How HealthTech Founders and Startup Operators Build Wealth Without Financial Burning Out with Joh... Transcript

(Transcripts are generated by AI and may contain errors)

Episode Introduction and Guest Background

Most founders know how [music] to talk Most founders know how [music] to talk about traction and selling their big about traction and selling their big vision. Far fewer know how to evaluate vision. Far fewer know how to evaluate [music] risks before quietly draining [music] risks before quietly draining their time, money, and future options.

their time, money, and future options. In [music] today's episode, John De In [music] today's episode, John De Goede, who is an author of three popular Goede, who is an author of three popular books, host of the Make Better Wealth books, host of the Make Better Wealth Decisions [music] podcast, and fiduciary Decisions [music] podcast, and fiduciary advisor to successful families, he advisor to successful families, he breaks down why emotional investing, breaks down why emotional investing, [music] [music] [music] founder sacrifice, and hype-driven founder sacrifice, and hype-driven markets [music] markets [music] are creating dangerous blind spots for are creating dangerous blind spots for healthcare technology founders healthcare technology founders >> [music] >> [music] >> [music] >> and startup operators trying to build >> and startup operators trying to build long-term wealth.

long-term wealth. Healthcare entrepreneurs, are you ready Healthcare entrepreneurs, are you ready to rewrite the rules for your business to rewrite the rules for your business so you can have more time off, a great so you can have more time off, a great team, [music] and more income while team, [music] and more income while creating a positive social impact? Then, creating a positive social impact? Then, you are in the right place. [music] you are in the right place. [music] Welcome to The Providers' Edge. I'm your Welcome to The Providers' Edge. I'm your host, Sabrina Runbeck. [music] I'm a host, Sabrina Runbeck. [music] I'm a provider, an international peak provider, an international peak performance keynote speaker, and a performance keynote speaker, and a best-selling author. Let's open the best-selling author. Let's open the gateway to profitability for you [music] gateway to profitability for you [music] today. My guests and I help healthcare today. My guests and I help healthcare entrepreneurs and startup founders like entrepreneurs and startup founders like you break through barriers so you can you break through barriers so you can control your business, control [music] control your business, control [music] your life, and control your future. This your life, and control your future.

Evaluating Risk and Avoiding Blind Spots

This is your defining moment to be a is your defining moment to be a Hi, John. I'm so excited for you to be Hi, John. I'm so excited for you to be here. John De Goede is the thought here. John De Goede is the thought leader in the Canadian personal leader in the Canadian personal financial space, having written three financial space, having written three books and hundreds of articles. He is a books and hundreds of articles. He is a trusted resource for trending and trusted resource for trending and contacts in the financial market and of contacts in the financial market and of course also a fellow podcaster course also a fellow podcaster of the Make Better Wealth Decisions. And of the Make Better Wealth Decisions. And he acts as a he acts as a fiduciary advisor to a selected number fiduciary advisor to a selected number of successful families. So, we're so of successful families. So, we're so excited to have you here on the show excited to have you here on the show because we all know financial is one of because we all know financial is one of those things. How do you define wealth those things. How do you define wealth is in so many different ways, but once is in so many different ways, but once you get into the details, do we you get into the details, do we actually have the right financial intelligence to have the right financial intelligence to make those decisions? Whether it's to make those decisions? Whether it's to invest, whether it's thinking about invest, whether it's thinking about where we should put our intelligence, where we should put our intelligence, our wealth into a certain startup or our wealth into a certain startup or company or organization that could company or organization that could create our own legacy, right? And so, create our own legacy, right? And so, these kind of conversation that you deal these kind of conversation that you deal with every day and then really to be with every day and then really to be behind scenes. So, excited for you to be behind scenes. So, excited for you to be here. And so, tell us a little bit of here. And so, tell us a little bit of more about like what brought you to

this more about like what brought you to this point. What are the story that everybody point. What are the story that everybody wanted to actually learn about who you wanted to actually learn about who you are?

are? are? So, thank you, Sabrina. It's a pleasure So, thank you, Sabrina. It's a pleasure to be here. And I've got a lot of to be here. And I've got a lot of different stories I can tell. So, if different stories I can tell. So, if you're going to ask me to tell a story you're going to ask me to tell a story open-endedly, open-endedly, open-endedly, how about if I do this? I wrote a book, how about if I do this? I wrote a book, a book called Stand Up to the Financial a book called Stand Up to the Financial Services Industry, where I showed how Services Industry, where I showed how there's evidence that demonstrates that there's evidence that demonstrates that there are people who give advice who there are people who give advice who believe things that are simply not true.

believe things that are simply not true. And that's a real problem because And that's a real problem because obviously you go to someone to get obviously you go to someone to get advice advice advice on the expectation that that person will on the expectation that that person will give you good advice and will understand give you good advice and will understand how things work. But this research came how things work. But this research came out 9 years ago when it showed that in out 9 years ago when it showed that in Canada, at least, there are people who Canada, at least, there are people who sell mutual funds sell mutual funds who do things improperly because they who do things improperly because they don't seem to know any better. They don't seem to know any better. They chase past performance, they don't chase past performance, they don't diversify enough, they run concentrated diversify enough, they run concentrated positions, and they don't pay enough positions, and they don't pay enough attention to how much products actually attention to how much products actually cost. So, those are three things that cost. So, those are three things that are wrong, demonstrably wrong. Most are wrong, demonstrably wrong. Most people listening to this podcast will people listening to this podcast will know that. And yet, it seems as though know that. And yet, it seems as though the Canadian mutual fund advisors the Canadian mutual fund advisors somehow haven't internalized that. And somehow haven't internalized that. And here's where it gets really hairy.

