

## 052 - Chris Hogan - Everyday Millionaires - Transcript

**Tim Mullooly:** Welcome back to Living With Money. This is Tim Mullooly. On today's episode, I am joined by Chris Hogan. Chris is a Financial Coach, number one national best-selling author, host of the Chris Hogan Show, and author of the new book, *Everyday Millionaires: How Ordinary People Built Extraordinary Wealth and How You Can Too*. Chris, thanks for coming on the podcast.

**Chris Hogan:** Well, thank you. It's a pleasure to be with you.

**Tim Mullooly:** Before we dive into the book, could you just briefly give a background about yourself to the listeners and how you got started in your career? What got you to where you are today?

**Chris Hogan:** Sure, sure. Well, right out of college, I went on to grad school and was a full-time coach there while pursuing my master's degree. Once completing grad school, I went into the banking industry and worked there and moved up the ranks in dealing with money and helping people. Then, I had an opportunity about 12 years in to really get connected with Dave Ramsey's message and what he was doing and had an opportunity to join the team coming in, working with pro athletes, entertainers, and musicians. Then, later, really working with all people trying to help guide them with money. For me, it was the passion for people and really the desire to understand how money works, how do you get it to work for you, were the two driving forces.

The thing that's gotten me to where I am today I would have to say obviously is family, my zeal for learning and building knowledge, but also great people. By great people, I'm talking about the mentors that I've had in my life, the great team members that I've been around, so this is the new book and my other book, *Retire Inspired*, those are the result of team efforts in trying to help people.

**Tim Mullooly:** That's awesome. You said this is your second book, so why did you feel the need to sit down and write this new book, *Everyday Millionaires*?

**Chris Hogan:** Well, looking at just the reality of where things are now in the media reports and just the messages that seem to me to be overwhelmingly negative or pessimistic about what people are able to do, and I'm a coach at heart, so I know my performance in the classroom was a result of teachers being good coaches. The results that I had on the athletic field were the results of athletic coaches guiding me, so what I wanted to do is to really find out the truth. Is the American Dream alive? Is it still available to anyone or is it only available to a certain few? I started digging in and asking some people some questions and it really grew into this massive project that has become this book.

**Tim Mullooly:** Looking at the book, it seems to kind of, so to speak, pull the lampshade of the head of the reader in terms of making them realize that millionaire status is a realistic goal for them. For someone who's just in the very beginning of their earning career, what would you say would be the first and second step they should take in terms of setting themselves on the right track towards getting towards millionaire status?

**Chris Hogan:** Well, I think the first thing, as I look at this, Tim, what I've realized in doing this project is that this really, reaching millionaire status or beyond that, really boils down to our habits, our beliefs, and knowledge. What I would tell this person that's starting out is to, number one, believe that this is something that you can achieve. Regardless of where you come from, regardless of where you went to school, that the ability to be able to handle money and to grow it is rooted in A, believing you can, the second step is the knowledge. It's really learning it.

I'm amazed that in dealing with money, this is something we all have to deal with, but we're not really taught. We're not really shown the things to do and the things to avoid. Oftentimes, we're left to find out the things not to do from the school of hard knocks. That is, making those mistakes and learning from it, but I think that if we can understand and believe that we can, grow in our knowledge and then, the third one is our habits. What I'm talking about there are the steps that you take with money. Budgeting, understanding the importance of getting yourself out of debt, learning how to save and investing, so a person starting out, if you can really dive in and grasp those three things, the beliefs, the knowledge, and your habits, it puts you on a track to be able to do more of the things you want to do, when you want to do them.

**Tim Mullooly:** Right, just having all of those three things at your disposable being at such a young age, it makes that compounding all of those three things on top of one another, that much easier to get you to where you want to go.

