



How You Can Have a Better Relationship with Money

Dave [00:00:00]:

All right, folks, welcome to Investing for Beginners podcast. Today, Andrew and I are going to talk about something very important. We're going to talk about how you can have a better relationship with money. This is super critical. It's not talked about enough. And Andrew and I thought we would spend a little bit of time talking about it today. So, Andrew, would you like to go ahead and start off our conversation for today?

Andrew [00:00:20]:

I would, yeah. Thank you. So money's tricky, right? It's one of those almost like an unspoken taboo these days. You know, the longer we do this, the more it becomes clear, like, we cannot let money matters be the unspoken taboo. You think about some of the things that society has had to learn, mental health, work life balance, these things that are critically, critically important for a healthy life that we're learning over time and maybe too late, that these things need to be brought to the surface. And your relationship with money, very, very similar. It is when one of those things that's become an unspoken taboo, but it should not be because it bleeds into so many other areas of our life. And if we can improve our relationship with money and the relationship of our friends and family and their relationships with money, it can be such a better place in the same way that having people with more work life balance or better mental health can also make the world a better place.

Dave [00:01:19]:

Yep, exactly. And I blame some of my generation on the, the fact that the relationship with money is broken. My generation was all about gathering wealth, you know, more and more, more, more, more, more, more. And you only have to look back at the eighties movies to see, you know, something like Wall street, you know, Gordon Gecko, you know, greed is great. That was kind of the catchphrase of my generation. And you think about today, the work life balance thing. You know, people my age are the ones managing younger people. I'll use Goldman Sachs as an example.

Dave [00:01:53]:

Goldman Sachs has this mentality that new bankers have to work 100 hours a week because everybody before them, that's what they did. And so that's what's expected. But as we went through the pandemic, it became very evident. Work from home and having a work life balance was starting to gain a lot more traction and become more popular. And it's not just because it's popular or because people are working less. It's actually better for everybody. It's better for the companies. It's better for the employees.

Dave [00:02:21]:

And you, you know, that phrase, you can't take it with you is so apropos when you think about money. You can build up this huge pile of cash, if you will. And if you die tomorrow, where's it go? You don't get to take it with you. So I blame my generation, I'm 57, so I blame my generation on this whole greed gathering wealth thing. And I applaud the younger generation for trying to break that. And so I think today we can talk about how you can have a better relationship with your money, because it's critically important not only to your wellbeing, but also to others around you. And to Andrew's point, think about how much better the world can be if we improve our work life balance or our relationship with money compared to other people, and how impactful that would be on society in general. It would be huge.

Andrew [00:03:13]:

Yeah. And to your point about people aren't talking about this, people aren't teaching it. And so that's something. It's become a passion project of mine and yours, manifesting itself into something we're calling financial birds and bees. We've talked about it before, but really, this idea that the money talks and the ways that we look at money and deal with money, they don't have to be set in stone just because that's the way it's always been. You can take a very strategic and a very effective approach to your money. That doesn't include having to wait four years until the golden days. It doesn't include endless suffering now, doesn't include having to be greed is good kind of person, that you can start to change your life now, find satisfaction and fulfillment now, while you're also setting up your financial future and doing so in a way that you can benefit yourself and the people around you.

Andrew [00:04:12]:

And so to kind of go back to this birds and bees and the unspoken taboo kind of idea, we have potential now like we've never had through podcasting, through the Internet, through ways that people connect, where we can share these types of messages with people who need it. And if you can find that secret sauce for yourself and start to impact your life and start to build wealth while you're still finding fulfillment now, it can be so life changing. And that's the one thing we really want to convey through this episode today and hopefully through financial birds and bees.

Dave [00:04:49]:

Yeah, exactly. So to you, like, how does improving your mental health or your, I guess, your relationship with money, how does that help not only yourself, but others around you? And how does that kind of help to start to break down this idea of money taboos?

Andrew [00:05:06]:

Well, like you said, the old model is broken. And so the old model says, I'm just going to accumulate as much as I can. I'm going to chase after the next shiny thing. I'm going to go for more, more, more. And one day I will find satisfaction. One day I'll be fulfilled, one day I'll be happy. Just because that's the way it's always been done doesn't mean that's the way we need to do it. And so you can improve your relationship with money by taking a completely different mindset and implementing the practices that reflect that mindset.

