EPISODE 694

[INTRODUCTION]

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FT: How much are you paying in 401(k) fees? Welcome back to So Money, everyone. I'm your host, Farnoosh Torabi. A lot of us listening to this show, we have 401(k), or 403(b)'s and the like. These are retirement plans typically offered through our employers. Have you really ever taken the time to figure out how much you're being charged in fees to invest to these portfolios?

Today's guest is Josh Jenkins Robbins. His mission in his career and in his life really is to pull back the veil on all the excessive fees he claims these 401(k) plans charge. He is the Chief Strategy Officer at America's Best 401(k). There they try to save investors up to 40% in fees.

On the show, we talk about why the 401(k) market needs disrupting and how we can all reduce our fees and maybe even play some catch up in our retirement accounts if we feel behind. It's worth mentioning that Josh is also Tony Robbins' adopted son. As we know, Tony is the number one life and business strategist in the country. He was also my very first guest on So Money. I had to ask Josh what it was like growing up with Tony as head of household and how their relationship influenced his money mindset.

Here we go. Here is Josh Robbins.

[INTERVIEW]

[0:01:59.9]

FT: Josh Robbins, welcome to So Money. It's great to have you on the show.

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JR: It's great to be here. Thank you.

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FT: You're the chief strategy officer of America's Best 401(k), which is a bit of name for itself and immediately just this 401(k) disruptor, because you and your team feel as though the model, the traditional model of 401(k)'s is broken. Can you elaborate on that for us? Because I think most of us listening probably at one point in our careers have been invested in a 401(k) or currently investing in 401(k)'s. What are we doing wrong?

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JR: Well, I think that it starts out with the way that this industry came to be. For the first 30 years of a 401(k) plan that in existence, so from 1983 to 2012, they didn't have to disclose how much they were charging you, how much they were taking out of your account. It's unbelievable right? What other industry would get away with that? You wouldn't walk into a clothing store and heaven knows –

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FT: We're not going to tell you how much this costs.

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JR: Yeah. We'll just take it out of your account. Just trust us. It's like the frog in a boiling water scenario. Then they had these disclosures come out in 2012 and they're 30 to 50 pages long and they're opaque at best and attorneys wrote them extremely well, so that no one has any idea.
There was actually a recent study by I think AARP was the study. They said 71% of Americans don't think they pay any 401(k) fees whatsoever. You probably have listeners right now they're going, "I don't know I had 401(k) fees." That's totally normal.

This industry has gotten away with murder. It's a 5.5 trillion dollar industry that really I always say it needs its blockbuster video versus Netflix moment. It needs to be disrupted, because they have put their compensation first and foremost. You have all these brokers and unnecessary middle man getting paid significantly. When I say getting paid significantly, what that means, that's coming directly out of your account. It's going to impact, it's going to erode your returns, which will have a huge impact on your future and society as a whole. We want to change that. We want to give people a different option on a go forward basis.

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FT: I will say though that thanks for the 401(k), more people are investing for their futures. I think that in some ways we have to be grateful for at least the idea behind the 401(k), which is that here is an a way for you, a vehicle for you to save for your future out of your paycheck automatically, which is as we know behaviorally speaking that's all that works for us and we can't be left our own devices to save.

I appreciate that about the 401(k). When you say disrupt, how are we disrupt – how should we go about disrupting this?

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JR: I think first of all, the 401(k) I agree, it's an incredible tool. It's one of the few tools that has been put in place that's really succeeded to help society take care of itself. I don't think the 401(k) system is broken. I think the priorities are broken. What I mean by that is you got to get people out of your pocket.

The first thing we talk about is fees matter and funds matter. Let's take those, you know fees matter. Let me just give an example. If you have two people and they both have the – over the course of their life they make the same amount of money, they contribute the same of their 401(k), they get the same returns in the market, when they go to retire if one of those people has 1% in fees and the other has 2% in fees over that time period, annual fees, the person with 2% fees will run out of money 10 years sooner than the person with 1% fees.

The first thing you've got to do in your 401(k) plan is minimize your fees. There's a whole host of unnecessary middle man, including brokers making commissions off of your money. That's the number one thing. The second thing is the funds matter. We talk about the funds that are most mutual funds are as people become actively managed funds. Meaning, they're charging 10 to 50 times more than a low-cost index fund, like what you might find with a Vanguard.