**Chris Hogan:** Yeah. Oh, Tim, you're absolutely right. I mean, I tell people. I wish someone would have told me. I started investing in a 403(b) at age 21, but I really wish someone would have explained to me that the way you grow money is time and compound interest. Putting money in and leaving it alone and giving it an opportunity to grow with compound interest, and then I wish someone would have told me this, that interest, there's two faces of interest. There's interest that you want and then there's interest you don't want. For example, the interest you don't want is paying with debt. Whenever you use someone else's money, they charge you interest. It's a penalty for using their money, but when you gain interest, when you grow your money in your 401K, your 403B, or your Roth IRAs, that's you earning interest, that's you being rewarded. I want people to understand the difference of the penalty versus reward as it relates to interest.

**Tim Mullooly:** Yeah, I totally agree. Compound interest works both ways, both positively and negatively. Getting back to what you were saying about we're not really taught this, we're kind of left to our own devices to go out and learn these things, so hopefully, by picking up a copy of your book and reading other things and listening to shows like this and your show, hopefully people can, at a young age, take advantage of that time and learn the knowledge that they need to succeed.

**Chris Hogan:** Well, I think it is important. I think the learning is critical. I think that's a mindset that we have to have throughout our lives. I don't ever want to stop learning, but I think one of the things that we can do as parents is to talk with our kids about money at a young age. I have three sons, so they understand and have been taught about giving, saving, and spending. Having that conversation early helps young kids begin to understand it and to learn. Not saying that you can talk with them about it once or twice at age eight or nine and that they have it, but it's an

ongoing conversation that it is ... It's like love, you're either getting better or you're getting worse with how you deal with money.

What we want to do is to make sure we're getting better. Don't hesitate to ask a question. If any of your listeners out there have a question about money, ask someone. Go find the answer. It's a valid question and anything you can learn from can benefit you.

**Tim Mullooly:** Absolutely. I totally agree. Something that you touched on a little earlier was about how the financial media seems to be growing more pessimistic nowadays. For you, why did you choose to start the book with the introduction titled, *The American Dream is Alive and Available*?

**Chris Hogan:** Yeah. I wanted people to understand the positive message. Yeah, there are a lot of pessimistic things out there. There are a lot of negative things out there. I wanted to start off telling people the truth. I wanted people to see it and understand that yes you can. We all have different starting point. We all have different advantages or different challenges in our lives in how we were raised or how we've grown up, but the reality is, is that today we have an opportunity to make a decision. We can decide to get better by growing in our beliefs, our actions, and our knowledge, or we can decide to stay the same. I want people to know that the choice is ultimately with you as an individual. We can't have a victim mindset, we can't look to blame someone else or talk about what you didn't have. I would much rather people focus on what you have and what you have is an opportunity to make a decision to do something that maybe no one else in your family has ever done, to be able to grow in your skills, to be able to handle money than you ever have before, that to me is positive traction.

**Tim Mullooly:** I think, with the state of the internet today, there's so much negative press and media out there, but I also think that there is positive messages out there. You just need to go out and find them, so maybe tuning in to a different show or changing the channel and going out and actually looking for those positive messages can have a great impact on your mindset. Would you agree?

**Chris Hogan:** Oh, I would wholeheartedly agree with you. Throughout my athletic career, I had some amazing coaches that really gave me exposure to positive thinking. They gave me exposure to Robert Schuller, Zig Ziegler, and really, I think it's very important that we understand and really start to be careful about what we tell ourselves. I think we can tell ourselves some limiting things. We can tell ourselves some stuff where we get defeated before we even get to the starting line. That's just with us inside ourselves and nobody knows what we're telling ourselves. I think we also need to be aware of our environment. That's the people that you're around, the places that you go. If there's too many negatives flowing constantly, you have to be careful. Mama Hogan told me years ago, she goes, "Be careful what you're around because you can catch a negative attitude like you can catch a cold."

**Tim Mullooly:** Right.

**Chris Hogan:** I love that, so it made me be aware. I'm not saying you can't be friends with someone that is going through a tough time. I'm not talking about that because we all go through

challenges. I'm talking about just the negative, that constant where nothing is good and nothing is right. You have to be really, really careful because what you'll do is start to look and find something that's wrong instead of searching for what's right.

