Jason Lina, CFA, CFP® - Resource Planning Group - Transcript

Tim Mullooly: Welcome back to Living With Money. This is Tim Mullooly. On today's episode, I am joined by Jason Lina. Jason is a CFP, CFA, the lead advisor at Resource Planning Group. Jason, thanks for coming on the podcast.

Jason Lina: Thanks for having me.

Tim Mullooly: For the listeners out there, do you want to just give us a little background about yourself, how you got started in your career, and how you got to where you are today?

Jason Lina: I'll try to do it briefly, so if I get too long-winded, feel free to jump in and cut me off, Tim.

Tim Mullooly: Sure thing.

Jason Lina: I didn't have this career in sight when I was 20 years old. In college, I was a pre-med and then an eventual history major. Landed, just long story short, haphazard in a job in finance, on the institutional investment side out of college. Worked in that role for a couple years managing institutional money, mutual funds, large pension endowment money, but strictly stocks and bonds. Through that experience I eventually came to the conclusion ... We can get more into this if you want, but I got to the conclusion that there was a lot more value add that I deemed could happen or was available in working with individuals, and doing comprehensive financial planning as opposed to just strictly investment management. I've joined a fee-only IRA like yours, about 15, 16 years ago, and have been doing this ever since.

Tim Mullooly: Just on a personal note, I read that you were ranked third nationally in driving accuracy as a golfer in college. Is that true?

Jason Lina: That is true. If you play golf with me now you would not believe that. I've lost a lot of that accuracy. But that was true at one point early in my golfing career, yes.

Tim Mullooly: You mentioned that you decided to make the change from just portfolio management to more comprehensive financial planning. That's a change that we have made at our firm here as well. Where do you think the biggest importance for an individual to work with a financial planner, as opposed to just getting portfolio management, comes in?

Jason Lina: Yeah, so I shoot myself in the foot when I answer this question, but I say so up front. My background, as I explained to you already, is on the institutional investment side. I've managed large billion dollar plus bond portfolio, a CFA designation, so I spent a long time, three years, earning this advanced degree in investments. I say all that to say, investing is more or less a commodity now.

It's not rocket science, it's not brain surgery. You can make it complex, but at the end of the day investing done properly is not hard. If you take that to the conclusion to answer your question, what I think it means is that there's a lot more value that can be added on the financial planning side, whether it's tax planning, insurance planning, estate planning, retirement planning, you name it. You put a word in front of planning and all of that, I think, add a lot more value doing that stuff than investing. That's not to say there's zero value add on the investing side. It's clear not to say that. But I think that the importance ...

I think there's an overstated and over-hyped case for value add on the investing side. There is some value that can be added there, I think more or less on the blocking and tackling thesis, but I think overwhelmingly there's definitive value that can be added on the financial planning side for most people.

Tim Mullooly: Yeah, you think there's almost too much emphasis on the investing side being able to solve all of everyone's financial problems when in reality it's most likely different regions of financial planning that would help them more?

Jason Lina: A hundred percent, fully. I have this conversation, you probably do all the time where there's a spending problem or a lack of saving problem on the inverse, and someone's trying to solve it with investing. We both know, I'll speak for myself, I know that nearly 99 times out of 100 that problem is not going to be solved with investments. It's going to have to be dealt with on the financial planning side. Yeah, I think investing can certainly be done well, and advisors like you and me can add value doing it, but it's not going to solve the problems that I think some people hope it will solve.

Tim Mullooly: Right, yeah. I definitely agree with that. With that, over the span of your career being both a CFA and a CFP, working with institutional and individual clients, what has been the most common concern on the individual side that you've seen from people in terms of their finances?

Jason Lina: It's a good question. I'm thinking about the most common. We get all kinds of questions and concerns, but the most prevalent one, even if it's not asked, it's deep down felt is, is this going to work? Am I going to be able to retire at whatever age, and have my savings be able to support me? It's some derivation of that question that I think is certainly the most common question that we face, or that is the underlying question that may not be asked, but it's really there, is this going to work?

