



## EPISODE 121

## 3 Money Habits for Growing Your Online Business

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**AMY PORTERFIELD:** Welcome back to another episode of The Online Marketing Made Easy Podcast. I'm your host, Amy Porterfield. As always, I love that you're here. Thank you so very much for tuning in.

I need you to take a deep breath. Come on, do it for me. Here's the reason, today we're talking about personal finances. I know, I know, it's a little bit of a sticky topic. It's not the sexiest topic I could talk about. And, it's not so much fun when you're kind of struggling to make money in your business, which some of you can relate to right now.

We are talking about personal finances because in order for you to grow your business, you need to make sure you have a healthy, personal finance experience and are constantly looking at your finances, looking to save, looking to grow your finances, and you have everything in order.

That will definitely affect what you do in your business.

You know I want nothing more for you than for you to go off on your own and create a business and a life that you absolutely love. I want you to make your side passion, if that's where you're at right now, your real big gig, the Real Thing.

In order to do that we've got to look at our personal finances. But I want to give you a little bit of a secret. This is something I actually haven't talked about publicly a lot. The truth is, I really struggled with my personal finances for a while, especially when I first started my own online business.

I have said publicly that I didn't have a big savings when I quit corporate, which was over \$80,000 a year, and then went into my own thing which was nowhere close to that.



I had to do a bunch of consulting and became the ultimate hustler because I didn't have any money in savings and I didn't have any cushion. We actually got into debt my first two years of business.

I'm not proud of it but it definitely did happen. Hobie was trying to become a firefighter at the time so it was only my income. I became obsessed with webinars and selling my online courses online. Until that started to click and I learned what I needed to we were really struggling.

That's when I wish I would have paid more attention to my personal finances. I wish I had educated myself more and found somebody I trusted to learn from them.

You are going to find out in this special interview, with the guest I am going to tell you about in a moment, that if you can flex the muscle of becoming more responsible with your personal finances when money's tight and you hardly have anything, those habits become solidified when you have a lot of money and things are going really good and you can make bigger, better decisions. You get to be a little bit riskier with your business decisions.

I wish I wasn't learning all that stuff now that my finances are a whole lot better than they were back then. So, if you are in a place that the money's not necessarily rolling in just yet and if you are struggling and in debt, learn these things now because they will be amazingly useful now, in the middle of the mess when you are getting things situated, and when you come out the other side and things are going really well with your finances.

You will be a smarter investor, a smarter saver, and a smarter spender. Trust me on it because I made a mistake here and I like to share my mistakes with you as well so I wanted to share that with you right now.

Our special guest is fantastic. I got to watch her speak on stage at an event I've spoken at a few times this year, The Business Boutique. I'll be in Nashville in November for my final speaking gig for The Business Boutique. It's an absolutely awesome event for women that are wanting to grow their businesses.

I got to watch **Rachel Cruze** on stage and fell in love with her. She is such an amazing speaker and speaks from the heart. Of course, that's what we all love.



Rachel recently wrote a book called **Love Your Life, Not Theirs: Seven Money Habits For Living the Life You Want**. She speaks about it from stage and when I heard her speak I thought, "Oh gosh, I need to share this girl with everybody I know." I love the way she approaches money.

Even though she doesn't need this kind of introduction because she has great success on her own, I will share with you that her father is Dave Ramsey.

I share that with you because many of you are huge fans of Mr. Ramsey, so Rachel is his daughter. It's a pretty cool connection. She has definitely learned from the best of the best when we're talking money.

I wanted to bring her on because even though she goes over the seven money habits in her brand new book, I wanted to dive into three of them. I am going to have her dive deep into three of the money habits and really pay attention to how you can relate it to your personal finances.

You will also see some correlation with your business experiences and business finances as well. So I hope you do see that alignment there.

I won't make you wait any longer, let's go ahead and bring her on.

**Amy:** Rachel, thanks for being here with me. I really appreciate it.

**Rachel:** Absolutely Amy. Thanks for having me on. It's so fun to get to talk to you. We spent so much time at The Business Boutiques the last couple of months so I love that I get to be here on your podcast.

**Amy:** Me too, it's so great to hear you. I absolutely loved watching you on stage and thought I had to have you on my show because my audience will find this so incredibly valuable.