here's where it gets really hairy. These people not only gave that advice, These people not only gave that advice, which was wrong, which is scary because which was wrong, which is scary because why are they giving bad advice? But, the why are they giving bad advice? But, the research showed that they actually did research showed that they actually did that same sort of thing, concentrated that same sort of thing, concentrated positions, chasing past performance, positions, chasing past performance, high-cost products with their own high-cost products with their own accounts and even after they retired.

accounts and even after they retired. And so, the problem is one of not one of And so, the problem is one of not one of misplaced agency where they're trying to misplaced agency where they're trying to be sneaky and pull the wool over your be sneaky and pull the wool over your eyes. The problem is actually more eyes. The problem is actually more insidious, more ingrained. It's deeper insidious, more ingrained. It's deeper than that because the problem it seems than that because the problem it seems to be that these people actually believe to be that these people actually believe that what they're doing is right even that what they're doing is right even though they want to do the right thing, though they want to do the right thing, they're doing the wrong thing, and they they're doing the wrong thing, and they don't seem to know any better. So, don't seem to know any better. So, that's a real risk. And when we talk that's a real risk. And when we talk about risk with the investor, I think about risk with the investor, I think those are the critical thing is how do those are the critical thing is how do we even know are we diversifying enough?

we even know are we diversifying enough? Or are we putting too much money into Or are we putting too much money into couple parts? Are they having the right couple parts? Are they having the right trend to actually give us the return in trend to actually give us the return in investment? Or some people, especially investment? Or some people, especially in our sphere, we're very heavy into in our sphere, we're very heavy into healthcare innovation. When you thinking healthcare innovation.

Diversification, Liquidity, and Tax Planning

When you thinking about investing in those companies, some about investing in those companies, some people go

in very early and their risk people go in very early and their risk profile is that if there is a right profile is that if there is a right product, whether they're clinician product, whether they're clinician backed and whatnot, and we really see backed and whatnot, and we really see the back end. I'm always be with all the the back end. I'm always be with all the startup we work with, is this even startup we work with, is this even sellable? Right? Let's just not even sellable? Right? Let's just not even talk about how you scale later. Is this talk about how you scale later. Is this even sellable? Have you talked to enough even sellable? Have you talked to enough people to even demonstrate that? Do you people to even demonstrate that? Do you know how to talk to the right people to know how to talk to the right people to help us to feel like this is being help us to feel like this is being de-risked, right? And then, really de-risked, right? And then, really thinking about the other side, right?

thinking about the other side, right? And then it's the flip side, right? The And then it's the flip side, right? The people who are making the investment, do people who are making the investment, do we even know how to ask those questions?

we even know how to ask those questions? How to really understand what a How to really understand what a performance early stage, mid stage performance early stage, mid stage growth, later stage, where do we put our growth, later stage, where do we put our money in, right? So there's a lot of money in, right? So there's a lot of questions that I'll play. When you are questions that I'll play. When you are advising people to make those decisions, advising people to make those decisions, what are some of the critical things what are some of the critical things that you always going to ask or helping that you always going to ask or helping people ask when they're making those people ask when they're making those financial decisions?

financial decisions? Well, the most important thing is that Well, the most important thing is that you have to understand the profile, the you have to understand the profile, the risk tolerance, and risk capacity of the risk tolerance, and risk capacity of the person you're giving advice to. So you person you're giving advice to. So you want to understand what's your time want to understand what's your time horizon, how much can you afford to horizon, how much can you afford to lose, what's your income, how much can lose, what's your income, how much can you afford to save on a regular basis, you afford to save on a regular basis, when you want to retire, or maybe the when you want to retire, or maybe the money isn't for retirement, maybe the money isn't for retirement, maybe the money is to put your children or money is to put your children or grandchildren through university or what grandchildren through university or what have you. So you want to know what's the have you. So you want to know what's the money for, how much do you need, what's money for, how much do you need, what's the time horizon, and then you build a the time horizon, and then you build a portfolio that takes those parameters portfolio that takes those parameters into account. So what I would say, into account. So what I would say, Sabrina, is it's important that you Sabrina, is it's important that you diversify. So to use your example of diversify. So to use your example of health care, if you want to buy health health care, if you want to buy health care, then sure, buy health care. And if care, then sure, buy health care. And if you've got a few companies that you have you've got a few companies that you have loyalty to or that you know or you know loyalty to or that you know or you know the founders, sure, you can put a little the founders, sure, you can put a little bit of your portfolio into that. But bit of your portfolio into that. But don't go hog wild. Don't go around don't go hog wild. Don't go around putting, you know, 15% or 20% of your putting, you know, 15% or 20% of your portfolio into that sort of thing. 5% or portfolio into that sort of thing. 5% or 10% sure, but you should be diversifying 10% sure, but you should be diversifying within and throughout asset classes. So within and throughout asset classes. So you're going to have stocks, you're you're going to have stocks, you're going to have bonds, you might have some going to have bonds, you might have some real estate, some commodities, what have real estate, some commodities, what have you. You'll have domestic investments, you. You'll have domestic investments, you'll have foreign investments, and by you'll have foreign investments, and by having a broad variety of things, having a broad variety of things, there's an old saying in finance that if there's an old saying in finance that if everything in your portfolio is going up everything in your portfolio is going up at the same time, you're probably doing at the same time, you're probably doing something wrong. So So you have eight or something wrong. So So you have eight or 10 or 12 different sorts of buckets that 10 or 12 different sorts of buckets that you're putting eight or 10 or 12% of you're putting eight or 10 or 12% of your money into each of those buckets, your money into each of those buckets, then it's unlikely that they'll all be then it's unlikely that they'll all be going up at the same time. What you try going up at the same time. What you try to do is you try to find asset classes to do is you try to find asset classes that are weakly or negatively that are weakly or negatively correlated. That's a bit of a fancy word correlated. That's a bit of a fancy word that means that some things will zig that means

that some things will zig when other things zag. And if they're when other things zag. And if they're all going up at the same time, that's all going up at the same time, that's probably going to be hurting you because probably going to be hurting you because if they're all going up at the same if they're all going up at the same time, it means they'll probably all go time, it means they'll probably all go down at the same time.

