Jonathan Clements - From Here to Financial Happiness - Transcript

Tim Mullooly: Welcome back to living with money, this is Tim Mullooly. On today's episode I am joined by Jonathan Clements, Jonathan is currently the founder and editor of the HumbleDollar.com website, talks about personal finance and other finance topics. We're going to talk about Jonathan's upcoming book, From Here to Financial Happiness. That is coming out September fifth of this year, so keep an eye out for that.

Besides the book we're going to talk about some other things that happened over the span of Jonathan's long career. There was a lot to choose from, I honestly had some trouble whittling it down to fit into this episode. So, who knows, we might have to have Jonathan back on another episode to finish talking about all there is to talk about with him.

So, with that, Jonathan, thank you for coming on the podcast, I really appreciate it.

Jonathan C.: Hey Tim, I really appreciate you having me on The Living With Money podcast, and it's great to be on the show.

Tim Mullooly: For the listeners out there, can you give a brief background on yourself, you know, how you got started in your career, and the different paths you took to get you to where you are today?

Jonathan C.: I like to tell people that I spend 33 years writing and thinking about money. For 27 of those 33 years I've been an ink-stained wretch, writing for Forbes Magazine, I spent 20 years at the Wall Street Journal, I've worked for a variety of other publications. And today I make a living by running the website that you mentioned, HumbleDollar.com, and putting out books.

The other six years of my 33 years I have been what my friends in the journalism business called on the dark side, and that means I was director of financial education of the US wealth management business of Citigroup. During that time I did a lot of writing for Citigroup. I did a lot of public speaking.
And really it was a chance to see how Wall Street worked from the inside. In many ways I feel like I have a unique perspective on the world of money, and on Wall Street, because I have worked both side of the street.

Tim Mullooly: Yeah, that's interesting. You know, you wanted to, after spending so much time writing about Wall Street, and finance, and how it works, you wanted to get a look from the inside out and kind of change your perspective. Did that radically change any beliefs or anything you had about how Wall Street and the finance industry worked while you were working for Citigroup?

Jonathan C.: Well, I think one of the things that it hammered home for me was the reality of dealing with clients day to day. It's very easy, you know, sitting in front of your laptop computer, to visualize completely rational investors making sensible decisions all the time.

The real world is substantially messier. We all know people tend to overspend, they tend to get unnerved when the market goes down, they tend to get overexcited when markets go up.

And all of those things are behaviors that good financial advisors have to manage. I would argue that the really difficult part of managing money is not knowing what to do, I think, managing money is really pretty straightforward, the really tough part is getting yourself to do it. And a lot of people, of course, can't get themselves to do it, and that's why there are so many financial advisors out there, some good, some not so good.

Tim Mullooly: Sometimes we tell clients here we manage people as opposed to managing their money, because like you're saying, the basics of managing money is pretty simple, if people could do it on their own they would. But as you're saying, the behavioral aspect is one of the bigger parts of dealing with clients.
A lot gets made, in today's society, about the struggles that millennials face with their finances. For someone who's been covering personal finance for decades, how have the problems with personal finance changed over the years, and are millennials unique in these struggles that they're having?

Jonathan C.: Well, I think when you think about millennials, and we should define who we're talking about, because these sort of generational cohorts are subject to interpretation. I think of millennials as those born between 1981 and the end of the 20th century. So, people today who are anywhere from 37 to 18 is what I think of as millennials.

They have had perhaps two great misfortunes. I mean, one is that they had parents who were not very smart about their money. So, parents have not provided kids with as much financial help when it comes to college costs as previous generations have done.

Partly this is because of a failure of people in my generation, that we haven't been as sensible about managing money, so we haven't been able to help our kids as much as we should have. But partly, also, it reflects escalating costs of college. For most families it's just incomprehensible that they can cover that full cost, you know, out of the family budget.

So, the kids have ended up with a great deal of debt, and that's not just an opinion, the numbers prove it out. You know, over the past 10 years, while overall household debt in the US has gone pretty much nowhere, the amount of student loans outstanding has more than doubled. Yes, the millennials really do have major financial issues from the very first day they enter the workforce.