Tim Mullooly: Working with individuals and institutions as well, has the change in psychological coaching almost in that sense that we were talking about, needing to dig deeper into the root of what people are asking and what they're truly concerned about, is there the same kind of problems on the institutional side and the individual side, or are they completely black and white?

Jason Lina: Yeah, it's the latter. It's pretty black and white. I didn't say this, but one of the things on the institutional side that drove me over to this side, to personal financial planning is that really there is an end consumer, there is an end client, but you don't have any, or I don't have any correspondence with that person, or that institution. If it's an endowment that's serving a university, there's an end consumer, but at the end of the day, who is that consumer? There's not correspondence.

Tim Mullooly: You're not working directly with them.

Jason Lina: Exactly. You don't see smiles, or laughter, or tears, or anything. It's just dollars and cent, that's it. Obviously that's different when you're dealing with people, because there are the emotions, and the psychology, and just the conversation. Some people would rather just be dollars and cents. Speaking personally, I enjoy the combination of the quantitative and that personal whatever you want to call it, that personal piece, that psychology piece.

Tim Mullooly: Yeah, I definitely ... A combination of that is probably the sweet spot because it makes the dollars and cents mean more ...

Jason Lina: For sure.

Tim Mullooly: ... when you know what it's working towards.

Jason Lina: Absolutely.

Tim Mullooly: We're going to touch on a handful of articles that you've written. For those listening we're going to link in the show notes as well. If you want to read the entire article of what we're talking about here, head on over to the website and check that out.

The first article that caught my eye was about myths when it comes to bonds for investors. Do you want to tell the listeners a little bit about those myths that you addressed in the article, and shed some light on the truth in those instances?

Jason Lina: Yeah, sure. I'll go through a couple. I think I've probably written some older articles about myths of bonds. I think there's a lot of them out there. One of the ones, and these all came from just I get people asking questions, making statements, clients or otherwise, about bonds that are ill conceived. I write the article saying, "These are some myths."

First, the idea that bonds always go up. I just dove into that myth, and you take the most commonly used bond index, the Barclays Aggregate Bond Index, which goes back to I think the mid '70s and say like, "What percent of time does that index go up?" It's somewhere between, depending on your time period, but if you use a full time period, 60% a month that index goes up. Months, we're not talking about days, but months.

You take that. The inverse of that is at 40% it's down. There's this idea that bond always go up. Yes, if you buy a bond and you hold it to maturity, it doesn't lose value. But in the interim it does in a lot of months. I think that's clearly one of the myths. Does that mean you shouldn't buy bonds? No. Absolutely not. But it's just something to keep in mind.

Another myth that's somewhat related to that is this idea that when stocks go up, bonds go down, and vice versa. Certainly we buy bonds. I'll just speak for us, we have bonds in a portfolio because there is some benefit to the diversification of stocks and bonds, to the idea that when stocks zig, bonds zag, or vice versa. But the myth is that that is always the case. The reality is it's just above half the time.

Yeah, I just took an extreme example, the S&P 500 has a month in which it loses more than 5%, 44% of the time in those months where stocks have arguably really bad month, 44% of the time bonds lose money. Yeah, it's the idea or the myth that when stocks decline materially or decline at all, that bonds are going up. Not always true, definitely. Not even close.

Tim Mullooly: As you were explaining these myths, the one main thing that stuck out in my mind is that it's not always cut and dry, it's not always absolute. Just like you were saying, bonds never go down, or they always go up, or when stocks go down, bonds always go up. It's not always the case. It's just a misunderstanding that I think, would you agree that individuals have some of the information about the bonds, but not necessarily the whole story because most of the time they're right, but people just jump to these absolute conclusions about these things.

Jason Lina: You said it way more succinctly than me, but that's entirely true. You take what usually happened, and you say that it always happened.

Tim Mullooly: I think that that's, like what you were saying, it's not a reason to not own bonds. I think It might just be more of a reason to either do your homework or just adjust your expectations about bonds. Would you agree?

