Daniel Ameduri - Don't Save For Retirement - Transcript

Tim Mullooly: Welcome back to Living With Money. This is Tim Mullooly. On today's episode I'm joined by Daniel Ameduri. Daniel is a self-made multimillionaire. He's co founder of futuremoneytrends.com and he's the author of the recently released book, "Don't Save For Retirement, A Millennial's Guide to Financial Freedom." Book came out in August of this past year. So Daniel, thanks for coming on the show.

Daniel: Hey, thanks for having me on.

Tim Mullooly: Before we talk about your book and some of your other work, let's just start with a quick background about you personally. If you can think back, if you can remember, when you first became interested in money and finance, when was that and what was your relationship like with money growing up?

Daniel: It's a great question and a dangerous one because it gets so many rabbit holes to go down. I got in trouble in school beating my teacher. He was selling pencils for five or for 10 cents and I was selling them for nine and my mom got called to the school and I got in trouble of course. Now she realizes why I kept losing all my pencils.

Tim Mullooly: Yeah.

Daniel: I've always had a fascination with money. I've always liked to clean sheet of paper and writing down how I'm going to allocate birthday money or income from doing a garage sale or something. I've always been fascinated and of course there's this huge taboo in the world that somehow money is, the focus on money is bad or it makes you not good in a way.

It wasn't until later in life where I realize it's not even that I wasn't fascinated with materialism, I wasn't looking for the best and biggest cars. I mean, to me it was like a game. I've always had a fascination with it. Bought my first business at 16 years old, bought my first rental property at 18. Stocks at 18 I've had some good successes and I've also had some fairly large losses. Through those experiences I was able to kind of hit reset in 2009 and become financially independent in a rather short period of time. Which is ultimately what the book kind of lays out.

Tim Mullooly: Right. Yeah, that's awesome. You bought your first business at 16. What kind of business was that, that you were running as a teenager? That's interesting.

Daniel: Yeah, I got lucky that I wasn't the only one, I was only 25% owner, but I was in martial arts and one of the instructors just kind of needed to go off and do other things, probably make a real living. I was able to purchase in to 25% and participate.

Coincidentally, one of the main owners was a very successful businessman. That ultimately would change my life because you asked how was my relationship with money growing up? I was raised in a normal middle class home. My dad worked 12 hour days. He was a phenomenal father and a provider. Money was not an issue in the sense that we were poor, but also it wasn't something we never strived for brand names. We didn't have a nice cars. I drove around in a 20 year old Buick Regal and 20 year old Toyotas growing up.

This guy at this martial arts studio, he ends up becoming like a rich dad to me though in the sense that he was like, "Hey, instead of joining the military," which at the time at 15 years old, that was my goal. He's like, "Why don't you start buying businesses, and buying rental properties, and here's how you can do it." It all happened at the same point in time.

So the only reason I was going to join the military anyway because I was like, I don't want to go to college and I want to make money. What can I make money at right away. About the time I meet this instructor and get involved in all this stuff, I run into Robert Kiyosaki's books as well. It was all just kind of happened to where all this defiance towards conventional thought had somebody who kind of laid it out in a book and that's really where "Rich Dad, Poor Dad" the book by Robert Kiyosaki and that type of thinking is really what I gravitated towards.

Tim Mullooly: Wow, that's great. Perfect timing that that all happened right at the same time for you and really great experience that you could partially own a business that young and just start building up that business experience from such a young age. That's really great. This book that came out, it came out in August of this past summer. What ultimately led you to want to write this book? "Don't Save For Retirement."

Daniel: Yeah. I was in a trust attorney's office doing my will with my wife and we had everything all set up and then I thought about it. I was like how tragic would it be if something was going to happen to my wife and I and the information and the life lessons we had learned was not accurately passed onto our children.

The decision to create some sort of family manual, family experience that I could pass along ultimately becomes the book, "Don't Save For Retirement," and of course as we'll get into this interview doesn't mean don't save money.

Tim Mullooly: Right, right.