I always say what's business is personal and what's personal is business. It gets a little muddled together when you're building an online business. Talking about money is so important across the board.

**Rachel:** I love it.



**Amy:** Good. I'm so glad you're on board here. You've got these seven money habits. I just want to drill into three that really spoke to me and I feel they are going to speak to my audience as well. Let's get to it. Are you ready?

**Rachel:** Yes, absolutely.

**Amy:** Okay. The first one is to Quit The Comparisons. I chose this one because I am a comparison girl all the time. I'm very aware of it now and that means I can kind of stop it. But, in the beginning when I was building my business, holy cow, it was out of control.

You're making a direct correlation with comparing and even getting into debt. So, talk to me about the comparison thing and where social media fits into that.

**Rachel:** Absolutely. This idea of comparisons is such a battle I feel like so many of us fight on a daily basis. When it comes to social media and comparing our lives to what we're seeing on Instagram, Twitter, and Facebook, we have to realize that we have to be grown ups and realize what we're seeing is not the entire picture.

If you're scrolling through Facebook and you see your friend just remodeled her kitchen and got granite countertops and a great new light fixture that is great and nice, you think you get the whole feeling of needing new appliances.

What you don't see is possibly the second mortgage that was taken out on the house to redo that kitchen. Now that extra payment is a stress on their marriage. They are fighting within the house.

What's so hard is that what you're seeing is everyone's best foot forward, for the most part. Social media shows the vacations and new car and a new house. You just have to realize, statistically speaking, a lot of people don't have the cash to go do what they are doing.

They are really portraying a life they really can't afford. That's not the case for everyone, but for some people. So you have to watch that you stay content in your life.

I love the title of my new book, Love Your Life, Not Theirs. It is key as you are going through social media that you can be excited and happy for someone but if you start to feel comparison creep in just know comparison usually leads to discontentment.



When you are discontent in your life, sometimes that means you are going to end up spending a lot of money to keep up a lifestyle that you think everyone else is living but that you are missing out on.

That spending can get to the point that you are spending money you don't have. You are charging credit cards and getting a car loan, again, to keep up a lifestyle that you think everyone else is living because that's what you're seeing on social media.

It's really important to realize the comparisons are real. I do it almost on a daily basis. I find myself being guilty of this. But just put yourself back in perspective and say, "Mathematically and statistically speaking, there could be a lot of payments behind these pictures and on top of that, I have a great life."

That's really what I want for people. I think with the side business that you talk about specifically, it's so easy to compare your business with other people.

You see how well one person has done and they started years after you. You feel they are doing so great and that comparison can creep in so easily. Just watch out and be on guard for that.

**Amy:** I am such a testament that you don't have any idea what someone's business looks like on the back end. You compare the back end of your business to somebody's front end of their business and I am the first to say that looks very, very different.

You have to be so careful of that. But I also know you have a really cool exercise you do on a daily basis to ground you and help you with the comparison game...or help you get away from it.

**Rachel:** I do. It's one thing I do, just like you said, to keep me out of the game for the most part. That is a very great place to be when that happens.

I have found that gratitude is key. When you are grateful for what you have and your heart is filled with gratitude there is no room for comparisons and discontentment.

I have to tactically play this out because comparisons and contentment are such heart issues. It's hard to put numbers and facts with them all the time. For me, I have a running gratitude list on my phone.



I click on the Notes icon on my phone and I have a running list of two things I write everyday, two things I'm grateful for, and I just build on the gratitude list.

When I find myself looking on Instagram at the beautiful fashion blogger in Paris and all of the great stuff she gets to do and saying she has such an exciting life, I find myself becoming discontent with mine, I am able to go to that list and see all of the things I'm grateful for.

It's amazing that gratitude can really help you in the battle of comparisons. I believe you can defeat the enemy of comparison when you're just grateful for what you have.

**Amy:** That's so true. One other thing I learned from you is that you can also kind of flip it and cheer each other on. I do this in my business so I love when you said that.

When I see somebody on social media, especially on Instagram, and they are on an amazing vacation it's typically someone I know in my business world. I think that I want that. So I use it for inspiration and fuel versus "poor me, I can't have that."

