

## The Power of Planning for Millennials - Transcript

**Tim Mullooly:** Welcome back to this episode of Living With money. This is Tim Mullooly.

Going to do something a little bit different here today, guys. No real interview, per se, but I just wanted to take today's episode to talk about planning and specifically planning for millennials, younger millennials meaning people my age. I just turned 27. My brother Casey will be turning 26. Brendan's 29. So people in their mid to late 20s, our immediate group of friends, we hear from people whenever I see them out, "I don't have any money, otherwise I would come work with you guys," or they just ask these kind of general questions like, "How much money should I be saving?" or, "How much money should I have?" or, "I have no idea what my finances look like," or, "I don't even know how much is in my bank account."

So I wanted to talk a little bit of time today and talk about planning, both financial planning and just overall life planning. The two really are intertwined. I think when you put the term financial planning on it, it kind of turns some younger folks off to it because they're like, "Well what am I going to do financial planning for? I don't have any money. I don't have any finances to plan," and that's not necessarily what we're planning.

It's really about setting goals, setting plans in motion when you're this age, when you're young. You don't have the assets, you might not have a big house, cars, or kids, or a high paying job, or anything. You might just be getting your feet wet. You might just be starting out your new career or looking to buy a house, but you need help along the way in terms of financing everything.

So I have started to think of it more in terms of life planning and just figuring out what people want from their lives. I mean, being intentional about it, it's super important to actually sit down and think about what you want. I mean, as far as I know we only get one life. It's not worth wasting. It's not worth neglecting and putting off these conversations with yourself and determining what you want from your life and being intentional and being aggressive about pursuing those goals once you figure out what they are.

So with that, I wanted to dive in especially since my birthday was last week. Like I said, I just turned 27 so I was having these conversations with myself in my head like, "Wow, Tim. You're 27 years old. Some people out there listening might be like, 'You're still super young, kid. Don't worry about it.'" I'm creeping up on 30, and to be honest it's not freaking me out, but it got here a little bit quicker than I was expecting.

So I sat down, and I had some goal setting sessions and planning sessions to figure out what I wanted to do, and I just wanted to share it with you guys in case you wanted to do the same exercises or you're going through the same thing right now as well. So here we go.

So I think the first thing that you need to do when you're trying to figure out these plans on such a grand, big level is just figure out what are your goals. You need to define your goals before you can actually start planning for them. There's no point in doing any planning if you don't know what you're planning for. People our age, do you have a house? Do you want to buy a house? That's a question that, I mean I'm sure you've read in the headlines. Millennials are asking

themselves a lot more, "Is it worth it for me to buy a house?" or, "Should I continue to rent? Is it something that's not necessarily in my picture right now," but it might be along the way in six or seven ten years, who knows. For me, I've been living in the house that I bought with my younger brother, Casey, coming up on three years now. So I've already checked that box in terms of planning for myself.

Another big thing for people in their late 20s are student loans. Do you have student loans? Are you going to have student loans if you plan on going back to school? How are you going to pay for school if you plan on going back to school? Why do you want to go back to school? All of these questions are things that you need to take care of right off the bat.

Another thing that I hear from my friends all the time is traveling. It's also advice I think that you hear from a lot of older folks is that they wish they traveled more before they had kids or before they got married and stuff like that and settled down. We're going to touch on my feelings on that in a little bit, but if you want to travel. How much do you want to travel? Where do you want to go? Maybe you need a new car. Do you want to have kids? This is a huge question for people.

Planning in terms of life planning, figuring out when that might happen, and also if you can afford it or how you might be able to afford it is a huge conversation that you want to have with yourself. If you're in a relationship, do you want to get married? When do you want to get married? Do you want to have a huge wedding? How are you going to pay for it? There are so many different things, so many different goals, that people can set. Those are just some of the bigger ones that you hear a lot of people thinking about, but obviously everyone's going to have their own specific goals.

Things that I personally might not plan for most people might not plan for, but if you want to plan for it it's your life. No one out there should tell you whether or not you should try and pursue a goal. No goal is better than the other.