The reasons why those are the funds that are in most 401(k) plans is because they give a piece of their revenue in what we call pay to play. They're being offered on your list. When you look at your list of funds to choose from in your 401(k) plan, they're not there by accident, they're there because they're paying for shelf spaces I like to say. They want to be offered on that plan, so they can pay the provider.

The priorities are screwed up in the 401(k). It's a great platform, but the priorities are screwed up to make sure that the provider gets paid, the mutual fund companies get paid. What we like to do is say, "Look, let's just level the playing field." Meaning, why should everybody have access to a very transparent, low-cost fee structure? Why shouldn't everybody have access to low-cost index funds? Why shouldn't everybody eliminate brokers who don't need to get paid on going on your 401(k) plan? Why don't we eliminate all of that?

It sounds like common sense, but it's not so common. There's not a lot of plans out there that do that. In fact, most people if you're listening if you work with a very large company, you're probably in good hands. The reason why is I saw a study that came out last week Farnoosh that said, "401(k) fees are falling." I read closely and it says, "This survey was done on plans with over a 100 million dollars in the plan."

Well, that's one half of less – no, less than one half of 1%.If you look at the – let's call it small business America, the backbone of America, 90% of all the 401(k) plans in existence are with companies that have under a 100 employees. That's where the damage is done. Doctors, lawyers, attorneys, engineers, architects, manufacturers, these are the people that are getting the short end of the stick in our opinion. I think again, the 401(k) is not broken. It's just the priorities are broken. Then that of course, by dong that that will give everybody a huge boost on their way to retirement.

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FT: Yeah. I want to talk a little bit about for those listening on the podcast, because I get this question – actually, I'm getting it more and more is that I'm in my 40s, I'm looking ahead now to retirement. It's no longer this thing that's like 30, 40 years away. It's actually around the corner. I'm approaching 50. Am I on track? What can I be doing to stay the course?

Before we get to that, I want to talk a little bit more about how people can get access to America's Best 401(k)? Is this just something that they have to cross their fingers and hope their employers work with you to offer? We can't just go to your website and sign up can we?

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JR: Yeah. We want to help people take the first step of uncovering their fees. If you're a business owner, or an employee that has a 401(k) plan and you go to showmethefees.com, you can get a quick estimate. I would say it's like Zillow does estimate. It's like that, we give you a quick estimate based upon your plan, because everything is public information. We'll give you a quick estimate. If you want to take the next step and you actually send us your fee disclosure, and you can get your fee disclosure by calling your provider their customer service line and just say, "Can you please e-mail me the fee disclosure?" They have to legally send it to you.

Then send us your fee disclosure. You can upload it right to the site, right on that page and we'll uncover those for you. They're called financial archeology. We'll do the digging, we'll uncover all the hidden fees. Most importantly, what we'll do is we'll then show you. If your plan is 1.5% or 2.5%, we'll show you what the difference would be if you were to be able to make the switch. We'll show you how much more money would be in the plan just by making the switch.

As a general rule of thumb, Farnoosh, people often say, "Well, how much should I be paying?" I always say it should be, I believe that a good plan should have no more than – it should be 0.75, three-quarters, or 1% or less. That means everything, all in; your cost of your funds, the cost of record keeping, the cost of any advisers that are part of the plan that are giving you advice. I think that's a good benchmark.

Now most people are paying 1.5% to 3%, so they can – there is huge reductions to be add here. Of course, you can decide to make the switch. Now if you're an employee, you're really beholding to what the employer decides to do. We have count on stories of employees who have gone to this process, uncover the fees and then take the data to the employer.

Remember oftentimes, let's say it's a small company, the owner is usually contributing as well, so they're on your side on this. They want to make sure that their own money isn't being wrongfully treated. In that respect, we would love to offer that service for you.

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FT: Awesome. Just as a public service reminder, announcement reminder, unfortunately only recently did 401(k) advice givers and to people who give advice around retirement planning, they have to be your fiduciary, they have to disclose if they are in fact getting kickbacks on any products that they suggest you, and they have to be very clear on the fees. Whereas, you talked earlier that like this for years, for decades was unannounced, when unannounced to plan participants.

I wonder Josh. Do you think that we're making progress in that realm, that there is now more of a push for transparency?

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JR: Well, that push ran into a pretty big brick wall with the new administration. I'm not being political. I'm just saying it's basically stopped. The fiduciary rule has been postponed of implementation. Now, again this is crazy right?