Daniel: Steering them away from conventional thought of kind of just hoping and praying for 40 years and not really focusing on actual income. That's how the book came about. I'm really glad I did it. I've been able to touch and impact thousands of people and meet a lot of different people through email and a few of them through person running into me.

I'm really happy that I've started this conversation because if nothing else, even if you don't do anything that I'm advocating for, it's better for Americans as you know, for them to kind of wake up out of their stupor and really take a look at what their financial plan is because just blindly throwing things at their company's 401k plan. It's not working out for people in their 60's right now.

Tim Mullooly: I totally agree with you and we see that all the time as well. It's interesting hearing from authors. I always like asking what made them want to write the book and a lot of times, like you were saying, it's almost like a personal manual that they want to hand down to their kids and then they find that there's a bigger audience for it. That's always interesting to hear from authors that that's one of the reasons why books get written.

If a reader of your book could take away just like one main thing from the book, I'm sure there are tons and tons of different sub points throughout the book, but if you could just have someone take one point away from reading this book, what would you want that to be?

Daniel: That's a really good question. There's a lot of different things, but I would say the most important thing would be to have an expectation to have a return on investment. I was playing a game last night with my kids called Cashflow. It's like some of the asset cards are like, do you want to pay $1,000 and receive $100 a month? Or $100 a year? Then another card might say, do you want to pay $1,000 and you won't receive anything? Of course the kids look at that second card and they're like, "No, of course not."

Tim Mullooly: Right.

Daniel: That is essentially the only thing everybody invests in. They only buy things that don't pay them and that's the one thing I'd like people to consider. Is number one, that's how the rich invest, but number two, why isn't anybody buying for income? Why is everybody waiting till they're 40 years old? If you're only buy in anticipation of something going up, that's speculation.

There's a role for that in a portfolio and I love that stuff too. Look, and I'm certainly not saying don't invest in the conventional things that you're already invested in. How is it going to hurt you if instead of just focusing on the Netflix's, and Uber's, and Facebook's of the world, why not own Disney? Why not own Home Depot? Why not own AT&T?

These are companies that pay dividends. They're not going away. They're safe and historically dividend paying companies tend to outperform over the long term. These companies that we kind of like to chase because we're hoping that they'll go up.

Tim Mullooly: Just the title of the book might kind of be a counterintuitive or like jarring for people. Don't save for retirement because literally all you ever hear is just save money for retirement, save money for retirement. If these millennials aren't saving money for retirement, then what are they saving for? Or where could that money that they would have been putting towards retirement be best allocated?

Daniel: Yeah, I would say if I could have a longer title, it would have said, "Don't Save For Conventional Retirement."

Tim Mullooly: Right.

Daniel: I think people should consider that retirement as an idea is very modern in the sense that only in the last 50 years, most of the retirement tools we have have been available. So the 401k passed in late 80 or passed in the late 70's, implemented in the 80s, and the IRA, and the Roth IRA. Roth IRA wasn't out there is not until the 90's. A lot of these things that we assume have been around forever really are only coming the first generation to actually implement them and use them is the baby boomers.

Even part of that, you do have some private pensions of course in 1950's and 60's and prior to that, all the way of going back to the late 1800's with American Express. Overall, it's a relatively new idea and I think people should just consider that. They're so trusting as if the 401k and all these things have been around since Adam and Eve or the biggest deception of all of course is the fees that are baked into these plans that are sucking money from people.

A lot of times people are not fiduciaries. They're not investment advisors. They're not a chartered financial analyst, they're nothing. They're less than somebody who cuts your hair. They went to a multilevel marketing thing at Pri America. They don't know shit about any of this stuff and they're pushing all this stuff on people and just throwing you in whatever mutual fund took them to lunch last week and bought them Dodger tickets and Disneyland passes and stuff like that.

I'm not joking. Unfortunately you guys listen to this. This is really going on in and it's going on with people. That's really what this book is for. Especially millennials, like just don't blindly throw your money at something and then the only thing I would add to that, in addition to just not blindly throwing your money, why not buy things that make money? Why not buy stocks that pay you money? Why not buy rental properties?