When I worked with Tony Robbins he encouraged us to surround ourselves with peers that we want to be like and want to aspire to. We want them to inspire us. I kind of flipped the script on it. I don't always do it perfectly but it does help me to think that I want something and that this person has it so that means I can have it too if I work hard.

**Rachel:** That's exactly right. I love that idea of being happy for people. It's a pretty simplistic principle but it can be very hard to do. In our world that is filled with jealousy and envy, when you can be the friend that other friends can come to because something great has happened it's such a great place to be.

I selfishly look at my own life and I have those friends I could name off the top of my head that are always excited for me. They are the ones that if something fun happens at work I don't feel like I have to shy away from it. They celebrate with me.

I love that. That makes a friendship so rich and deep and I feel so known. I want to do that for people. I want to be that friend that I can be excited for when something happens without jealousy or envy.

If it's buying a new car or a job promotion or, in your listener's case, if they hit a revenue goal they have been wanting to hit for some time, I want to be the friend that



people can come to that I can be excited for. When you do cheer each other on it's amazing how that limits the comparisons.

**Amy:** Yes, I'm definitely behind you on that one. I think the moral of this story here with quitting the comparisons is that it truly can lead to irresponsible spending, getting in debt, and when you're not content with your life you definitely spend money on things you don't need and want but you are trying to catch up with someone else's life.

You have no idea what it looks like on the inside so just be careful of comparisons.

Let's move on to Make a Plan for Money. I am a natural planner so when I saw this one I was like, "Ding! Ding! Ding! This is one we have to talk about."

Talk to me about making a plan for money.

**Rachel:** I think this is one of the mistakes that people make when it comes to their money. They are just not intentional. They work hard and your listeners are starting their businesses. They are making some money but then they look up in six months and wonder where all the money went.

You can feel as if you have spent it all and it has disappeared.

**Amy:** I've so done that.

**Rachel:** Yes. It can be a scary place to be when people do that for decades and decades and decades. I want you to be in the habit of making a plan of where you're going to spend your money and what you're going to do with your money.

That plan, boldly and simply, means a budget.

**Amy:** That has such a negative connotation with it sometimes.

**Rachel:** Yes. I know. I am a natural free spirit. I am a natural spender. The word budget, to me, for so long I just cringed. A budget always sounded boring. Every time someone said the word budget it was always in the context of, "We can't go on vacation because we're on a budget."



They would say, “We can’t go shopping, I’m on a budget.” I would think that people on budgets are not fun people. You can’t live a fun life if you’re on a budget.

I have realized after growing up and knowing I need to make a plan for my money, in my head I knew this. I knew I should budget and I knew that was key to winning with money. I finally implemented it.

I made it a part of my life and my habits when it comes to money. I have really flipped the script. I love that you said that about comparison, I flipped the script and now I have realized that making a budget and having a budget doesn’t limit your freedom.

A budget gives you freedom. It gives you permission to spend. In your budget and personal life and household budget you have line items for food, clothing, house, and plan out what you are going to spend in each of the categories. You don’t feel guilty if you do want to go buy a cute dress at the mall or do an upgrade in your house.

Whatever it is, you can do it because you’ve planned for it and it’s there. The worst part about money is when you’re standing at a checkout line at the grocery store and questioning whether the money should go to the light bill or cable or whether you are spending too much or too little.

It is an anxiety and stress of having no idea where your money is going. It is best if you can be on a plan and tell your money what to do and be on a budget. At work have a budget for your business and have a personal budget for your income that you bring into your household.

It’s key to winning with money and life. Anyone that is successful in life is intentional. They happen to their life instead of their life happening to them. The same is true with your money.

**Amy:** You know, I have never loved the word budget either. Over the last six months we have actually started to put our money into categories.

You talk about putting every dollar into a category, I’m not that good yet. But we did start. I’m a baby step kind of girl. We did start with broad categories but our money is now broken into each of the categories.





I know I have money that I can spend on the “fun” stuff. When I spend it on the fun stuff I am no longer feeling guilty as if I shouldn’t be spending it. I totally embrace it. I enjoy it more now.

I did not believe you until I actually started to do it. Then I got what you were saying.

**Rachel:** It’s amazing. It really is. It gives you a sudden freedom and you can actually enjoy and have fun with your money. It’s an amazing concept. You work hard for the money you earn so putting it to good use is what’s key.

