

## **Brendan Mullooly, CFP® - Your Brain On Stocks - Transcript**

**Tim Mullooly:** Welcome back to Living With Money. This is Tim Mullooly. We've got a kind of special episode here this week. Brendan Mullooly, my older brother is here with me. Brendan, thanks for coming on the podcast.

**Brendan M:** Yeah, so I'm two time guest now. Do I get like a green jacket or something like that? Something special. Right?

**Tim Mullooly:** That's a good idea. You're, you're one of only a couple two time guests, so yeah.

**Brendan M:** Elite group. Elite group. Yeah, elite.

**Tim Mullooly:** Yeah. A lot of that status there, so that's makes it a special episode. Also, we are recording this on Brendan's birthday. So, happy birthday Brendan.

**Brendan M:** Thanks man.

**Tim Mullooly:** Also, you have also just purchased a house last week, so a lot of things happening for you here. Milestone birthday, buying a house, everything, getting married later this year. Big year for you, man.

**Brendan M:** Yeah. A lot going on in 2020.

**Tim Mullooly:** Awesome.

**Brendan M:** Yeah.

**Tim Mullooly:** For the listeners out there, Brendan was on the podcast back all the way back in episode 40, almost 70 episodes ago. That's insane to say.

**Brendan M:** Yeah. That is.

**Tim Mullooly:** But for those who may have missed the first conversation, could you just briefly catch them up on just a quick background about you, how you got to where you are professionally, and what you do for clients and what you do on a day-to-day basis here at the office?

**Brendan M:** Yeah, so I'm a certified financial planner and investment advisor here at Mullooly Asset Management. So, my primary role is just as a client facing advisor, so building financial plans, speaking with our clients on a day-to-day basis about their investments and questions that they have about their finances. Was fortunate to land here because it's a family business. I didn't go to school to study finance. It's something that I kind of came to in a roundabout way. So, really lucky that dad started this firm and was willing to invest in me in the early years to get me up to speed and help me learn what being a financial advisor is all about. So, cannot overstate that start that I've had. It's been a really great way to learn this industry and profession.

**Tim Mullooly:** Yeah, definitely. And you actually started out learning terms of finance and investing through like doing podcasts of way back with our dad. Right?

**Brendan M:** Yeah.

**Tim Mullooly:** And you were like, all right, I didn't study finance or business in school, but like I need to know what we're talking about here on the podcast a little bit. So, that's kind of how you dove into learning about all that and then got your series 65, right?

**Brendan M:** Yeah. And I think too that it was actually good to learn it that way because I had an incentive, like I wanted, I opted into reading these books about finance and stuff like that. I don't know necessarily that I would have learned it in the same way or being as excited about it if it were assigned to me through a class or something. So, the fact that I kind of like sought out this information, it probably impacted how I received it. And so I wouldn't change anything. I wouldn't go back and study finance in college or anything. I mean, I'm just, like I said, lucky that somebody was willing to give me a shot in this career path without the prerequisite of a finance degree or something because a lot of times you do need that.

**Tim Mullooly:** Yeah, absolutely.

**Brendan M:** Lucky for me.

**Tim Mullooly:** Yeah, definitely. And same goes for me and Casey, we're all lucky in that sense, working in a family business.

**Brendan M:** No doubt.

**Tim Mullooly:** So, like I mentioned before, you recently went through a real estate purchase, bought your first house. For any potential first time home buyers out there, is there anything that you want to pass on to them about the process that people should know that they might not consider before going into to buy a house? Did anything catch you by surprise or was it not what you expected?

**Brendan M:** No, you know what, I won't sugarcoat it. It's a stressful transaction. I mean, there's a lot that goes into it and I would just say to work with a good realtor and attorney and have the right people in your corner, support system to get through the transaction because it can certainly be stressful but from a financial perspective, because I'd be a terrible financial advisor if I didn't talk about that. I think you really just need to, you need to know your numbers and as trite as that sounds, I think that having a firm grasp on your month to month expenses and what you have saved up for a down payment can help alleviate some of that stress.

It's not going to get rid of it but it can help. And when you're building those numbers, take your monthly expenses and take your down payment and assume that you're going to spend more than your numbers and assume that you're going to need more than what you earmarked for a down payment for things like closing costs and just in general going through the process, just assume

you're going to need more than, even if you have the best grasp on your numbers, take that and inflate it.