Why not buy there are REITs both public REITs and there are private REITs. Why not buy these things that, hey, I'm going to invest money and you know what? They're going to send me a check and then I can either buy more and compound the investment, or I can do something like take the money and go out and spend it and have a nice vacation. I'm a big believer in not having a one or two household income, but having a 20, to 30, 40, 50 household income and that gets back to getting those dollars to work for you.

Tim Mullooly: Right. Yeah, that makes a lot of sense. That traditional retirement or just the idea of just throwing money blindly into a 401k not really working out too well for people. What would you suggest as an alternative to this traditional retirement where you work for 30 40 years, put money in an account and then just retire and stop working and take your money from the account. What would you suggest as an alternative to that?

Daniel: Certainly the conversation needs to happen because so the baby boomers, let's go with like just the stats. It's not working out monetary wise, like 65 and up the median 401k or in a Vanguard account is like 55 grand. Okay, so that is that working going out? Then the bigger question is, is if you actually talk to people who successfully retired, are they happy? Why are so many going back to work?

Tim Mullooly: Right.

Daniel: Why are so many buying? Do you even want to retire? I mean some of our wealthiest people, you can't imagine a Warren Buffet in a million years retiring. What would he do? Or Bill Gates or any of these guys? Why would they just stop doing what they do? They love what they do. So I would encourage people to love what you do. Find something, love what do.

Invest in passive income so that maybe you hate being what you do right now. Let's just say an engineer and you want to be a yoga instructor of the beach of California. Well, maybe that's not going to happen tomorrow, but maybe that life could happen for you if as an engineer you started socking away money into things that paid you like a rental property or dividend paying stocks.

You built an income portfolio with REITs or something. Then you have enough income to where, hey, I'm making $50,000 a year, not enough to retire and completely walk away, but certainly enough to go out and now do my hobby job. I would just be wide open on what you want because again, this is a new idea. It's an experiment that I think some could argue has failed for many. Is it really what you even want it? Or are you just going through the motions of life?

I think a lot of people are doing that because imagine if you could just wake up and do what you love to do. That might be something you could design your life around with passive income and partially monetizing a hobby job. Or maybe you could make less and work for the company you want. Maybe right now you work for some company you hate, but you could make half the wages and work for Apple or some company that you're very passionate about. A lot of people are passionate about Tesla.

That's what I'm saying is really first of all, if you're millennial, just step back and really think about what you want in life, what is your purpose, and then make your own plan, but I would at the very center of the cornerstone of any financial plan should be income and return on investment.

The rich don't have all their money in things that they just hope it's going to go up. That's the advantage of being rich is they can invest in safe things that just pay them income. They're not trying to get rich. The middle class and poor are in a rush to get rich is why they keep getting themselves burned. If you think like the rich and mimic the rich, you'll find that you'll continuously move more and more towards a lifestyle that focused on every time I invest in something, they better be mailing me a check, or ACHing me a check. Otherwise, it's not really an investment for me.

Tim Mullooly: Right. Yeah. It's something that you alluded to earlier there you said people today, like millennials and younger folks have seen their parents or grandparents kind of succeed in air quotes at retiring in air quotes as well. I was going to ask like if let's say someone's parents or grandparents have done the traditional retirement or something along those lines and are now retired, why can't they just mimic what the older generations have done and do the same for themselves, but would that not necessarily work for them?

Daniel: Well, I think they may be able to, if they're very disciplined, have a high savings rate, they don't take on bad consumer debt. Now the baby boomers did have it different. Every generation had it different generation, the World War II generation. Baby boomers had a great stock market for going on almost 40 years. They had a great bond market, which is unusual.

They had a bull market and bonds, stocks, and real estate all at the same time and it went on for decades and it didn't work out for a lot of them, but it did work out for some of those higher income earners who are also very prudent in discipline and good for them. I'm glad it worked out for them and hope they get to live 30 years on that retirement.