Jason Lina: Yes, totally. I think I would say on the later adjusting expectations that if stocks go down this month, there are bonds may go up, but they also may go down. It's an expectations thing, that don't expect, don't be disappointed. You can be disappointed if you want, but keep in the back of your mind that bonds are going to go down a lot of the time when stocks go down, and vice versa.

Tim Mullooly: Another article that you wrote about talked about the most underappreciated savings vehicle. I figured this would be a timely episode to bring it up since right before the holidays, hopefully everyone has their Christmas shopping done. But people are always interested in figuring out how to save money, especially around this time of year. Do you want to talk a little bit about this underappreciated savings vehicle and how people can utilize that?

Jason Lina: I started writing about ... The investment is Series I bonds that you buy from the U.S. Treasury. I started writing about this, and hit me pretty quick. The reason that so few people know about or appreciate I bonds is just that there is no one out there to market them. Brokers have no incentive. They can't sell them so there's no incentive for brokers, or mutual funds, or banks, or anybody to promote Series I bonds.

Jason Lina: When I say we, so advisors, financial planners, we can't even buy I bonds for our client. You can't even buy I bonds for your client because they have to be purchased directly from the treasury. I think that's what drives the fact that they're underrated or underappreciated.

The benefits of I bonds are that, and I describe this in the article, they provide protection against both inflation and deflation. The coupon is tied, or the return of the bond is tied to the rate of inflation. There's some unique components of I bonds, which also protect them, and make them actually a good investment to own in a deflationary environment.

I don't sit around and try to predict whether it's going to be an inflationary or deflationary environment, and say, "Okay, you should buy I bonds because it's going to be one or the other." We think about building a portfolio or portfolios that are thinking about all of the possible outcomes geared towards not one, but all of those outcomes.

Certainly one of the potential outcomes over the next five to 10 years, and this is not necessarily true just today, but it's almost always true that you could have inflation that's higher than expected, or way lower than expected. The beauty of I bonds is that they protect against both of those things.

Now the one other than the fact that you have to buy them through treasury direct, the other drawback of I bonds that makes them maybe less useful for people with lots of money is that you can only buy up to $10,000 a year. One of the things I do at the end of every year personally is look at my I bond inventory before the year comes to a conclusion. Say, "Do I want to add more I bonds to my inventory?" Because once January 1st hits, the opportunity to buy that up to $10,000 in 2018 is gone.

Tim Mullooly: Definitely timely for people who may not have known about I bonds and are curious. You can go check out the full article. For a lot of people, for a lot of parents, saving for their children's education has to be one of their top priorities. In your opinion, what are some of the best ways that parents can save for their children's education and make the most of some of the tax advantages out there to parents saving for education?

Jason Lina: Yeah, so if we're getting at ways in which people can save, I'm a huge, huge advocate of Section 529 plan. The answer stops and ends there for me, to a large degree. I'll caveat that at the end of this, but they are great vehicles. I might not have said that 15 years ago, or 12 years ago. They've come a long way, both in the way that states have reduced fees and improved investment options, and made them all more user friendly because very state is competing for dollars.

Here in Georgia, Georgia's competing with every other state in the country for 529 dollars, and that's been a good thing for consumers. The other piece that's helped make them more favorable is that the government has continuously, almost with every tax package and new tax law, has improved the benefits of 529 plans, whether it's providing more uses for more 529 plan dollars, or allowing for more changes during the year.

Every time there's a new tax law over the last 15 years, the government has made these plans more and more favorable. Again, it's a great vehicle for people to save for college, and with a lot more flexibility than I think people understand.

Tim Mullooly: If a 529 plan is a great way to save for college, on the reverse side of that, are there some ways in which you would not recommend people save for college?

