Habits That Keep Men Broke | Wealth Wednesday Transcript

(Transcripts are generated by AI and may contain errors)

Introduction and Topic Overview

Hello everyone. Welcome to another Hello everyone. Welcome to another wealth Wednesday. I'm your host Dr. wealth Wednesday. I'm your host Dr. Kulpa Sundar. With me is my co-host Kulpa Sundar. With me is my co-host Marisol Urebe. And two weeks ago we Marisol Urebe. And two weeks ago we talked about habits that keep women talked about habits that keep women broke. Today we're going to talk about broke. Today we're going to talk about habits that keep men broke because we're habits that keep men broke because we're all guilty of the same things. whether all guilty of the same things. whether we're men or women is just a little we're men or women is just a little different depending on what what what different depending on what what what our problems are.

our problems are. But none of us are perfect. That's the But none of us are perfect. That's the important thing. And we all could stand important thing. And we all could stand to improve and create better habits for to improve and create better habits for ourselves. So that's what we want to ourselves.

Reactive Financial Decisions

So that's what we want to talk about today. So when it comes to talk about today. So when it comes to men, men do different things than what men, men do different things than what women do. So you know, they're not so women do. So you know, they're not so much in the nurturing trap like women much in the nurturing trap like women are. We talked about this two weeks ago, are. We talked about this two weeks ago, but what men do is they get caught in a but what men do is they get caught in a reaction trap. So, they will make reaction trap. So, they will make impulsive financial moves during crisis impulsive financial moves during crisis instead of having an evidence-based instead of having an evidence-based plan, and that can really get them into plan, and that can really get them into trouble.

trouble. trouble. >> Oh, yeah. When it comes to being >> Oh, yeah. When it comes to being reactive, reactive, reactive, that's tough. I mean, you're hit with that's tough. I mean, you're hit with something right out of the blue, something right out of the blue, seemingly left field, and they need to seemingly left field, and they need to have some sort of reaction, right? And have some sort of reaction, right? And often times it's not a planned response often times it's not a planned response where a response is something where they where a response is something where they actually plan out ahead of time like an actually plan out ahead of time like an emergency preparedness plan emergency preparedness plan >> or like that's why they call us first >> or like that's why they call us first responders in the medical world because responders in the medical world because we're responding to something that we've we're responding to something that we've already thought through. But when you already thought through.

Planning Ahead for Investments

But when you don't have a response plan, you're don't have a response plan, you're you're very reactive. Yes. Like you're you're very reactive. Yes. Like you're saying.

saying. saying. >> Exactly. So the one thing is when you >> Exactly. So the one thing is when you make a financial decision, you should make a financial decision, you should also plan for the contingencies. What also plan for the contingencies. What are you going to do and try to stick are you going to do and try to stick with your plan instead of being with your plan instead of being reactive? So one example is in March of reactive? So one example is in March of 2020 millions of men actually panic sold 2020 millions of men actually panic sold at the bottom of the market during COVID at the bottom of the market during COVID and then the S&P 500 actually fully and then the S&P 500 actually fully recovered in five months. So the ones recovered in five months. So the ones who panic, you know, made impulsive who panic, you know, made impulsive decisions, they had some pretty big decisions, they had some pretty big losses that were permanent, losses that were permanent, >> you know, these are important things to >> you know, these are important things to keep in mind, keep in mind, >> right? Because if if I didn't have

a >> right? Because if if I didn't have a plan, I probably would have done the plan, I probably would have done the same thing. The emotions would have same thing. The emotions would have gotten the best of me.

gotten the best of me. >> Before I invest in anything, I always >> Before I invest in anything, I always have a plan on how long I'm going to have a plan on how long I'm going to stay invested. What is what am I going stay invested. What is what am I going to do with this? Am I going to get out?

to do with this? Am I going to get out? Um, you know, when I invest into my, you Um, you know, when I invest into my, you know, retirement funds, I just knew that know, retirement funds, I just knew that I wasn't going to touch that until I was I wasn't going to touch that until I was 67. I mean, I could touch it earlier, 67. I mean, I could touch it earlier, but I just didn't want to until 67 or but I just didn't want to until 67 or later. That was just my plan for myself.