For millennials, it will be much different in the sense that we might not have the same stock market. There's other economies out there, there's other competing countries and competing exchanges.

Tim Mullooly: Right.

Daniel: That may even have currency issues in the future. Vladimir Putin literally just last week said that the dollar has been weaponized. Countries are moving away from it and he said it'll collapse soon. I'm not saying that's going to happen imminently, but things could change in the future. You've also got the real estate market that moved very strong because we had a declining interest rate environment combined with a demographic shift of the baby boomers.

You're not going to have the baby boomer generation obviously again come into the housing market the way they did and you're also not going to have a declining interest rate environment because it's freaking impossible. Interest rates are as low as they're going to ever be and they'll probably be this way for a long time, but they're not getting any lower.

Then also with the consumption of debts by the US government, is this sustainable? I think millennials need to consider that into their retirement. How does this look with if there's a potential a sovereign debt crisis? Or consider that the US government used to put in a few hundred billion dollars into the economy and get a great return on investment.

I think at one point in time, going back 60 years ago, it was like for every dollar they invested they would get like $9 in return. Now it's like almost, it's just churning. You're like investing a trillion in debt and you're getting like 1.3 trillion in economic growth. You're not getting that return on investment.

I think for millennials, you've got a much different landscape, but at the same point in time, it's not all bad. You actually have some really good things going on for you. Actually, really good things. You can start a business for $10 at go daddy.com, you can work from home, you can do almost anything freelance it, and you can easily become an independent contractor from your employer because number one, they'll save money because the government has regulated them to death. Number two, you actually might be more productive at home and instead of having just a single employer, you might be able to have six clients and work from home.

There's a lot of advantages with the internet and with just, gosh, everything's so easy to start a business now. Even corporations, whatever you want. I think the millennials have mobility advantages. They don't have to own things. I even went Uber only in my myself for like three months. It was great. The only reason I got a truck now is because I need a drag a surfboard around for my kid.

Otherwise, there's a lot of advantages, but I wouldn't try to mimic that lifestyle. It's been a very long answer to my apologies, but I wouldn't try to mimic it. I'd still, even if it worked for somebody you know, I'd really focus on how do you want this to work for yourself? If that's the life you designed for yourself, then do it. Do the conventional retirement, but commit to it because most people honestly, who failed at retirement, they really never committed to it. They just kind of hoped that it would be there.

Tim Mullooly: Going back to like the differences between the generations, like you were saying, I feel like some millennials feel like they didn't get a fair shake or like the same opportunities that the baby boomers had. While that might be true, there are completely different opportunities that the millennials had that baby boomers didn't. It works in both ways there. I think just taking advantage of what they have at their disposal is going to work out for them as long as that's what they want to do.

I wanted to talk about in the second chapter of the book, it talks about rethinking the term wealth and how you think about wealth. I wanted to ask you personally, what does wealth mean to you and how should millennials today think about wealth in their own lives?

Daniel: I think millennials are closer to this than previous generations, but my own definition of wealth is just control of my time. My time is freedom. The ability to do what I want to do with my time and one of the most prized assets I have is waking up when I'm done sleeping. That's a really nice thing. I stay up as late as I want and then I wake up when I want.

I don't have an alarm clock, I don't have any freeways to go to. For me, wealth is the ability to control your time and unfortunately for all of us, people can tell you, you don't got to be rich, don't chase money and blah, blah, blah. You have to buy your freedom. It is what it is. You're not going to be wealthy and have control of your time. I'm saying like not going to have control of your time being poor or going to a job, especially when you have to have a permission slip to even take a day off.

I'll ultimately need to become financially independent and so in order to be wealthy and control your end time, you have to become financially independent. My definition of later on in the book as well as financial dependence is simply having enough sources of income where you can pay for your life necessities, not your desires, not a yacht, not a helicopter.

Tim Mullooly: Right.