Another thing that I think is important to point out and some people might suggest the opposite is that there's no official priority list that everyone must follow. You do your own life in the order that you want to do it. Now, when you heard about traditional "the way that it used to be done" or the way that your parents did it: you find a boyfriend, you find a girlfriend, you get engaged, you get married, you buy a house, you have kids, you work, you retire, you sail off happily ever after into the sunset.

Just because someone did it that way, just because a lot of people did it that way, just because your parents did it that way does not mean that you have to do it that way. You can buy a house, you can have a kid, you can have a kid and then buy a house, you can get married, you can not get married, you can stay single forever, you can have as many kids you want in whatever order that you want to do it. As long as it's working for you, that's the most important thing, and I feel like that's one of the most important overarching messages of this episode.

Having said that, once you've sat down and you've listed out these goals, the next thing to do on a more microlevel is look at your cashflow. I'm not going to use the word budget because when you say the word budget, people flinch, they cringe, they shut off, and they don't want to hear

about it. Budget, that's someone telling me how I can and can't spend our money. No, no. That's not what it is. Let's look at your cashflow. That means how much money do you have coming in versus how much money is going out. It's as simple as that.

As you break it down from there, I'm going to list out a handful of different categories typically people spend their money on, and that if you're going through this process right now might jog your memory as to, "Oh yeah, I'm spending money on that every month. I might as well include that in my cashflow, not budget, not a budget." Like I said, cashflow coming in versus cashflow going out. Obviously the game plan there is to have more money coming in than going out. If the other outcome is the case then there's some work to be done there.

I feel like there's an important conversation to be had about finding a balance between saving for the future and living in the moment. I get a lot of feedback from people my age about, "Well, I'm not going to invest this money," or, "I don't want to start thinking about retirement. I'm only in my 20s. I need money to live today. I need money to go out this weekend and have fun with my friends. I need money to go on this vacation next month. I can't be worrying about putting money into a retirement account. I need every dollar that I have right now," and I think that that's okay.

There's also a line between living in the moment today and being reckless. You can travel and you can spend your money all you want. That's completely fine. That's completely up to you. If you want to go on a vacation every two weeks and you can afford that and that works for your lifestyle, go ahead. May not work for everyone, but if that works for you go for it. But the thing that I will say to people, "Do not purposefully neglect looking at your bank account or knowing where your money's going."

I've noticed that there are some people out there that think for some reason it's funny or it's cool, they make jokes like, "I don't even know how much is in my bank account." Excuse me? What? There's nothing cool about not knowing where your money's going, or not knowing how much you have in your bank account, or not knowing how much debt you're collecting. I just don't subscribe to that mindset. I don't get it. Please, please, please don't purposefully neglect looking at your bank account. As much as it might hurt, even if you check it and there's \$4.63 in there, at least you know that there's \$4.63 in there. It's better than not knowing at all how much money you have. So please just take an active role in checking your bank accounts that you have on a relatively consistent basis so you know where you stand.

In terms of planning for the future, just a general rule of thumb, and again this is just general this isn't specific advice for you particularly, but just a general rule of thumb that you hear. If your company offers a 401K and they offer a match, which means whatever you put into it they will match that up to a certain percent, general rule of thumb is take that. It's essentially free money. So if you contribute 2% and your company matches up to 2%, that's essentially doubling what you're putting into the account.

So if you go through your cashflows, you have enough to pay the bills, you have enough to fund your savings and your emergency fund, you set aside money for your short term needs, and you still have some left over after contributing to a 401K or 403B or 457 if it's there, then you can start thinking about other retirement accounts. Maybe a Roth IRA or something like that. Again,

there are a hierarchy of accounts that a young person, I think, should have. This is just my personal opinion. I pay all of my bills out of my checking account. I have a savings account where obviously that is hands off savings money. I also have an emergency fund which is even more removed than the savings account, and then I would consider retirement or investment accounts. There are things to check off first. If you don't have any money in savings, if you don't have an emergency fund, I wouldn't recommend opening a Roth IRA or putting money away for retirement because there are more pressing needs in terms of short term money for you.