later. That was just my plan for myself. So, no matter what, that's been written So, no matter what, that's been written in stone since I was 20 years old. And I in stone since I was 20 years old. And I just don't touch it. So, that's just don't touch it. So, that's something that I don't even think about.

something that I don't even think about. But other people, that's not how they But other people, that's not how they operate. they touch it, they take things operate. they touch it, they take things out, and they pay a penalty that's 10%, out, and they pay a penalty that's 10%, then they then they just wind up getting then they then they just wind up getting in a mess. Whereas, if you just I don't in a mess. Whereas, if you just I don't know, I just kind of forget about those know, I just kind of forget about those things if I'm not supposed to touch it.

things if I'm not supposed to touch it. So, I think that's really just very very So, I think that's really just very very important strategy. Always have a plan important strategy. Always have a plan for what you're doing with this money.

for what you're doing with this money. Whether it's a stock market investment, Whether it's a stock market investment, whether it's a long-term investment, whether it's a long-term investment, whatever that is, you should know what whatever that is, you should know what you're planning to do ahead of time with you're planning to do ahead of time with that.

that. that. >> Absolutely.

Avoiding Lone-Wolf Money Moves

>> Absolutely. >> Absolutely. And then we have the next problem that And then we have the next problem that men do. And I think this is this is men do. And I think this is this is probably a really big one honestly. It's probably a really big one honestly. It's the lonewolf strategy. They just the lonewolf strategy. They just independently weigh options without a independently weigh options without a framework, without consulting anyone.

framework, without consulting anyone. It's kind of like how they don't like to It's kind of like how they don't like to They just don't want to ask for They just don't want to ask for directions when it comes to anything.

directions when it comes to anything. They will rely on their research and all They will rely on their research and all of these things. But here's the thing.

of these things. But here's the thing. This is nothing to do with how This is nothing to do with how intelligent you are. It has everything intelligent you are. It has everything to do with there's not one person can to do with there's not one person can know everything about everything. And know everything about everything. And that's what we need to understand. And I that's what we need to understand. And I am a big believer of that. I know the am a big believer of that. I know the things that I know very well, but I'm things that I know very well, but I'm also smart enough to know what I don't also smart enough to know what I don't know or have a have a good idea about, know or have a have a good idea about, but I other people know it better. So, I but I other people know it better. So, I consult those people. We talked about consult those people. We talked about this actually with the last one that we this actually with the last one that we did on women. Men should be consulting did on women. Men should be

consulting financial advisors, tax attorneys, all financial advisors, tax attorneys, all these people before they make any kind these people before they make any kind of decisions, you know, especially big of decisions, you know, especially big financial decisions. When you get financial decisions. When you get emotional, it's always good to have that emotional, it's always good to have that these people that you bounce that idea these people that you bounce that idea off of because they're going to tell you off of because they're going to tell you what they think. And I think this poses what they think. And I think this poses a question of how does one lower their a question of how does one lower their guard enough and to a certain degree guard enough and to a certain degree pride and arrogance to be open to the pride and arrogance to be open to the input of a professional.

input of a professional. >> That is a very good question. So >> That is a very good question. So historically, and we're not I'm not historically, and we're not I'm not pointing fingers and I'm not we're not pointing fingers and I'm not we're not doing this we're doing this to to be of doing this we're doing this to to be of service to people because we all men and service to people because we all men and women theoretically have different women theoretically have different issues that we address in different ways issues that we address in different ways and this is not this is not absolute of and this is not this is not absolute of course we have we have women that kind course we have we have women that kind of function like men in this way we have of function like men in this way we have men that function like women you know men that function like women you know this is not gender bias really but it's this is not gender bias really but it's just I'm just going historically what just I'm just going historically what most likely happens most likely happens But the reality is this. I think it's But the reality is this. I think it's just coming from a place of humility, just coming from a place of humility, knowing that you cannot know everything.

knowing that you cannot know everything. And also maybe I think maybe really And also maybe I think maybe really finding those people that you really finding those people that you really trust as much as you trust yourself. I trust as much as you trust yourself. I think for me that was the thing. I think for me that was the thing. I didn't I don't like to trust other didn't I don't like to trust other people. I function a little I function people. I function a little I function more like a man in that way. I tend to more like a man in that way. I tend to be a little more like a lone wolf. I be a little more like a lone wolf. I won't ask all the other people in my won't ask all the other people in my life to buy in. But that was true until life to buy in. But that was true until I found my my people.