Build in some fudge factor and it's something that we do in our financial plans for clients too. You need that margin for error. These things that will help you to feel comfortable.

**Tim Mullooly:** Yeah. You definitely don't want to low ball your numbers there and then come up short and then your hands are tied. Like you can't move forward with the purchase because you didn't have as much money as you thought, or you can't afford the type of house that you wanted to buy.

**Brendan M:** Absolutely.

**Tim Mullooly:** So, yeah, definitely build in some cushion there. But I mean, it is such a ... For a lot of people it's like the biggest purchase that they make in their life in terms of dollars. So, it's a huge deal.

**Brendan M:** Yeah. When you get the number that you have to come to a closing with. It's just, I think for everybody, regardless of the actual price of their home, you're in the range that you can afford. So, the number, it's going to be like, wow, I need to come with a check for what?

**Tim Mullooly:** Right. Yeah.

**Brendan M:** Yeah. If you, if you know your numbers and you've got the right people in your corner, I think that hopefully it can help you to relax a little bit, but at the end of the day you're probably going to still feel a little bit stressed and I think that just comes with the territory.

**Tim Mullooly:** Yeah.

**Brendan M:** It's okay.

**Tim Mullooly:** Yeah. Yeah, definitely. I think having the people in your corner is definitely a big thing too because there are so many little nuances to looking at houses and picking out the right ones and not overpaying or-

**Brendan M:** Protecting your rights during the process. You want a lawyer there reviewing the contract that you're signing with this other party. Yeah, absolutely.

**Tim Mullooly:** Yeah. And it's stuff that if that's not your job, like you don't know anything about it, so you don't want to go in there and kind of just wing it and see what happens because you'll end up getting swindled.

**Brendan M:** Can't imagine trying to do what I just did on my own. So, more than happy to pay professionals to take care of that stuff for me.

**Tim Mullooly:** You're coming up on the first anniversary of your blog, it's called Your Brain on Stocks. The last time we talked in episode 40, Your Brain on Stocks wasn't a thing yet. I think you might've been kicking around the idea of getting the website started, but I think the first post was the beginning of March of last year. So, coming up on one year. Can you tell the listeners a little bit about the blog, about the website, the inspiration for starting it and how you settled on the name, and what you write about and what people can expect over there on the website?

**Brendan M:** So, as you alluded to something that I'd been kicking around for a while. You have Living With Money and I had been just blogging on the company website and so finally decided to take the plunge last year after talking with our friend and I think also two time guest on the podcast, Justin Castelli.

**Tim Mullooly:** That's right.

**Brendan M:** Right. So, Justin gave me the final nudge to begin the project. And that was really great. So yeah, around this time last year, I was starting to put everything together and really the inspiration for the name of the blog came from reading one of my favorite books in finance, is Jason Zweig's Your Money and Your Brain. And he had a little passage in there that talked about how the neural activity of somebody who has investments that are making money is pretty much indistinguishable from somebody who's high on cocaine or morphine.

So, I kind of took that and it reminded me of that public service announcement like, "This is your brain and this is your brain on drugs."

**Tim Mullooly:** Brain on drugs, yeah.

**Brendan M:** Any questions? I just thought of Your Brain on Stocks as Jason Zweig said, probably not much different than somebody who's on drugs because money makes our brains do crazy things. And so kind of backed into it that way. But in general the blog isn't about strictly stocks or brains for that matter. It's just that intersection of like finance and psychology has always been fascinating to me. And I think that largely if we can get a grip on the way that we think about some things, the mental aspects of how we approach money and investing, I think that that's probably the biggest hurdle that we have.

So, if we can get a grip on that, we'd be a lot better off for it. And so that's the lens that I use to approach writing the blog. And not every post is strictly about that but just generally under the umbrella of money and how we think about these things.

**Tim Mullooly:** Yeah, I think it's good to have blogs and posts like this about behavioral finance because us within the industry, I feel like we read a lot of articles about it, but people that don't study finance and aren't advisors and stuff like that, they don't really think about the emotional or behavioral aspects of money. People think that the X's and O's and the strategies and everything are very complex. And the numbers, and that's what they think is the complicated part about finance.

But really that part can be kind of easy. It can also be difficult, but I feel like the more difficult side is just reigning in human emotion. I mean, it's oftentimes kind of impossible to do.