Daniel: Your food and your utilities. If you have that, you're going to unleash and unlock creativity and freedom in your life that you can't even imagine because even if you're just paying for your groceries and utilities with other sources of income, besides you exchanging your time for money that allows you to breathe. That allows you to I don't have to worry about coming up with the necessities. The necessities are done. Now of course that will ultimately snowball and eventually it's going to pay for a lot more than just the necessity.

Tim Mullooly: Right, yeah. It's a shift in how you think about wealth because I feel like a lot of people think typically wealth directly correlates to money in dollars and cents. It's more about a mindset and the freedom, financial freedom that you're talking about with time and just having no worries and things covered. I totally agree with you on that one.

The next chapter in the book actually talks about saving money and it outlines some of the pretty extreme things that you and your wife did while you were saving money. Can you explain some of those things for the listeners and just the importance of saving enough money?

Daniel: Yeah, I think especially as millennials, we got caught up into this unsustainable lifestyle where you're making 50 grand and you buy a $50,000 a year car and you'll leverage yourself to your eyeballs to buy a house or whatever. My wife and I, we really decided to save money and I went online and it was like, transfer your checking account, switch your credit card, stop drinking coffee. I was like, this is nuts.

Tim Mullooly: Right.

Daniel: This is not going to do anything for us. We're saving pennies here. I was like, how do I cut to the marrow? That's where we really got into this and I put a list in the book. We moved and we only moved an hour away from where we lived, but it was dramatic. We moved to an area where we could slash our expenses by 50% and even when we became financially wealthy with the next move, we actually went to a state that had no income tax.

We still focused on saving money. Maybe you can't move out of state, but maybe you can move another 20, 30 minutes and save money because that's the biggest cost of anybody you can save money on moving.

Tim Mullooly: Right.

Daniel: Either from avoiding governments or avoiding a high rent area. We did crazy things. We stopped eating meat, we stopped going out to restaurants, we canceled the Direct TV. Now this was back when Direct TV actually mattered. Now who they'll has that anymore Netflix and Disney Plus, and Amazon.

We did something extreme, I take a lot of heat for this, but we had dogs with medical bills and keep in mind we're poor at this time. So $150 a month in medical bills was a lot. We gave them to a great family that took care of them and loved them, but we had to get rid of them.

We had just had a baby and it was just like a matter of priorities. We did extreme things shopped at Ross for our clothes, or Costco. I mean really focused on saving meaningfully saving money and every penny we saved we used to buy income and we really had a strict criteria for for ourselves. If there's not a check coming back to us within 90 days, we just didn't buy it. What happened with those decisions and that type of thinking. Within about three years we had all of our basic necessities being paid by passive income.

Tim Mullooly: That's pretty remarkable. You were going back to the wealth answer you have that being covered by passive income. The rest you're free to do with how you please. Also, I agree with you about the saving articles that you read out there. Like oh, cut out the lattes and stuff like that and you need to do stuff that actually moves the needle. I totally agree with you on housing and big purchases like that are going to do way more for your savings then not buying a $3 cup of coffee every day.

Daniel: Yeah by 90 years. You know those could be $65 million in 90 years?

Tim Mullooly: Right, yeah. It's like, okay. Or I could just downsize my house and save a lot more in less than 90 years. In the book, you also talk about turning your hobby into a business. Why do you think that that's such a great idea. I've actually heard from people on both sides of the camp where they say, "This is a really good idea to go into business with your hobby." Then a few people who have said, "Keep your hobbies and business separate." I wanted to ask why you think that it is a good idea for people to turn their hobbies into a business?

Daniel: I think you should wake up every day going to work and not feeling like you're working. I can tell that you enjoy finance.

Tim Mullooly: Right.

Daniel: I can tell just from speaking to you that you don't go into the office and complain and you're angry about it. You're quite happy and it probably doesn't feel like work because you're doing what you enjoy.

That's why I encourage people. The opportunity is there. You know, 20, 30 years ago it really wasn't as easy, but today, just about anything, whatever your knowledge is, you can freelance it. You can set up a website, you can set up a consulting company, you can set up a little mini conference at the rec center. You can teach, you can do whatever you want. Or if you're currently employed and let's say you love what you do, you're a city planner, you love what you do.