down at the same time. But if you've got, say, 10 investments But if you've got, say, 10 investments and most investments go up, so seven or and most investments go up, so seven or eight or nine of them are going up and eight or nine of them are going up and one or two or three are of them are one or two or three are of them are going down, but the net effect is that going down, but the net effect is that you have a smoother glide path, and for you have a smoother glide path, and for the most part, you're going to be going the most part, you're going to be going up almost all the time. Maybe not quite up almost all the time. Maybe not quite as quickly, but you A, seldom go down, as quickly, but you A, seldom go down, and B, when you go down, it's not nearly and B, when you go down, it's not nearly by as much as it otherwise would be. So by as much as it otherwise would be. So you should be able to have the focus and you should be able to have the focus and discipline to keep on going and keep on discipline to keep on going and keep on investing and getting to your investing and getting to your longer-term goal. Yes, exactly.

longer-term goal. Yes, exactly. Also, every single asset is also have a Also, every single asset is also have a different pattern, right? For innovation different pattern, right? For innovation space, for say, sometimes is you simply space, for say, sometimes is you simply just got into the trend, right?

just got into the trend, right? Healthcare AI is the biggest topics now, Healthcare AI is the biggest topics now, right? Everyone is trying to invest into right? Everyone is trying to invest into healthcare AI, and then the next one is healthcare AI, and then the next one is digital health because that is how do we digital health because that is how do we below access, getting people to where below access, getting people to where they need without having to drive they need without having to drive somewhere or wait for hour before they somewhere or wait for hour before they got seen, right? So there are trends in got seen, right? So there are trends in the market that we can see, okay, then the market that we can see, okay, then and predictably next three to five and predictably next three to five years, especially I think people also years, especially I think people also need to understand where you invest into need to understand where you invest into a technology company, you're not going a technology company, you're not going to get your money back for the next to get your money back for the next three to five years, at least. So the three to five years, at least. So the timing of is not like real estate, timing of is not like real estate, right? There's right? There's almost a predictable quarterly things almost a predictable quarterly things that you can see, things can come back that you can see, things can come back to you. So, certain investment, you have to you. So, certain investment, you have to be comfortable about putting in there to be comfortable about putting in there and allow the company to actually grow and allow the company to actually grow to a certain stage that they can exit or to a certain stage that they can exit or or you can gain some of your equity or you can gain some of your equity back. So, having that understanding of back. So, having that understanding of how tight your money needed to be or how tight your money needed to be or maybe investing in innovation is maybe investing in innovation is actually that's your legacy builder, actually that's your legacy builder, right? Those are the bigger returns right? Those are the bigger returns because those things that you can get because those things that you can get two, three, four, five times two, three, four, five times of your money back versus your stock and of your money back versus your stock and bonds, those are smaller trends and bonds, those are smaller trends and growth, right? So, be okay of what where growth, right? So, be okay of what where you put your money. I think for people you put your money. I think for people to know that market trend, right? It's to know that market trend, right? It's also important. What are some other also important. What are some other things that people often things that people often don't talk enough about or as you don't talk enough about or as you mentioned, there's things that they mentioned, there's things that they think they don't, but they actually think they don't, but they actually don't know enough or they're not asking don't know enough or they're not asking enough to get the right questions.

enough to get the right questions. Okay, so I want to touch on something Okay, so I want to touch on something you said a moment ago first and then you said a moment ago first and then I'll get into the answer to the I'll get into the answer to the question. So, what you talked about a question. So, what you talked about a moment ago was also called liquidity moment ago was also called liquidity risk. Sometimes there are products that risk. Sometimes there are products that you might need a year or more before you you might need a year or more before you can

get your money out. And so, what I can get your money out. And so, what I was talking about a moment ago in terms was talking about a moment ago in terms of suitability, you need to make sure of suitability, you need to make sure that if you put money into certain that if you put money into certain investments that are at a startup phase investments that are at a startup phase where the founders need the money in where the founders need the money in order to get to a critical mass before order to get to a critical mass before they can have an opportunity to exit, they can have an opportunity to exit, you need to know that this is money that you need to know that this is money that you're not going to be able to touch you're not going to be able to touch because you want to buy a second home or because you want to buy a second home or whatever else. This is money that you've whatever else. This is money that you've socked away for a larger purpose, but socked away for a larger purpose, but that larger purpose is down the road and that larger purpose is down the road and in the meantime you don't have access to in the meantime you don't have access to that capital and so you should make that capital and so you should make sure, absolutely sure that under no sure, absolutely sure that under no circumstances will you need that capital circumstances will you need that capital between now and when you have that between now and when you have that access. So, that's one example of making access. So, that's one example of making sure that things make sense. To answer sure that things make sense. To answer your question of a moment ago, you said your question of a moment ago, you said what are things that people don't think what are things that people don't think about? A lot of people don't think about about? A lot of people don't think about the tax consequences of what they do.

the tax consequences of what they do. So, So, So, for instance, we're now into December for instance, we're now into December and a lot of people in December will do and a lot of people in December will do what's called tax loss selling. So, that what's called tax loss selling. So, that if things have dropped, they can sell if things have dropped, they can sell them and use the losses associated with them and use the losses associated with the things that have dropped to offset the things that have dropped to offset gains so that they can minimize their gains so that they can minimize their taxes.

taxes. taxes. Similarly, a lot of people have made a Similarly, a lot of people have made a lot of money in 2025. And so, a lot of lot of money in 2025. And so, a lot of people might say, "Well, I want to people might say, "Well, I want to reposition some of that money and I know reposition some of that money and I know that I'm going to if I sell any of this that I'm going to if I sell any of this money, I'm any of these things that have money, I'm any of these things that have gone up, I'm going to pay tax." Well, if gone up, I'm going to pay tax." Well, if that's the case, maybe you should wait that's the case, maybe you should wait until January to sell things that have until January to sell things that have gone up. So, you then defer your taxes gone up. So, you then defer your taxes until the spring of 2027 when you have until the spring of 2027 when you have to pay taxes on your 2026 capital gains.

to pay taxes on your 2026 capital gains. So, again, to summarize, one example is So, again, to summarize, one example is if you have an investment that has gone if you have an investment that has gone down, you might want to sell it in down, you might want to sell it in December to use those losses to offset December to use those losses to offset other gains. But, if it has gone up, you other gains.