Jason Lina: Yes. What are referred to as UTMA, what are called UTMA or UGMA accounts, as much as an advocate I am for 529 plan. I will say 998 times out of 1,000 UTMAs are generally a bad idea. That was different 10 years ago under different estate laws, and under different tax laws. In 2018, there's still cases, that's why I was clear not to say 1,000 out of 1,000. There's still cases where UTMA can make sense, and maybe it's more than two out of 1,000. But it is definitely the rarity where those accounts make sense.

I think one of the biggest issues that I find with those accounts is people who set them, so parents that set them up for their kids. Those accounts, those dollars in those accounts, once put into that account, they belong to the child. They must be used for the child. Depending on the state, I think either age 18 or age 21, those become the child's assets. If Junior turns 18 and find out that he or she has got a $100,000 UTMA account, and says, "Well I'm not going to spend this on college. I'm going to spend this on a nice car with a cool stereo system," nothing that mom and dad can do.

Whereas the 529 plan, I didn't mention this, whoever sets them up, so I say parents. It can be grandparents, it can be uncles and aunts. Whoever sets them up retains control forever. They can choose. The money is in there for grandchild or child, the parents can choose not use that money on that child. They can use it for another child, they can use it for a niece or a nephew, they can use it for a kid down the street. Again, the beauty of 529s versus the UTMA/UGMA accounts.

Tim Mullooly: Definitely agree. Like you said, there might be some cases where the UTMA/UGMA accounts work for that person, but it's definitely worth at least making a pros and a cons list of the two, and figuring out which one works best for them.

Jason Lina: Agree.

Tim Mullooly: Do you want to tell the listeners a little bit about the terms zero-based budgeting, and how it can affect different areas of personal finances? This was from an article that I read that you wrote on Forbes.

Jason Lina: Yeah. The concept of zero-based budgeting of people in corporate finance are probably familiar with the terminology, is just the idea that here we are in December, a lot of businesses are preparing their budgets, or maybe already have for 2019. The idea of a zero-based budget is to say, "Forget whatever we spent in 2018, or forget what we budgeted for 2018. Let's start from scratch. We've got dollars that maybe we spend on technology, or marketing, or in payroll, or whatever." But you're starting from zero. There's no history that's driving your decision making.

A lot of new age businesses, a lot of forward thinking businesses, that's how they budget, is ZBBs, zero-based budgeting approach, rather than just saying, "All right, this is how we did it last year. Let's roll that forward to this year." It's a good approach for budgeting. I think it's a good approach to personal finance.

I think you could probably come up with a dozen examples. I used a few. One or two that come to mind, Medicare. This is specifically Medicare Part D, which is the prescription drug program. That is a program that opens for enrollment every year, and there is no benefit to renewing the same plan that you had last year.

There's zero benefit. There's no underwriting. If I'm on this Aetna plan or Humana plan, or whatever in 2018, I can choose whatever plan I want for 2019 and the pricing is going to be the same regardless of whether I used that plan for last year or not.

But what ends up happening, and the number is somewhere around 96% or 97% of it, a high 90% of Medicare consumers end up with the same plan next year, they had last year, because it's just a automatic renewal if they don't do anything different. The point of zero-based budgeting is what makes that plan the best plan for 2019? Maybe it was the best plan for 2018, but that doesn't necessarily mean it's going to be the best plan for 2019. That's worth 15, 20, 30 minutes of your time to evaluate, to sit back and, here's the drugs I'm taking. Right now, which is the best option for me in 2019? Because the insurance companies, they know that 96% of people renew the same plans. They use that to their advantage, reduce the coverages, increase the premiums. They know that regardless of what they do, that most people are going to stay with it. That's one.

I think another concept here in terms of zero-based budgeting is when we think about we're entering a new year 401(k) deferrals. Evaluating each year, all right, should I be using a traditional 401(k) or a Roth, based on income changes, or life changes? How much should I be contributing to that 401(k) because the reality is this. I don't know the numbers exactly there again, I think in the 90 percentage of maybe close to 100% of people end up doing in their 401(k) whatever they did last year, whether that applies to their deferral rate, their choice of traditional Roth, their investment options. All of those things are things that I think people should reconsider, consumers should reconsider at least once a year to evaluate have I made the right choices for the upcoming year regardless of what I did last year?