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FT: When did this happen? I must've been asleep at the wheel.

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JR: Yeah. It's now postponed to June of 2019.

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FT: Supposed to be –

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JR: Supposed to be this year.

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FT: By this year. Yeah.

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JR: They put it on hold, because they want to do a study to determine if people acting in your best interest is the right thing. It's so ridiculous. We live in the only country by the way, where the financial advisers don't have to put your interest first. Most will go, "Are you kidding me?" I mean, doctors, lawyers, everybody has to put your interest first or they get sued.

The UK, Australia all have these financial advisers. The US, that's not true. They can be a broker, they can sell you whatever they want, they can sell you – as long as it's suitable, which is a very broad topic. They can sell you and make as much commission as they want.

In fact, I'm sitting here Farnoosh, I'm not kidding you, I'm looking at a disclosure, it just came into my e-mail a little while ago from a provider that talks about a specific change they're going to make to how they deduct fees. In bold it says, "We may and intend to profit from this charge." This is a new charge they're going to –

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FT: At least they're telling you.

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JR: Yeah. I mean, how bold, right? Like, "Well, who's going to read this stuff?" No one is going to read this disclosure. No one read their closing docs when they bought a home. This is the way that this all goes down. Unfortunately, the fiduciary rule, it was making progress. Even then it was – I always call it the kind and sort of fiduciary rule is like we're a fiduciary because we can still make commissions, we can still sell you our own name, brand, products if we want to. It was a fiduciary rule, but now it's been postponed. Make no mistake, the industry is still putting their interest first.

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FT: All right. Give us some good news. Let's talk about – okay, let's say you've been investing in the 401(k) for the bulk of your career, you're in your 40s and you're looking towards retirement. It's closer than ever before. What can you do today to make sure that you're going to arrive at retirement with more money than you maybe would have if you hadn't taken your advice?

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JR: I think there's two things. One is you've got to sack away and everybody says this, but you've got to continue to sack away as much as you possibly can and treat it like a tax. Most people don't want to give up any lifestyle, but if we had a new tax tomorrow – government said, "We have a new 10% tax, 15% tax," we all bitch and moan and complain, but we go pay it. You have to treat your future self the same way.

Then if you're younger on that note, you don't have to hit a homerun to be financially free. In fact, most of the time people want – earn your way to financial freedom by simply putting aside enough money. In fact, I'll give you a compounding example that's important.

I always talk to teenagers, "What can we do?" Look, if you start early, you're in great shape. For example, if you're 19 years old today and you put away $300 a month – that might sound like a lot, but look you can hustle, you can go side all, you can go out, you can – do whatever you have to do. Anybody can earn next to $300 a month if they put their mind to it. If you stop contributing when you're 27, so you do it for eight years only and you leave it alone and you are in a 401(k) environment where there's no tax, and let's say you just had in the SNP 500 and that will grow at 10% a year. When you are 65, you will have 1.8 million dollars in that account.

Isn't that amazing? By the way, your total investment over the eight years was $28,000. You don't have to be a genius. You don't have to be –

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FT: Rich for that matter.

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JR: You don't have to be rich. Anybody can do it. Now so the second piece of advice I would say, so again sack away as much as you possibly can. The second piece of advice is something that you have in your control, which is making poor decisions. Part of the reason – Well, Tony wrote Unshakeable. Part of the reason why he wrote that book was specifically to talk about the behavior of the markets.

What I mean is – this sounds like a controversial statement and it's not, because everybody says, "I know lots of people with lots of money in the stock market." The only people who have ever lost money in the stock market are people who sold, or try to beat the market, try to trade. People who sold, meaning if the market was at one point and now the market is at all-time high as of last week, the only way you lost money is if you sold along the way.

Even if you invested in the day before the crash of '08, the day before the crash of '08, you're still up over a 120% today from that point. You have to understand that the market will always continually, or has always continually moved higher. Corrections and crashes are just simply a part of the way the market behaves.

A correction is like a 10% move down, and that has – but not more than 20%. That has happened on average since 1900 once a year on average. Once a year on average. Just this last week, we're pretty close, right? Most of the time, over 70% of the time it finishes up in those years.