But that brings me to the other major headache faced by millennials, and it may not seem like a headache, but the headache is that they grew up in an affluent society. And the problem with growing up in an affluent society is it tends to mute your financial drive.

And one of the things I see among my kids' friends, among their generational cohort, people who are in their 20s and early 30s, is that they are not driven financially, that they are not as careful as they should be. They are inclined to stick it out at home and enjoy the free rent, they're not as driven in their careers.
And, so, as a consequence they're suffering financially because of those attitudes. I think it's

incredibly difficult to raise kids in affluent households and still have them have some sort of financial ambition, and I think that's an issue that we're going to be talking about more and more in the years ahead.

Tim Mullooly: Like you're saying, you could teach these principles to younger kids, but if they come home to, you know, an affluent lifestyle, it's hard for them to put those principles into practice.

Jonathan C.: Yeah, every 20 something should suffer the experience that I suffered, and everybody else I know of my age, which is you enter the workforce, you're in your 20s, you're making almost no money, you're living in an apartment that you share with a few mice and a bunch of cockroaches, and you have to figure out how to pay the bills. And that's what growing up financially was about for my generation, and it's not the case for the current generation.

Now, I mean, in truth, you know, I don't think anybody should have to live in an apartment with mice and cockroaches, but you get the point. The point is, best way to learn about money is to be forced to live within your means. For kids of ... My kids and their generation, that hasn't been the case to nearly the degree that it should have been.

Tim Mullooly: Right, yeah, I definitely agree, the best way to learn is by doing for a lot of people, and I fall into the millennial generation. A lot of people in my generation have yet to have to do some of these things.

Jonathan C.: And let me just mention one additional point, Tim, which I think is important. As an affluent society, I don't necessarily think that kids have to have burning financial ambition. They don't need to be desperate to make money.

I mean, if you have money, there's no point in accumulating more just for the sake of accumulating more. I mean, if you do have money from your parents, you know, maybe your financial ambition is going to be somewhat less, and that's not a terrible thing.

But what is terrible is not having any sort of ambition, drifting through society, you know, not having any sense of purpose, that is a terrible thing. I mean, there is great satisfaction to be had at working hard at something you care about. And one of the things that frightens me is the number of my friends ... my children's peers who don't seem to have any sort of ambition, who don't seem to want to do anything with their lives.

And that's terrible, because it's a great feeling to come to the end of the day and think, wow, I worked really hard, I got a bunch of important stuff done, and I feel good about that, even if it didn't make me a whole bunch of money. I just think doing fulfilling work is really important.

Tim Mullooly: Yeah, it instills a sense of pride and makes you want to do more of what you do. So, getting to your upcoming book, it's called From Here to Financial Happiness, it comes out in September. It talks about enriching your life in just 77 days, and I read on your website that you said the world doesn't need another book explaining investing, home buying, estate planning, different financial topics. So, I want to ask, if the world doesn't need another one of those books, what exactly is this book, and what can readers expect to gain from it?

Jonathan C.: Well, this really goes to the conversation that we've had so far, which is the real issue is not figuring out what to do with your money, the real issue is getting yourself to do it, and that is something that you can hire a good financial advisor to help you with, but even if you do that, you need to figure out a lot of things for yourself.

And what is clear to me, from observing my own life, and observing the life of people around me, is that we're really, really bad at figuring out what we want. You know, this is not just anecdotal evidence, the research proves this out. If you're going to get the most from your money, one of the first steps is to figure out what it is you hope to achieve.

And we all do have financial ambitions, or ambitions that involve money, but often it takes us a while to figure out what those are. And what we want in our 20s may be different from what we want in our 30s, and what we want in our 40s, and our 50s.

In this book, From Here to Financial Happiness, what I try to do is three things. One, help people to figure out what they want to do with their money. Two, try to hammer home some of the key things that people need to know about money, some of the core principles by which we need to operate. And then third, and finally, is to get people to do it, to point out the crucial steps that they need to take in order to have a successful financial life.

So, what I'm trying to do with the book is to go a step beyond what so many personal finance books do, which is simply to tell you what you ought to be doing.

