 a month. That's just hers. And she watches it and she loves it. But that was like, her limiting belief always was, "Oh dad's the smarter one. So he'll do the money stuff."

Owen:

Yeah. I see that a lot.

Kate:

Yeah.

Owen:

Yeah. You sit a lot with men and women. It's like a gender stereotype.

Kate:
Yeah.

Owen:
Like the women do the budgeting, the men do the investing, which sorry, gents, all of the numbers say it should be the other way around. [crosstalk 00:13:08]

Tash:
Yeah. Mom's short experience. She's better than dad because she's less impulsive and she's got a plan and dad it's, "Oh what triple leverage share? Am I buying today?" Or Mom's like, "Here's my ETF doing well."

Owen:
Yeah. And we see that a lot, right? Yeah. It's so I would say that it's actually got nothing to do with brains. Well, not nothing but there's very little to do with it.

Owen:
When I started my investing, I started out working from home. I studied a lot of my degree home then worked from home for a lot. And so I always felt like I was missing out like, "Oh, there's these other smart people on Collins Street in Melbourne or George Street or Wall Street in New York. They must really know their stuff. They must know things that I don't know surely. And then I got a job in the city on Collins street interviewing the best fund managers. And I was, "Hold on a second. This guy or girl, she's doing exactly the same thing that I'm doing." Probably worse, to be honest. I'm like, "Actually I can do this. Nevermind."

Tash:
Yeah. Look at active versus passive funds. And you're, "Oh these are these smart people managing all this money." And they're not doing that well long term that all of us, not normal people, regular people could just do.

Owen:
Yep. Yeah.

Kate:
A lot of what we do with our personal finances and investing, it's more common sense and just actually spending a bit of time and care, putting a plan together that works for you.

Kate:
There's no secret magic source behind it that you only discover if you work in the finance industry. And I think it's just those comparisons in all areas. And I think we need to stop saying, I'm not smart enough in all areas of our lives because I've really noticed that actually has helped me and other people back.

Tash:

Well, think it's so simple when you take it back, like spend less than you earn and invest the rest and how you get there. It doesn't really matter. And we try and complicate it so much more than we need to.

Owen:

We do. And we become very like combative if someone else does it differently.

Tash:

Yeah.

Owen:

I've found that you can't have an opinion. That's dissenting or negative on something that someone else thinks is good. It's almost because it's so sensitive the topic, but it's really, it doesn't matter at the end of the day. It doesn't matter what someone else does. It's just what you do. And money is very personal. We know that.

Owen:

So the third one, which is a very popular one and it's probably a reasonable limiting money bill because this would actually, depending on how you take this. I think this can actually be reasonable in some ways. And it's, "I do not have time." And the reason why I say this is the devil is in the detail here. Some people legitimately don't have time to spend eight hours a day studying their finances so they should choose an option that's easier for them. I feel like that's reasonable, but in general, everyone has time and they should make time for investing.

Tash:

Especially now with all the cool apps out there. You can sign up something like Up Bank where it's automated in the app in terms of saving and having goals and stuff in there. So yeah, I hear it a lot as well, but I think it's just like that limiting belief before like, "I'm not smart enough and I have to spend all this time learning. So I don't have time to do that full stop."

Owen:

Yeah.

Tash:

Really. It's just half an hour, a week would change everything.

Owen:

Yep.

Kate:

Yeah. And I think it comes down to priorities. I've said I don't have time for so many different things in my life, but I've found time for other things that maybe were not as important. You don't have to learn this all in one day.

Kate:

You don't need to spend eight hours a day for a whole week learning about your finances. It can be as simple as half an hour every Saturday when you've just got time for yourself to start looking into things and exploring your super and reading some websites and looking at some apps and things like that. It doesn't have to, "What do you say?" It's like a three year apprenticeship sort of learning about your finances and working all of that out.

Kate:

So, I mean, sometimes we expect those overnight results to suddenly wake up and we know about our finances and we are ready to go, but it is really a long journey of discovery. And I think we've all kind of gone through that long journey and we're still learning every day.