If you do have money in a 401K or in a retirement plan you might be thinking, "Well, how should I invest that?" If it's a retirement account and you're in your 20s, find a cheap, broadly diversified portfolio and almost just set it and forget it. You're going to have money coming out of your paycheck each week going into that account in dollar cost averaging into the funds. This is money that is for retirement. You are 25. You are 29 years old. Even if you're 30 years old. If it's for retirement, the earliest you can take it out without a penalty is 59½. That's three decades away. If you're worried about what the market is doing on a week to week basis and you're 27 years old, and the only type of investments you have are in a 401K, stop it. Stop. Please. You're going to drive yourself crazy over the next 30 years every week, every day, worrying about what the market's going to do. You don't need to be doing that.

So like I said in the beginning, I get a lot of questions. They ask, "How much should I be saving? Should I be investing my money? How much money should I have at this point in my life now?" And I always hesitate to answer these questions, and it's not because I don't feel like answering them or I'm being lazy or it's annoying, it's just because everyone is different, and I want to give everyone the absolute best answers possible, and without knowing more about your own personal situation, all I can really give you are generalizations. If you're a friend coming to me and asking me about your money and your life and your finances, I don't want to give you generalizations. I want to give you the best answers I can. I want to give you specific answers about how to make the most money in your life and how to be happy and how to fund all of the goals that you want to do, but it's hard to do in an off the cuff kind of situation where we're standing at a bar, we're standing out somewhere, and you just ask me and we have 30 seconds to go over this conversation, and then we're moving on.

I apologize if anyone has ever asked me questions and I didn't really give them good answers, but if you want good answers we can have a much deeper, longer conversation about it. All really any advisor can provide you in that situation are just generalizations, general rules of thumb, things that work for most people. It doesn't necessarily mean that it's going to work for you.

There are some platitudes and generalizations that I hear a lot that are given to young people. When forced to answer these questions, there are nothing wrong with these types of answers like save a little bit of money from each paycheck. You know, just save a little bit. Just save \$50. I mean, when it comes down to it that's just an arbitrary amount, but at the root of it it's helpful advice. Travel early before you settle down or start investing while you have some time on your side. Time is the biggest proponent that young people have in investing because of compound interest. So you need to start right away. Generally, yes that's correct, but is that correct for you? Maybe. Maybe not.

They all sound great. They're all good advice. But it might not be the best specific advice for you.

To get back to the travel early before you settle down, just a personal note and just a way to show that this ... It's not evergreen advice for everybody out there. I personally don't really subscribe to the idea of you need to travel before you get married or before you have kids. In my opinion, I want to wait until I have kids or until I'm married to go travel because I feel like traveling is more special when you do it with people that you love, that you care about, and who would you care more about than your wife or your husband and your kids?

So I think for me personally, I'll wait to travel. Right now, I still haven't left the country. At 27 years old, never been out of the country. It's something that I want to do. I don't think I need to do it before I settle down. Again, going back to the priority list. It's different for everybody. You don't need to travel and then get married and then have kids. You can get married, have kids, and then travel with them, and that's okay. Everybody's different. I think I'm going to keep saying that whether you're tired of hearing it or not. Everyone's different, every situation is different. Remember that.

Like I said earlier, I had just turned 27 last week so I wanted to take some time to sit down and think about my goals for this year and what I want to accomplish before I turn 28 or maybe 30 or 40. And what I realized was is that my goals are completely different from when I was 18, from when I was 21, from when I was 25. Even just over the span of the last two years or one year, my goals have completely changed. I will say that just because your goals change so frequently is not an excuse not to write them down and not to have that conversation in your head about setting these goals. It's still important, in my opinion, to have things etched out and fleshed out before you start to attack them because otherwise you can't really start to attack them until you don't know what you're attacking.

So these short term goals are super important to me. Long-term goals are just as important. They're just a little bit broader for me. I don't like to set, necessarily, super specific long-term goals for the reason that I was talking about earlier. I mean, the goals from when I turned 21 or 18 are completely different from the ones that I have today. So I like to just keep broader conceptual goals for the long-term. I won't share those with you here today, but if that's something that you want to do as well just keep in mind that things change over the years as well. So don't beat yourself up if you don't reach those long-term goals, or even the short term goals. It's all about progress and just making yourself better.

One thing that I do want to say is that in terms of setting goals whether you want to be specific or not, I think it's okay to not know exactly what you want, but I don't think that it's okay to not think about it at all. There's a big difference between sitting down, trying to write out some goals, and doing some really hard thinking about it, and not being able to come up with anything super concrete. There's a big difference between that and just not thinking about it at all. It never crosses your mind. You don't think about it. You kind of just wander through life flying by the seat of your pants. There's a big difference there.