Founder Sacrifice and Startup Realities

But, if it has gone up, you might want to sell it in January so that might want to sell it in January so that you can defer your tax liability for you can defer your tax liability for another 14, 15, 16 months before you another 14, 15, 16 months before you have to file your return for 2026.

have to file your return for 2026. So, those are the sorts of things that a So, those are the sorts of things that a lot of people they think about they like lot of people they think about they like this investment or they don't like that this investment or they don't like that one, but you can still sell one and or one, but you can still sell one and or buy the other, but you might want to buy the other, but you might want to either accelerate selling one and you either accelerate selling one and you might want to defer selling the other might want to defer selling the other depending on whether they've gone up or depending on whether they've gone up or down. And then you can still buy down. And then you can still buy whatever you want with the proceeds when whatever you want with the proceeds when you've completed the sale. So, that's an you've completed the sale. So, that's an example of the sorts of things that example of the sorts of things that people should be thinking about. If people should be thinking about. If you're

going to make better wealth you're going to make better wealth decisions, you have to think about well, decisions, you have to think about well, not just do I like this or do I not like not just do I like this or do I not like that, but how does this fit into my that, but how does this fit into my Our conversation so far really Our conversation so far really challenged [music] the way we think challenged [music] the way we think about wealth, risks, and investing in about wealth, risks, and investing in innovations.

innovations. innovations. >> [music] >> [music] >> [music] >> John broke down why so many people, even >> John broke down why so many people, even professionals, still make emotional professionals, still make emotional financial decisions, and why founders, financial decisions, and why founders, >> [music] >> [music] >> [music] >> especially, need to think about beyond >> especially, need to think about beyond the hype, trend, and fast [music] the hype, trend, and fast [music] returns. We also talked about the returns. We also talked about the importance of diversification, importance of diversification, liquidation, and asking the harder liquidation, and asking the harder questions every founder [music] needs to questions every founder [music] needs to answer first, which is, is this actually answer first, which is, is this actually sellable before trying to [music] scale sellable before trying to [music] scale it. Now, before we jump into the rest of it. Now, before we jump into the rest of the conversation, let's take a quick the conversation, let's take a quick pause [music] pause [music] and share something that many of you and share something that many of you might find valuable to also stand might find valuable to also stand [music] out as a thought leader in the [music] out as a thought leader in the space. If you are a executive leading space. If you are a executive leading >> [music] >> [music] >> [music] >> a company that's beyond series A, or you >> a company that's beyond series A, or you are running a healthcare system, [music] are running a healthcare system, [music] organization, ACO, payers, insurance, organization, ACO, payers, insurance, pharma, we would love to hear from you pharma, we would love to hear from you because your [music] story matters and because your [music] story matters and how you create impact and change. Go to how you create impact and change. Go to the providersedge.com to apply [music] the providersedge.com to apply [music] to be a speaker on our show. We're so to be a speaker on our show. We're so grateful for all of you have been grateful for all of you have been supporting [music] us for the past years supporting [music] us for the past years and we are ranked a top 100 under and we are ranked a top 100 under entrepreneurship on Apple Podcasts and entrepreneurship on Apple Podcasts and [music] ranked globally top 2.5% [music] ranked globally top 2.5% of all shows. All right, let's get back of all shows. All right, let's get back to the second half of our show. Maybe to the second half of our show. Maybe you had a really, really good year at you had a really, really good year at work and you made more money in sales or work and you made more money in sales or got a bonus and you had a really, really got a bonus and you had a really, really high income in 2025. Again, if that's high income in 2025. Again, if that's the case, you might want to wait until the case, you might want to wait until 2026 to take your profits because you're 2026 to take your profits because you're already going to be in a higher tax already going to be in a higher tax bracket in 25 because you made money on bracket in 25 because you made money on your day job. So, those are the sorts of your day job. So, those are the sorts of things that you can think about when things that you can think about when you're trying to make better wealth you're trying to make better wealth decisions with your investing portfolio.

decisions with your investing portfolio. Exactly. It's that timing of tax. You're Exactly. It's that timing of tax. You're already thinking about like where's the already thinking about like where's the loss or where's the gain, and then what loss or where's the gain, and then what time of the year you should be thinking time of the year you should be thinking about cashing them out, or how do you about cashing them out, or how do you put those money of the gain put those money of the gain get back into investing again, right? So get back into investing again, right? So then you continuously to grow that then you continuously to grow that passive income, and then that will help passive income, and then that will help you to bypass some of the tax reasons you to bypass some of the tax reasons because you reinvested. So there's because you reinvested. So there's multiple different things when people multiple different things when people think about these reasons of Well, it think about these reasons of Well, it could be then if you wanted to take could be then if you wanted to take things and you have to plan ahead, maybe things and you have to plan ahead, maybe other major decisions in life needed to other major decisions in life needed to plan ahead as well, right? If you're plan ahead as well, right? If you're going to take a major vacation, that's going to take a major vacation, that's the money that you're going to take out the money that you're going to take out for that, right? Then you can plan for that, right? Then you can plan accordingly and not just like, "Oh, this accordingly and not just like, "Oh, this sounds great. I have some time off for sounds great. I have some time off for spring break, right? Holidays, and let's spring break, right? Holidays, and let's just go." Right? So there's things that just go." Right? So there's things that we can really think outside of the box we can really think outside of the box to