**Brendan M:** Yeah. It's not a purely analytical thing. And maybe a lot of people out there will dismiss the field as, oh, I'm not good at math, so I can't, I'm not a numbers person. And so this whole investing and finance realm is not for me. And certainly you've got to have a basic grip on some of those things. You can't really get past that. But I think Warren Buffett has said that he'll take the person with the calm demeanor over the person with the thousand IQ any day. I think that that rings true most of the time.

I think that if you can remain as calm and rational about these things as it pertains to finance as you can, no one's perfect in that regard and we will never be. But if you can be more level headed and have a good approach to that, I think you'll do better than somebody who can rattle off math equations but is emotionally unstable, I think. I think you'll do better than them any day of the week.

**Tim Mullooly:** Yeah, absolutely. Especially in 2020 now. I mean, there's technology and calculators for every math problem out there, but there's no real calculator for what goes on inside the human brain.

**Brendan M:** No doubt.

**Tim Mullooly:** The first post that you had on Your Brain on Stocks was a big hit all over Twitter. You posed the question to a lot of some of the best names, some of my favorite names, other advisers, people in the fin twit, finance Twitter community and it got some really good interaction back and forth online.

Can you fill the listeners in just about what was the question that you posed to everyone else who contributed to the article? What was your answer to the question and what were a couple of your favorite responses that you got from people?

**Brendan M:** So, the inspiration for the post, again, came from Jason Zweig who had said in an article that I read that behavioral finance is not just a window onto the world, it's also a mirror onto ourselves. And so just that way of approaching behavioral finance where you kind of look within to see where you may be biased or where you may be missing things, so to speak. And considering it that way as opposed to like, "Oh haha, look at all these stupid, irrational people doing these dumb things with their money."

**Tim Mullooly:** I would never make that mistake.

**Brendan M:** Exactly, right. Yeah. So, we're all making mistakes all over. And so to just look at that rather than to point out the errors of everybody else. That actually ended up, it led me to just this question of what do you consider to be your own biggest bias as it pertains to finance and how do you work to control it? And that actually is my own biggest one was because when I discovered this field, I was like, wow, look at all these crazy things we're doing with our money and aren't they irrational? And I hadn't stopped to consider the ways in which I was also doing

these things. And so my answer, they're really, my answer to my own question was just writing this post in general because I need to remind myself that when I read these things, like a particular behavioral bias or something that other people are doing, I try to automatically now consider the ways in which I'm also doing.

**Tim Mullooly:** Right. How does this apply to me? How have I demonstrated this bias in my own life?

**Brendan M:** Exactly. So, one thing that I wrote in the post was just this us not them mentality, right?

**Tim Mullooly:** Like you're included in this group, we're in this together.

**Brendan M:** Exactly. And that also is, as often as possible, I try to use the terminology in my post of like, we, we do these things, not like people do these things. That is kind of, that's my own prerogative on this, but some of the cool answers that I got for the post that I really enjoyed were from Michael Kitces who said, confirmation bias is the biggest behavioral bias that he has. And he works to control that by just, he intentionally follows sources and news platforms that he expects to disagree with.

And he basically just like, he won't let himself not see them. So, hopefully working against that bubble mentality of only seeing views and ideas that confirm what you already believe.

**Tim Mullooly:** Right. Yeah.

**Brendan M:** Another one too was from Michael Batnick and he said that hindsight bias was his biggest demon to exorcize here. And-

**Tim Mullooly:** Especially knowing Michael's story of how he was a trader before becoming-

**Brendan M:** Exactly. And he's shared this too. And that was kind of the gist of it was like he started doing these trading journals of his ideas and he was like, "Look, if anything can convince me that I was wrong last time so I could be wrong in the future. It's reading my own handwriting that said this ridiculous thing, that now four or five years later sounds ridiculous." But in the moment-

**Tim Mullooly:** Yeah. Aged poorly. Yeah.

**Brendan M:** Exactly. It's these takes that we have don't always age well, and that doesn't mean people aren't intelligent or anything. I mean, Michael is one of the smartest guys out there. I think probably him and Morgan Housel are my two favorite finance bloggers out there. But even they have these ideas that when resurfaced a couple of years later are silly and it can be useful to see in your own words that these things weren't that smart because it just reminds you that you're not perfect. Because if left to our own devices, we'll rewrite history to be like, oh, I knew that. I knew that that was going to happen all along.