Andrew [00:05:40]:

And you can start to see progress right away. You can break away the complexity and all the endless terminology that comes with money and finance and investing. You know, we've really tried hard to boil it down to like a few essentials and have these essentials and the rest takes care of itself. And so it really comes down to a mindset and a strategy. And so once you have the correct mindset and the correct strategy, the rest sorts itself out. And it's a completely different way to look at money. And like you said, it's not being talked about enough, but it can really change your life.

Dave [00:06:15]:

So let's talk about the mindset first. So what kind of mindset can help you have a better relationship with money?

Andrew [00:06:24]:

Well, it starts with flipping it on his head. You mentioned having what's your relationship with money? And I hate to break it to you, but it's not about you. It's not about me, right? It's about really, where do you fit in the whole ecosystem of life? And so the mindset shift is instead of thinking about how much can I get, how much more can I get, how can chase after this thing I want and that thing I want, it's about how can I manage what I have right now, and how can I do that to the very best of my ability, and then everything else is outside of your control. But when you start to manage what you have now and you do it well, it's almost like a golden rule that you get more and more and more. But it starts with being able to manage what you

have now. Being able to do that really, really well means not thinking of yourself, but really thinking of, like you said, you can't take it with you when you die. Earth only has limited resources. Yes, we have an economy that continues to expand, but really it comes down to we have limited resources.

Andrew [00:07:28]:

So we all need to manage what we've been given. And if you take that mindset that you're a manager, it's not yours, you're a manager, then you can become way more effective with it.

Dave [00:07:39]:

Yeah, totally. So maybe let's talk about some of the strategies that you can start to implement that could help you manage what you have.

Andrew [00:07:49]:

Well, let me ask you, you were a restaurant manager for a while. If you were given a budget from the higher ups and they said, here's how much you have, how are you going to manage it? I mean, what would be one of the first things you would do?

Dave [00:08:03]:

Well, the first thing I would probably do is I would have to assess what is important to me right now. What do I have to have for the business to run?

Andrew [00:08:12]:

Right, exactly.

Dave [00:08:13]:

You know, the fixed, fixed costs that I have to spend, whether it's food, whether it's employees, and what kind of balance does that have to have? And that would be the obvious for me. Obvious. First thing I would look at.

Andrew [00:08:25]:

Yeah. And really, when we talk about how do you be a good manager, it's the same thing. I mean, people use the b word. I'll use it just once. So you know what I'm talking about. Budgeting, nobody likes that word. But what makes budgeting good and effective is that you know what's coming in and you know how much

you need to spend. To your point, like as a restaurant manager, you need to pay salaries, you need to pay rent, you need to pay electricity, you know, pay for the food.

Andrew [00:08:51]:

In the same token, our personal lives, we have those expenses as well. If you don't have a handle on that, then you're not going to be a good manager if you don't know what the numbers are. So the nitty gritty of like, how could you do a budget a million ways? That's not the emphasis. Don't focus so much on that. Don't focus so much on the, how can you do this a million different ways. Focus on the fact that I need to figure out a way that I'm going to be a good manager. So I know how much is coming in, I know how much is going out, and that's just the core of it. But that needs to be part of being a good manager.

Dave [00:09:23]:

Exactly.

Andrew [00:09:24]:

To have a practical application as a manager. Managing what you have now.

Dave [00:09:30]:

Exactly. And kind of to further that discussion, as a manager of your money, you also have to manage. Okay, these are the things I have to spend on. What are some things I want to spend on, and what are some things that maybe I could help others with? And so these are the things I'd like to do. Like to go back to the restaurant example. It could be a myriad of things like marketing to grow the restaurants, you know, the brand or the awareness. It could be things like employee incentives. You know, I want to have a party for my staff every six months or something.

Dave [00:10:07]:

Some of those kinds of things, you know, maybe not are necessary, but you could argue some of them are necessary, but it falls into, okay, if I don't manage these things well, I can't have this.

Andrew [00:10:18]:

Right.