support ourselves. And also for many to support ourselves. And also for many people listening, they are already people listening, they are already established leaders. They are also established leaders. They are also problem solvers, right? They are the problem solvers, right? They are the type of people who see a potential, and type of people who see a potential, and they wanted to act on it, creating their they wanted to act on it, creating their own innovation. So technically, you are own innovation. So technically, you are also investing in your own company, also investing in your own company, right? So that's also another way of right? So that's also another way of thinking about you You might have all thinking about you You might have all these other asset class diversification, these other asset class diversification, but you also needed to save some to but you also needed to save some to invest in your own company. I wonder, invest in your own company. I wonder, John, if you want to touch base on that John, if you want to touch base on that in terms of tax benefits or how people in terms of tax benefits or how people really start thinking about when they're really start thinking about when they're creating their own company, they need to creating their own company, they need to invest in their own company. How does invest in their own company.

Bull Market Caution and Valuation Risk

How does that work? that work? If you're starting your own company, If you're starting your own company, that's a very niche way of looking at that's a very niche way of looking at things, and you obviously you need to things, and you obviously you need to get legal support, and you need to make get legal support, and you need to make sure that you are prepared to The sure that you are prepared to The founders I know are quite prepared to be founders I know are quite prepared to be poor for a prolonged period and to take poor for a prolonged period and to take a modest draw, and everything they have a modest draw, and everything they have is going into their business. And it has is going into their business. And it has to be, to use a baseball metaphor, to be, to use a baseball metaphor, usually a strikeout or a home run.

usually a strikeout or a home run. There's not not a lot in between. You There's not not a lot in between. You either do very, very well, or you spend either do very, very well, or you spend a lot of time, energy, and money trying a lot of time, energy, and money trying to get your product to market, your to get your product to market, your service to market, to build a brand, to service to market, to build a brand, to do whatever it is you want to do, and it do whatever it is you want to do, and it doesn't always work. So, the thing that doesn't always work. So, the thing that I would say is, entrepreneurship is a I would say is, entrepreneurship is a wonderful thing, and I would actively wonderful thing, and I would actively encourage anybody who's A lot of people encourage anybody who's A lot of people are very good at self-selecting, which are very good at self-selecting, which is to say, some people just know they is to say, some people just know they don't have the constitution, they don't don't have the constitution, they don't have what it takes. They just want a day have what it takes. They just want a day job, a 9-to-5, and that's fine. Those job, a 9-to-5, and that's fine. Those are the sorts of people who probably are the sorts of people who probably should have a 9-to-5 job. But the people should have a 9-to-5 job. But the people who say, "No, I want to build things. I who say, "No, I want to build things. I want to leave a legacy." So, for the want to leave a legacy." So, for the people who have that mindset, they need people who have that mindset, they need to be prepared to make sacrifices along to be prepared to make sacrifices along the way, to travel, maybe to take fewer the way, to travel, maybe to take fewer vacations, and to not eat at a fancy vacations, and to not eat at a fancy restaurants in order to put all they restaurants in order to put all they have into the company, to build often have into the company, to build often times it's sweat equity in the first times it's sweat equity in the first three or four years until they can get three or four years until they can get to critical mass, and then hopefully to critical mass, and then hopefully they can find some people who will help they can find some people who will help give them some money for the next round give them some money for the next round of financing to grow to the point where of financing to grow to the point where you can be either do an IPO or be taken you can be either do an IPO or be taken out by someone else and still make your out by someone else and still make your money by having a a business that's money by having a a business that's worth many, you know, tens of millions worth many, you know, tens of millions of dollars that someone else can take of dollars that someone else can take out. So, but there are ways that you can out. So, but there are ways that you can do it, but I would say the most do it, but I would say the most important thing is you need to think important thing is you need to think about your lifestyle about your lifestyle and whether or not you are prepared to and whether or not you are prepared to live on a beer budget if you have live on a beer budget if you have champagne tastes in the interim until champagne tastes in the interim until such time that you can actually afford such time that you can actually afford the champagne down the road. Yeah, I the champagne down the road.