I found my my people. >> Yeah, >> Yeah, >> Yeah, >> I have my people now. I know who I can >> I have my people now. I know who I can ask what to and I trust them and I trust ask what to and I trust them and I trust their opinion.

their opinion. You know, I I like to hear. So, it's I You know, I I like to hear. So, it's I the best way I can equate this is going the best way I can equate this is going to a specialist versus a primary care to a specialist versus a primary care doctor. So, your primary care doctor doctor. So, your primary care doctor kind of knows the the gist of everything kind of knows the the gist of everything and the specialists know their little and the specialists know their little piece. So, what I do is I consult all my piece. So, what I do is I consult all my specialists and then I make the final specialists and then I make the final decision on what is right for me based decision on what is right for me based on what all of those specialists told on what all of those specialists told me.

Seeking Trusted Advice and Resources

me. me. >> That's so key and I'm glad you painted >> That's so key and I'm glad you painted it in that picture because truly we have it in that picture because truly we have the final say at the end of the day and the final say at the end of the day and we need to choose our our tribe here. If we need to choose our our tribe here. If you currently don't have a power pool of you currently don't have a power pool of people that you can talk to when you people that you can talk to when you have certain needs, then it's time to have certain needs, then it's time to create your your resources, your create your your resources, your resource list.

resource list. >> Absolutely. And also, I think when I say >> Absolutely. And also, I think when I say that too, you know, I don't we have to that too, you know, I don't we have to have our own agency in this. So, I also have our own agency in this.

Status Purchases and Wealth Drains

So, I also don't think it's a great idea for a don't think it's a great idea for a person to ask all their people and leave person to ask all their people and leave that leave that um leave it to them to that leave that um leave it to them to decide. No, no, no. I'm saying listen to decide. No, no, no. I'm saying listen to them and have your own agency and make them and have your own agency and make your best decision for yourself.

your best decision for yourself. >> Yes, of course. >> Yes, of course. >> So, >> So, >> So, >> it's the giving yourself the education >> it's the giving yourself the education through the lens of the professionals to through the lens of the professionals to help you make that final choice.

help you make that final choice. >> 100%. 100%. And so, and then the last >> 100%. 100%. And so, and then the last big thing is that, you know, men tend to big thing is that, you know, men tend to have some purchases have some purchases that make them feel good, and those that make them feel good, and those purchases satisfy their ego over their purchases satisfy their ego over their equity, unfortunately.

equity, unfortunately. >> So, a lot of men will tend to prioritize >> So, a lot of men will tend to prioritize status driven purchases to appear status driven purchases to appear successful, appear competitive in the successful, appear competitive in the workforce rather than looking at how workforce rather than looking at how much those things cost them in the much those things cost them in the bottom line. when it comes to driving bottom line. when it comes to driving their growth of their own wealth. So, their growth of their own wealth. So, the two most most common wealth the two most most common wealth desttoring purchases for men are cars desttoring purchases for men are cars and watches.

and watches. >> Both of them. >> Both of them. >> Say golf. >> Say golf. >> What's that? >> What's that? >> I was going to say golf. >> I was going to say golf.

>> You know, actually that should be a >> You know, actually that should be a third honestly third honestly >> because I think so I think we can't say >> because I think so I think we can't say absolutely because some men I know do a absolutely because some men I know do a lot of really good business while lot of really good business while playing golf. So maybe that makes sense, playing golf. So maybe that makes sense, you know, but it is an expensive hobby.

you know, but it is an expensive hobby. It really is. So, uh, again, but the the It really is. So, uh, again, but the the cars, they depreciate the minute you cars, they depreciate the minute you drive them off the lot. The watches also drive them off the lot. The watches also depreciate. So, if you look at, you depreciate. So, if you look at, you know, the reason that men buy this is to know, the reason that men buy this is to feel good about themselves, impress feel good about themselves, impress other people. But, for example, if you other people. But, for example, if you have a $75,000 have a $75,000 Mercedes at the age of 34, um, you want Mercedes at the age of 34, um, you want to feel good about yourself. it it to feel good about yourself. it it starts to really add up. You know, a starts to really add up. You know, a $1,500 a month, that $1,500 a month that $1,500 a month, that $1,500 a month that could go into a brokerage account could go into a brokerage account instead at the age of 50, that is a instead at the age of 50, that is a large amount of wealth that's large amount of wealth that's accumulated.

accumulated. accumulated. >> Yeah, true. And the car industry gets >> Yeah, true. And the car industry gets their money with the financing, their money with the financing, >> 100%.