Tim Mullooly: A timely reminder to maybe do that the end of this year, or maybe at the beginning of 2019 as well. At the beginning of 2018, another article that you wrote talked about four secrets for investing success. Do you want to talk about those secrets, and how people might be able to put them to use in 2019?

Jason Lina: They're definitely evergreen. I'll talk about a few of them. These aren't necessarily the four secrets to success, they are just four things that I find are common habits of successful investors.

The first two are somewhat related, I think. The idea, I say, "Turn of the financial noise machine." This is just the idea that watching CNBC, or Bloomberg TV, or listening to those kind of programs really do no good. I'm on the financial side, and you're on the financial side. But those type of programs, whether you want to call them entertainment, or you want to treat them as reality TV, or whatever you want, they do no good for consumers.

Tim Mullooly: That's what it is though. Their job is to get people to watch the show. It doesn't necessarily matter to them if what they're saying is the right thing for the viewers to hear.

Jason Lina: Absolutely. I talk about just TV, but it's all forms of financial media. Whether it's websites, like finance related websites that are trying to attract clicks. They're all out there to generate clicks, or eyeballs, or just connectivity with people. They are generally not useful.

They're actually, I think more destructive to watch, or listen to, or read, or whatever. The first advice was just to turn off that financial noise machine.

The second piece is, as I say, "Throw away the key." I use the story of go back to golf, Rory McIlroy, who was on Twitter maybe a year or two ago, and got into a bunch of arguments on Twitter, and had trolls trolling him, and all of that. Then just decided, "Look I'm done with this. It doesn't do any good." I'm not suggesting that people get off of Twitter, or you can make your own judgements on that, but I think the idea is a useful one. Logging into your account hourly or daily, weekly to look at account values, also destructive.

I can't remember if I referenced this in the article or not, but Fidelity did a study a couple years ago. They looked at the performance of accounts, risk-adjusted performance of all their accounts. They also looked at how often people were engaging in those accounts. Post whatever 2000, where people had electronic access to view their accounts, they looked at how often people were logging in to view their accounts. They decile ranked them. They said, "All right, these are the people that log in the most often. They're logging in every 30 minutes." These people, all the way up to these people never logging in, and then they compared performance for those deciles. They found, it's almost a linear relationship, that the worst risk-adjusted performance was in the deciles where people were logged in most often, whether that was hourly, or weekly, or whatever. The best, by far performance, was the people who never logged in. They ended up finding these people had either forgotten they had accounts at Fidelity or they had died.

Tim Mullooly: Wow, it's not a coincidence.

Jason Lina: Those accounts had the best performance, which is not to say that you should just forget about your accounts, but I think it's a telling relationship that logging into accounts to view those accounts is actually more or less value destructive as opposed to adding value. I think there's a balance. I'm not suggesting that people never log in, but I'm also suggesting that there's a balance there.

The third and fourth points have a written plan. Just this idea that ... Well, let me back up. It's been demonstrated empirically that people who work with financial planners are more likely to save more, and spend less, and retire earlier, and have better financial success. A lot of these studies, they've controlled for all the externalities that you can image. Just age and gender, and all that stuff.

The finding is people who work with financial advisors tend to be more financial success. They've also adjusted for incomes, and demographics, and all that stuff. The reason isn't what I think what we can say, "Oh that's because financial advisors are awesome and they do a great job." That's somewhat of a contributing factor, but I think the overwhelming reason, and I think the research points to this is that financial advisors hold people accountable. People are held accountable. It's almost like if you work with the personal trainer at the gym, you're more likely to go to the gym and do what you need to do, as opposed to if you don't.

That's not to sit here and to be so pretentious and say "Everybody should work with a financial planner," but it is to say that a lot of financial success, investing success is about having a plan, and sticking with that plan through thick or thin, through good markets and bad markets. I think financial advisors help people do that. Not so say that people can't do it on their own, but people who are successful financially or from an investment perspective have a plan, stick to it. That was the third point.