**Tim Mullooly:** Yeah, absolutely. In this book, you have surveyed over 10,000 US millionaires. I know the results and the information in the book will surprise a lot of the readers, but did it surprise you as you were going through the process and if so, what were a few things that you didn't expect to find from the survey that you actually did end up finding?

**Chris Hogan:** Well, you're absolutely right. I mean, first and foremost, we conducted the largest study of net-worth millionaires that's ever been done. We surveyed over 10,000 of them and what we found were some major inconsistencies about what people think millionaires are versus what they truly are. For me, there were several things that really were eye-opening to me. One of the biggest ones is that people tend to think, and I think I did, too at a younger age, that wealthy people inherited all their money. Right?

**Tim Mullooly:** Right.

**Chris Hogan:** Someone handed it to them. Here's the reality, based on our research. Only 21% of millionaires received any inheritance at all. Okay? Only 21%. 16% inherited a hundred thousand or more, so the reality is, the truth is the vast majority of millionaires didn't get any inheritance at all or certainly didn't inherit enough to cause them to be a millionaire. Now, this is profound because obviously a lot of people have come from families where money may have been tight, things may have been challenging and they're not expecting or thinking that they're going to get any inheritance at all. Well, the correlation between these two things are this. If you think the only way that you can become wealthy is through an inheritance and your situation with your family doesn't look like you're going to get anything, the byproduct of those two things coming together means that you think you can't be wealthy. It's important for us to know the truth and to understand this, so we understand it's not about what someone hands to me, it's what I build for myself over time.

**Tim Mullooly:** Right. To just know that hard work can pay off and that if you put in the right steps and building blocks, you can actually achieve a status that you didn't think was possible in the beginning.

**Chris Hogan:** Oh, yeah. I mean, here's the other reality. 96% of the millionaires that we surveyed believe that they control their own destiny. It boils down to that mindset of having personal responsibility as the thing that they're looking at and they're focused on. They're controlling their action, so it's not about what others do, it's that they're focusing on what they're doing day in and day out from a consistent standpoint.

**Tim Mullooly:** I totally agree. The one myth in the book that stuck out to me the most was that millionaires didn't earn their money, like you're saying, and that they don't deserve it. I feel like, like you're saying, that's a negative mindset to have. Why do you think ...? Do you think it has to do with the media, like we were talking, the narratives that get pushed out there, but why do you

think so many people have that mentality about millionaires that they don't deserve the money that they have or maybe that they didn't work hard for it?

**Chris Hogan:** Right. Well, I think it's easier to poke holes and to look and to try to bring down or pull down someone else based on where we are and what we think is possible for ourselves. For example, I think there's a big difference between us being able to see someone that's having success and being able to appreciate it. It's never a negative, especially if you look at someone sport team. Right? They're favorite sport team, if there's somebody on there that they cheer for or root for, they don't have a problem that that person is making a very good living doing a sport, but it's interesting to see that we might not feel that same way about a neighbor who has worked really, really hard for 20 to 25 to 30 years and they have something nice. It's almost this difference between ... it's like we can't appreciate it. Society as a whole, not everyone, but it's almost like we can't appreciate it. We have to drag it down or pull it down to try to make ourselves feel better. I think that's an internal discussion that people need to have, to be aware of that and go, yeah, I don't know what that person sacrificed, I don't know what they did, but to think that someone doesn't deserve it really is more of an indicator about what we feel and think about ourselves as opposed to that other person.

**Tim Mullooly:** Right, yeah. It's kind of puzzling to think that people can't just be happy for their neighbors or be happy for whether it's a family member or someone, a friend that they know, just because they might not be in the same situation, when in reality, their two situations are not comparable. It's apples and oranges. Right?