Now a crash, a bear market over 20% will happen once every three to five years. If you're 50 years old, or 40 years old you're going to live through – let's say you're 40 years old, you're going to live through 40-plus more corrections and you're probably going to live through seven or eight bear markets.

Should you be concerned? No. What do you do as Jack Bogle says, "Don't do something. Just stand there." The point is you've got to understand the way markets behave. I would say poor investors don't understand how corrections and crashes work. Good investors do understand how they work, but they still drive themselves bonkers through stress.

Great investors actually learn to anticipate them, because the market goes on sale. We live in America and the stock market is the only thing that Americans don't like when it's on sale. We'll trample each other on Black Friday for a $100 flatscreen, but when the market goes down 30%, we have nothing to do with it. This is an opportunity to actually accelerate financial freedom.

In 2009 when the market was down, our team was putting more money into stocks because we knew it was at a discount. Then of course, 2009 came and we had a major run. No one knows what the future – no one predicted the future. It's just you got to take advantage when the market is on sale.

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FT: I would love to spend the remainder of our time exploring your personal money mindset and how you arrived at this mission in your life to help other people with their money. We should mention that Tony Robbins is your adopted father. Let's start there. As you were growing up, what was it like to have a parent that was a public and prominent figure and how did that impact your childhood? I'm just curious.

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JR: You know what, I get that question a lot. I think I did – early on in my adulthood I didn't know how to answer it, because you don't know any different. That's your normal. He came into my life when I was about five years old.

Him being Tony Robbins, the persona was no – it wasn't different from me. That's just who he was. That was my normal. As I got older, I think as I reflect back. Now I'm a parent. I have two little girls, I look back and I go, "Wow, what a gift. What an incredible opportunity he gave me to be surrounded by him and the tools and the resources and his influence and the people that I got to meet and the places I got to go and all the experiences."

I really came to just really, just appreciate more and more the gift that I've been given to have him as a father. It's been amazing. I think from a – just to tie it back to money, I think it was an interesting dynamic, because Tony didn't – he grew up with nothing. He was poor. I think most people who maybe grew up with nothing and then came into something, they want their kids to have a lot.

We did. He did give us a lot, but he was very tuned-in to making sure that we weren't spoiled. Part of how he did that was two things; one, allow us to earn it. Have a entrepreneurial spirit. I figure out ways to earn money. Then number two, incorporate me into giving into giving it away. We would do – Tony is a philanthropist and always has been. For example, we used to always do on Thanksgiving and other holidays we would go – we live in San Diego, so Tijuana was very close, a lot of migrant workers that are here.

We would go to these camps, these migrant camps and pass out food and sit and talk with these people. It was a great adjustment for me and a recalibration, if you will to the expectations of living with much to go be a part of that.

Those were the real – the big impacts for me. He's always done that and always has kept me involved in his philanthropic endeavors over time. Now it's part of my life as well. It's a discipline that we do and my wife and I do and our children are now involved in. They're young, they're five and seven, but we're getting them enrolled in what they should do as well and helping us choose which charities we're going to give to each year.

Yeah, hopefully that sums it up a little bit.

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FT: It does. I'm curious to know more about how you decided to earn your money as a kid growing up.

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JR: Yeah. I worked at a bagel shop down the street. I did all sorts of odds and then little things to earn money. One of my earliest memories was, obviously I grew up going to seminars and Tony used to do this marathon events, like 10 days long. This one happen to be in Hawaii.

I was there and this guys I knew , long story short, he had a keychain business. He said, "Hey, you want to sell these keychains?" I was like, "Yeah. How much were they in?" I had to pay his cost and then – I went around and leveraged. I'd go to these meal tents. We got 5,000 people all eating during their lunch –

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FT: Tony Robbin's son selling keychains at his own events.

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JR: Yeah, totally. Yeah, I was running around pedaling these keychains to these tables and hustling and learning how fun it was. I think within four days, I had made like 1,000 bucks. I was probably like 12 years old.

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FT: What? That's a lot of money today.

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JR: I know. I was blown away. Then I came home and at that time I live in Southern California, it's called the Delmar area. It's called the Delmar Fare was in town. I basically rounded up five of my buddies and we went to the fare and we spent the entire 1,000 bucks on nonsense; rides, games. I'll tell you what was great about it is I learned that I can hustle and I learned how much fun it is to create experiences with the money that I have.