A few days ago my husband, Winston, had bought something off Amazon and I was like, “That was a lot.”

He said, “But it’s in my budget category under Winston.” We each get a certain amount of money each month so it was perfect. He’s actually a saver so it actually encourages him to have a life and enjoy the money.

I probably bust the budget more because I’m the spender.

**Amy:** I love that you’re the spender and you wrote the book. That makes me like you even more.

I think this goes along with what you’ve been talking about, but you have this whole thing of a give, save, and spend system. Are those the categories? Is that a little bit different?

**Rachel:** Those are the broad categories. When it comes to your money, whether you’re teaching kids about money, a five-year-old can understand this and a 55-year-old can understand this. It is just the order of priority.

You always want to be a giver. This is one thing a lot of people miss when it comes to their money. That’s why I say your giving needs to be at the top of your budget. It needs to be a priority.

When you give, not only do I believe it’s one of the most fulfilling things you can do with your life to help and serve other people, it turns you selfless instead of selfish. We live in a world where everything is about me, me, me.



When you can flip the script (I'm going to say it again - I love it) and say I'm going to put a priority towards other people. It's incredible that selflessness will just flood out of you and selfless people are very attractive people.

When that becomes a part of your character it's amazing the things you get to do and how your life is changed when you give. I've just found that money is a magnifying glass. It makes you more what you already are.

A lot of people say, "Wow, Rachel, I just don't have a lot of money to give." The thing is to start where you are. As you become successful people think the more money they have the easier it will be to give.

That's not always true. You haven't been building that part of your character. So, start small.

John D. Rockefeller said, "I never would have been able to tithe the first million dollars I ever made if I didn't tithe my first salary." It was \$1.50 a week.

**Amy:** That's so good.

**Rachel:** I love that. Yes, start where you are, even if it's a little bit. If you can give a little you can start there. Giving is a huge first priority. You give and then you save. Whether you are saving for an emergency fund or saving for a down payment on a house, whatever it is, put your priorities to be saving and then spend your money.

Just having that order of priorities is huge. As an adult that's kind of the basics I use, especially with parents as they are teaching their kids about money. There are things as adults, you want to make sure you have food taken care of and that your house payment is paid.

There are things, definitely that are a priority. If you can hit all three areas every single month it's incredible the muscle that is built when it comes to your money.

**Amy:** I totally agree. I love that you got into saving. I want to talk about that. It's the third one I chose out of your seven money habits, Save Like You Mean It. You talk about saving for major life events, a wedding, retirement, and buying a home.

For us, it might even be saving to invest back into our business. What are the main steps behind saving like you mean it?



**Rachel:** First, it's just that you have to prioritize. We all know we should save money. But it's hard to do. So you have to prioritize that. Back to the budget, our plan, give, save, and then pay your bills.

Saving needs to be up there. Again, a lot of people end up putting their money on paper and have spent everything and don't have money to save and give. I always tell them it's because their budget is upside down. It has to be a priority. It needs to be toward the top.

That really makes it the idea of saving like you mean it. We all know we should save but actually writing it down and doing it helps to prioritize it. I also want to say to be patient. As you are saving for things it may take a little while.

The avenue of debt is so easy to access. You are tempted to just charge it on the credit card or get a car loan. But just be patient. Savings may take a little while longer but that delayed gratification will definitely do you better in the future than if you just fall into instant gratification and go into debt for something.

**Amy:** 100%. You have a concept of the emergency fund. What is it? Why is it important? How do you get there?

**Rachel:** I always tell people the very first thing you should do when you're looking at your money is get a \$1,000 emergency fund. This is really your pad between you and life.

Having that is key because next I want you to get out of debt completely except for your house. Paying everything off and putting any kind of money you have toward paying off debt.

The third step is to build the starter emergency fund up to three to six months of expenses. This is really your fully-funded rainy day fund. If something happens medically or if you have a car issue the huge emergency fund is there for you.

So many people depend on their credit card for emergencies. Visa knows this and they are very good at getting themselves in your hands so that if something happens Visa can catch your slack.