So my younger brother Casey is with me now here in the "recording studio." I wanted to bring Casey in. We'll hear from Brendan as well. Casey, we're talking about the power of planning, the power of financial planning, life planning, goal setting. A big thing that I have been talking about so far is how it's different for everybody. You know, I've kind of given my own spiel on how I like to set goals and how I view long-term, short term, day to day stuff, year to year stuff. So I wanted to get your take on how you approach setting goals. Do you plan on a day to day basis?

**Casey Mullooly:** Yeah, so I think the biggest thing for me and for everyone else is kind of to actually just figure out what it is that you want for yourself and not what your parents want, what your friends want, not what society wants for you. You just have to kind of figure out what you want for yourself, which is kind of hard to do sometimes with all of the information that's available to us.

Spending. I spend a lot of time thinking about what I want. I don't normally set specific goals for each day. I more just have like a broad sense of what I want to accomplish for a day.

**Tim Mullooly:** Has that changed over the years? Did you at one point ever set super specific goals, and that's kind of morphed over the years?

**Casey Mullooly:** Yeah, I mean I used to-

**Tim Mullooly:** Like I kind of knew the answer to that question, but.

**Casey Mullooly:** Yeah, kind of lead me on there.

**Tim Mullooly:** Yeah.

**Casey Mullooly:** But yeah I mean for sure it's changed over the last two years. I'd say I used to be very strict with what I want to accomplish on a day to day basis, and I wouldn't be able to be all right with myself unless I got those things done.

**Tim Mullooly:** Right.

**Casey Mullooly:** So it was a very strict pre-morning routine, go to work, be productive, come home, work out, eat, read, meditate, reflect, and then you can have your day. And then there's only an hour of the day left.

**Tim Mullooly:** Right.

**Casey Mullooly:** So I've kind of loosened that up. The framework remains the same where it's like ... I mean, I think it's more of like a progression. When you set goals, goals turn into habits, habits turn into a lifestyle. Which is kind of what I've kind of at the point where I'm at now. I'm not setting specific goals on a day to day basis. It's more living the life that I've carved out for myself already.

**Tim Mullooly:** Right, yeah. If you don't accomplish something, how do you react to that? Like something you were planning on having happen and it doesn't happen. How do you react, bounce back, counteract against that?

**Casey Mullooly:** Sure, yeah. I think that's one of the things with goal setting. There's tons of frameworks out there, and there's so many books about setting goals and how to set goals. But there's no lesson on what to do if you don't accomplish the goal.

**Tim Mullooly:** Right.

**Casey Mullooly:** So like how to respond and stuff which is kind of what I've been diving into more because I think that that response is sometimes more important than achieving the goal itself. It says more about you not getting what you want and how you respond than about getting what you want and then just moving onto the next thing.

Let's say you want to run a marathon or something like that, and you do all the training, and then you just can't do it. Your body for whatever reason won't let you do it. I think that's the breeding ground for ... I mean, that can really set you off if you put all of your eggs in that basket, and then you aren't able to accomplish and run the marathon.

**Tim Mullooly:** Right.

**Casey Mullooly:** That's where you end up beating yourself up, and some of the negative tendencies start to come back out, and for me I know in the past I would just like attack myself and just berate myself, and not be able to live until I was able to move onto something else. But I've kind of changed where I've just been more kind with myself and not so do or die in these situations.

I think when we're setting goals, it's easy to get caught up that like, "If I don't accomplish this, it's the end of the world. I'm not going to be able to do anything else until I get this one thing done," and that's just not true. You can ... It might feel like the end of the world, but there are going to be other things that come up down the road that you're going to be able to do.

**Tim Mullooly:** Right.

**Casey Mullooly:** So just trying to keep that perspective, I think, is important.

**Tim Mullooly:** Yeah. Also I feel like there's something to be said about the journey is the destination kind of thing.

**Casey Mullooly:** Sure, yeah. I think that's another thing that I've worked a lot on is giving myself credit and giving other people credit when they make these small, incremental changes and these small ... they progress in these small ways, not necessarily these big overarching goals, but they make a subtle change or a shift in how they're responding or how they're thinking. That's progress, and you've got to congratulate yourself and pat yourself on the back for that.