Tim Mullooly: Right, I've read online, you know, with just reading five to 10 minutes a day, or thinking about money for five to 10 minutes a day, using the lessons from this book, these people can actually put what you read on the page into action, is that right?

Jonathan C.: That's the idea, and I hope many people will read it, the book, and I hope that I will be able to change at least a few financial lives.

Tim Mullooly: I think that that's a great idea for a book because, like you said, I've read a number of personal finance books, and like you were saying, a lot of what you ought to do, and what you should be doing, but it doesn't actually give you hands on advice, or hands on tips to go out and actually get those things done.

Jonathan C.: So, Tim, one of the things that has gone on during the course of my career, and I'm 55 right now, is that the progression in my thinking has really matched what's gone on in the realm of financial advising, and in the academic world. You go back three decades and it was all about, you know, what is the answer?

And then we move to, well, why don't people behave the way we think they ought to behave now that we know what the answer is. And then we ... That's when we saw the explosion of research into things like behavioral finance, and neuro economics, and money, and happiness, and evolutionary psychology, to try to figure out why people consistently mess up.

So, first we knew what people needed to do, then we tried to figure out why they didn't do it, and now we're in this new phase which is, okay, we know what people need to do, we know they're not doing it, so how do we get them to do it? That has brought us to the redesign of 401(k) plans, and trying to get people to contribute more to 401(k) plans, that's ... because the issue of framing choices so that people do the right thing.

And my book sort of fits into that whole notion, which is some ... You know, we need to get people that one step further, not just knowing what to do, not just telling people that you're making these mistakes, but now it's about true behavior change. We want you to actually act on this advice.

Tim Mullooly: So is that why, you know, there are not only just financial lessons in the book, but there are also lessons in there for the readers to learn about themselves as well? Because it's equally important to know about themselves as it is the technical financial lessons?

Jonathan C.: Yeah, well, so you know this, Tim, as a financial advisor, but money is integral to peoples' entire lives. I mean, money shouldn't be something that devours an hour every weekend when you sit down, and you pay the bills, and you balance the checkbook.

Money flows through our lives, it influences everything that we do. It's the reason, you know, we pursue one career rather than another. It's the reason we end up having an argument with our spouse. It's the reason we wake up in the morning and go, gosh, I can't believe I wasted money on that last night.

Money is a thread that ties together our live, and the goal is to make sure that it isn't making us unhappy. Instead, money should be something that enriches our lives, and to do that we need to understand it, and we need to deploy it in the right way.

For so many people, money is not a source of happiness, it is a source of unhappiness, it's a source of stress, and that's because they don't understand what they're doing, and when they do use money they use it in the wrong way.

Tim Mullooly: Right, you know, by reading this book, hopefully they can find out ways that money can make them happy. And, you know, a cliché that gets heard a lot is money can't buy you happiness, while that might not be true, do you think they can at least use money to help in different ways to make them happy?

Jonathan C.: Well, we say, you know, money doesn't buy happiness, yeah, people say that all the time, and yet they don't really believe it. We all sort of deep down believe that if I was richer I would be happier. But the statistics prove that that is not the case.

There's something called the general social survey, which has been conducted every year or two since 1972. You go back to 1972, 30% of Americans describe themselves as very happy, 30% in 1972. In 2016, 44 years later, precisely 30% of Americans describe themselves as very happy.

Our self-reported level of happiness has not budged over that 44 years, despite the fact that US per capita inflation adjusted disposable income has more than doubled. We are 120% better off today than we were 44 years ago, and yet our reported level of happiness has not increased. So, money has not bought happiness, but I do believe it can if we spend it properly.

And when I talk to people about this, I really emphasize three points. First, money is sort of like health, it's only when you're broke that you realize how great it is to be solvent. Similarly, by the same token, it's only when you're sick that you realize how great it is to feel healthy.

So, what you want to do is make sure that you don't feel broke. You want to get to the point where money is not something that's detracting from your life, where you're not worrying about paying the next set of bills, you're not worrying that the check is going to bounce. So that's step number one in getting happiness out of money.