I know someone who's done something like this and you approached the employer and you tell them, "Hey, you're paying me 80K a year. How about paying me 60?" And the employer's like, "There's is a no brainer." Bam, you got your first client and now you can go out and contract with other companies. The bottom line is I love hobby jobs or hobby businesses because in the end you want to be able to wake up every day and not feel like you're working.

If you get somebody who's passionate, not only did it not feel like working, but they don't want to stop because you're just having too much fun. My kids all the time, they're homeschooled. I'm at home. So we're all here at the house together and a lot of times I got tired of them saying that I was in the office working. I started telling them I'm in the office playing. They really understood what I'm talking about.

I really am. I mean, let's be honest. I mean, when I'm in the office, I'm like reading for three or four hours about money. I'm not working. I'm not under the gun I'm having fun. So that's why I like hobby shops.

Tim Mullooly: One of the other topics in the book, and this is a topic that we've talked about on the podcast before, is talking to kids about finance and money. I wanted to ask how you incorporate money and finance lessons into the conversation with your kids and what kind of lessons should we be teaching our kids about money and finance?

Daniel: I almost was hesitant about writing that chapter because I was like man, maybe this should be a book. Then I was like, I'll put it in this just in case. [crosstalk 00:26:04] but I love it. I mean, so my kids and I, we play Monopoly regularly. Also this game called Cashflow. Basically the game is to get your passive income to pay for your expenses. It was created by Robert Kiyosaki.

Monopoly is also a great game to teach them about rent and actually I'm doing something as we speak. One of the tenants mailed a check. What I did, it was 1350, so I also grabbed some cash because one of them is five. So I really wanted to fully understand it, but I'm going to show them a picture of the rental property and say, look, "This guy, it's like Monopoly. He's living in this house and he has to pay me rent and this is the check and this is what the check equals to. This is the cash."

It's taking your time with them on anything that you're doing financially. Also, encouraging them to take a more active role in anything that let's say you go to Target, I'll try to encourage them to what do you think this costs? Helping them understand value because kids will say, "Oh, it's only 50 bucks or whatever," but then they'll make $10 at a lemonade stand and then they understand value when they go to the toy store and they can't buy anything.

I forced them to save at least half of their income. They all have their own Scott Trade Account, so they, they can buy companies that they can connect to like Disney and Costco. They also are not only understanding, owning a share of a publicly traded company, but now they're also understanding the interactions of a business. What makes Costco and Disney unique? It's because they over-deliver. Does anybody ever walk out of Costco or Disney feeling like crap? No, but there are a lot of businesses that you do and we will talk about those.

If we walk out of a business that we had a bad experience I'll say, "Did they over deliver or did they under deliver?" And we'll talk about it. Or when the check comes for a bill this morning I went to breakfast with my daughter and I had her fill in the tip and I had her sign it. Help her understand why am I giving this person a tip and what's that tip? What is it relevant to on the food we paid.

It's really just first of all, Cambridge University did a study children have developed money habits by seven years old. So if you're listening to this and you're thinking, I'm being crazy trying to teach a five year old all this stuff, just know that money, habits of saving and of course making sure that as a parent you're denying them immediate gratification. When they make money from anything, don't rush to the store and let them spend it. That is a horrible habit that will destroy their lives as an adult.

When they do make the money, go to Target, go to Walmart and shop their item, teach them to be a discipline buyer. Whether they're making an investment or a consumer product. All these habits are going to compound and you're going to have an exceptional human being that will know how to not become a financial wreck when they're older because for the most part, most people are miserable. All roads lead to how they've designed their life around money, which none of them have designed anything. As the old saying goes, if failed make a plan, your plan will fail.

Tim Mullooly: Right, yeah. That makes a lot of sense. As you were saying, Monopoly. I always remember that was like one of the first money memories that I had as well as playing Monopoly growing up. All great lessons and things to teach kids about money there.