**Chris Hogan:** Yeah, it really is. Here's the other side of it, too. That whole comparison mindset, my friend, Rachel Cruze, wrote in her book, *Love Your Life, Not Theirs*, about this mindset and this whole contentment thing where we try to compare ourselves to others and when you don't know the full story, that's a difficult, unfair thing to try to do. What I want people to do is to really not compare, but to measure their effort, their desire, and their willingness to sacrifice to get some things that they want. It's not that anybody's withholding anything for us. That's a scarcity mentality and I talk about that in the book where people believe, some people believe, that there's only enough for certain people. When you think about this, we live in the greatest country on the planet where opportunity is at our fingertips. There are more businesses being developed in garages and in coffee shops right now than ever before. What we have to do is to really make a decision about what we want, and more importantly, what is it going to take to get us there?

**Tim Mullooly:** Right, exactly. That kind of leads me into my next question about one of the chapters in the book talks about intentionality. How important would you say it is for someone to take an active, intentional role in their financial lives and do you think anybody can really achieve or sustain millionaire status without intentionality?

**Chris Hogan:** Well, I think intentionality is huge. It goes back to that whole mindset of 96% of millionaires believe they control their own destiny.

**Tim Mullooly:** Right.

**Chris Hogan:** Being intentional means that you have targets, you have things, you have goals that you're aiming for, things that you're doing day in and day out consistently. I think we all have the ability to be consistent. We all have that internal choice, that decision that we can make. No, I don't think someone can get to millionaire status without being intentional. I don't think anyone can stay at millionaire status without being intentional. What that means is, is I'm not ... I call it in the book, it's the difference between deciding versus sliding. When you decide something, that means you're actively participating in your results. You're actively setting a target. When you're sliding, you're allowing life just to happen and you're going along for the ride.

Well, there's a big difference there, so I want people to happen to their day, not allow their day to happen to them. That means setting some goals, being intentional, learning how to budget, learning how to attack debt because when I get out of debt, I get to keep more of my own money. Learning how to save. Having that emergency fund is crucial because life can happen. Then, most importantly, investing. It's so important to invest to be able to grow your money. If you start to get intentional in those four things, you'll find out that building wealth happens over time of you consistently being intentional.

**Tim Mullooly:** I don't think, you know, going back to being able to sustain millionaire status, even the small percentage, like you were saying, of people who inherit money, you could end up inheriting a good amount of money, but if you're not intentional with how you take care of that money, it might be very difficult to sustain that over time. You could burn through the money pretty quickly. Right?

**Chris Hogan:** Oh, you really could. I mean, we see this all the time with lottery winners. Odds show and statistics show that within two to three years after winning substantial amounts of money, \$10 million or more, a high percentage of them are broke again. It's not just the getting it. We've got to learn how to keep it and manage it. We've got to learn how to grow it. What I think the process is, is wherever your listeners are right now, beginning to move themselves down that path of learning how to handle money ... I had this mindset that I would get serious about managing money when I made more. Right? Of course, your income will grow and it grows.

The problem is, is that you need to learn to control and manage what you have now, so if you're not good at managing \$40,000, I don't know why people think they would be good at managing \$58,000 or \$60,000 or \$80,000. This mindset of start where you are, start exactly where you are and learn these skills and as income grows, what else? You can also grow your progress because you know how to manage it, you flex that muscle, and now you know what steps to take.

**Tim Mullooly:** Is that what you would say to someone who might not be in a high-paying field for their career and they might think I might not be able to achieve millionaire status because I don't bring in hundreds of thousands of dollars every year, it's just being able to learn to manage what they actually are bringing in?

**Chris Hogan:** Oh, I think it's absolutely imperative that they start managing where they are. It's funny you say that because this was another myth that we busted. It was most people think

wealthy people have high-paying jobs. The reality is, is that a third of millionaires never had a six-figure household income in a working year, so it's not about high-paying jobs. The average millionaire is a regular man or woman that's working a regular job, so they're consistent with where they are.

Yes, start with the \$30,000 or \$40,000 or wherever you are, managing that effectively, and what will happen is, is now as your income grows, you actually can feel the progress.