Two, tons of research shows that we get more happiness from experiences rather than things. You know, if you're going to spend your money, you're much better off taking the entire family to Paris than going out and buying a new car. Yes, if you take the entire to Paris, you know, the trip is soon over and the money is gone, but you will always have fond memories, and those fond memories will, if anything, grow fonder over time.

By contrast, if you go out and buy the new car, you know, you're going to get this thing that you think is going to have lasting value, but the problem is, it has lasting value, so you have to sit there and watch it deteriorate over time, and it goes from being a source of happiness to a source of unhappiness.

So, the virtue of possessions is also their downfall. They stick around and we have to take care of them and watch them deteriorate. Experiences, by contrast, are time limited, and then afterwards all we're left with are those fond memories.

And the third thing that money can do for us, it can allow us to spend our days doing what we love. True financial freedom is the ability to get up in the morning and say, “I can do anything I want with this day.” And what people realize pretty quickly is what they want to do during the day is not nothing.

They don't want to sit around and relax, what they want to do is spend their days doing stuff that they love. They want that sense of purpose. They want a fulfilling life. They want a reason to get out of bed in the morning, and that's what you get with financial freedom.

Most of us get that when we retire, but ideally you reach that point earlier in your life, you get to the point where you can spend your days pursuing the career that you love rather than the career you need to pursue in order to make money.

Tim Mullooly: Yeah, so that kind of ties it all together nicely there, because like you're saying, if people really just want to be able to be financially free and be able to do what they love, they also need to know what they love. Finding out about themselves along with finding out how to have proper financial practices kind of go hand in hand, because you could have money and not really know what you want to do or what you love. It's not really going to help you out all that much.

Jonathan C.: So, I don't want to dis millennials, particularly as you've actually admitted to being one, too. But when you're in your 20s and your 30s, you know, one of the problems is you don't really know what you want. It takes a while to discover how you really want to spend your days. It takes a while to discover that possessions are a source of unhappiness rather than happiness, and what you really want to do is to spend your money on experiences. It takes a while to realize that friends, and family, and having a robust network of acquaintances is crucial to happiness.

All these things take time to learn. That's why, when I talk to college kids, what I often say to them, and this is profoundly unpopular, but what I say to them is, you know, what you should do when you leave college is you should go out and make a butt load of money, and save as much as you can. No, you shouldn't go out and pursue your passions, because at this point you don't know what your passions are. It's going to take you a few years to figure that out.

So, in the meantime, make a lot of money, save a lot of money, buy yourself some financial freedom, and when you get to age 40 and you're completely miserable, and you're in the middle of your midlife crisis, then you'll have the savings to start to make the right decisions and spend your days doing what you really love, and by then you will know what you really love.

Tim Mullooly: Right, exactly, so by the time you figure out what it is you actually love you'll have the finances to be able to fund your ability to be able to do that stuff.

Jonathan C.: Exactly.

Tim Mullooly: Makes perfect sense. So, hopefully, for any millennials listening out there, that hit home for you.

One of your first books ... Back in 1993 you wrote a book called, Funding Your Future, The Only Guide to Mutual Funds You'll Ever Need, and in that book you talked about putting 30 to 50% of your funds into index funds. Nearly three decades later we've seen, you know, over the last couple years, the sort of craze sweeping the industry about index funds.

One, why do you think it took so long for people to realize the benefit of index funds? And how did you know all the way back in 1993 that that was the way to go?

Jonathan C.: So, funny thing, Tim, is that when I wrote that book in 1993, I myself was sort of grappling with the issues that many people grapple with today about indexing versus active management. I was in the middle of souring on actually managed funds, and leaning more and more towards index funds, and I wrote that book during that period, and that's why I suggested 30 to 50% in index funds.

If it had been a couple years later I would have said 100% in index funds, because, you know, the evidence was mounting that active managers didn't outperform the market on average. Equally important, even if there were managers who outperformed the market, and there are always managers who outperform the market, it's almost impossible to identify them ahead of time.