Daniel: Can I say something real quick?

Tim Mullooly: Yeah, of course.

Daniel: If The listeners want to add extreme intensity to Monopoly, put some real money in the middle and make that the real prize. I had my nieces and so we had like seven people play Monopoly. I put a beautiful blue crisp hundred dollar bill right in the middle of the table. This monopoly game went from being, nonchalant Monopoly game, to this was the most cut throat experience. I mean it was property traders. I mean this was like was playing a all seven player. This was the greatest Monopoly game I've ever played.

Tim Mullooly: Yeah, that's a good point. You want to up the ante a little bit. I've read that you said that a lot of people's investing strategies are stuck in the 80's. Can you explain what you mean by that and how has investing changed since the 80's if people are looking to update their investing strategies?

Daniel: It's a great point you bring up because in the 1980's or 1970's, 80's, we're talking about mutual funds were relatively new. Now there are more mutual funds than there are stocks.

Tim Mullooly: Right.

Daniel: Index, remember Jack Bogle, he was a pioneer when he created these low cost index funds. Now, once again, I don't know the exact numbers, but I would bet they're probably an equal amount of index funds to stocks. Investments have changed. 401k's were implemented. Our IRAs, were implementing all these things. These things became in the 1980's and of course the 1980's portfolio model would work in that environment where you've got an increase in volume in the stock market.

Investor participation went up dramatically. Fortunate, I don't have those numbers off the top of my head, but I want to say like the 1920's it was like 1% of the population. The 1950's 13%, and then by the 80's, 90's it's getting up to half these people are buying stocks. Again, by the way, don't quote me on any of those numbers, but it's something like that. I'm just trying to say that for as far as [crosstalk 00:31:30].

Things change, the volume. Volume is liquidity and in the end the volume is what moves these stocks as far as their day to day ticks. I think the 1980's portfolio of just kind of throwing money at the stock market, I don't know if it's going to be the same model and you certainly the bond market because the values rise when the interest rates go down. Certainly, the bond market being in a what, 38 year bull market, so things are going to change.

That's what I mean. I mean just blindly throwing money at these mutual funds and bull markets. Look, we also ran into the dotcom thing. I'm not saying none of this stuff's going to happen again, but I'm just saying it's a different world. It's not the same and interest rates are going to be different.

Going forward and I talk about a little more on my site, Future Money Trends where I have my current content. You have to consider what's going on with China, with politics, there's a lot of things. The world is shifting and not only with governments, but with technology and it's gone parabolic. Even me as a millennial and I'm sure you'd agree it's almost going too fast. It's kind of scary how fast it's going.

Tim Mullooly: Yeah, seriously and I think just that individual stock picking individual bond picking mentality from the 80's I agree. It's definitely changed with ETFs, bond funds, stock funds, index funds, there's a lot of different vehicles that are more tax efficient and also, just easier for people to invest in. More accessible from a technology standpoint. I agree with you across the board there.

Kind of switching gears here, you said that there's an overspending epidemic going on in the country. How do you think did we get to this point where there is an epidemic and what can we do about it?

Daniel: You know.

Tim Mullooly: If anything.

Daniel: Yeah, I don't know if there's... We can help the people who are looking at themselves in the mirror and that's you guys. You can help yourself, but what started of course was the massive credit expansion. Credit cards becoming available to consumers like never before. The US as Americans, we've lived with the reserve currency, which is very important, and most people probably don't even factor that into their life, but having the reserve currency has allowed our government and our public to borrow, and borrow, and borrow because the world has such a demand for dollars.
Daniel: They'll send us physical goods and we'll send them the currency that they need because it's the reserve currency. We've had that benefit. That's been a huge benefit to all of us and of course we've been consuming and consuming. Now it's normal if you make 50 grand to buy a $50,000 car, or for the guy who makes a hundred grand of sitting in a $600,000 home because interest rates are so low.

The federal reserves interest rate policy has certainly led to this just enormous debt bubble. I don't know when it's going to pop, but I certainly know that it's an unsustainable lifestyle, both for our country and our individuals. Not a rewarding one. It's turned people into debt slaves more like indentured servants.