Dave [00:10:18]:

And it kind of goes along the same thing with trying to help other people, whether it's donating unused food to, you know, a homeless shelter or, you know, like when in the restaurant I worked in, we would always have leftover strawberries sometimes, and they were still good, but we couldn't use them, so then we would give them to homeless shelters. So things like that that help your environment around you, and it also makes you feel good. And so those kinds of things definitely fall into that. So I guess, how would you kind of build that in to, you know, managing your own, you know, your money?

Andrew [00:10:53]:

It's perfect. It really is. I mean, you have the experience that you have that benefit. Right. But you're really looking at it holistically and looking at the whole. The big picture of. Of all of those things. Cause they all contribute to having a great restaurant.

Andrew [00:11:06]:

So with financial birds and bees, that's something that we also put a lot of emphasis in and to talk about. You know, we just touched on the mindset, really, the application of it. Okay, budgeting is a b word. We don't want to get into the weeds on that. But it really comes down this simple. Four buckets. And it start bucket number one is giving, which you just mentioned. So you have a giving bucket, a spending budget, a bucket, a saving bucket, and investing bucket.

Andrew [00:11:36]:

Those are your four buckets. When you do the b word, you are figuring out how much money comes in and then allocating and managing the money that goes out into each of those four buckets. And again, talking about some of the money matters that are unspoken taboos and maybe different from the traditional mindset, we don't look at giving last. We actually put that as the first thing you consider in your b word. And the reason for that is a lot of the reasons that you said, Dave, is if we're not making it about us, right. We're looking at this as I have these resources, what am I going to do with it? I think most people can agree that we want to make positive impact with the resources that we're given, and that starts with giving. And I know it's hard. It's really hard to do and to implement when you feel like, you know, you're struggling.

Andrew [00:12:29]:

You're paycheck to paycheck. You feel underwater on things. Trust me, I've been there. I get it. But if you really want to take the mindset seriously that I'm going to take what I have now and do the best of what I have now as I can, then you put giving as a priority. And it doesn't need to be, you know, Warren Buffett giving away \$5 billion, even something small, can make an impact. And what that starts to change. Not

only does it help the people around you and their lives and random strangers or people that you're close to, it also starts to change you.

Andrew [00:13:04]:

And so if you struggle with, how can I break myself out of it? You know, my relationship with money is so bad because it's me. I'm the one involved. You want to break yourself away from that and start to fix yourself. You start with making the giving a priority and just give it a try and be amazed at how much of the pressure, the anxiety, all of these negative emotions that people think of with money stress, your expectations. A lot of that just starts to fade away when you start to do these things, to be like, you know what, I do have a lot of blessings. I do have a lot of resources compared to other people in the world. I don't know if it's a brain thing. I don't know if there's science behind it, but it really creates the shift that you can't experience, I don't think, unless you try it.

Dave [00:13:56]:

Yeah, I totally agree. And I think the way, you know, as you and I have worked together through the years, one of the things that I admired about you and continue to admire about you is this kind of idea of approaching things from an abundance mindset versus a poverty mindset. And I think when you start to look at the resources that you have and you view it through that lens, it really, really changes your mindset and your viewpoint on how you, how your relationship with money, how you treat it, how it makes you feel. And, and it doesn't just, it goes beyond money. It also goes beyond your attitudes about, you know, other people and the things that they have going on in their lives. And it can really, really make, you know, your environment a much, much better place to be. And it can help with a work life balance. It can help with your mental health, with money, instead of laying in bed stressing about whether you have enough to pay this bill or that bill.

Dave [00:14:57]:

And those things which I know are real problems that a lot of people struggle with. But I think once you start to kind of adapt a different mindset, then it can change how you think about those things and you can sleep at night as opposed to stressing about, do I have enough money to invest and what's my financial future going to look like? And all those different things. It all starts to kind of take care of itself a little bit.

Andrew [00:15:20]:

It does if you allow me, like, one kind of practical example of that, and it probably won't apply to many people, but just bear with me. Try to apply it to your own life. But as an example, like constantly get caught in the rat race. And part of the problem is our desires are never ending because we're human beings. How it

is. So as you start to get the promotion, you get the raises, you get the career advancements, you get bigger and bigger desires. And so if you never cut or prune those desires and that's not a regular practice, then it becomes one of those things that you're like, oh, I'll do that eventually. I'll cut my expenses eventually.