**Tim Mullooly:** Right. Yeah. Duh, I told you guys.

**Brendan M:** When in reality, that's not what happened at all.

**Tim Mullooly:** Yeah, it almost never is.

**Brendan M:** Yeah, right.

**Tim Mullooly:** Yeah. So, I really enjoyed reading all of those answers that you got from the different people in the finance Twitter community and for the listeners, I'll link in the show notes to that post and we're going to touch on a couple of other posts here, so I'll be sure to link to all of them so you can go check them out over at Your Brain on Stocks.

**Tim Mullooly:** So, I feel like the tricky part about having a blog about behavioral finance is that very few investors think that they need help in the behavioral realm of investing or behavioral coaching. You wrote a post about that. Where do you think that people rank behavioral coaching in their own individual investor needs? And can you just talk about the post that you wrote on this topic? Because I really, really liked this one.

**Brendan M:** Thanks dude. I ended up, I liked the name, I forget ... I was trying to come up with a name for this post and eventually I landed on, "I need behavioral coaching said no one ever." Because Morningstar put out this piece of research that showed investors ranking several things that advisors do for them and the value that they believe it has. And then advisors doing the same, services they provide for clients and what they think in terms of the value proposition.

And there's a mismatch here because advisors think that behavioral coaching is a big value add, helping people to think about money differently and not act on impulses.

**Tim Mullooly:** It's near the top of their ranking.

**Brendan M:** Yeah, exactly.

**Tim Mullooly:** And this is one of the most valuable things that we provide our clients.

**Brendan M:** Yes, but clients had it ranked dead last like by a mile.

**Tim Mullooly:** Of course.

**Brendan M:** Because nobody, it's like a branding issue because nobody thinks they need behavioral coaching. It's like, oh, behavioral coaching. That's nice. That's for all the other people-

**Tim Mullooly:** The other wackos out there.

**Brendan M:** ... who can't control their emotions. Right?

**Tim Mullooly:** No one likes to admit that they're bad at something. It's like, and then if someone says you need to be coached on something, then it's implied that, oh, I'm bad at that. I need to be coached.

**Brendan M:** Well, and especially something that's talked about under the moniker of like behavioral or emotional. It's like, well, I'm not in control of my emotions. Of course I am. As advisors I think we need to do a better job of explaining because it is important and most people do need help with it from time to time. But saying it the way that it usually is presented, just as like behavioral coaching as value add is just, it's off putting I think to the recipient because I think what is baked into that is that the advisor is like the responsible adult in this relationship and that we're entirely these-

**Tim Mullooly:** Almost like a parent-child relationship.

**Brendan M:** Yeah. It's like we're these optimal, rational beings and like we're helping these Neanderthals to control their emotions, which isn't the case at all. I just think that the problem here is that as humans it's impossible for us to see 100% of the biases that we might be baking into our decision making process.

And so it helps to have a second set of eyes pointing out like, hey, have you considered this thing? So, it's not necessarily that like we're rational, in control of our emotions at all times. It's just that it's a blind spot. And the definition of a blind spot is that you can't see it. So, like when you're turning in your car-

**Tim Mullooly:** Maybe someone else can. Yeah.

**Brendan M:** Right. You're turning in your car to look out the rear view, there's a blind spot in the car and you can't do anything about it. You can have a second set of eyes to help you.

**Tim Mullooly:** Right. It's like when I would write posts or write papers in college and I would scan through it two, three times. I'd be like, this looks good in terms of looking for grammatical errors or spelling or something like that.

**Brendan M:** Exactly.

**Tim Mullooly:** And then I would hand it to my roommate and he would immediately find two or three things that I used the wrong tense or something like that and it's just, I completely missed it. But having a second set of eyes they were able to see what I couldn't.

**Brendan M:** Exactly. We work with smart, competent people. I mean they've most of the time amassed a nice life savings for themselves, doing whatever it is their profession is on a day-to-day basis. So, to imply that they need behavioral coaching I think maybe makes people feel uncomfortable or belittled and we need to do a better job as advisors explaining what we mean by behavioral coaching. Because I think that right now it has a branding issue and maybe we can rename it something else that sounds less insulting because I think it sounds insulting right now.