I mean you look at college for example, people used to work at In and Out Burger or a fast food chain and come out of college with no debt. Now they're coming out with $200,000 of debt because the government will give them a blank check and tell them, "Hey, don't worry about it while you're in college. You can get to that later."

There's a lot of things that have ballooned us into this just completely unsustainable lifestyles that we have. I mean, let's be real. Banks would not do three decade loans without the government. They never did. They did seven years or less prior to Fannie and Freddie.

Tim Mullooly: Right.

Daniel: Banks would never do a lot of these loans without being able to flip these mortgages straight into these government backed entities. In the end, the government and the federal reserve have created this massive, massive debt double because they've encouraged endless consumption on borrowed prosperity.

Tim Mullooly: Over the span of your entire career, what would you say has been the most impactful financial lesson that you have ever learned for you personally?

Daniel: For me personally, I would say over delivering for whatever you do. Whether you have a job or a business, not everybody got laid off in 2008 and if you look at businesses that we consider like Blackberry companies that we would have never, that were household names that everybody used every day, but at some point in time they didn't over deliver. They allowed someone else to completely replace them.

I would say my own business and everybody I've spoken with that's been successful. It's this relentless drive to give people more value than they expect it. That is probably the best financial lesson and one of the things that I'm really trying to teach my children. That making money is the simplest thing. You deliver value to other people and if you want to make more money, you need to deliver more value than they expect.

Tim Mullooly: I completely agree with that's right on point. Whether it's something that you learned in your personal life growing up or something that someone told you in your professional career, I always like to ask the guests what the very best piece of advice that someone has ever given to you? What would you say that that is?

Daniel: You don't ask, you don't get. Somebody told me that, I don't even know who it is, was a little one of those wealth seminars and he said, "You don't ask, you don't get." I don't know why that stuck with me. I was 18 years old and my whole life I have done crazy, crazy stuff that makes my wife and everyone around me cringe because I will ask anything. If I want it, I'll try to ask for it. I'm talking about things as small as asking a hotel for free crap for free stuff.

Some of them say no, some will say yes, but then when it comes to being investor savvy, a lot of people have cringed at some of the things I've offered because the price might be too low. Let's say somebody's listing a house for 300 and I'll throw $150,000 offer. The realtors have quit on me. Some of them like I'm not doing that and I have my own reputation. I'll submit the offer and 90% of them say, "No."

I have some really crazy real estate deals where I have gotten properties for pennies on the dollar all because I was just bold enough to ask. [crosstalk 00:37:54] I've come into situations where man, I can't buy that house. I don't have the credit or whatever, and I was like, man, I wonder if that guy will just leave the mortgage there and I'll just assume it.

Everybody's like, "Don't ask. Nobody does that." Of course now, honestly since I asked that question in 2006 I haven't purchased a property with a conventional finance since 2006 actually then. I have purchased, I don't know, maybe 40 or 50 seller financed homes because I got really into that and now I'm doing the seller financing, now I'm selling homes and I'm being the financier.

It's all because I was like, you know what, I really want that, but there's just no other way unless the guy's willing to leave his mortgage there. I'm talking in business in life you don't ask, you don't get.

Tim Mullooly: No one's going to just go out of their way to like hand you stuff too. You got to go out and get it. Again, I agree with you on that. Daniel, that was all the questions that I had for you today. Thanks for taking time out of your day to come on the podcast and talk about your book and other personal finance stuff. Appreciate it.

Daniel: I really appreciate it. It was a great conversation. If anybody like to reach out to me, please check me out at futuremoneytrends.com.

Tim Mullooly: Great, yeah, and I'll link in the show notes to where you can find a copy of the book. Again, it's titled, "Don't Save For Retirement, A Millennial's Guide to Financial Freedom." I'll link to futuremoneytrends.com as well. Thanks for tuning into this episode of Living With Money and we'll catch you on the next one.