**Tim Mullooly:** Right.

**Casey Mullooly:** Because if you leave it up to external circumstances meaning like other people giving you that acknowledgement and that affirmation then that's kind of up in the air because it might not come, it might not come how you want it. You might feel let down by that, and then it's like, "Oh, I did this really cool thing but no one thinks that it's cool."

**Tim Mullooly:** I guess it's not cool

**Casey Mullooly:** Exactly. So you just got to kind of do that for yourself, build yourself up and be gentle and kind with yourself along the way because it's important to be patient when you're setting these goals, too. I know for me I like to ... I make up my mind that I want something done, and I want it done tomorrow. I want it done yesterday.

**Tim Mullooly:** Right, yeah.

**Casey Mullooly:** It's like no, especially when we're trying to make these lifestyle changes, it's like it's going to take probably years for these changes to come to fruition. So be patient, be kind, be gentle with yourself.

**Tim Mullooly:** Right. This is obviously a finance related podcast.

**Casey Mullooly:** Sure.

**Tim Mullooly:** So let's tie it in a little bit. Does your mindset change at all when it comes to financial goals or for people out there this episode is specifically for people our age in their mid 20s. What would you say to people in terms of financial goals and how people should think about money in that sense?

**Casey Mullooly:** Again, you have to know where you want to go and where you want to get to down the road. Just saying that you want more money or you want a better lifestyle isn't enough. That's not going to get you there so you have to be specific in the goals you're making for yourself. For people our age, I think the most important thing to get on track now is your cashflows. It's and everything else just stems from that, and if ... Once you know where your money's going, then ... And again, this takes ... One month isn't the same. You kind of have to do this over like a 6-12 month, even like year over year period.

**Tim Mullooly:** Right.

**Casey Mullooly:** You have to pay attention to see where your money's going and then make small tweaks along the way. So I think for me, you kind of have to use a couple rules of thumb. I know what works for me and what I apply isn't going to work for everyone else but for me. You kind of have to pay attention to where your paychecks are coming in. So I get paid twice a month, and in the first paycheck of the month is when my big expenses come out. So I'm not really able to save a lot of money in that first paycheck, but the middle of the month when I get paid, I try and save as much as possible from that, and that varies. I know I'm going to save a

certain amount depending on how much other expenses I've had in the month I'll save as much as I can for that because I think another rule of thumb is saving more gives you more flexibility which I think is what us millennials really want. We want flexibility in our spending, and we want flexibility in our ability to do certain things because we don't like making up our mind about one thing. We don't like being rigid in that sense.

So I think ... I mean, it's kind of common sense, and it sounds a little stupid to say, but the more you save money the more flexibility you have for the unknowns in your life.

**Tim Mullooly:** Right, yeah. That makes sense. It's important to have these ranges and to have these rules of thumb that you use for yourself because if you're just flying by the seat of your pants then you're not going to end up saving any money, and you're going to be kind of screwed down the road.

**Casey Mullooly:** Yeah.

**Tim Mullooly:** So you have to pay attention to this stuff because it's not okay to not know where you're at for your own sake. It's not okay to ... it's ignorance versus indifference. Ignorance is not knowing and not wanting to know while indifference is knowing and not really caring. So ignorance is, "I don't care. I'm not even going to look at it," while indifference is, "I'm going to pay attention to this stuff, but I don't really know where it's going." So that's okay too.

**Casey Mullooly:** But that's okay, right.

**Tim Mullooly:** So now that we've heard from Casey, the younger brother, I've pulled the older brother, Brendan, into the recording studio here as well. Bren, thanks for joining me.

**Brendan Mullooly:** Yeah, of course. Happy to be here.

**Tim Mullooly:** Yeah. So now the listeners have heard my personal take, they've heard Casey's take. I want to pose the same question to you. This episode is all about planning, both financial planning and just general life planning for people our age. How do you approach setting goals, financial planning, life planning, short term, long-term goals. How do you think about that kind of stuff?

**Brendan Mullooly:** Yeah, I think separating financial planning and life planning could potentially be a mistake. I think because...