Andrew [00:16:00]:

And then you never get to it. What's nice about giving is that it forces you to cut and make a sacrifice. By taking from the spending bucket and putting in the giving bucket, you're literally sacrificing something you could have splurged on and you're giving it instead. And so, you know, that might mean dealing with a car with an older bluetooth system and not having the latest bluetooth system in the shiniest chrome, right? But when you make that sacrifice, you start to all of a sudden see that, hey, I can free up money in my budget. And then the sacrificing becomes easier and easier and easier. And that's how you manage money better when you're able to make those trade offs and you're able to make those decisions. But if you never cut from the beginning, it's really, really hard to keep your desires in check because they're going to grow forever.

Dave [00:16:48]:

Yes, they are. When I was in the bank, in the banking world, I saw that firsthand people that would make three or \$400,000 a year or just as broke as somebody that made 50,000 a year because they paycheck to paycheck and they had a lifestyle creep. You know, the more that they made, the more they bought, and they were working just as much, if not more, to maintain the lifestyle. And they weren't enjoying the fruits of their labor. And so they didn't have a work life balance. They had a poor relationship with money because they felt like the more they made, the more they had to buy, you know, oh, I got the raise. I got to go buy this boat. I got, you know, another raise.

Dave [00:17:24]:

I need to go buy this second home. Oh, I got this raise. I need to go buy it. But then never. The flip side was, yeah, they had all these toys, but then they couldn't enjoy them because they were working so much to maintain the toys. And so, you know, I read this great snippet from Charlie Munger a few years ago that's really kind of stuck in my head. And one of the things he said was that he recommends that people write down what they want their obituary to be now. So you're 27 years old, right? What do you want people to say about you when you pass? And, you know, do you want people to say, oh, he was a hard worker, and he was super dedicated to working for Microsoft? Probably not.

Dave [00:18:07]:

You know, it's not if that's really what you want. Okay. But I think, you know, most people, you hear stories all the time, you know, people on their deathbed, you know, wishing they had spent more time with their wife or their kids or their friends, that that's more important because, you know, at the end, they realize this is what was really important. And having a better relationship with money now allows you to enjoy those things now, as opposed to waiting until you're 72 years old. And now I want to spend, you know, time with my, you know, my daughter. And it, you know, it becomes a little bit of the cats in a cradle kind of thing. For those of you young that don't understand that, that was a very famous song about, you know, a father ignoring her kid, his son, and his son grows up, and then he ignores his dad when he gets older, when dad wants to spend time. So it's kind of a deja vu kind of thing.

Dave [00:18:54]:

But anyway, anyway, I think approaching money from this idea of having a balance and focusing on giving and then working down the hierarchy, if you will, will lead you to a much better work life balance. And that's really what we all want.

Andrew [00:19:12]:

It really is. And the sad part about everything you just said is when you live your life on cruise control, your money is on cruise control, and nobody's stopped you or you haven't stumbled upon money advice that can change your life and keep you from this. We just naturally all fall into it, and you're not trying to do these things, but then the money becomes its own master, and now you have to do it to maintain what you have right and we just never realized that it's something we could have taken control of sooner. And we all wish we took control sooner, but you'd be surprised. Like, when I think about some of the people who tried to talk money with me and how much they impacted my life.

Dave [00:19:52]:

Mm hmm.

Andrew [00:19:54]:

That's what birds, the whole financial birds and bees is all about, is giving people that talk so they can have a better life.

Dave [00:20:01]:

Right.

Andrew [00:20:02]:

Because if you want cruise control, it's. It's just not going to manifest itself. It really won't.

Dave [00:20:07]:

No, it really won't. And sometimes, just like investing, sometimes a lot of revenue or a lot of money can paper up paper over a lot of faults or mistakes. And I think our society, I can't speak for other countries, but for the United States, we've done ourselves a disservice by not teaching financial education earlier, or at least the basics of it. How many of us, all of us raise our hands, went out into the world, and had no idea how money worked, no idea about credit cards, how to buy a house, how to buy a car, how to manage your money in your checkbook. I know balancing a checkbook is like an old school thing, but just the whole idea of spending less than you make is not something that I think a large proportion of Americans really understand. And because we live so much on credit, which is a deadly, deadly game, it becomes a kind of a, you know, Andrew, I think, put it really well. It becomes this treadmill or this automatic pilot that we just, you know, we pay down our credit cards and then we max it out again. We pay down our credit cards and we max it out again, because we're living beyond our means.