**Tim Mullooly:** Yeah, it definitely does. It gives off a just like a misconception about what it is and I feel like another misconception out there in terms of financial planners and what we do is that having a financial plan, once you give it to someone, it's like giving them a map with a GPS and turn by turn directions on how to get where you're going. You wrote about this. Can you tell the listeners why you think a financial plan is more of a compass than a map?

**Brendan M:** Yeah. A map implies that, like you said, we're going to give them detailed instructions, step-by-step of how the future is going to play out. And so, one thing that we discuss a lot with clients, and hat tip to Carl Richards, who is also in our camp here, is some inspiration for this thought is that these hundred page financial plans, these leather bound books are just not realistic,

I think just the idea of these documents in general gives off this false sense of certainty that we all crave and it's impossible to have because what we're doing, we're projecting things out 20, 30 years into the future. So, to suggest that we know today that 17 years from now you're going to have out to two decimal places this much in your account because we did X, Y, and Z. And at that point you'll be thinking about doing this strategy or that strategy. It's great to have all of this on the table, but I think that we need to worry more about being directionally correct with the big picture versus projecting out to decimal places what we're going to do or have with our money in the future.

**Tim Mullooly:** Right. So, the compass then in that sense is just an actual compass. It only tells you if you're going North, South, East or West.

**Brendan M:** Yeah. Right. Exactly. So, in money terms here, this is basically just the purpose for the money, right? Like what are the goals? Why do we want to be there in the first place? Let that act as our guiding compass and are we headed in that direction? And as we update over time or as like, if you have a compass and you're getting closer to the destination you course correct. And so if you're veering off the course and you know where you want to go still, that is your compass and it tells you, "Hey, you're getting off track here." What can we do? What levers can pull-

**Tim Mullooly:** Right. How can we guide you back in the right direction?

**Brendan M:** Exactly. So, you course correct as you're headed towards this destination. And maybe the destination itself even changes over time. But just the idea of not getting overly specific with these projections because they are just projections. They're educated guesses.

**Tim Mullooly:** Yep. Absolutely. When it comes to the markets, I feel like everyone out there wants to have a reason why things happen or there needs to be a narrative for what's happening. We see it every day, like markets are up today because of the Coronavirus fears are easing and then they're down the next day because the fears are back. So, you wrote a post about, it was titled, The unsatisfying certitude of uncertainty, and it talked just about that. Having a reason why and trying to find a narrative for everything. You gave a really good example of the former Mets pitcher, Zach Wheeler, who is now the enemy on the Phillies.

Can you talk about the example that you used with Wheeler and how it's okay to not have a narrative for every single thing out there?

**Brendan M:** Hate to see Zach on the Phills too. So, that's unfortunate. But so, last year Wheeler wasn't pitching as well as he had in the back half of 2018 and there were some people out there who were saying, "Well he was throwing the splitter in the back half of 2018." And I think that he threw that pitch more and I think that's why he was pitching so well and why people were beginning to ask him last season when he was struggling a little bit. "So, why aren't you throwing the splitter as much?" And he actually shared with reporters that he never threw the splitter as much as this analytic system in baseball had captured.

**Tim Mullooly:** Statcast. Yeah.

**Brendan M:** Yes. Statcast had said he was throwing the splitter and he was like, listen, I'm throwing a change up. And I don't really know.

**Tim Mullooly:** It registers it as a splitter.

**Brendan M:** Yeah. Yeah. So, this whole narrative was completely debunked. He never threw the splitter as much as people thought. But the narrative persisted and we do this all the time, like you said, with finance too. We come up with the reason du jour for why the market is moving the way that it is. In reality, we don't know for sure and sometimes we debunk those reasons and we still continue to operate with that as our framework for why the market is doing what it's doing.

**Tim Mullooly:** Even if we know it's wrong.

**Brendan M:** Right, right. So, one of the things that I wrote in the post, which was, it was from some research article, it basically was saying that we prefer incorrect models to incomplete ones. We would rather have a wrong answer that is neat and tidy and explains what we need it to so that we can connect that loop in our brains versus a gap where we say, "Hey, you know what? I don't know for sure. Here are some reasons that might be contributing to it." But we could never possibly pin down one in particular that's causing, like in finance world what's causing people to buy and sell shares every day? We don't know.