Faced with that conundrum, indexing makes a ton of sense. You know, I saw the evidence, and I also saw it in my own portfolio, in the fund managers I interviewed. I started out as a personal finance writer by writing about mutual funds. When I was at Forbes Magazine I used to profile top fund managers. I continued to do that when I first arrived at the Wall Street Journal in the early 1990s.

And again and again these guys, super smart, super articulate, access to the latest market research, more computer power than anybody else had at that time, these guys consistently fell short. That's what started to change my mind. Maybe it was dumb luck, but I was a little bit ahead of the crowd and, you know, the indexing mantra was one I pushed very hard as a columnist at the Wall Street Journal.

In a sense, the rest of the world has now caught up with me, and I think it's the weight of the evidence. I think it's personal experience. I think people who index eventually realize that, you know, that overconfidence that led them to believe that they could outperform the market averages simply wasn't justified. They took a long, hard look at their own results, they took a long hard look at the research, and realized that, you know, trying to beat the market is really a loser's game.

Tim Mullooly: 30 years, though, is a very long time for them to finally realize that, though. Why do you think that it took so long for people to kind of jump ship on active management and head more towards the indexing?

Jonathan C.: Well, I do think that financial advisors played a key role in this. Financial advisors coupled with the emergence of the ETFs, exchange traded index funds. And the reason is this, if you go back to the 1990s, at that point there were relatively few ETFs.

You know, the first ETF, the Spiders, as it's called, was launched in 1993. The rest of the index funds out there were mostly of the mutual fund variety. Vanguard was the leading operator, we also had Dimensional Fund Advisors, you know, Fidelity had a few index funds, Dreyfus and so on.

But, essentially, if you wanted to buy index funds you had to go directly to these mutual fund outfits, and most of these mutual fund outfits were no load mutual fund companies. So, they weren't the sort of fund companies that traditional brokers would have access to, they weren't selling funds from those companies.
And then along came ETFs, really starting in 2000 with the proliferation of ETFs led by iShares, and suddenly there were hundreds and hundreds of ETFs available, and to buy them you didn't need to go to Vanguard, you didn't need to go to Fidelity, or Dreyfus, they were all listed on the stock market, and if you had a brokerage firm anywhere, you could buy them.

And suddenly financial advisors who were working for Merrill Lynch, who were working for Morgan Stanley, as well as people who custodied their assets, say, Schwab, had access to all these ETFs. Financial advisors realized that, you know, if they were going to make their clients happy, they didn't want to be selling them these mutual funds that were going to end up lagging behind the market, instead they should be selling funds that were going to match the market results. And they, I believe, more than anything helped to drive the explosion of indexing.

Tim Mullooly: Right. Like you were saying, there are so many ETFs out there, especially today, it seems like there are index, quote unquote index funds for everything now, so how do you think the index fund itself has changed over the years?

Jonathan C.: Yeah, well, you can lead a horse to water but you can't make it drink. So, yeah, we have all these index funds, but people have not changed as fundamentally as the investment products they're using. In other words, yes, people are using index funds, which, to my mind, are the most rational investment product out there, but they're not always using them rationally.

And, so, we see two things. One, we see a lot of active trading of index funds, which is absolutely absurd.

Tim Mullooly: It makes no sense.

Jonathan C.: They are designed to be bought and held, and yet here people are trading them like dervishes. And then second, you know, an index fund should give you exposure to broad market indexes. Wall Street has realized, as always, that they can make more money by selling specialized index funds, so they have all these sector style type index funds covering every possible index imaginable. They have been pushing those like crazy, and charging higher management fees for them, and it's a nice business for Wall Street, but it's not a good thing for investors.

But there is good news, which is despite the proliferation of these specialized sector index funds, most investor dollars continue to go into broad market index funds. So, most investors are doing the right thing, but, as always, you know, it's ... there is a little bit of craziness out there.

Tim Mullooly: Right, yeah, Wall Street tries to exploit the term index and just slap ‘index’ on any ETF that they put out now, and expect people to believe that it's truly a broad index fund when, in reality, it's not.

