Dr. Brad Klontz - Transcript

Tim Mullooly: Welcome back to Living With Money. This is Tim Mullooly. On today's episode I am joined by Dr Brad Klontz. Brad is a financial psychologist, a certified financial planner, an author of five books, notably Mind Over Money, which we'll talk about a little later and he's also a professor at Creighton University. Dr Klontz thanks for coming on the podcast.

Brad Klontz: Thanks for having me Tim. My pleasure to be here.

Tim Mullooly: Before we dive into your work, I just wanted to start, I like to ask all the guests about their relationship with money growing up. It's always interesting to kind of hear their background about how they got introduced to money and finance and how, if you think at all that upbringing kind of shaped your beliefs and views of finance today.

Brad Klontz: Yeah, absolutely. I grew up, it's funny, I was talking with my mother about this. I said, "Mom, how would you classify us in terms of socioeconomic status when I was growing up?" And she said, "Well, we were middle-class except lower." And I was sort of like, "Well they have words for what's lower than middle-class, but you don't have to use them." But that was sort of the family system I grew up in. On both sides of my family, didn't have much money, and going back for generations. My parents though were very much interested in education. They were actually both the first ones from their family to go to college and they were teachers, but divorced when I was young, which added ... If you really want to disrupt your financial life, just go ahead and get a divorce, because it's probably one of the biggest threats to your financial health.

And so my family did experience that. And so I grew up in a family where there was this constant message that there isn't enough money and so we don't have enough. And so we weren't able to do things that other families were able to do and have those types of experiences. And as a little kid I was very acutely aware of this, and I was aware that it seemed like it was a good thing to have more money. You were able to do more things, able to enjoy things in a different way.

And so at a very early age, I was approaching life with two main philosophies. Number one, like where did my parent's marriage go wrong? And just very interested in that. And then secondly, how can I think or do things differently than my family has done for generations around money, so that I don't have to be lower, middle class as I'm an adult and raise my kids in that fashion. And so I was a student, and I think at an early age, seeing how, like for example, how my friends parents who seem to have more money, what they did for a living and how they approached money. So I had a lot of curiosity growing up.

Tim Mullooly: So would you say that that kind of influenced your decision in terms of career path? How did you begin studying finance and psychology together, and at what point did you decide to kind of fuse the two and become a financial psychologist?

Brad Klontz: Yeah. So, my initial career, and I still consider myself a clinical psychologist. I went to college and I basically did some research in my freshman year on which mental health professional makes the most money. And so I think at that age I was, "If I'm going to be doing therapy, I might as well be doing it in the profession that gives me the best opportunity for financial advancement." And so I think by choice within the field of mental health was related to that. And then when I got out of school, I owed $100,000 in student loan debt. And this was a very stressful thing for me. I was raised by frugal parents too, who taught me like, "Hey, don't ever borrow money, save money, don't spend money."

And so I was actually horrified by the fact that I had to accrue all this debt to get my education. When I was in my internship year, I saw a friend of mine make $100,000 in one year trading stocks. This friend knew nothing about the stock market and I knew nothing about the stock market. So I'm like, "I think I can do this." And so I sold my truck, I cobbled together all the money I had. I downgraded everything in my life to live this. I had like one fork, I had one plate, I drove a $500 car and I put all my money in the stock market, and my goal was to make $100,000, pay off my loans.

And I had a fabulous first three months and then the bubble burst, it was the tech bubble, and I had put it in right at the top. And as my money's melting away, I started to ask myself, "Oh my gosh, how did I end up here? Where did my thinking go wrong? I'm a reasonably intelligent person, why would I do something so radically stupid with my money?" And so I started to look into the field of psychology for answers. I did a lit search is what we call it. I'm trying to find studies.

Certainly somebody has studied why people do what they do around money. And I came up empty. Tim, people hadn't done anything and from the psychology angle. And so I tease that within the matter of a few months, I became the world's leading expert in financial psychology, mainly because psychologists totally have ignored money, which is an interesting thing in and of itself, and I've actually did a study on that, but mental health professionals have a tendency to lean in the direction towards what we call money avoidance in our research, which is the belief that money is bad, if you become rich you're somehow less worthy. There's virtue in having less money, that kind of mindset.

Interestingly, topic was totally avoided. But it got me really curious around my own relationship with money. And so what I did in my own search for why I ended up where I ended up, I went home, I interviewed my mother, I interviewed my father. I started to ask for stories about what it was like for them growing up. And all these incredible stories were revealed to me about what had happened in my family history. For example, my grandfather on my mother's side lost all of his money in the Great Depression. So imagine that going to the bank one day, and first of all, you can't even get in the bank. There's a line, it's locked, your money's gone.