Dave [00:21:15]:

And it just becomes this endless rat race of trying to live beyond what you have, managing what you have, enjoying your life, to trying to always chase these things. And so the. The greed is good is still, unfortunately, driving some of this mentality. And I think if you can start to change that mentality, it can really, really open up your life to a lot more opportunities and a lot better quality of life as you go along. And so it's not just about setting the foundation. It's also about thinking about your financial future. And, you know, those kind of go hand in hand again, not talked about enough.

Andrew [00:21:53]:

Yeah, 100%. And I know it's hard, and I know it sounds like work. We try really hard not to make it that way, but it's also not all pain and sacrifice, and it's not all, you know, like a neglect, either. There's another side to this, which, you know, we talked about the giving, there's the saving and investing, which we have a kickstart bundle for our financial birds and bees, which goes into depth in those two. But the one I get really excited about talking about as well is spending. And this sounds really counterintuitive, but again, you're taking a new mindset, you're rebuilding your relationship with money. And so something magical about, and this is really applicable to me personally because I'm such a spreadsheet person and I like to shame myself when I make bad decisions. So when you have buckets and you have said, okay, I'm going to do, you know, \$200 this month is in my spending bucket, or \$500, whatever the number is, when you have that

number and you have all the buckets allocated, because we're being a good manager, when you have that number and it's set in stone and you already know, guess what? I put everything in place.

Andrew [00:23:05]:

The plan is there. I've done everything I can. Other things might come out of my control, but I've done everything I can. I've been a good manager. Now you have the spending bucket that you can spend and you can spend it absolutely guilt free. You get to enjoy every penny of what you spent. Because when people talk about negative relationships with money, I think guilt and shame can play a huge role, especially if you're in debt. You know that I'm cascading worse and worse in this debt avalanche.

Andrew [00:23:35]:

When you have everything kind of in place and you've planned for it and, and you know that you're providing for your financial future now, you're also able to enjoy the resources you have now and enjoy it without guilt and enjoy it and really enjoy it to the fullest. And so that's one of the sweet honey of this plan. The personal finance kickstart plan is that you really get to improve your mental health, improve your life quality. You might not accumulate a billion dollars and be able to build wealth the old way, but you'll be able to set up your financial future and do it in a way that doesn't need to be intensely complex, where you're googling until your face falls off. It can really be as simple as four buckets and a mindset shift. But if you can do that, and you can, especially the younger you do it, the greater the impact over your life.

Dave [00:24:28]:

Yeah, for sure. When I started to realize that, it made a huge impact on my life and the idea that I could spend the things that I want to spend the way I want to spend them certainly gives you this feeling of financial freedom, like I'm not just a slave to these other things and that I can do some of the things that I want to do. It can also start to realign how you want to spend the money where before maybe you wanted to spend it on buying things. Then it becomes more about maybe having experiences, for example, taking my fiance out for dinner or taking my daughter and her friend to an amusement park and just seeing the, the pure joy that they're both having on the rides as they're going around on the rides and the smiles and how excited they are, you know, that is stuff that you'll remember forever as opposed to buying, you know, the latest video game. I'm saying I'm not trying to bash video games, but I'm just trying to, you know, it kind of illustrate, you know, you may buy something and you're super excited about it. You play for six months and then you move on to the next thing. And it doesn't bring you the continual amount of joy where thinking about your daughter's smile on an amusement ride, you know, roller coaster or something that you're too chicken to go on, that, you know, really kind of drives, you know, the relationship you have with money,

because you're going to remember that experience and that's going to encourage you to keep doing more and more things like that. A little side note story.

Dave [00:25:54]:

I've been to a few conferences and I met this really great guy. His name is Barrett, and he runs a financial podcast. I'm going to blank on a name on it for a moment, but one of the things that he and his daughter do together is the ways that he chooses to use their money is they try to find all the best roller coasters in the world, and then they spend money on trips to go on those roller coasters specifically. So they've been to London, they've been to Saudi Arabia, they've been around the world together, just the two of them, and that's something that they share together, and it's a very special bond for them. And so that, I think is money well, well spent versus, you know, stressing about whether you should go buy your Starbucks coffee or not.