Jonathan C.: Yeah, I still think that, you know, when people hear the word index they should never immediately assume that this is in some sense safe. Many index funds are so specialized that they're barely less risky than owning individual stocks.

And even broad market index funds, funds that track the S&P 500, or funds that track the Dow Jones total market index funds, these funds still carry stock market risk. I mean, let's not forget, the S&P 500 dropped 57% between late 2007 and early 2009, so even if you're in a broad market index fund, bad things can happen, and you need to have a long time horizon and strong stomach for risk.

Tim Mullooly: Right, absolutely. To bring up another one of your books, another one published in 1998, a couple years after Funding Your Future, this book was titled, 25 Myths You've Got To Avoid If You Want To Manage Your Money Right. Of those 25 myths from back in 1998, what are the most, still, important myths in 2018? Because I'm sure a couple of them might have changed over the years.

Jonathan C.: Without a doubt, there are certain chapters in that book that are now out of date, in part because tax laws have changed considerably over the last two decades. But I would suggest that the first myth, it probably remains the most important, and this myth is that you can have it all. No, you cannot have it all. Not even Bill Gates can have it all. You know, we are constrained by the wealth that we have and the income that we receive.

But when I think about that notion that you can't have it all, it means something slightly different to me today than it did 20 years ago. When I wrote the book 20 years ago, I was thinking about this notion that you cannot have it all, that you are constrained by your income and your wealth. But now, when I think about it, I think about two things that we've touched on in this conversation.

One is that we're not very good at figuring out what we want. You know, simply spending money, using money without pausing and considering the alternatives is really crucial. And that brings me to a related problem, which looms larger in my mind than it did 20 years ago, which is, you know, we tend to be very impulsive. So, we tend to be very impulsive and we're not very good at figuring out what we want with our money.

And, as a consequence, thinking through the alternatives is crucial. If you're in a store, and you see something, and you say to yourself, "I've got to have it," walk out of the store for 10 minutes, because in all likelihood there is probably ... there is something that you want more, and yet you're in that instinctual state where you see something and you just want to grab it and rush to the cash register and pay for it. Don't do it, pause.

Our instincts serve us so well most of the time. I mean, our instincts are hugely important, they keep us safe, they tell us to jump out of the way when a car is coming towards us, they tell us to pull our hand away from the hot stove. Our instincts can be lifesavers in every realm of our lives except money.

In money, our instincts are a disaster, and the way you manage your instincts in the realm of money is to pause. If you pause for 10 minutes before smaller financial decisions, if you pause for a couple of days before larger financial decisions, you will be much happier with the results. You know, by pausing, you're less likely to buy the timeshare during the wonderfully relaxing vacation. By pausing, you're less likely to bail out of your stocks in a down day in the market, and then discover the next day the market goes right back up. Pausing is hugely important.

Tim Mullooly: You know, over the span of your career you've written a handful of books. I think From Here to Financial Happiness is going to be your ninth book, is that correct?

Jonathan C.: That sounds about right, yeah.

Tim Mullooly: So, you know, having written nine books and contributed to a bunch of others, on a personal level, what would you say ... which book has been the most fun to write, for you, thinking back over your career?

Jonathan C.: My previous book, which was called How To Think About Money, which is really a sort of a philosophical reflection on how best to use money, how to think about investing, how to think about risk, how to think about your human capital, your income earning ability. That, for me, was a great book to write, I really enjoyed it. It sort of let me pull together all of these different intellectual threads that have influenced me over the course of my career.

This isn't always the case when you write something, Tim, but what's been gratifying is the book has been very popular. So, you know, I put a lot of thought into that book. After initially have relatively modest sales, it sort of picked up. And in fact, one of the things that has been particularly pleasing is a lot of financial advisors give that book to their clients to get them to sort of think more broadly and more deeply about what money can do for their lives.

And, so, I regularly hear from financial advisors who say oh, yeah, I just bought 50 copies of your book to give to my next 50 clients. And that's great to hear, because some of the people I enjoy talking to most are thoughtful financial advisors. I'm not talking about commissioned salesmen who are pushing, you know, hot stocks, or I'm not talking about insurance agents who are pushing high commission annuities, and high commission cash value life insurance. I'm talking about, you know, fee only financial planners who are really thoughtful about money, and when I hear that they like the book, that really pleases me.