So he had that experience, which very traumatic experience, I mean it would be for me. What I didn't realize is that from that experience as a young man, he had this belief and which makes a lot of sense, you can't trust banks with your money. I mean, he lived that experience. What was shocking to me though, he passed away in his 90s, he never put a dollar in the bank the rest of his life. He would get his paycheck, he would take the cash home, he would put it in a lock box. So he had an intense distrust for financial institutions, obviously didn't invest anything.

And this is one of the reasons that he was poor his entire life. And so when I started to hear these stories, which by the way, I'd never heard that story before, but all of a sudden my mother's anxiety around money started to make sense to me. And then of course what I did made sense, because I didn't want to be like them. And so I actually went, I call it a dysfunctional pendulum swing, where I swung in the total opposite direction, which was totally dysfunctional. And then they were very afraid, wouldn't put money even in the bank. I put all of my money in the riskiest asset class, very concentrated asset class, and of course lost it.

And if I hadn't been curious about my own psychology, I'll tell you what would've happened. I would've swung right back to my grandfather's belief and my mother's belief. You can't trust institutions with your money.

Tim Mullooly: Yeah. So having, I feel like having that background in mental health and being a psychologist kind of saved you in that sense from swinging all the way back to the way that your family operated.

Brad Klontz: I think it really did. And some of the research we've been doing, as I mentioned, I was fascinated even as a kid in the psychology of wealth versus the psychology of poverty. And what's the difference there? And one of the key differences we've been finding in our studies is something called locus of control.

There are two different types of locus of control. Locus of control basically means, where do you think the location of control is for your life, for your life outcomes? Is it inside of yourself or is it outside of yourself? And so what we found is that wealthier people ... And by the way, tons of research on this idea of internal locus of control being hugely helpful with people who want to increase their income, increase their net worth, bounce back after terrible experiences such as losing a job, et cetera.

And that internal locus of control is basically saying that the things that are happening in my life that are positive, that are negative, they're my fault, they're because of me, and because they're because of me, I can do something about it. And that's the refreshing awareness is that if you can blame yourself, be kind, but if you can blame yourself for your financial difficulties, wow, there's tons of power there to then go ahead and shift your financial life.

If all the blame is external, it'll give you some immediate psychological relief, because it's not my fault so I don't need to feel bad, but it's a terrible strategy for going through life because you're going to find yourself just repeating problems and patterns and shooting yourself in the foot your entire life.

Tim Mullooly: Yeah, that makes sense. Because then it's like, "well this is just happening and there's nothing I can do about it, so nothing is going to get done to change it." That makes a lot of sense. I read on your website about your mental wealth and what goes along with that, the discovery process. Can you tell the listeners a little bit about your mental wealth and the discovery process and the three different stages of that process? Yeah, absolutely.

Brad Klontz: At our firm Your Mental Wealth Advisors? We're a fee only firm, which is your firm too, which I really appreciate by the way. Part of what we do in our work is we want to really help people who are interested to really get an understanding of their own psychology. So what we do is we have people take some of the tests that I'm just finding that we're using in our research to really look at, what are their beliefs around money? How is their relationship with money? Of course it's great to have, information around what they want in terms of financial goals and all of that. But are they communicating with their family well around money?

We're looking at it more holistically around financial health as a general concept. And then from there, what are your financial goals? And then of course, what are the steps in the plan to get there?

Tim Mullooly: That makes sense. I liked that you kind of tied into everything and not just the strict financial plan, kind of bring it in full circle with everything else going on in their life, I feel like that makes sense. And would you agree that helps the clients or the people that you're helping feel more attached and more willing to participate in that sense?

Brad Klontz: I think so. And I think that every time that I talk about money scripts, which are these beliefs around money that we all have that are clanking around in our subconscious. Once I start talking about those and talking about how they get passed down through our families, and we learn them from our parents or grandparents. Even stories like I described that you'd never heard, you just had this feeling around money that you've inherited. Once I start talking about that, just about everyone can start to relate because you start thinking about, "Okay, so what are the messages that came to me, and how are they working out for me in terms of my financial outcomes, in terms of my relationship with money? And so yeah, I think it's an engaging topic and people are are very much curious about their own personality typically.

Tim Mullooly: Yeah, absolutely. I've also read a little bit about the financial psychology institute. Can you tell the listeners a little bit about that and what's offered there?