Owen:

There's some basic principles here that apply. There are basically two things that everyone should have a basic understanding of in life. It's probably health and wellness and money because that's kind of how the world turns.

Owen:

So you don't need to know everything about like medicine to know that there are good and bad choices. And so if you have some very basic principles, you can get by with the limited amount of time that you have by doing things that are low costs, invest for the long term, don't get sucked into get rich quick scheme. These are very simple things.

Tash:

Don't use fly now, pay later.

Owen:

Yeah. These are very simple things about just being sensible basically like you said, common sense. And that doesn't take a lot of time.

Owen:

Just like if you have Big Macs for breakfast, lunch, and dinner, that's probably not going to be good for your longer term in your health. Sorry. McDonald's.

Kate:

Yeah.

Owen:

But these things, you don't need to know specifics of what a Big Mac does to your body. You just need to know enough to get by.

Kate:

Yeah. And even if you think about future you in 30 years time, if you don't put some time, even if it's just that half an hour, a week, or even a month aside to look after yourself and your finances

now, it's a lot harder in 30 years time to make those changes catch up like changing your super now versus in 30 years. Time is a huge difference. And so I think you do need to put yourself first in some respect, even if it's just that half an hour, a week, or a month to work on your finances because at the end of the day, you are the one that cares the most about your financial future. And you're the one that can secure it. Yes. You can talk to financial advisors and accountants and get help, but you need to sort of lead that journey. And I think we don't think enough about what our life would be like in 30 years time. And so we don't spend that time looking after that future version of ourselves either.

Owen:

Yeah. Yeah. It's easy for us to do because we have like behavioural biases that are telling us everything now is important versus that delayed gratification is harder. But again, that's why those simple tools around like what if you did invest a small amount of money in the future, visualise that now, what would that look like? That's actually quite easy to do.

Owen:

The other one is, this is a very popular one and I did actually see this in [Icy Shells 00:18:47] studies like, "I'll never be wealthy. So what's the point." The other one is probably, which is related to this is, "You can't take it with you." Which is people saying, "You can't take the money with you. So why would I bother saving. Live in the moment, man." Yeah. Tash what do you think?

Tash:

I think it's everyone tries to, I don't know when we do the compounding calculators where in 40 years time, we'll have this many millions of dollars, but there's all the steps along the way that people aren't really looking into as well, like your emergency funds. So you can quit your job or I don't know, help you through an unexpected expense.

Tash:

All of that stuff really helps as well. And having control of your finances now gives you so much more freedom in the now as well in the next few years, not just in 40 years time and our definition of wealth is quite interesting. I think there's the negative stigma around it where people, "Oh, you kind of aspire to be what wealthy, so what's the point of all of this." But like wealthy for you can mean so many different things.

Owen:

Yeah. I think lifestyle, right?

Kate:

Yeah.

Owen:

Define it.

Kate:

I think even you can feel wealthy just because you've got that emergency fund. As you mentioned, have that choice to leave a bad situation or leave a job or change industries or drop to part-time and it's about giving yourself those choices. And I think, I've seen this probably the most with family and friends, it's the, "Okay, I've only got 50 or a 100 dollars left at the end of each month. Why shouldn't I just enjoy that? Because that 50 or a 100 dollars is never going to add up to anything."

Tash:

The marketing messages behind a lot of things I see is, "You deserve all these things right now." But it's you can take control of that and have those things later. If you set those habits up now. I find the marketing really hard. It's like, "You deserve this stuff." And it's like, "Do we really deserve all this stuff? If it would help us so much more in the future, if we've taken control of it first."

Owen:

Yeah. There are so many things working against us in that way. Yeah. The happy money book, I keep going back to that because it shows you the marketing at work. So I'll never be wealthy. Well, if you just chuck it in the compound interest calculator gamble.

Tash:

You will.

Owen:

Yeah. You will.