One of the millionaires that stands out to me in the book, I mean, they never made more than \$65,000 in a year, but they have a net-worth of over a million dollars. How's that possible? It goes back to the beliefs, the habits, right, and the actions. That kind of mindset, it changes the game. It lets people know, which is the goal of this book, that it is available to you, you do have an opportunity to do more of what you love, you do have an opportunity to be able to impact your community by giving of your time, your talents, as well as your money, but we have to put ourselves in a position to win.

**Tim Mullooly:** Absolutely. One of the quotes that I saw in the book that kind of stuck out to me was at one of the end of the chapters, a millionaire by the name of Stu said, "Belief is key. If you believe you can do it, you eventually will. If you believe you can't, then you definitely won't." I think that that last part is so big.

We've talked about it a handful already in this episode, but do you think that even just that one change in mindset is enough for some people to just be able to take that next step and start working their way towards millionaire status?

**Chris Hogan:** Oh, I believe so. I think belief is big. We all have baggage, we all have things from family and friends that we grew up with, but when you really analyze internally about what you think you can accomplish, do you believe that it's something that you can do? I think if you talk to anyone that's had any measure of success, that belief is absolutely the critical first part is believing that it's possible, and the next, believing that you can, but don't hear me wrong.

Belief in itself is not enough. We have to start with belief, then move to those habits that we have and actions that we take, and then the knowledge that we grow. I think the beliefs, the actions, and knowledge all work together to help someone achieve something that they want to achieve.

**Tim Mullooly:** If belief is that first step and there is over 10,000 millionaires surveyed in this book, were there any, in terms of the next step, you know, those habits that were formed, were there any common habits, if you could narrow it down to maybe one or two traits or actions that these millionaires took in a large portion of the cases that were surveyed?

**Chris Hogan:** Oh, yeah. I mean, it's the three common things you, anyone that's heard me speak, they hear me talk about. It was budgeting, getting themselves out of debt, and saving and investing. Those traits were all the way through because doing that consistently over time, getting out of debt and staying out of debt frees up your income. Well, now that you've freed up your income, now you can start to grow that money over time. I don't want people to have a mindset of getting rich quick. Those infomercials that are on late-night TV, they drive me crazy.

**Tim Mullooly:** Right.

**Chris Hogan:** What they're doing is selling this magic elixir, the snake oil, this easy button.

**Tim Mullooly:** A quick fix.

**Chris Hogan:** Yeah. That's not what happens. People don't get rich quick, they get broke quick. Right? Building wealth is something that happens over time. It's a crock pot method where you're doing things consistently, adding the right ingredients, and staying focused. That's another big thing I want to caution people about is be careful of distractions. There's always commercials out there that are trying to make you feel bad about what you have or what you don't have. I want us to get our worth inside of ourselves. Not feeling like a commercial can make us feel bad, I can appreciate that there's a new vehicle coming out or a new line of car every year. Me appreciating it doesn't mean that I need to have it or that I need to feel bad that I don't.

**Tim Mullooly:** Right, exactly. Would you say that's kind of the same mindset in terms of investing. You can watch the market go up and down every day and appreciate what happens in the fluctuations of the market, but just knowing that you don't need to go necessarily make changes?

**Chris Hogan:** Well, it's important. Investing, again, if we're talking about people not really understanding how money works, you start to dive in and talk about the stock market and that's money on a whole another level.

**Tim Mullooly:** Right.

**Chris Hogan:** I tell people, listen, the stock market is simply like the supermarket. Right? In the supermarket, you've got things that you can buy for you that are good for you, you've got things that are not so good for you. Well, the stock market's the same way. The stock market has things that you can invest in that are not good for you, that are risky. There are things that are good for you in the long term. Understanding those things, understanding yourself and your own risk tolerance, how you're wired, that's so important to really start to begin to develop that investing plan that you have for yourself, so it's really important that you get an investment professional in your corner. Somebody that can walk through and guide you in the process.