Brad Klontz: Yeah, so the Financial Psychology Institute is something that my father and I established some years ago and at that institute we train financial advisors in financial psychology. Now, in recent years we've taken our training program into Creighton University in the Heider College of Business where financial planners can, you can actually get an MBA with an emphasis in financial psychology, will be able to finance at Creighton University and Financial Psychology Institute offers a professional designation for advisors who want that type of training.

And really what we're doing there is training people who are interested. So some of them are financial planners, some are therapists, some are coaches, business consultants in how to understand in a client's financial psychology, how it impacts their life and how to help shape and intervene and shift some beliefs and behaviors around money to maximize financial health for clients.

Tim Mullooly: Right. I feel like that's a great program, especially because being an advisor, I know how much emotion comes into everything that we do here with financial planning and psychology and everything. So I feel like all advisers should be trained in the field of psychology to, it would just better help understand their clients and why they call in sometimes and have the questions that they do or act the way that they do with their money.

Brad Klontz: Oh yeah. And there's advisors across the country right now who are being called by their clients because the Dow is fluctuating dramatically. And to really understand human psychology in relation to those types of experiences comes in really handy. Because I was just actually talking to one of my friends who said, "This advisor is really stressed today." I said, "All advisers are stressed today." The markets in turmoil. And so, but the other thing is that this is just a total predictable part of human markets that have been around for centuries and will always be here. But just understanding that the way that most of us, well all of us are actually wired is to be highly adapted to a hunter-gatherer existence.

It's only been in recent centuries that this whole abstract concept of money has come into play and we just, our brains haven't evolved to handle it efficiently and logically. And so when we see a bunch of, like when I saw the tech bubble, taken off and I'm like, "Oh my gosh, I'm missing out." It led to very terrible financial decisions. And when you see the market dipping down, it brings up that herd mentality. Like, "I don't want to be the last one standing here because then I'm going to die." And so then of course you make terrible financial decisions. And so this is chronic, the human condition, it's chronic, it'll be here forever. And a huge part of financial help is being able to override that natural animal brain impulse to destroy yourself around money.

Tim Mullooly: I was going to ask, why are money, finance and psychology and emotion just so closely intertwined and like what is it about money that makes people do these crazy things? And is it kind of what you were just alluding to, that animalistic kind of herd mentality or are there any other things that kind of play into what makes people crazy about money?

Brad Klontz: Yeah, it's sort of the same thing that has made people crazy about, human beings crazy about status since we evolved. For hundreds of thousands of years depending on your theory, but a lot of money integrates all these aspects of our lives that are very much related to survival. And one of the survival components has to do with status, and it's real easy to make fun of people or look down on people who are focused on status. Right? Well, actually we all are, and you may be really engaged in the status of, some people are really immersed in the status of not caring about money and that sort of a status that they promote. "Look at how little I care about money."

Tim Mullooly: It's like an anti status.

Brad Klontz: Exactly. But really what they're doing is claiming status related to it. So just understanding that we are wired to be very concerned about our status. One of the things that studies have found is that, for example, there is no objective amount of money that's going to make you happy aside from getting your basic needs met. Our happiness is much more related to how much money we have compared to the people around us. That matters so much more than how much actual money you have. Because that's an indicator of social status, which is an indicator of survival.

Like so our ancestors who could care less about their status, they all died out and they didn't reproduce. Being very much concerned about where you line up within your tribe, for most of human history that was about 150 people. Where do you line up within that can cause a tremendous amount of stress because if you're really low on the status line up there, you're less likely to get enough food and materials to help your children survive, et cetera. So really thinking about all of our experiences around money being related to that tribal brain really helps make sense of it. And then it also allows you to talk back to that part of your brain, because that's actually not related to your survival currently.

Tim Mullooly: Yeah, that makes sense. Like you're saying, once you understand that you can kind of fight back against those natural instincts. So I'm sure over the span of your career you've seen all different types of money mistakes and mental mistakes that people do with their finances. If you could narrow it down to like one or two, what would you say are some of the more common big mental mistakes that people have made with their money?

Brad Klontz: Yeah, so there's a few different categories that we've studied pretty extensively. Well, one of them is the concept of money avoidance. And this is where you're having a negative association with money, which is a very common experience, actually. People, we have a tendency to be jealous, let me just put it in those terms around people who have more than us. And it sounds like such an ugly term, but trust me, you are at some level, it's just how we're wired. But one of the problems with that is if we start to attribute too many negative characteristics to people who have X amount of money, and by the way, whatever that X is just totally depends on who you're talking to, there is really no objective number. It's very much on whatever group you belong to.