Tash:

A hundred dollars. What is that? A hundred dollars a week for 40 years. And you're a millionaire.

Owen:

There you go.

Kate:

With 40 years Tash.

Tash:

I know.

Kate:

I might not live that long.

Owen:

Yeah.

Tash:

Probably will, statistics say.

Owen:

But the thing is like you said, "Steps are important along the way." Because we say, "Oh, try and get rid of the debt first, then build your emergency fund and so on and so forth." Every step that you take makes you feel better as you go. And before you know it, I think Charlie Mongo, this is a bit out of touch with Charlie Mongo famous investor said that the first millions are hardest.

Right. And then every one after that doesn't really takes shorter and shorter, but it's like the first \$10 is the hardest. And then the next \$10 is it doesn't matter what the amount of money is.

Before you know it, the thing's rolling by itself, downhill like a snowball.

Tash:

Yeah. No one really wants to get to 40 and be like, "Oh, I don't want this million dollars anymore. And I wish I hadn't have saved it"

Owen:

That's it. Yeah.

Kate:

And I think it's even like taking control of your finances and even investing whether it's 10 or \$20, it suddenly you turn from a consumer in the economy and you just feel like you're part of the system and you can never sort of find any footing and you become an owner of the economy. And so suddenly you are actually part of this thing. You can kind of see how everything fits together. And I think, I mean, personally, it does give me a lot more confidence and sort of, I can kind of understand things a little bit more and how all the puzzle pieces fit together, and feel a bit more empowered about the whole journey.

Owen:

The last one we've got here is, and this is very, very common. And this one is it-

Tash:

That to all of them.

Owen:

This is one is often broken. So once the first thing is done and this is, "I'm afraid to make the wrong choice in brackets analysis paralysis." Meaning I'm too scared. There are so many choices. I don't know what I'm going to do. I might lose money.

Tash:

I want the perfect plan with the lowest fees and I'm not going to start until I have that perfect plans.

Owen:

Barefoot investor did tell me this, "That and this and therefore, anything else is not acceptable."

Tash:

Yeah.

Owen:

Yeah. So no knocking on Scott, he's brilliant. But that's basically where like a lot of people get these kind of this belief. It's like, "We've got to have the right choice right now."

Tash:

Yeah.

Owen:

But I feel like that doesn't exist. At least not for everyone.

Tash:

No, there is no one perfect financial plan, no matter how hard we look for it. Things change and adapt. I think we've all changed our plans along the way. No, one's been like, "Cool. This is my one plan forever. I've nailed it."

Kate:

Yeah. I think if we got all of our tens of thousands of listeners and lined them up and we looked at every single person's finances. No one's would be identical. Everyone's would be, even if they use similar investment products or they use similar banks, no one's plan would be identical. And I think that just goes to show that it's so individual it's so unique. It's not a one size fits all. You have to find your own path and your own journey. And I mean, I think main one we see holding people back is that decision of making, choosing a brokerage account.

Owen:

Yeah.

Kate:

That one seems to hold people back time and time again.

Owen:

That's the number one question.

Kate:

It's not even what to buy. It's which brokerage account. And what was that example?

Tash:

The supermarket one?

Kate:

The supermarket. Sarah used last week.

Tash:

Yeah. So it's like, "If you want to go buy a chocolate bar, you can go to the petrol station, Costco, Willie's. Kohl's all places, but it doesn't really matter where you go. You just want the chocolate bar. Same with brokers. They all have different things. Like the petrol station's more convenient. Costco might be a little bit cheaper, but you have to buy and bulk which one suits you the best. It doesn't really matter. And you can go to Willie's one day and then Costco the next. But I think we focus so much on, "Oh, what about Kohls versus Willie's? Where will I save my 10 cents?"

Owen:

That's it. Yeah. And the key messages get started.

Tash:

Yeah.

Owen:

Like the key message is, and that's what shatters, this one is basically, once you start, then you realise it's really not that bad. And that's why we say start small.