Andrew [00:26:34]:

Yeah. And I think you're really hitting on something that's critical to the buckets is it puts the power in the decision making in your hands rather than the rest of society's hands, like you said, like when you become trapped in money traps and you have a negative relationship with money and you're giving out your money and there's nothing left for you. But if you're allocating like a manager from the beginning, you can take those buckets and you decide how you want those buckets to look like. You decide your personal what gives you satisfaction, what gives you fulfillment and, you know, give it a shot. Really?

Dave [00:27:11]:

Yep. I agree. All right. So we've talked about a lot of great ideas, and we've kind of set up this idea of how to better, become a better manager of what you have and have a better relationship with money. How would you recommend somebody do that?

Andrew [00:27:26]:

Well, that's what we've slaved over, trying to figure out, making it the simplest that we can, because finance and money is complex, but make it as simple as possible and then walk alongside you along the journey. So I mentioned the personal finance kickstart program. So think of it like a roadmap to financial freedom, your roadmap to financial freedom. And it's really structured as the missing talk on finance you've never had. So when you can understand your financial future doesn't have to be a question mark. What that allows you to do is you start to invest in yourself, you take the leap, and then you launch your future. And so what that looks like is a two week program again, walks you through the content that we have, the breakdown of the mindset. We talked about the four buckets, and then as a part of it, you get personalized.

Andrew [00:28:22]:

Q and a with Dave and I. We know that as much as we like to think its going to be smooth sailing, theres going to be those questions that come up, maybe things that just dont make sense or maybe you feel like doesnt apply to you. And thats where you can leverage Dave and I. And along that two step program, it gives you like, you're not going to get the whole thing all at once. Like you can if you want, you can take, pick the fire hose if you want it. But it really breaks down some of the different things and kind of, you know, some, what are the things in the investing bucket? I need to know? How can I take advantage of tax benefits and all of those things? What are some of the savings things? Right. All of those things are broken out over two weeks. And you go through the program, you can have access to Dave and I if you'd like.

Andrew [00:29:06]:

And it's really just trying to get you to have that different application with your money that hopefully you'll go and make a positive impact for yourself in the world.

Dave [00:29:17]:

Yep, I agree.

Andrew [00:29:18]:

So if that's something you're interested in, you want to take the leap, go to financialbirdsbees.com. it's \$99, but I promise you, it's good education. It's money well spent. It's not cobbled information from the Internet that you get from a chatbot well thought out things that we know are going to make an impact in your life. So that's why it's \$99. And, you know, maybe you are an all star. Maybe you've got it all figured out already and you're cruising on your financial freedom and you've got your buckets and everything. You're all set.

Andrew [00:29:49]:

Well, maybe there's someone in your life that you would love to see, you know, make progress with their finances or learn about finance, but in a way that's not intimidating or overwhelming. Tell them about financial burns bees or send them a link to this episode. And hopefully we can start to see more and more people have a better relationship with money. And really if, obviously we're an investing podcast, but to have money to invest, it starts with your money first and your relationship with money and getting that in order. And so you do that and then now the opportunity can really open up for you financially.

Dave [00:30:23]:

Amen. Amen. So I think with that, everyone, we'll go ahead and wrap up our show for today. Thank you, Andrew, for talking through with me about this very important subject and how you can have a better relationship with money and finding a better work life balance. And all those ideas are critically important to everybody. And if you're somebody that, like you said, andrea, they got there an all star, share this with other people that you think could be helpful because we didn't try to come at it from a preaching kind of way. We tried to come at it from a practical way. And I think it could be really helpful for other people.

Dave [00:30:55]:

So please share it with somebody you love that you think would find some benefit from that. So with that, we'll go ahead and sign off, go out there and invest with a margin of safety. Emphasis on the safety. Have a great week, and we'll talk to you all next week. Bye.

We hope you enjoyed this content. Seven steps to understanding the stock market shows you precisely how to break down the numbers in an engaging and readable way with real-life examples. Get access today@stockmarketpdf.com until next time have a prosperous day. The information contained just for general information and educational purposes. Only it is not intended as a substitute for legal, commercial, and or financial advice from a licensed professional review, our full disclaimer@einvestingforbeginners.com.