We of course would like to have more resources and when people have it and we don't, we have a tendency to look down on them and to attach a bunch of negative beliefs around who those people are because it helps us feel better about ourselves. So it's sort of a natural tendency. Now, the problem with that is that if you come from a socioeconomic herd, if you will, of people who are at a certain socioeconomic level who look at people in a different socioeconomic level, very disparagingly, so you have a bunch of negative beliefs around those people.

What happens is that if you start to rise above your socioeconomic status, so in other words, you're becoming more financially successful, it's going to create a tremendous amount of anxiety inside of you. Because going back to that tribal brain, you are starting to distance yourself from the tribe. And if you were left behind by the tribe or if they kicked you out, you died. So that's the left psychological anxiety we feel underneath the surface. And so what people will have a tendency to do is to just blow themselves up.

So they'll either sabotage this business success or they'll avoid taking a promotion, or if they get some influx of cash, like let's say you win the lottery, you're getting an inheritance, you blow it. Because people start to look down on you. So that is actually a really common experience when people come into an inheritance or an insurance settlement or whatever, and all of a sudden the money disappears. Part of what happens is they feel a lot of stress inside because people, they're separated from their tribe. Some people will ask them for money, they're not sure how to handle it, et cetera. So that's a pretty common one.

Tim Mullooly: That kind of ties into the YouTube video that I was going to ask you about, talks about causing financial self-sabotage. The video talked about three different money lies that people tell themselves. Would blowing an inheritance or winning the lottery and blowing all of that money, is that one of those three lies and how can people kind of avoid the self-sabotage there with their finances?

Brad Klontz: Yeah. So I would say that a lot of what's underlying self-sabotage in those examples we just talked about is this belief, and this is one of the money lies we're talking about, is good people shouldn't care about money or I'm somehow bad if I do. That belief based on all the studies we've done, it's totally going to destroy your life financially, lower income, lower net worth, a whole host of self-destructive financial behaviors.

And the fact is good people, there are a lot of really good rich people. There's a lot of really terrible poor people, good poor people. That's just really not the issue. The issue isn't about how much money you have, it's what you do with it and how you approach life. It's a terrible money lie, it blows people up.

Another one is the belief, we call it money worship in our studies, which is the belief that money and more money is going to solve all of your problems. Research shows that, I mentioned this before, you need to have enough money to pay your rent, feed your kids, put clothes on your back. And that's pretty important. Above that though level of income, there is no association between money and happiness. So money actually won't solve all of your problems. And I know you work with high net worth individuals, you perhaps you are one of yourself too. And I think once you get into that category you start to realize, wherever you go there you are, the same things that kept you up at night, you were worrying about before you had money, you're worrying about them now.

I mean, people love their kids in a very deep way and worry about their children no matter how much money to have. So it's part of the human condition. And so the problem with this belief that more money will solve all my problems and make me happy, there's two main problems. Number one, let's say that you do get a bunch of money and you've probably seen this in your work too. And if you have this belief that that was all of a sudden going to erase all your problems and make you happy and your marriage is going to be happy and your kids are going to love you and you're going to go to sleep fulfilled every night. Well sorry, and so what happens is people will end up becoming depressed or have an existential crisis.

And every time I talk about people are like, "Oh yeah, well that wouldn't happen to me." But it probably would. Like if you believe that money was going to magically erase all the problems in your life, it's not. And when you look behind the curtain and you see that the wizard doesn't exist, it can be very depressing for people.

The other thing that people run into is this belief that more stuff's going to make me happy. You get money, you spend it, you buy stuff. And of course that, there's an empty experience with that. And if you think back to being a kid, getting a brand new toy, you're really excited and after two or three days, the excitement's gone. It didn't really give you any lasting happiness. But the problem is people can become addicted to that one or two day experience of happiness or joy, getting that Amazon package coming to the house, and that can become an addictive experience that dumps dopamine in your brain, and then before you know it, you're blowing yourself self up financially buying a bunch of stuff because you believe it's going to make you happier.

Tim Mullooly: Yeah, that's a dangerous path to start down. So you've recently, I saw some YouTube videos, two consecutive videos, one talks about why money can buy you happiness and one talks about why money can't buy you happiness. So first off, which is it? And if it's a combination of the two, why is that the case?