Yeah, I think that's a such a great point. We think that's a such a great point. We always talk about when individuals always talk about when individuals invest into startup versus they say, invest into startup versus they say, "Hey, Sabrina, I have a great idea. Can "Hey, Sabrina, I have a great idea. Can you me to build it?" Right? There's a you me to build it?" Right? There's a fine line into it. It doesn't mean you fine line into it. It doesn't mean you could not create your legacy could not create your legacy if you're only investing in other if you're only investing in other technology. You can be part of that technology. You can be part of that board. You can be part of that board. You can be part of that co-creation without having to put all co-creation without having to put all your money, energy, almost like doing your money, energy, almost like doing your full-time job plus this other your full-time job plus this other part-time job, right? Vice versa to part-time job, right? Vice versa to devote all those things. So, I think you devote all those things. So, I think you can really create what is mean for you can really create what is mean for you for wealth, for legacy, for power, for for wealth, for legacy, for power, for your family, right? For that ecosystem your family, right? For that ecosystem you really wanted to create for your you really wanted to create for your community by investing into startup that community by investing into startup that you trust and backing and creating you trust and backing and creating without having to do all the journey all without having to do all the journey all by yourself or finding the right people by yourself or finding the right people to do it with you. So, having that to do it with you. So, having that thought process of what does that mean thought process of what does that mean for a investment, right? There's the for a investment, right? There's the investing in so many different levels of investing in so many different levels of your intelligence, your training, and your intelligence, your training, and your time, your resources. Right? As your time, your resources. Right? As John said, you have to learn how to even John said, you have to learn how to even got other people to invest in the got other people to invest in the companies, right? So, there's a lot more companies, right? So, there's a lot more to go into it and not just the to go into it and not just the excitement of "Oh, I'm an entrepreneur, excitement of "Oh, I'm an entrepreneur, right? I'm a serial entrepreneur." But, right? I'm a serial entrepreneur." But, sometimes we do see even for people who sometimes we do see even for people who had been successful, exited in what had been successful, exited in what industry, it doesn't always make sense industry, it doesn't always make sense in health care or doesn't always make in health care or doesn't always make sense when you start expanding into sense when you start expanding into other industry because the rules and other industry because the rules and regulations and the score is very regulations and the score is very different. So, different. So, Yeah, it looks glamorous. A lot of Yeah, it looks glamorous. A lot of people think the the life of an people think the the life of an entrepreneur is glamorous and they say, entrepreneur is glamorous and they say, "Oh, wow, that sounds wonderful." I can "Oh, wow, that sounds wonderful." I can tell you I know a number of tell you I know a number of entrepreneurs and they work very long entrepreneurs and they work very long hours and they spend all their waking hours and they spend all their waking hours thinking about what they can do to hours thinking about what they can do to expand their clientele or to open up new expand their clientele or to open up new markets or to improve their products so markets or to improve their products so that they can sell more, you know, more that they can sell more, you know, more whiz-bang products that can beat the whiz-bang products that can beat the competition. but they're not just, you competition. but they're not just, you know, hanging up a shingle and saying, know, hanging up a shingle and saying, "Look at me, I'm great. I'm going to do "Look at me, I'm great. I'm going to do this wonderful thing." There's a lot of this wonderful thing." There's a lot of risk, and it's worth it for many people, risk, and it's worth it for many people, but, you know, risk and reward are but, you know, risk and reward are related. And the reason people who are related. And the reason people who are entrepreneurs are rewarded so handsomely entrepreneurs are rewarded so handsomely is because they take risks that most is because they take risks that most ordinary people are not prepared to ordinary people are not prepared to take. Exactly. And that's why if you take. Exactly. And that's why if you think about investing into any type of think about investing into any type of company and taking equity, why the company and taking equity, why the co-founders have majority of the share, co-founders have majority of the share, right? 50, 60% of the share. And then right? 50, 60% of the share. And then they opened up a 5% or 10% of investment they opened up a 5% or 10% of investment equity share, because what you're equity share, because what you're putting in is helping them financially putting in is helping them financially to get to the next milestone, but they to get to the next milestone, but they have to do all the hard work. Unless have to do all the hard work. Unless you're also putting in some equity or you're also putting in some equity or advising them to help them to co-create, advising them to help them to co-create, right? So, there's a different thought right? So, there's a different thought process of a reward, and uh but you have process of a reward, and uh but you have to give and take. So, for all of us, to give and take. So, for all of us, really financial decision is thinking really financial decision is thinking about what Jiao mentioned earlier, your about what Jiao mentioned earlier, your lifestyle.

lifestyle. lifestyle. How you believe money needed to come to How you believe money needed to come to you. How quickly is that cash flow? And you. How quickly is that cash flow? And one of the question that we always ask one of the question that we always ask startups when we help them to fund raise startups when we help them to fund raise is that what's your money mindset, is that what's your money mindset, right? Like how are you deserving of right? Like how are you deserving of money, spending money? Does the money money, spending money? Does the money come easy to you? Have you had an come easy to you? Have you had an experience when you're growing up, experience when you're growing up, right? And even for people who had a right? And even for people who had a harsher growing up, but they learned a harsher growing up, but they learned a different thing, and they're not different thing, and they're not scarcity, right? So, there all of those scarcity, right? So, there all of those coming into play in how we make those coming into play in how we make those decisions that make sense for us as we decisions that make sense for us as we create our own personal ecosystem, create our own personal ecosystem, family ecosystem, business ecosystem, family ecosystem, business ecosystem, and partnership, right? Everybody is and partnership, right? Everybody is working in congruency, collaborative in working in congruency, collaborative in somehow, and not just very independent.

somehow, and not just very independent. So, So, So, as we're wrapping up, John, what do you as we're wrapping up, John, what do you think it is your biggest advice that you think it is your biggest advice that you wanted to give to our audience? So, here wanted to give to our audience? So, here we are at the end of 2025, and the we are at the end of 2025, and the economy has done very, very well. The economy has done very, very well. The global economy is doing extremely well.

global economy is doing extremely well. And what I would say is be careful. I And what I would say is be careful. I wrote a book, it's over my shoulder wrote a book, it's over my shoulder there, called Bull Shift, there, called Bull Shift, and it came out a few years ago, and I'm and it came out a few years ago, and I'm warning people against optimism bias.

warning people against optimism bias. So, Bull Shift is when the financial So, Bull Shift is when the financial services industry shifts your attention services industry shifts your attention to make you feel bullish.

to make you feel bullish. And right now, a lot of people are And right now, a lot of people are feeling bullish about a lot of things feeling bullish about a lot of things because things have been going very because things have been going very well.

well. well. And that's usually the way things go in And that's usually the way things go in the media. You know, things go very, the media. You know, things go very, very well until at some point they very well until at some point they don't.

don't. don't. And what I am asking people to do, my And what I am asking people to do, my biggest bit of advice to your listeners, biggest bit of advice to your listeners, Sabrina, is to say, be careful, but Sabrina, is to say, be careful, but don't be too complacent. You should be don't be too complacent. You should be concerned about valuations. So, I'll concerned about valuations. So, I'll give you a couple of very quick numbers give you a couple of very quick numbers to give you an example of what I mean.

to give you an example of what I mean. The US stock market right now is trading The US stock market right now is trading at this thing called CAPE, at this thing called CAPE, c a p e, cyclically adjusted price c a p e, cyclically adjusted price earnings, that a guy by the name of earnings, that a guy by the name of Robert Shiller developed and won a Nobel Robert Shiller developed and won a Nobel Prize for in 2013.