>> 100%. >> 100%. >> And same with, you know, the watch >> And same with, you know, the watch industry. People could get loans for industry. People could get loans for watches too, but it really some of them watches too, but it really some of them can sort hold some sort of like equity can sort hold some sort of like equity component component component um like the high-end watches, um like the high-end watches, >> right, >> right, >> right, >> that people end up trading and stuff.

>> that people end up trading and stuff. >> Um same with with the cars. >> Um same with with the cars. Some people could Some people could be strategic about how they sell their be strategic about how they sell their used vehicles.

used vehicles. Uh, and there's like a whole, you know, Uh, and there's like a whole, you know, hacking calculator thing that you could hacking calculator thing that you could do.

do. do. >> I was just about to say that there's >> I was just about to say that there's >> help you with watch hacking. There's car >> help you with watch hacking. There's car hacking. And and if you're going to do hacking. And and if you're going to do it, I say do it like that because that's it, I say do it like that because that's probably smarter than just buying probably smarter than just buying something. And that's what I plan. If I something. And that's what I plan. If I buy a luxury car, I'm going to do it buy a luxury car, I'm going to do it more in the hacking way where I buy the more in the hacking way where I buy the right car, know how to sell it properly, right car, know how to sell it properly, where it's actually making money for me where it's actually making money for me as opposed to just being a depreciating as opposed to just being a depreciating asset. And then the other thing I will asset.

Smart Car Ownership Strategies

And then the other thing I will say is that for Merch Dad Poor Dad, he say is that for Merch Dad Poor Dad, he said make sure that your assets fund said make sure that your assets fund your liabilities. So there's also your liabilities. So there's also another way to purchase cars where you another way to purchase cars where you have an asset, let's say a business, and have an asset, let's say a business, and that bis that liability is the car, but that bis that liability is the car, but the asset funds the liability.

the asset funds the liability. >> There are a lot of smart ways to do >> There are a lot of smart ways to do things, but most people don't. They just things, but most people don't. They just get excited about things and they just get excited about things and they just purchase them.

purchase them. >> Yes. Yes. they could purchase them >> Yes. Yes. they could purchase them liquid where if you advance certain liquid where if you advance certain strategies strategies strategies that could sort of be a neat play that that could sort of be a neat play that you could strategically do to like you you could strategically do to like you said earlier do make it make sense in said earlier do make it make sense in the math world so that it's almost like the math world so that it's almost like you're winning by driving the car.

you're winning by driving the car. >> Exactly. Exactly. There are ways around >> Exactly. Exactly.

Closing Thoughts

There are ways around this. There are ways definitely around this. There are ways definitely around this. But again, you need to know the this. But again, you need to know the right people who can help you with the right people who can help you with the right strategies who show you how to do right strategies who show you how to do these things as opposed to you just these things as opposed to you just purchasing a car and having a purchasing a car and having a depreciating asset.

depreciating asset. >> Yes, exactly. >> Yes, exactly. >> Well, again, hopefully this was helpful >> Well, again, hopefully this was helpful to everybody and uh we will, you know, to everybody and uh we will, you know, definitely be keeping on doing this. I definitely be keeping on doing this. I thought this was a great great thought this was a great great conversation because we talk about how conversation because we talk about how to always uh strategize our wealth, but to always uh strategize our wealth, but we also don't talk about the things that we also don't talk about the things that kind of keep us broke. So, this was a kind of keep us broke. So, this was a great topic, I thought. And uh so great great topic, I thought. And uh so great to have you on here, Marisol, as always.

to have you on here, Marisol, as always. And everybody, we'll see you in another And everybody, we'll see you in another couple of weeks for the next wealth couple of weeks for the next wealth Wednesday. Have a great Wednesday. Bye Wednesday. Have a great Wednesday. Bye