Instead of buying stuff, experiences is so much more fun. I also learned it created fun. I was like, "Hey, okay I need to go earn some more." Obviously, later on I learned I needed to save some. During that time it was a lot of fun. I really those two experiences back-to-back really embedded a strong sense of entrepreneurial spirit in my life.

Also, I still love to go and take my kids do things, or take friends to do things, or create experiences. Tony calls it magic moment. He's always looking to create cool experiences in his life. That was really impactful for me as a young kid.

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FT: To maybe then you saying is money can't buy happiness, but it can buy magic; magic moments.

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JR: Yeah, absolutely. Absolutely.

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FT: I like that. Well, if there was ever a period of struggle or financial challenge that you had? I always ask guests about maybe an experience that you had that wasn't the best financial moment in your book. What happened? What was the experience? What did you learn?

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JR: That's a great question. When I got out of school, I went my first job was as a stock broker basically. I got my license and I had a complete antithesis of where I am today in terms of how I was working with people and I didn't have a lot of people. I was only 21 years old. In terms of charging commissions and selling funds, I was just trained just like everybody else is today. These aren't bad people that work at these big brand name firms. They're just trained to sell.

That's what happened to me. I think it was a – I got to the point where I realized, "Gosh, I'm selling, but I don't believe in what I'm doing." That started to show up in my income. I was just not excited about pedaling mutual funds to people. I just wasn't joyful, and therefore I started to struggle. I started to struggle with the jobs, I struggle with positions, struggle with feeling like congruent with who I was and if that was really what I wanted to do.

I think that early stages when I was trying to figure some stuff out, it was actually at that time when Tony and my birth mother got separated, so I left what I'll call the Tony Robbins world and just wanted to do something on my own in the financial world. It was one of those things where no one cares about who – they might listen to you for a second, but no one really cares who your father is if they're going to give you their money, their hard-earned money.

They're going to look at you and

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FT: [0:24:51.4].

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JR: Yeah. Right. They're going to look at the validity of your offering and what you do. It's great for me. I had this sink or swim. It was tough. It was a really tough go for a while, until I really started to I guess recall back to what – I had always learned from Tony as it relates to business. Meaning, don't ever ask how could I make more money. Always ask, "How can I add more value?"

If you ask how can I add more value? Then the money will come. You come up with the wrong answers when you go, “How can I make more money?” Just keep asking, “How can I add more value? How can I add more value?” Those are the businesses that do the best. That was when I decided to launch my own business at that time and that was again, like any entrepreneur you’re scrapping and trying to figure out how to get this thing done and it was a struggle for a while.

I ultimately did – I was able to sell that business and it was successful, but the struggle of that was great, because on the ground, boots on the ground MBA is what you really need. School is great, but there’s nothing like being in the trenches starting your own business that makes you humble and gives you the grit.

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FT: Put on your feet too.

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JR: Yeah, absolutely.

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FT: Did you feel as though there was this pressure, because you were from the Robbins family to excel to an exceptional level?

[0:26:16.0] JR: I want to say yes, but the pressure was internal. I didn’t feel it from the outside. I didn’t want to be – I didn’t really care if people around me were looking at me making sure, seeing if I was successful. Because again, I was in a different world. I was in the financial world.

It was really my own hearing the continual don’t ever settle kind of mantra in my head and all the things that I had learned growing up that I had to – I had heard them and now it’s time for me to apply them if I wanted to be authentic and genuine about my success. I think that was where I was like, I do feel a lot of pressure, but it was self-induced pressure to make something happen, if that makes sense.

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FT: Yeah. Sure. Also just growing up too. Clearing out what is your purpose, getting rid of some of the – because we all feel pressure, I think and especially when we're first trying to figure it all out and we're trying to please our family and do what we think is expected of us. Along the way we sometimes lose ourselves, but then we go back hopefully we find that – we identify with ourselves hopefully sooner than later.

What brought you to finance though? I mean, what made you want to even – involve yourself in this particular industry and then now you feel like you've really taken it to the service level. What is it about money that makes you – that interests you?

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JR: Yeah. I mean, honestly I stumbled into it out of college like most people do in the different positions. Then when I really – I've always again had an entrepreneurial spirit, always felt like the opportunity was there to do well in this space. One of the things that I – this is a benefit that if you build a business the right way in the space, you get paid a recurring income. I really wanted to build that for myself. I felt like that was either – I see people who are very successful and they always had figured out a way to not start over every January.