Tash:

It's really not that bad. [crosstalk 00:24:09] It's really not that bad if [crosstalk 00:24:09].

Owen:

A little brick, but it's-

Tash:

What was that Kate?

Kate:

Just a little brick.

Owen:

You with a needle.

Kate:

No, that's what I was. I wasn't thinking it.

Owen:

Can't take it out of the gutter.

Tash:

Kate's face was great. Does it?

Owen:

No, but it's true. Start small and start early. That's basically, everyone's choice just starts more start early because if you do make a mistake it's not going to cost you as much.

Tash:

Eah.

Owen:

And on the upside, you've got a long time to recover.

Tash:

And step back and think about if it's really worth spending two months researching how to save 50 cents. I feel like that really got to me in the end because I had that moment as well. When I first started where I was, "Ah, need the perfect broker and the perfect ETF." But it's like, is it really worth it?

Owen:

Yeah.

Tash:

Probably not.

Owen:

Probably not. Not in that. If you think about it over like 40 or 50 years.

Tash:

Yeah. If I just the best now.

Owen:

Why just get started?

Tash:

Yeah. Especially I was investing last year as well. The market's going up so quickly as well. It's like you're kind of wasting time.

Owen:

Yeah. This is a weird anecdote. This is from Neil deGrasse Tyson. Who's like this space guy-

Tash:

Weird anecdote.

Owen:

Yeah. You know what I mean? That's what I do. Yeah. He always gets, because he's like a big space nerd and he's just all about it. And he always gets a question. "Why are we spending billions of dollars exploring space? When we still have poverty, we still have climate change. We still have all these things."

Tash:

We still haven't explored the bottom of our own ocean yet.

Owen:

That's it? Yeah. And he's like, well, imagine if you said that to the cave men and cave women before they came out of the cave, "Don't go out of the cave. You can't go out. It's too scary to go out there. No, one's been out there before." But as soon as you go out, it's actually not that bad. And you discover a whole world of opportunities. I feel like that's what it was for me when I started investing, I was, "Oh, okay. So scary." But once I've done it, I'm out there. And I can see all these things [crosstalk 00:25:40].

Kate:

We're on space [crosstalk 00:25:41].

Tash:

Such different example of when you go for a run and you're, "I really don't want to, it's going to be really hard. It's going to be horrible." And then you go and then you're, "Oh, it's great. That's brilliant." Real space. Examples. Awesome.

Owen:

This one, come on, Kate, give us one, tip one.

Tash:

The assignment.

Owen:

Tash did.

Tash:

When you start an assignment, you're, "Oh, this is fun." Sorry.

Kate:

Oh, Well yeah. You need assignments start, they very scary at the beginning. And as you slowly chip away and you split it into lots of different sections and you're, "I'm going to do half an hour today, and half now on the weekend, and five hours next week." And you do it, you chip away at it and suddenly it's done well.

Tash:

Well actually, I'm in it. I do mine the night before, but it was, "Oh, this isn't... I can do it. It's fine. Why have I spent a whole month thinking about this thing that I could have gotten over with in one day if I really wanted to."

Kate:

And some people are really good at just rip off the bandaid and we could say open a brokerage account they'd go today and just open one straight away. And some people really want to compare all the different options. But when you're starting with a small amount of money, you can't go too far wrong because you can open a brokerage account, put your \$10 in. If you don't like it, you can close it. You can get another one.

Tash:

Leave them open, have them all-

Kate:

Multiple open and be chasing down the paperwork.

Tash:

My tax time.

Kate:

Yes. Yeah. But you can open multiple brokerage accounts. Most of these things you can test fairly simply and cheaply. And if it doesn't work, you can change course. There's a lot of changing in the first five to 10 years of your financial journey and figuring out how things work and adjusting your plan. And, oh, you've discovered more about this particular investment and that's the way you want to go. So, I mean, it's just, I like to frame it as experimenting it and you're in your science lab. You've got your beakers out and you're just seeing how different things work together. Okay, that budgeting method doesn't work. Okay. Throw that out. We'll try something different. This investment's not com I'm not comfortable with it. All right. We'll try something else. Okay. I want to change my risk profile. It's like a, it's a full on experiment.