I don't want that to be the case. I want your money to catch your slack. I want your money to be there as that pad between you and life. Having that fully-funded emergency fund is an incredible place to be. When you are there and have no payments your stress level and the way you look at your business and creativity releases so much stress because you have no payments and a ton of savings for an emergency fund.

**Amy:** Completely agree. It took us a long time to get our emergency up to six months. But I'll say this, I'm a little bit weird in my business. I have had amazing success but I always think, "What if something happens and it goes away."

Because I'm a worrier by nature, having that emergency fund, my husband knows he needs something to kind of ease my mind, he says, "We've got the emergency fund." He always goes back to it to let me know we are covered if something goes wrong.

I feel you just hit on it. You mentioned the word being more creative. I was going to ask you how you think this plays into our businesses. I am guessing you would agree when you have a little bit more ease and security in your money and you know where it's going, you can enjoy when you are spending it.

It probably frees you up to be a lot less stressed and more creative in your business. You would agree, right?

**Rachel:** Absolutely. I think it allows you to take some more calculated risks.

**Amy:** That's good.

**Rachel:** When you have the emergency fund in place you can think, "You know what, we've save up, let's just try this out." If you have no money in place and the idea fails and you have zero money and you have emptied out your bank account it's a very stressful place to be.

I have found that for women, for the most part, money is security. That isn't in a bad, unhealthy way, but there is a sense of security. We actually have an emergency fund for the emergency fund.

**Amy:** I need that.



**Rachel:** We have one and then we have “this” one just in case anything happens. There is a sense of security for women. That’s not a bad thing. I think it is just this place that we rest when we have the security that men don’t have.

I think it’s important when the ease happens that you are able to be creative and take calculated risks. You are able to do so much more when you know your bases are complete and counted for.

**Amy:** That’s so very true. Rachel, this is a perfect place to wrap up. I want to encourage all of you that are listening to get your hands on this new book, **Love Your Life, Not Theirs: Seven Money Habits For Living the Life You Want**. I’ll make sure to link to it in the show notes.

You can get all the details and believe me, this is one book you definitely want to use in your personal life and your business life.

Rachel, thank you so very much for being with us. I know you’ve just made an impact in many people’s lives. It’s going to go on and on. When you talk about money it’s a scary thing. I feel you make it easier so thank you so very much.

**Rachel:** Thanks Amy. Thanks for having me on. I really appreciate it.

**Amy:** There you have it. I hope you found some gems in this interview. Just remember, I’m the first person that will admit that the money conversation is tough.

It’s a whole lot tougher when you don’t have any at the moment or when you’re in debt or are struggling to get your business going. The last thing you even want to do is look at your bank account.

Let’s be honest, these days in my business, looking at my bank account is a whole lot more fun than it was just a few years ago. Again, I want to reiterate what I said at the very beginning, I was so scared of money, I felt so ashamed for being in debt in those first two years of business and was so scared of not being able to make this all work that I just ignored the personal finance conversation.

I had earmuffs on...don’t talk to me about it. Then when my business did start to work and things started to come together I started to pay closer attention to it but I know I would have made smarter decisions back then and would have had less stress if I had just tackled it.



I would have also had less heartache. The whole idea of comparison and trying to keep up with everybody else really does affect your finances. I didn't know that at the time.

I am sure I was trying to keep up with everybody else and was spending ways I shouldn't have. I would have actually gotten out of debt and out of that fear a whole lot sooner in those early years of business if I had just tackled straight on.

Isn't that like everything in business? I think it was the last podcast or the one before that when I told you how I had put off the paperwork with my payroll forever because I was scared of it and didn't want to think about it.

Then I tackled it and it was a whole lot easier than I thought. This is the same thing. I at least hope you will check out Rachel's book to find out what she's all about.

Just start to explore this world because there is a direct correlation, as I mentioned, between your personal finances and the decisions you make in your business, the success you have in your business, and the rapid growth or lack thereof.

I want you to really see that correlation and do something about it.

Again, Rachel's book is **Love Your Life, Not Theirs: Seven Money Habits For Living the Life You Want**. You can go check it out. I definitely recommend you do so. Go to <http://www.amyporterfield.com/121> for the show notes and links to check out everything about Rachel Cruze. I can't wait for you to get your hands on it.

Thanks for being here. I will see you again next week. Bye for now.