**Tim Mullooly:** Yeah. How much time do you have? I could rattle off 15 different things right now.

**Brendan M:** Exactly. And some of them are just complete, like we'll attach it to a news headline like the virus lately. But on any particular day, people could be buying shares of stock because they just contributed to their retirement plan and that's what they do two times a month when their paycheck hits. Or somebody could be selling shares, not because they're worried about the news topic lately, just because they needed money because maybe they're buying a house, like I just did.

**Tim Mullooly:** They needed money. Yeah. Exactly.

**Brendan M:** Oh, okay. I have something to do. So, I'm going to sell my investments to move my money elsewhere. So, to sit here and try to pin down one reason why things are occurring the way they are is just, it's insane. But it's human nature because we want a tidy reason for everything. But sometimes we just need to be open to the fact that that's not how the world works and it's okay to not have one, because of this that is occurring, explanation for everything.

**Tim Mullooly:** Yeah. I feel like people just were uncomfortable saying, "I don't know." And a lot of the times that is the correct answer.

**Brendan M:** Exactly. Yeah. That is one of the most hated phrases, I think, in finance is just, "I don't know."

**Tim Mullooly:** I don't know.

**Brendan M:** If more people were willing to say, "I don't know." I think we'd have a lot better reputation as an industry.

**Tim Mullooly:** Yeah. That's for sure. Recently, and I think it was a month or so ago, you wrote that the most integral part or the most integral question of financial planning is, what if we're wrong? Can you explain what you meant by that? And you gave an example of what happened during the, I think it was the playoff game with the Patriots and the refs and all of that. I think it tied it together nicely.

**Brendan M:** The first thing that brought me to that point was just this note that I read about Amazon and how they consider what they term one way doors, just meaning these decisions ... I think it was like a web developer who was talking about this and you create these processes that when once you make a decision in part of this process, it's irreversible.

**Tim Mullooly:** Right. You can't go back.

**Brendan M:** Exactly. And so that's kind of what the refs had done in this game where, I forget the exact way that the play panned out, but basically if the refs had called it a touchdown, it would have been a scoring play and by nature scoring plays are always reviewed. So, they wouldn't have had to wait for either team to use a challenge flag and somebody didn't have any remaining. But point being they would've kept their options open by doing a specific thing that they didn't do. And that tied in nicely to how we discuss financial plans with clients, meaning that sometimes optionality reigns supreme in terms of decision making. And so you have your spreadsheet numbers, most optimal way of doing something, but you might want to do something that's a little less optimal because you'd like some optionality in the decision making process.

You don't want to walk through a financial one way door, meaning that you've made something, a decision that's now irreversible and it puts you in a bad spot that you didn't need to be in.

**Tim Mullooly:** Yeah, that makes a lot of sense. And it just having the ability to kind of be flexible, especially because like we were talking about earlier, we don't know where we're going

to be in the future. So, you don't want to close off too many doors and back yourself into a corner when there are variables that we don't even know to consider at this point in time.

**Brendan M:** Yeah. Like leave yourself some-

**Tim Mullooly:** Unknown unknowns or something like that.

**Brendan M:** Exactly.

**Tim Mullooly:** Yeah. Rumsfeld.

**Brendan M:** Yeah, exactly.

**Tim Mullooly:** The unknown unknowns.

**Brendan M:** Exactly. Things that we couldn't possibly know today. We couldn't possibly plan for it because we have literally no way of anticipating. Those things happen all the time. And so you just, even though we don't know what they're going to be, assume that you're going to need some wiggle room and some optionality in your life.

**Tim Mullooly:** Yeah, absolutely. So, you've called lifestyle inflation the, "Silent killer of financial plans everywhere." Why do you think that lifestyle inflation is such a detriment to financial plans? And if it is such a big detriment, how can we try and combat lifestyle inflation?

**Brendan M:** Yeah. So, I mean when we're talking about financial planning, I think that the three huge variables of any like retirement plan are thinking about how much we can save, how much we spend and what kind of returns we're going to get. And so you just start to think about where you have control and you could certainly set up your investments in such a way that you hopefully have an idea of what you're going to earn.

But a lot of that on a year-to-year basis especially is kind of out of our hands. So, you think about that one and then you think about what you are able to save and spend each year. And so the spending equation, if you're spending you're not saving and you need more money then in the future to support the bigger spend that you have currently. And so it's kind of this twofold issue where you need to get them under control now because it just makes the equation for your retirement plan all the better in the future because it snowballs. Exactly.