I know that that's not practical for most, but I felt like a recurring income was if I could figure out a way to do that, that was the code I wanted to crack. By the way, it took me 15 years to really do it right. I think that was the one I – also like apartments. I've seen very successful people who own apartments and have generated income that way. Tax efficient income. Very tight.

I see a lot of different ways of people will generate the income. I think that was the thing that I saw was the business aspect. Then I also saw how unfortunately, financially as successful, as prosperous this country is, we're also relatively financially illiterate. It felt like there was value to be had. Going back to the original like, "How do I add more value if I can provide education?"

One of the things Tony gave me was the – Tony has this incredible ability to take something complex and synthesize it in a simple way. He just did it with these financial books, *Money: Master the Game* and then *Unshakeable.* I did that as well in my career, obviously at a much, much, much smaller scale.

That was where I thought I could add a lot of value is through education and making things simple. Then also, I love marketing. Marketing is really one of my core functions. I believe that people learn through story. We have a 20-second attention span these days, but yet will sit for a two and a half hour movie and not even look at our phone, because we're so engaged in the story.

I love to take how could I merge what I call story selling with what I do, and how to create story and move people emotionally and create a narrative that people attach to? By the way, that is probably the most challenging thing in 401(k), right? It's at the side, out of mind, I check the box, yeah it happens automatically. I'm good.

How do I create a narrative for people and business owners to say, "Well, I need to put a pebble in their shoes so to speak, so they actually can – will look up from desk and say, 'Huh, maybe I have something wrong my 401(k) plan.'" To build that narrative and all that, that's what excited me about merging the relationship with some of my skillsets. That's how I fell in it.

Then I think there is just – I think with America's Best 401(k) more than ever, the company was founded in 2012 by our CEO Tom Zgainer, who is amazing. Then 2014 is when Tony and I joined forces. I think just the – Not to elevate it too much, but the social injustice if you will of why you people are penalized for their choice of employer, right? If you work at Apple, you probably have a really good plan. If you work for a local dentist, you might have a really crappy plan. Why? Why shouldn't there be a level playing field?

More than that, these people are going to be – they're going to have to rely on other people. They're going to run out of money sooner, they're going to rely on the government. There's a huge societal implications of this epidemic. I mean, what greater good could I be called to if I could make something – make a dent? I don't think we're going to be the only company that does it. I think we're going to start a trend of people coming and we're going to force the hand of a lot of these providers.

That's going to make an impact on hopefully 90 million Americans that rely in their 401(k). That's why I got so excited about where I am today and continue to be passionate about is, because it's the culmination of all of those things that I just described.

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FT: That's a very good answer. Very good answers. I wasn't expecting such a multi-faceted, but clearly you thought about this and you're doing what you're doing because you absolutely should be doing this.

It's time now for our So Money question of the day brought to us by Chase Slade. Josh, what is your number one money habit that you practice today that helps you with your personal finances?

[0:32:12.3]

JR: The number one thing that I do today is I – of course, I stock money away, but it's a boring answer. I think the most important thing I do is I create the ritual of taking – as soon as the money comes in, I take 10% and put it into my donor0advised fund. I don't know if you're familiar with donor-advised funds, but it's really a way – it's an account that is with underneath the umbrella of a charity. I get a deduction as soon as I put the money in there. Then the money sits there and then when things come up that I want to give to, I just login to my donor-advised fund and I just say, "Okay, send this charity a check, send this charity a check, send this charity a check." Then I only have to do one tax receipt for the original amount that I contributed.

The point is is that I think that if the principle of if you won't give a dime out of a dollar, you're not going to give 10,000 out of a 100,000. You're not going to give 10 million out of a 100 million. You have to start with the principle of being – of creating generosity. I'll be honest, sometimes that money gets to my account and we start to look at that and it starts to get a little comfy in there.

Sometimes the discipline of just saying no, as soon as it hits we're going to send out that check, send out that wire and put it my donor-advised account. Making sure that giving is a habit in my life is the number one thing that I that I'm at least most excited about at the end of the year and I look at how much we've been able to do and look at all the charities, and then we get all the correspondence from the charities and the thank you notes and then the stories and the impact. That's what it's all about. That to me is the number one – I think a lot of people give, but I think you got to create the discipline of giving.