**Tim Mullooly:** It's difficult to do as well.

**Brendan Mullooly:** They're intertwined because I think especially people in this demographic, 20s 30s, there are a lot of different interests competing for your dollars and your time. It really depends on your priorities. You have to be intentional about what you're saving for and how you're prioritizing it, but if you can sit down and really think about that kind of stuff and determine what you're capable of saving then you can begin channeling to those different priorities in terms of their priority. Like in terms of their importance to you.

And I think that that's where it's all intertwined and how it becomes very personal because people have very different views on what's important to them at different points in their life.

**Tim Mullooly:** Right. You've recently wrote a post about something that it's like pretty much exactly what we're talking about right now.

**Brendan Mullooly:** Yeah.

**Tim Mullooly:** Do you want to explain to the listeners about the post and the message behind it and how it kind of applies to what we're talking about today?

**Brendan Mullooly:** Absolutely. I wrote this post, and I couldn't actually say what I was saving money for in the post because I hadn't done it yet, but now I have. And so I recently got engaged.

**Tim Mullooly:** A big congratulations to you from all of the Living With Money listeners.

**Brendan Mullooly:** Thank you. So I was saving for this goal over a number of months, and I thought about it ahead of time, and I was doing a lot of the things right that I would recommend. I was intentional about, "Okay, I'm saving x per month, but this portion of it is for an engagement ring, and I'm going to use it eventually." I think that the mistake that I made which was the premise behind my post was that I mixed in the engagement ring money with my other savings in my online savings accounts so with my emergency money was this money too, and it shouldn't technically matter that I ended up using the money that I set aside for the engagement ring for the ring, but the fact that I had to go pull it from what I considered to be more generally just my emergency fund felt kind of weird. Like, it felt wrong because it wasn't for an emergency.

The whole point behind that is that mental accounting is this thing where we separate our money into different buckets, so to speak, mentally because it helps us to be intentional about saving and feel okay with spending, but I think to go a step further if you have these mental buckets that's great, but you can also just open separate bank accounts for these different purposes.

**Tim Mullooly:** Yeah. So you have the mental buckets, but you can also turn those mental buckets into physical buckets.

**Brendan Mullooly:** Yeah.

**Tim Mullooly:** And actually separate the money as opposed to just mentally separating it in your mind.

**Brendan Mullooly:** And the bank I use even lets you do ... You can rename your bank account to say ... Like I could have had a separate account that just said "engagement ring," and I think that this is something that I'm going to implement moving forward. Not only do you want to automate your savings and do so in amount sending to each priority or bucket in terms of its importance or how soon it's going to be or how much it's going to cost, but to have it be a separate thing too so that it's like, "Okay, I've got \$100 a month going to this bucket for travel,

and now I've got this one. It's for the wedding. And this one is for my long-term retirement savings," and depending on what these different things are for it also allows you to separate them so that you can mentally just keep it clean and say, "All right, this is my retirement bucket. I'm 29 years old. Here's how I'm going to position that. Here's my emergency fund. Probably shouldn't be a lot of risk in there. Here's how I'm going to position that. Here's something that's for two or three years away," maybe it's a blend of those two. I'm not sure.

It at least allows you to cleanly think about it rather than take all of your savings for all of those different things I just said, have them in one location, and then have to mentally say, "Well, 40% of this account is for the long-term, and 20% I'm going to use in the next six months."

**Tim Mullooly:** Because in your mind that sounds good, and on paper it looks good, and it sounds good too. But then when the time comes ... Were you expecting that ... I mean obviously if you were expecting it you would have separated the money beforehand, but like was it

**Brendan Mullooly:** I thought it was no big deal.

**Tim Mullooly:** Yeah, being in the industry and studying behavioral finance, you are aware of these biases and these triggers that will cause you emotional pain in finance.

**Brendan Mullooly:** It didn't help to know it, and I led of the post talking about fungibility which is the idea that mental accounting doesn't matter and it's just a trick that we play on ourselves because the same dollar that came from my emergency fund, it's the same as the dollar that could have come from a separate account that said "engagement ring." It's no different. It's worth the same amount. So what difference does it make which account the comes from? I think it does make a difference.