**Tim Mullooly:** If you don't get it under control.

**Brendan M:** Right. They kind of feed off one another. And so taking a look at what you're saving currently and when you're able to save more, meaning like you get a raise. I think the best thing you could do is when you get a raise at work to consider in percentage terms, perhaps, all right, I'm going to save X percent more, treat myself to a little bit of extra stuff with this. But really, you just need to be intentional about when you get more money, having a plan for it. Because if you leave it untended, probably, you just end up spending it. Right?

**Tim Mullooly:** Right. So, I was going to ask kind of a follow-up question. So, the three parts that you were talking about, like the returns, the saving and the spending. I was going to ask what would you say is the most important part there? But as you were talking, I realized that the saving and spending are one and the same.

**Brendan M:** It's two sides of the same coin.

**Tim Mullooly:** It's two parts to the equation, but they work together because if you're spending less than you're saving more.

**Brendan M:** One goes up while the other goes down.

**Tim Mullooly:** Exactly. Exactly. They're inversely correlated.

**Brendan M:** So yeah, you make the decision considering both ends of that spectrum and you absolutely need to be enjoying your life now too. And people have bills to pay and that's important too. But just to be intentional about knowing that when you get a raise at work if you're spending 100% of it, not only are you increasing your spend right now, but you're increasing probably what you're going to become used to and then assume that you need in the future. And so, future you is not going to be happy with you if you don't at least put aside some of that money.

**Tim Mullooly:** Yeah, absolutely. When I interviewed you back in episode 40 I don't think I had started asking the final question that I asked everyone, like the best piece of advice. So, now that we have you back for round two, I can ask you that question. So, whether it's something you've learned personally growing up or something that you've learned or heard professionally in your career, what would you say is the best piece of advice that someone has ever given to you?

**Brendan M:** Yeah, so it wasn't like a one liner. I know when Casey was on, he used the line that dad always said to us, "Who do you play basketball against?" And it's yourself. And I like that one, but just something that I picked up from dad over the years was just to communicate with people. Because when I was younger I was generally like a shy person. And he would always encourage me just to speak up and communicate with people and ask for help. And you'll be surprised if you are just a friendly person and you communicate with others and you ask when you're in need, people are generally good and I think they're there to help out and they will. But you have to ask. And so if you're too shy that never occurs.

**Tim Mullooly:** You said it wasn't a one liner, but it actually made me think of a one liner that mom and dad used to say is that, "I'm not a mind reader."

**Brendan M:** Yeah, yeah. No, that is a good one. That pretty much is the gist of what I'm getting at here. You've got to be able to communicate with other people and if you can't, I think you're going to be in trouble and you're not going to have people in your corner there to help if they don't know that you need it.

**Tim Mullooly:** Right. Exactly. Bonus question. It's February 19th we're about five weeks away from opening day. March 26th Mets open up against the Nationals. How many wins do the Mets finish 2020 with and do they make the play-offs? What place, what do you think happens with the Mets this year?

**Brendan M:** We've talked about this phenomenon before where this is the time of year where we start to get irrationally optimistic.

**Tim Mullooly:** Peak optimism.

**Brendan M:** So optimistic about a franchise that is not deserving of that at all, but I feel like they should be in it this year considering all that. I don't know. I think they should be in it. So, I mean, I'm not sure exactly over or under win total, but I mean they were ... Were they in the 80s last year?

**Tim Mullooly:** I think they finished with 87 or 88, something like that.

**Brendan M:** I mean, I feel like high 80s, low 90s should put them in a position to compete and I feel like they'll be there, barring any like major injuries or something like that.

**Tim Mullooly:** Yeah, that's always the big if with the Mets barring any big injuries and the Mets always have those big injuries, but you know.

**Brendan M:** Exactly.

**Tim Mullooly:** We'll see what happens.

**Brendan M:** Yeah.

**Tim Mullooly:** Well, Bren, thanks for coming back on the podcast. Really enjoyed having you back in.

**Brendan M:** Yeah, it was a blast. Thanks, man.

**Tim Mullooly:** All right. For the listeners out there, I'll link in the show notes again to Brendan's website. It's called Your Brain on Stocks. We talked about a couple of different blog posts here. I'll be sure to put the links to those specific posts in the show notes over at [livingwithmoney.com](http://livingwithmoney.com). Thanks for tuning in to this episode and we'll see you on the next one.