Brad Klontz: Yeah, it's definitely a combination of the two. As I talked about previously, there is that happiness cutoff that the research has found that if your basic needs are being met, you're able to feed your family, clothe your family, have a roof over your head, above that level of happiness or I mean that income, there is really no strong association between money and happiness.

Most recently, that's about $75,000 in household income, which is around the median income in the United States. So above that, money can't make you happy, it can make you to that point. The other thing is that there's no amount of money in your bank account that is going to lead to sustained happiness. And if you try to spend money to make yourself happy, there are different ways to do it that you can get more bank for your happiness buck. So for example, buying stuff you get that fleeting temporary happiness on this new purchase that fades relatively quickly, versus experiences with people that you love doing things that you really enjoy and immerse yourself in. You can definitely spend money to increase your happiness in that capacity.

Also buying more time. Money allows you to pay for people to help you out with various things that can free up time that you can spend with people you love. Another huge way to spend money and that money can make you happy is finding ways to help others. So using some of that time to volunteer for a charity that's near and dear to your heart or gifting money to a charity definitely can make you happier. Actually, helping other people is a secret hack to curing depression too, like if you're feeling really depressed and down, integrating that helping others activity is definitely going to improve your mood.

On the side of the argument that money won't make you happy. Talked a little bit about money worship where more stuff isn't going to make you happy. There's also this thing that psychologists call a hedonic treadmill, which is a fascinating concept and you're going to relate to this immediately, but it's that idea that we're sort of biologically wired to continue to want more no matter how much we have.

And so studies have shown, like for example, when you're going to ask people who make $25,000 a year, how much money do you need to make to be happy? They'll say 50, you ask people make 50 they say 100, you ask people who make 100, they say 200 and on and on it goes. And so for me anyway, the message in that research is to really immerse yourself in what you're doing, that's really where the happiness is.

And then the other concept is the relative deprivation concept that I talked about previously, or the Jones, keeping up with the Jones effect, but basically it's not a number in your bank account, it's how you see yourself relative to others. That's where we have a tendency to identify ourselves as having a satisfied life, if you will, around money.

Tim Mullooly: Yeah. So that's a, it's good to know that it is a little bit of both, can and can't buy happiness in different ways. So I wanted to talk about one of the books that you've written. You've written a handful of books in the past, but back in 2009 you published a book called Mind Over Money: Overcoming The Money Disorders That Threaten Our Financial Health. I wanted to ask, being 2019 this book is about 10 years old now. What were some of the disorders that you mentioned in the book and are they still the same or are they still relevant 10 years later or have they kind of changed along the way?

Brad Klontz: Actually, what's happened in subsequent years is there's even been more of an emphasis on money disorders. So I mentioned some disorders back then that really weren't being treated in modern psychology and psychiatry which are now part of DSM-5 which basically allows you to get treatment for some of these disorders. So that's actually a really good thing is that our society and our culture is recognizing that we can have, our relationship with money has a profound impact on our overall mental health and our physical health. Money is the number one source of stress in the lives of Americans, and it has been for years now. In annual surveys done by the American psychological association, three out of four Americans say it's the biggest source of stress in their lives.

That's a huge number in what could arguably be one of the richest countries, well certainly now, but definitely in human history. So pretty profound I think as Americans we really are having a very conflicted relationship with money. Stress is deadly. So there's been other studies that have been done, financial stress is a risk factor to your life, your longevity akin to, and it's very closely related in terms of statistically like what will kill you compared to like obesity and heart disease and smoking. So it's something that I think as a culture is pretty profound for the average American.

And then some Americans are really wrapped up in chronic self-defeating financial behaviors. One disorder is compulsive buying disorder, for example, where people are addicted to that spending cycle and then they get depressed and they feel remorse and they try to stop. It's just basically an addiction directed towards buying things. There's a whole host of money disorders that we could talk about for hours, but they're pretty pervasive in our culture and it's something to really pay attention to.

Tim Mullooly: Yeah, absolutely. And I mean just hearing that some of the disorders that you mentioned back when the book was published are now actually being treated is a good step in the right direction, I feel like, and that I feel like behavioral finance and financial psychology have kind of gained some popularity in terms of mainstream attention from either advisors or just people in the media in recent years. Why do you think that people nowadays are waking up to the importance of financial psychology?

Brad Klontz: I found a much bigger interest in financial psychology in the midst of the last recession. It seem like people got much more interested, and I think a lot of psychologists were seeing more and more people in their office who are very stressed around money. And so I think that really brought some awareness to it. I bet you there's a lot of awareness to it in the last few days as we mention the recent market event. But I think those types of things that have come to the cultural forefront and have got really, people really thinking about it and behavioral finance as an example of a subset of financial psychology where there's been a lot of research done on how our natural wiring as human beings leads to like self-destructive investment decisions. And I think that research body has been growing.