We had nearly 70% of the millionaires that I talk to, all of them used an investment professional. They were having someone guide them and to be really be able to talk with them about where they are and the structure that they were using to invest.

**Tim Mullooly:** I love that supermarket analogy. That's a really great way to put it and to think about it. You mentioned, and we said, that this is your second book. Do you want to talk just briefly about your previous book, *Retire Inspired*, and how readers might be able to use the message of both books to really maximize their financial lives?

**Chris Hogan:** Sure. Well, *Retire Inspired* really was born out of my desire to help people wake up about their financial future. I was talking and as a coach, sitting with people. Having coached

thousands of people with their own situation, helping them with the budget, helping them with investing, and walking them through, but so many people had this belief that social security was going to be enough for them to live their dreams. I was hearing it so much that it actually started to bother me. I needed people to know the truth. I needed them to understand that you don't have to work 35 to 45 years and end up with nothing. I wanted them to have something, I wanted them to do the things that they're passionate about, whether it's travel or mission trips or starting a business. That's where that came from. I wanted people to know that retirement wasn't an age, it was a financial number because a lot of people were telling me, "Well, when I get to 65, everything will be fine." I'm thinking, "If you don't save and invest and have some money, you won't have any to spend when you get to retirement."

**Tim Mullooly:** Right.

**Chris Hogan:** It was my desire to coach people to help them start to look and think about retirement different. If you look at these two books together, where I'm helping people think about their future and what is it that they want to do and the plan that they're going, and now with *Everyday Millionaires*, talking about how you can build wealth consistently over time, what I'm doing is trying to empower people to make a decision. I don't want people to get to later stages in life and look back and wish they would have done some things. I tell people, "If you've got breath in your lungs, you've got an opportunity to make some improvements, to make some changes, to start to go in the direction you want to be."

**Tim Mullooly:** Exactly. Using these two books together can really, really help make a change in people's lives. Chris, I've got one more question for you before I let you go. Either personally or professionally, what has been one piece of advice that you've received that's always just stuck with you?

**Chris Hogan:** Oh, I like that question. I would have to go back, with one piece of advice that's always stuck with me, I'd have to go back to my grandmother. I'll never forget, it was the second semester of my senior year and I had some options on the table of what to do next and how I was going to move forward in life. I'll never forget her strolling in and talking to me a little bit about all three of the options. At the end of us talking for about 30 to 45 minutes, she looked at me and she goes, "Honey, it's easy." She goes, "You need to grab the opportunity and avoid the chances." Those words rang in my ear and I was thinking, "Grab the opportunity, avoid the chances," meaning an opportunity leads you somewhere. A chance is 50/50, it's like a coin toss. There're times it will land on heads, there're times it will land on tails, but an opportunity guides you, it moves you in a direction. That really helped me to formulate my decision-making process. As I'm looking at things and choosing between a couple of options or a few options, I want to make the decision that moves me in the path of an opportunity. That opportunity is a way for me to not only impact my own future, but to be able to impact the future of others.

For your listeners out there, I would encourage them, as you look to make a decision, as you start to think about what do you want for your financial future, what do you want for your kids or your great-great-grandkids one day long after you're gone? I think what we want is to give our families and our great-grandkids down the road more opportunities. Well, that means what we need to do is grab the opportunities right now and we all have the ability to grow in our

knowledge, we all have the opportunity to grow in our beliefs, and we all have the opportunity to take actions that lead us to where we want to go.

**Tim Mullooly:** Chris, I think that that's a great place to stop. Thank you so much for coming on the podcast and talking today. I really appreciate you taking the time.

**Chris Hogan:** Absolutely, Tim. It was a pleasure to be with you.

**Tim Mullooly:** For the listeners out there, I will link in the show notes to where you can find and pick up a copy of Chris' new book, *Everyday Millionaires*. We'll also link to his previous book that we talked about, *Retire Inspired*, where you can talk out the Chris Hogan Show, and follow him on social media and everything as well. Thank you for listening to this episode of *Living With Money* and we will see you on the next one.