**Tim Mullooly:** So this psychological aspect of it.

**Brendan Mullooly:** Yes.

**Tim Mullooly:** The peace of mind.

**Brendan Mullooly:** Which is important, and I think that there could be other benefits too in terms of if you separate these accounts and you label it "emergency money," maybe instead of thinking it as a catch all savings account, you'll-

**Tim Mullooly:** It's just savings.

**Brendan Mullooly:** Yeah, maybe you won't raid it for stuff that actually isn't an emergency.

**Tim Mullooly:** Right.

**Brendan Mullooly:** Because I think that can be tough, too. And obviously you know, things come up, but to be intentional hopefully you use the things for what you set out to use them for,

and it just keeps it cleaner in your mind, and I think that while it's only in your head, that doesn't make it not real.

**Tim Mullooly:** Yep, absolutely. So for you when it comes to setting goals, you're talking about you intentionally set the goal that you wanted to get engaged and you wanted to buy a ring for that so you had to have that set goal. Do you specifically go out and write down specific goals for the year or for yourself and for life in general, or do you kind of leave it more broad and conceptual, or do you get really specific with it?

**Brendan Mullooly:** I leave it a little more open ended. I don't write anything specifically down, but I do have a pretty detailed cashflow sheet, and in terms of parsing it out even further I have a section where I look at ... It's like pie charts all the way down. So like I look at, "What is my savings rate in terms of my gross income?" And then when I look at my savings rate, I divvy up that smaller pie again to say, "Where are these funds going?" And where the funds are going are the different goals that I have.

**Tim Mullooly:** Right.

**Brendan Mullooly:** And so when there's a new one occurs, as it became more clear to me that it was time and I wanted to get engaged and buy a ring, that became a new slice of the savings pie. Now that that's done, I'll probably replace that with savings for the wedding and for things in the future, but I kind of take it on an as needed approach, but I am reviewing that multiple times a year. And so when something changes in my life, I go in and I reassess and make sure that my dollars are still going to where my priorities are, and if my priorities have changed then I can realign that, and I automate all of it so if I say I'm going to save x, I have that automatically going to where it needs to go each month which I think is pretty important too.

**Tim Mullooly:** Yeah. Well Bren, thanks for coming in, talking about the post, and sharing your thoughts on the planning process.

**Brendan Mullooly:** Absolutely.

**Tim Mullooly:** There are a couple things that I want to wrap up with now that we've heard from Casey and Brendan, and you guys listened to me talk in the beginning as well talking about planning and talking about how everybody's different. There are a lot of people who will try and tell you what to do and how to live your life: teachers, parents, media experts, social media influencers, your friends, you name it. Everyone will try and tell you, "You should do this. You should do that. You should be doing this. You should be planning for that."

These are conversations that really need to happen inside of your own head, and you need to do it, and you need to listen to yourself more than anyone else. I'm not saying disregard everything that anyone has ever told you. Take things into consideration, but don't take the easy way out. Please don't follow exactly what someone else lays out for you.

Be super aggressive in pursuing your own life and your own dreams and your own goals. Be aggressive in finding out what they are and not just letting life happen to you.

Like I said in the beginning, as long as it works for you, there really are no right or wrong answers. Anybody who tries to tell you otherwise is wrong. Especially an advisor or a financial planner. The goal of financial planning is not to fit the person inside of the plan, it's to fit the plan inside of the person. We are merely the guides in your life journey. You, yourself, are the hero of this movie called your life. You are Luke Skywalker, and we here as financial planners, we're Yoda. You're the ones being the hero here so just remember that you're the one in the driver's seat. Any advisor that you're working with should merely be a guide to help you get to where you want to go.

They should not be driving the bus.

So enough of me rambling in this episode. I think you guys have listened to me talk enough. Obviously, if there are any questions about anything that I talked about in this episode feel free to shoot me an email or call the office or if you see me out and you want to ask me a question, feel free. I'd be happy to talk to anyone about anything that I talked about here.

And another thing to consider, I'm just one guy with a podcast here. Everything that I said here is subject to your own interpretation. Like I said, everyone is different. My answers here are not, by any means, the only answers, the right answers. These are just my opinions, and I thought I would share them with you.

So I hope that you enjoyed this episode of Living With Money. Thanks for listening, and we'll see you on the next one.