So I think probably a combination of having a financially traumatic experience impact us recently has really led to more and more attention.

Tim Mullooly: That makes a lot of sense when you put it that way. If that's the case, I mean coming out of that recession we've kind of had one of the longest, if not the longest bull market in terms of the stock market, obviously the last couple of days not included. How would you say, I mean, if a traumatic experience kind of affects someone in a negative way, how would you say if at all, like a long bull market would seeing positive returns in the market would affect someone's psyche or mental state or how they think about money? Does that, is there like an increase in greed or how they approach their financial lives that way?

Brad Klontz: Yeah. I'm actually so glad you brought that up because it doesn't get near enough attention. But we have an entire group of people who believe that they happen to be really great investors. Because a monkey would have been a great investor over the last 10 years. I don't say that to be insulting. I mean, I really like monkeys, but it's like, there's something really dangerous about early success, because we might misattribute that success to our brilliance versus overall market conditions and what's happening.

So I think it's having a profound impact where people are perhaps taking on much more risk than they actually should based on historical market returns, but given recent history, they just feel like they can't lose.

Tim Mullooly: Yeah, definitely. And we see that almost on a day to day basis with clients coming in to a certain degree. So I'd have to agree with that. Through all your studies over the span of your career working with clients, what would you say, if you could kind of narrow it down to one thing would be the most impactful financial lesson that you've ever learned that you like to pass along to clients?

Brad Klontz: The first thing that comes to mind is life is what you make it. There is no external experience that's going to give you what really we all crave as human beings. And really is sort of the opportunity with money. Money can actually accentuate this experience of life and life satisfaction. But ultimately how we approach our relationship with money, what we think money can give us or can't give us, this is all very internally driven and can be shifted internally without having enough quote, money or having enough quote, financial success.

And I know Tim and we talked about it briefly, you've worked with people who have an incredible amount of money and don't necessarily have a very satisfied life or have really good relationships or feel satisfied where it really matters most. And so I think that's one of the things that I've really learned over the years and working, both rising up the socioeconomic ladder myself, working with people at the highest ranks of the socioeconomic level. There is really no amount of external validity and validation and financial resources that can shift that internal sense of peace and happiness.

And so I encourage people to try to is ... Throughout the day, have that experience of satisfaction and immersing yourself in the things you love with the people you love and go ahead and take that journey towards financial success. And I really do hope you achieve it, but just understanding that, wherever you go, there you are. So if you are very miserable and dissatisfied in your current life, there's a really good chance that regardless of what's happens to you externally, you're going to be miserable and feel very dissatisfied. So that's probably the message I would give.

Tim Mullooly: Yeah, that's a great point and it's a eye opening realization for people when it finally hits for them. Last question that I have for you here, I like to wrap up by asking all of the guests, and it might be a similar thing to what we were just talking about, but whether it's a personal thing or something you've learned in your professional career, what's one piece of advice that someone has given you that has always just stuck with you?

Brad Klontz: The first thing that comes to mind is really focusing on, and actually I've subsequently done some studies on this and found that, well, what I'm about to share with you can dramatically increase people's ability to achieve what it is they want to achieve. It involves sitting down, closing your eyes, journaling, whatever it is, but getting a very clear picture of where you actually want to be. Like what you're doing this for, whether that's retirement or you have a particular savings goal or whether it's an occupational goal that you're striving for and sit down and really picture what it would it be like to achieve that? What it would feel like? Who are you with? What are you doing?

To really flesh out those goals and get them very specifically, because I talked a lot about the animal brain and the tribal brain and that the part of the brain that really motivates us to take action is very emotional, and it works on pictures and feelings. And so the clearer you can get about what it is you're hoping to achieve, the faster you're going to achieve it.

Tim Mullooly: Yeah, that makes a lot of sense, and I feel like that could help a lot of people out in determining where they want to go and how they want to get there. So that's a great piece of advice, and a good place to end. Brad, that was all the questions I had for you. Thanks for coming on the podcast. I really appreciate you taking the time to come on and chat with me.

Brad Klontz: My pleasure, Tim. Thanks for having me.

Tim Mullooly: For the listeners out there, I will link in the show notes to everything that we talked about, the different YouTube videos and all the different topics that were mentioned here. So thanks for tuning into this episode of living with money and we'll see you on the next one.