Prize for in 2013. The CAPE ratio for the S&P 500 right now The CAPE ratio for the S&P 500 right now is around 40, is around 40, and historically it's below 20, and historically it's below 20, which is another way of saying the US which is another way of saying the US stock market is more than twice as stock market is more than twice as expensive today as it has been expensive today as it has been historically.

historically. historically. So, there's a real risk there. I'll give So, there's a real risk there. I'll give you a second example. You probably know you a second example. You probably know who Warren Buffett is.

who Warren Buffett is. So, Buffett has something called the So, Buffett has something called the Buffett indicator, which is the market Buffett indicator, which is the market capitalization of an economy divided by capitalization of an economy divided by the gross domestic product. And again, the gross domestic product. And again, the market capitalization for the US is the market capitalization for the US is usually defined by the Wilshire 5000 usually defined by the Wilshire 5000 index. The market cap is the market cap, index. The market cap is the market cap, the GDP is a matter of public record.

the GDP is a matter of public record. And once again, the Buffett ratio for And once again, the Buffett ratio for the S&P for the US today in late 2025 as the S&P for the US today in late 2025 as is it around 220% and again, fair is is it around 220% and again, fair is about 100%. So, once again, the stock about 100%. So, once again, the stock market has gotten way, way ahead of the market has gotten way, way ahead of the economy.

economy. economy. And that usually means that the stock And that usually means that the stock market has to pull back significantly in market has to pull back significantly in order for things to normalize and to get order for things to normalize and to get to more traditional levels. I'm not to more traditional levels.

Key Takeaways and Closing Reflections

I'm not telling you what you should or should telling you what you should or should not invest in, but I am saying that for not invest in, but I am saying that for stocks in general and for US stocks in stocks in general and for US stocks in particular, right now the market is particular, right now the market is extremely expensive and you should extremely expensive and you should consider that and weigh that when you consider that and weigh that when you make your wealth decisions. It's make your wealth decisions. It's everyone's different, make your own everyone's different, make your own decision. I'm not telling you what to decision. I'm not telling you what to do, but I am telling you what to do, but I am telling you what to consider before you do it.

consider before you do it. Yeah, it's definitely we have to be Yeah, it's definitely we have to be worry much about knowing what to worry much about knowing what to consider, right? Like knowing the consider, right? Like knowing the reports and trends so we can make the reports and trends so we can make the best decision for ourselves. And also best decision for ourselves. And also decision in at the end of the day is decision in at the end of the day is still gamble, right? We can make the still gamble, right? We can make the best decision today, but all the factors best decision today, but all the factors later on in life can change that. But later on in life can change that. But it's okay, right? Like we can always it's okay, right? Like we can always make another decision, another choice make another decision, another choice and keep moving with our life because and keep moving with our life because things will always be punishable if you things will always be punishable if you want it to be.

want it to be. All right, this middle part of what we All right, this middle part of what we just talked about really highlights the just talked about really highlights the emotional and practical reality behind emotional and practical reality behind [music] entrepreneurship and investment.

[music] entrepreneurship and investment. John talked about how founders [music] John talked about how founders [music] are often investing far more than money.

are often investing far more than money. They are investing time, lifestyle, They are investing time, lifestyle, [music] energy, and years of uncertainty [music] energy, and years of uncertainty to build something meaningful. We also to build something meaningful. We also unpacked how wealth and [music] legacy unpacked how wealth and [music] legacy can look different for everyone. Whether can look different for everyone. Whether you're building your own company, you're building your own company, backing innovation you believe in, or backing innovation you believe in, or learning how [music] to make decisions learning how [music] to make decisions that align with the kind of life and that align with the kind of life and ecosystem [music] you actually want to ecosystem [music] you actually want to create. So, for all of you [music] who create. So, for all of you [music] who are innovators, idea creators, change are innovators, idea creators, change makers, you have a lot of ideas to makers, you have a lot of ideas to pitch, and [music] we would love to help pitch, and [music] we would love to help you to get that more sound, more you to get that more sound, more high-value, and last rest. [music] Go to high-value, and last rest. [music] Go to pitchyes.com.

pitchyes.com. pitchyes.com. We run monthly virtual events that get We run monthly virtual events that get you to have [music] a 2-minute pitch in you to have [music] a 2-minute pitch in front of operators, investors, and front of operators, investors, and experts in the health, dental, and experts in the health, dental, and wellness space, wellness space, >> [music] >> [music] >> [music] >> and help you to see what are the 10 >> and help you to see what are the 10 major things you do have to deliver at major things you do have to deliver at [music] every time, and so you can truly [music] every time, and so you can truly create the impact and meaning that you create the impact and meaning that you meant to do.

meant to do. And for some of you who are just running And for some of you who are just running bunch ideas, bunch ideas, you do have to also practice your pitch, you do have to also practice your pitch, because if those ideas are not [music] because if those ideas are not [music] sound, you don't want to to spend all sound, you don't want to to spend all those time, money, and energy building those time, money, and energy building something that is not sellable.

something that is not sellable. So, uh appreciate Jean for sharing your So, uh appreciate Jean for sharing your expertise, your knowledge. People, go expertise, your knowledge. People, go check out Jean's books, and uh we are so check out Jean's books, and uh we are so excited for you guys being here. We excited for you guys being here. We can't wait to hear from you. How have can't wait to hear from you. How have you been making those financial you been making those financial decisions? Whether it's diversifying decisions? Whether it's diversifying your portfolio, start thinking about your portfolio, start thinking about starting a startup company yourself, or starting a startup company yourself, or simply investing in them. We continue to simply investing in them. We continue to be here as a support.

be here as a support. >> [music] >> [music] >> [music] >> Today's conversation brought financial >> Today's conversation brought financial decision-making back to reality for decision-making back to reality for founders, investors, and innovators founders, investors, and innovators navigating [music] navigating [music] many of these uncertain markets.