Tim Mullooly: That's awesome, and definitely a good idea for advisors. Besides the books, you know, we touched on earlier about your site, HumbleDollar.com. It's one of my favorite sites to read. There are so many great blog posts about personal finance and other financial experiences on there. How did that site come about, and how did you assemble the team of bloggers that contribute to the website?

Jonathan C.: So, for a couple years I put out a paperback ... an annual paperback edition of something called the Jonathan Clements Money Guide, and what I had sort of, you know, learned about self-publishing, particularly through Amazon, is that you could literally finish a book today and have it available for sale tomorrow, and I thought that was pretty cool.

So, for a couple years I took this comprehensive money guide, and as the end of the year approached I would update all the numbers, right up until the evening of December 31st. So, after the market closed on December 31st I would spend, you know, the next couple hours going all the way through the book and updating all the market numbers. I would hit send, I would submit it to Amazon, and it would be available for sale the next day, on January one, and I thought that was pretty cool.

Tim Mullooly: Right.

Jonathan C.: But what it meant was one, you know, December 31st was a nightmare for me. My wife, you know, sort of missed me a little bit on that night of the week. And two was that, you know, once the book was there I couldn't update it until the following year. And, of course, a lot happens mid-year.

So, I decided to migrate the entire contents of the book and put it on the web so that I could update it throughout the year. And so that's how HumbleDollar.com was born. You know, I didn't want to site to only be about me, I wanted it to be a site that brought together other financial writers.
So, I put the entire money guide there, made it available for free, and then I contacted some people who had expressed some interest in writing about money, people who are just amateurs with an interest in personal finance. And, you know, since that time I've probably built up a stable of six to eight people who write for me fairly regularly. Some of them are financial advisors, some of them are just people who know a lot about money because they worked in the benefits department of their company, or because they've run their own financial websites.

And, so, I have this stable of writers who produce blogs for me, I write myself, I put out a newsletter, and this is a barely break even proposition. To me it's my ... sort of my semi-retirement project, and I consider it a piece of public service, that this is my way of giving back to people some of what I've learned over my 33 years writing and thinking about money.

Tim Mullooly: Right, well, I personally find it very beneficial. I'm on there almost every day checking out the new articles that go up on a daily basis.
So, I have one more question for you, Jonathan. Over the span of your career that we've talked about so far, has there been one piece of sort of evergreen advice regarding personal finance that still rings true today as it did at the beginning of your career?

Jonathan C.: Yeah, this is a really easy one, Tim. Over the years, both when I was at the Wall Street Journal, when I was at Citigroup, and even today, you know, I talk with, and corresponded with, thousands of everyday Americans who have accumulated seven figure portfolios. Many of these people have relatively modest incomes. Most of them were mediocre investors. But almost all of them shared one attribute in common, they were extremely frugal, otherwise known as cheap.
You know, the key to financial success is no ... you know, it's no secret, you just need great savings habits. If you have great savings habits, if you have the ability to delay gratification, if you have the ability to think beyond today and focus on what your financial needs are going to be tomorrow, and next month, and next year, and a decade from now.

If you have that ability to think about the future and to save for the future, good things are going to happen financially. And if you don't have that ability, your entire life is going to be a struggle.

Tim Mullooly: It really comes down to that, and I totally agree. And with that piece of advice, I think we're going to wrap up today's episode. Jonathan, thank you so much for coming on the podcast, I really appreciate it.

Jonathan C.: It's been my pleasure, Tim. Thank you so much for having me on.

Tim Mullooly: No problem. So, for listeners out there, Jonathan's book, From Here To Financial Happiness, book number nine for Jonathan, comes out September 5th of 2018. We will link to the Amazon site for the book if you want to pre-order it. Check out HumbleDollar.com, and the previous eight books that Jonathan has written, there is no shortage of information out there from Jonathan, really great stuff.

So that's going to wrap up this episode of Living with money. Thanks for listening, and we'll see you on the next one.