

# Are Your Clients Stressed About Money?

By: **Sandi Smith, CPA**



A recent CNN poll found that the biggest stressor for individuals right now is money. I suspect if you polled your clients, you would likely find a similar answer. It's critical to get worries and stress under control before your clients' health is adversely impacted.

The key to managing money-related stress is to take action toward controlling your financial situation. Most accountants are focusing on cost-cutting, but there are many more angles to pursue to increase your wealth and reduce your stress. Here are six tips that QuickBooks ProAdvisors and CFOs for hire can offer their clients to help them feel more in control.

## **1. Diversify Your Sources of Income**

The people who have been most stressed about money are the ones with one primary source of income (one job or one client), or one narrow service offering. Here are a few ways clients can diversify:

- Work in multiple industries, for example, nonprofit, retail, construction, health care, and more.
- Work with all size clients, from startup to enterprise.
- Work with both consumers and businesses.
- Have both passive and earned sources of income.
- Offer more than one service line, for example, consulting, classroom teaching, taxes, technology, tax planning, and payroll.

In other words, spread out the risk.

## **2. Collect and Expand Your Resources**

Taking full advantage of the resources you already have – people, organizations, and things that you have access to – can greatly improve your wealth. For example, check with your regular vendors to see if you are eligible for quantity discounts. If your next-door neighbor is a lawyer who needs accounting services and you need legal services, do a deal instead of paying out-of-pocket.

Cash in your frequent flyer miles, use up your cell phone minutes or downgrade your plan, and check the book you want out of the library instead of buying it. You'll be surprised at how little money you really need when you become creative and resourceful.

## **3. Re-evaluate the Financial Risks You Are Taking and Make Adjustments to Match Your Personal Level of Risk**

Too often, I see individuals and business owners forging ahead with the recommendations of their bankers or investment firms without fully understanding the risks they are taking. If your losses from the last two down cycles have your emotions, your stress level, and your net worth upturned, it may be time to move into more stable and less risky portfolio choices.

Likewise, if your business is debt-heavy, you may want to create a strategy to slow growth while reducing your debt load. The key here is to really understand all scenarios when it comes to risk management and to change your risk strategy to match the scenarios you're willing to accept.

#### **4. Control Your “Wanting”**

If you “need” that shiny new BMW to impress your co-workers, think again. Studies show that in three to six months, you'll be bored with it or it won't be enough and then you'll be “needing” a Mercedes, Jaguar, or Ferrari.

The key here is to understand the difference between what you really “need” to survive and what is a “want” or nice-to-have. The only things you “need” are survival items: air, shelter, food, water, and occasional companionship. Logically, it's simple. Emotionally, it's much, much tougher. It comes down to a couple of things:

- Building your self-esteem so that you don't feel like you “need” the external validation of material possessions.
- Managing and controlling your emotions so that you want and value what you already have in your possession more than the things you don't. Practicing gratitude is one way to get there.

#### **5. Re-do Your Budget, Once a Week if Need Be**

Don't wait until year-end to realize that your budget for the year stopped working in February. Redo your expense levels to match your income so you don't get surprised.

#### **6. “Money Just Flows to Me”**

Any of you who have been around me might have heard me say this money mantra that I believe deeply with all my heart. Examine your deep beliefs about money to see if you might be subconsciously sabotaging your efforts.

The truth is money does just flow to me. Also, I have worked at two to three jobs at once my entire life, beginning at age 13. Money does flow to me because I've worked for it.

Most of our stress and worries about money do not make sense in this land of abundance. We're all quite a bit richer than we think, and stopping to realize that is good for our health and our peace of mind.

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