The fourth was simply to know your limits. This is just idea that I hinted at this at the onset. I had a bunch of ... My background's in investment, so I have a advanced degree in investment, went to get an MBA and all that. But I recognize too that my brain, just like everybody else's brain, is hardwired to do the irrational things when it comes to investing.

It's good for survival, bad for investing. Just understanding those limits and the fact that as much as I might want to or believe I can predict markets in the short run, I'm going to stop short of saying that's impossible, but I'm going to say it's really, really hard, appreciating that we're all, regardless of our educational background or intelligence, that we're all limited by our mind's inclination to trick us, to deceive us, to make us think irrational.

Tim Mullooly: I think knowing your limits also in terms going back to the earlier point about logging into your account. If you know the limit of I can log in once a month and not be pushed to want to make emotional decisions, just figuring out how often you can log in without driving yourself crazy.

Jason Lina: That's right.

Tim Mullooly: We talked about a financial plan and how investing is just one piece of it. Another important piece of financial plan for people nearing retirement a lot of times is social security. A lot of people tend to have different opinions about how to think about social security. Do you want to give your take on it, and how you think people should approach the subject of social security?

Jason Lina: Yeah, sure. This is an area that I am adamant about, or I get excited, because I think there ... Like with bonds, I talked about the myths of bonds, I think there's so many pervasive myths about social security that cause people to make really poor financial decisions. Just to throw out some of the common thoughts about social security, the things that you and I probably hear a lot are, I want to take social security as soon as possible because I want to get back what I paid into it. I've been paying into it for 40 years, and I want to get that back before I die. Or I want to take social security early because it's going to go bankrupt, and I want to get back what I paid in before it goes bankrupt and I stop getting money from it.

The third one would be this idea that I need to take social security because I'm retiring at 63, and I'll need to take social security then so I can afford to go spend, so I have money to spend. I'm going to say all three of those are terribly flawed myths or conclusions, or whatever you want to call them. This is not a political statement to say how social securities in great shape.

There's an article that I've written about just the health of social security, and what that likely means. But the reality is it probably doesn't mean much for people who are 60 years old right now, or 65. It may mean something from my kids who are all under 15, but it probably doesn't mean much for people who are at or near social security age. The idea that I have to take social security money so I have money to spend, that's only true if you have no assets, no savings for the first 60 something years of your life. If you've got savings at a brokerage account somewhere, in a bank somewhere, well you don't have to take social security to spend. Maybe it makes sense to, and maybe it doesn't, but just those myths.

Where I end up, and I think this was maybe the point of your question, Tim, is most people, at least in a married couple, most people short of having unique health circumstances that shortens life expectancy or maybe a family health history that suggests a short life expectancy, most married couples, the higher income earner should almost always wait 'til 70 to take social security. I say that definitively, and it's because there are very, very few cases where that's not true, short of those other caveats I mentioned.

The lower income spouse, and there's always going to be if and buts. Like if the ages are dramatically different between husband and wife, and that may change things. But generally the lower income spouse sometimes it makes sense to wait 'til 70, sometimes take it earlier. That's going to require more analysis from people like you and me to assess when that person should take it.

But one thing that I think I can definitely feel good about saying is that the higher wage earner, or if it's a single person, that person should almost always wait 'til age 70 to take social security.

Tim Mullooly: Social security is definitely a hot button issue for a lot of people. People feel very passionately about their opinions on the matter. If you're listening out there and you're getting close to that age thinking about when you're going to take it, might want to sit down with a financial planner and really go through the numbers to see when it makes sense for you to take it.

Jason Lina: You can sit here, we can sit here and calculate what's the breakeven age. If I live 'til 83, then I win. If I don't live that far, I'll lose. You can do all that math. One of the points I make to that is that's not the goal here. If we step back and say, "What's the goal? Is it to "win" against the treasury and to get social security? Or is the goal really to be financially successful in retirement?"