Tash:

Yeah. But you're always like taking more steps in the right direction.

Tash:

Yeah.

Kate:

You have to slowly moving forward for it.

Tash:

Like a snake.

Kate:

Snake. Well, I don't think anything goes in a linear direction. No, it's also just ups and downs. And sometimes you might have to take a few steps backwards because you had to use your emergency fund and oh, okay you're no longer ready to invest. You have to go and refill that emergency fund. And it's just been okay with that.

Owen:

We basically, I think you said this the other day with a lot of things in life, the worry of the act is actually worse than doing the act itself.

Tash:

Yeah.

Owen:

Stressing-

Kate:

Stressing about money was more stressful than not actually having the money.

Owen:

That's it? Yeah, exactly. So we worry before there's even a reason to worry and that is worse than the actual act itself. So I think with all these things, let's recap, we've got, I'm not good with money and numbers. I'm not smart enough. I don't have enough time. I'll never be wealthy so what's the point. I'm afraid to make the wrong choice slash analysis paralysis.

Owen:

These are all things that you can move fast. And I think the fear of them now goes away once you get started. And once you just start committing yourself to learning a little bit about it, you don't need to learn a lot.

Kate:

And sharing these fears with someone else.

Owen:

Yeah. That helps.

Kate:

I think it really helps. If you can find someone, whether it's on the internet in our Facebook community, or if there's someone in your community or your life that you can talk through these fears with and just sort of back and forward and look at the pros and cons and have someone to reign you back in, if you start catastrophizing or spiralling and think the world's going to end. So what is it? A fear shared is a fear have, or did I make that one up?

Owen:

You that's okay.

Tash:
Have. I like that.

Kate:
Shared as a problem have.

Tash:
That thing is hard.

Kate:
Well, I definitely find it a lot easier to talk it through with someone. And then you realise once you've said it out loud, ah, it's actually not as big of a deal as that.

Tash:
Unless they agree with you. Maybe journal.

Kate:
Find no enablers.

Owen:
Yeah.

Kate:
When you're trying to overcome these financial fears.

Tash:
Talk to lots of different people or just like try and identify your own as well because I feel like in groups we'll often talk to people with friends with the same mindset as us. We're like, "Oh, we're not smart enough." They're like, "Oh, we're not either so."

Kate:
Okay. Yeah.

Owen:
Yeah. You'd be surprised at who-

Kate:
Be careful about who you pick. There we go.

Owen:
You'd be surprised at who knows it might be an auntie, an uncle or grandma or grandpa. They're the ones that might actually have experience with this.

Tash:

Yeah. Or someone in your Facebook community as well. Yeah.

Owen:

It could be anyone. And I found that in one of my best mates who was on the same journey. So I was very fortunate, but there could be anyone like my uncle loves investing. He taught me a lot about more like the behavioural side of investing which was really valuable that time of my life. So just be prepared that yeah, you won't get everything right. And that's okay. It can be scary and that's okay too.

Tash:

It's a scary emotional step to look into these things and be like, "Why am I not taking action myself? It's a big, big moment."

Owen:

Yeah. But it's really, really important. We know for certain it's important. So there's a lot to take away from this episode. We'll have all the links to the resources and show notes.

Kate:

Yeah. And I think the episodes I did with Claudine, who's a high performance mindset coach a couple of weeks ago. There's a two part we dived into minds set comparison. When's enough. That would be a really good compliment to this episode if you haven't listened to them already. So I'll link them in the show notes.

Owen:

Yep. Great. Tash this was fun. We should do it again. Thanks for joining us.

Tash:

Wow. Cool. Thank you.

Owen:

No great. We'll have links to Tasha's profile and everything that you'll be able to see in the show notes. And Kate's always thanks for joining

Kate:

Me. Thanks for listening everyone.