many of these uncertain markets. Jean [music] and I unpacked the Jean [music] and I unpacked the differences between hype and differences between hype and sustainability, why entrepreneurship sustainability, why entrepreneurship demands a completely different demands a completely different relationship with risks and how relationship with risks and how long-term wealth is built [music] long-term wealth is built [music] through discipline instead of emotional through discipline instead of emotional investing.

investing. investing. The discussion also explore [music] the The discussion also explore [music] the hidden sacrifices behind startup growth, hidden sacrifices behind startup growth, the psychology behind money decision, the psychology behind money decision, and why sustainable [music] and why sustainable [music] legacy building requires founders to legacy building requires founders to think beyond short-term wins. Here are think beyond short-term wins. Here are the key things the key things >> [music] >> [music] >> [music] >> that we have learned today. Number one, >> that we have learned today. Number one, most founders think they understand most founders think they understand risks until [music] the market test risks until [music] the market test them. Many founders and advisors make them. Many founders and advisors make decisions based on confidence, trends, decisions based on confidence, trends, or excitement instead of truly or excitement instead of truly understand risks. Myself and John understand risks. Myself and John explore how blind [music] explore how blind [music] optimism, optimism, optimism, over concentration, and poor over concentration, and poor diversification diversification diversification can quietly create financial fragility, can quietly create financial fragility, [music] [music] [music] especially in fast-moving sectors like especially in fast-moving sectors like healthcare innovation and AI-enabled healthcare innovation and AI-enabled technologies. [music] technologies. [music] Number two, diversification is more than Number two, diversification is more than [music] a financial strategy, it's a [music] a financial strategy, it's a survival strategy. This conversation survival strategy. This conversation expand diversification expand diversification beyond beyond beyond >> [music] >> [music] >> [music] >> stocks and portfolio into business >> stocks and portfolio into business strategy, partnership, [music] and strategy, partnership, [music] and revenue stream. Founders who rely too revenue stream. Founders who rely too heavily on [music] one client, one heavily on [music] one client, one investor, or one growth channel often investor, or one growth channel often create [music] unnecessary pressure that create [music] unnecessary pressure that limits long-term sustainability.

limits long-term sustainability. Number three, Number three, building a startup requires a different building a startup requires a different relationship with time and [music] relationship with time and [music] money. We discuss how startup investing money. We discuss how startup investing and entrepreneurships are long-term and entrepreneurships are long-term [music] [music] [music] games that require patience, liquidity games that require patience, liquidity plans, and emotional discipline. [music] plans, and emotional discipline. [music] Many founders underestimate how long it Many founders underestimate how long it takes to scale a company, especially takes to scale a company, especially [music] [music] [music] in healthcare, where adoption cycles, in healthcare, where adoption cycles, regulatory bodies, and trust-building regulatory bodies, and trust-building take [music] take [music] years.

years. years. Number four, entrepreneurship looks Number four, entrepreneurship looks exciting [music] exciting [music] from the outside, but it's built on from the outside, but it's built on sacrifice. Behind every successful sacrifice. Behind every successful founder story [music] are years of founder story [music] are years of uncertainty, long hours, delayed uncertainty, long hours, delayed gratification, and [music] financial gratification, and [music] financial pressure. We highlight that pressure. We highlight that entrepreneurship is not just about entrepreneurship is not just about innovation or freedom.

innovation or freedom. It is about being willing to tolerate It is about being willing to tolerate risks and sacrifices [music] that most risks and sacrifices [music] that most people are unwilling to make. Number people are unwilling to make. Number five, wealth is not about money. It's five, wealth is not about money. It's about alignment and legacy. [music] about alignment and legacy. [music] One of the deeper themes in this episode One of the deeper themes in this episode was that financial decisions are often was that financial decisions are often shaped by [music] personal stories, shaped by [music] personal stories, emotional experiences, emotional experiences, and the kind of life [music] founders and the kind of life [music] founders want to create. I emphasize that wealth want to create. I emphasize that wealth should support a sustainable ecosystem should support a sustainable ecosystem for your family, for your family, >> [music] >> [music] >> [music] >> your business, and your community, >> your business, and your community, not just maximizing returns.

not just maximizing returns. Number six, [music] last but not least, Number six, [music] last but not least, sustainable growth comes from strategic sustainable growth comes from strategic decision-making, not hype. From tax decision-making, not hype. From tax planning [music] and liquidity risk to planning [music] and liquidity risk to market timing and founder psychology, market timing and founder psychology, the conversation the conversation >> [music] >> [music] >> [music] >> reinforced the importance of thinking >> reinforced the importance of thinking long-term. Founders and investors who long-term. Founders and investors who succeed are often the ones who stay succeed are often the ones who stay disciplined [music] during periods of disciplined [music] during periods of hype and making decisions based on hype and making decisions based on sustainability sustainability sustainability instead [music] of emotion. Now, let me instead [music] of emotion. Now, let me ask you this. What is the one financial ask you this. What is the one financial belief or money mindset you inherit belief or money mindset you inherit growing up [music] that still affect how growing up [music] that still affect how you make business decisions today.

you make business decisions today. Thank [music] you for listening. Thank [music] you for listening. Remember, the positive change we're Remember, the positive change we're seeking starts right here with me and seeking starts right here with me and you. [music] you. [music] If you are a fan of the show or if you If you are a fan of the show or if you are just having struggles or success are just having struggles or success that you're either [music] experienced that you're either [music] experienced in the past or are experiencing now in in the past or are experiencing now in the healthcare industry, these matter to the healthcare industry, these matter to all of us. I want to hear from you.

all of us. I want to hear from you. Visit sabrinarombach.com/connect Visit sabrinarombach.com/connect [music] [music] [music]