The quick on this is if my wife and I live to 75, or let's say age 70, there's not a tremendous amount of financial risk. If the couple that lives 'til 75 and dies at 75, there's not a tremendous amount of financial risk. The likelihood that you’ll run out of money is relatively low. Where the financial risk comes in is if you live to 100, then that increases dramatically increases, 25 years dramatically increases financial risk, all else equal.

Why wait 'til age 70? Well waiting 'til age 70 creates a much higher inflation adjusted annuity stream all the way to age 100. In essence, it provides insurance against that longevity risk that I just described.

Tim Mullooly: Yeah. You just got to think about, like you're saying, what is this money for? I feel like that's the case for whether it's a 401(k), or just another type of retirement account, or social security. What's the endgame for you?

Building on that, I got a couple more questions for you before we wrap up. This is a hypothetical here. But if you were in an elevator, let's say with a stranger, and you had 30 seconds, the typical elevator pitch, and they asked for one or two principles about personal finance, a broad question here, but what would you tell them?

Jason Lina: The first thing that comes to mind, avoid lifestyle creep. To expand on that, if given a few extra seconds, just the idea ... Spending may be the most important component of a retirement plan, in terms of being the most important variable in a retirement plan, that determine financial success. I can tell based on what somebody spends whether they're likely to have a secure and financially successfully retirement or not, regardless of income or assets.

If you take that, and you say, "All right, let's go with that", the idea of avoiding lifestyle creep is that every time you get a pay raise, or a bonus, or whatever, some kind of inheritance, that people avoid letting those increases in wage or bonuses, or whatever, go up one for one with spending. Or let spending go up one for one with those. I think that just the idea where this ends up is that you spend less than you make. Avoiding lifestyle creep helps that to happen so that if you get a pay raise this year to next year of 3%, then instead of blindly increasing spending by 3%, say, "All right, maybe I'll increase spending by 1% and let the other 2% go to savings." That is going to, that kind of mentality, discipline is going to create financial success in the long run.

Tim Mullooly: Definitely. Definitely agree with that. Like you're saying, cash flows and spending is usually the root of a lot of peoples' problems. Going back to the very beginning, people like to focus on the investing. I'd say, 75% of the time it's usually more of a problem with their cash flows than their investments.

Jason Lina: I completely agree. Completely.

Tim Mullooly: One more question for you, Jason. I like to wrap up this with every guest, whether it's personal or professional. What's one piece of advice that you've received that's just always stuck with you?

Jason Lina: I'm going to go to something that ... I've got a golf tie in again for the third time. The idea of controlling the controllables. Where that comes from, it probably comes from more than one place. Paul Azinger, current golfer, but former PGA golfer was a captain, and probably considered the best United States Ryder Cup captain ever. He took a team, back in 2008, that Tiger Woods was hurt, and all the lead golfers were injured or not playing, whatever, and took a team and was successful with that team. Just to, but when asked what his strategy was he said, "Control the controllables."

I think that it's great advice for life, for finance, for investing, with the idea that you need to control what you can control. That somethings are just luck or somethings are completely out of our control. What the stock market does today is completely out of my control. What happens with tax reform is pretty much completely out of my control. The idea that I should focus my efforts on what I can control, and I think that's true for everybody. Just don't spend time trying to wish or hope things that you can't control. Spend your time on the things that you can control.

Tim Mullooly: I would have to agree. Jason, that was all the questions that I had for you today. Thanks for coming on the podcast. I really appreciate you taking the time.

Jason Lina: Thanks, Tim. I enjoyed the conversation. Thanks for the good questions.

Tim Mullooly: For the listeners out there, we touched on a lot of different articles that Jason has written, we're going to link in the show notes, like I mentioned before. If you want to read the full articles about what we discussed here today, feel free to go over to our website, livingwithmoney.com, and you can check out the show notes for this episode.

Thanks for listening to this episode of Living With Money, and we'll see you on the next one.