[0:33:49.5]

FT: Certainly. Because I know, for a lot of us it gets to the end of the year and we're like, "I probably should donate more." Then we don't maybe end up donating as much, or it's a rush to the finish line and we don't make it a very meaningful gift. I like this segregated fund, where you're contributing automatically every month or every paycheck, and then you see it accumulate. You can almost feel – it almost looks like – it feels as though you can do more with it now, because it's accumulated. You're like, "Well, I can really make a dent, an impact."

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JR: Yeah. It can be invested too. That's the thing too is you don't have to give it away right away. To your point about the end of the rush end, you have to worry about that. If you make the check to your donor-advised account this year – I can give it away next year. I don't have to – there's no stipulation that makes me give it away this year. It gives me that freedom to accept I don't have to do that fire drill.

By the way, these are not unique to any specific company. You can do this at Fidelity, or you can do these at Schwab. I use a group called National Christian Foundation, NCF. They're great. I mean, there's a bunch of different ones that you can use. Now I have little tweaks, but really it's just a structure. Yeah, I would highly encourage everybody to do that if it makes sense.

It's such a – they also do some – the good ones will source great opportunities for you, especially in times of crisis like Harvey and all these storms that come through. They'll actually feed you, like you want to make – you want to do something and they'll feed you, like hey, here is 5 on the ground charities that are really doing great work that we sourced. Do you want to give through your account to them? Makes it really helpful.

[0:35:26.0]

FT: All right, Josh. You've been so much fun. Let's do some So Money fill in the blanks before I let you go. Really quick. Just finish these sentences. If I won the lottery tomorrow – I don't suspect you're a lottery player, but let's just say you got a nice lump sum of a 120 million dollars, the first thing I would do is?

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JR: I would create an accelerator that would create a team, like a SWAT team of unbelievable talent from digital marketing to numbers, everything, and I would sick that SWAT team on amazing non-profits and for-profits that are for social good and help them build the story brand selling, build a narrative. I would help them – I'd come in like yeah, like a SWAT team drop in and help those companies I build that and help those organizations, because that's the next chapter of my life, so I've already thought about that thoroughly.

[0:36:18.5]

FT: Wow. Yeah. I was going to say that's a really well-thought out answer.

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JR: Yeah. Yeah. That's the next chapter. That's the next chapter. I don't need to win the lottery to do it, but that would give me a huge head start.

[0:36:28.1]

FT: That's great. Because you're right, you could have the most amazing business. If you don't know how to position yourself, to share that story of how you got started and what is your mission, then unfortunately, no one is going to find you.

[0:36:41.9]

JR: Yeah, absolutely.

[0:36:44.7]

FT: That's a great mission. Okay, one thing I spend on that makes my life easier or better is?

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JR: Personal training/gym. It's expensive, but man, it's worth it. You got to take care of your health. You can have all the money in the world, but you got to take care of your health.

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FT: Are you like a six-day a week exerciser?

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JR: Yeah. I do. I'll do spin class like three days a week at this crazy spin class, where it's like lights are off. It's like a nightclub basically, and then I do another three days a week in more like a functional training, where they do a lot of bodyweight stuff and you're doing a lot – it's like CrossFit, but not as intense, but much more functional and it's fantastic. I love it.

[0:37:32.3]

FT: Yeah. You change it up is good.

[0:37:34.1]

JR: Yeah, no doubt.

[0:37:35.1]

FT: My biggest splurge that I'm on unapologetic about is?

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JR: Cars.

[0:37:40.3]

FT: Yes. Okay.

[0:37:41.8]

JR: I'm so bad. I cringe when I see these articles about how stupid it is to lease cars on my cars and it's just become one of those things where I ride it off in my life and say, "You know what, I love cars." I usually go through them every 18 months, find something new, find something fun. It's just one of those things that I just love and I'm okay with it as a cost in my life.

[0:38:01.8]

FT: Has there ever been a car that after 18 months you're like, "I'd like to hold on to this a little bit longer"?

[0:38:07.8]

JR: Never.

[0:38:08.6]

FT: Really? Okay.

[0:38:10.1]

JR: I want the variety. I love a car and I'm like, "That was amazing. Okay, now on to something new. Try something new." It's a really expensive and stupid addiction, but there it is, unapologetic.

[0:38:24.1]

FT: I mean, that's what I sense, you give what I ask for. One thing I wish I had learned about money growing up is?

[0:38:32.6]

JR: The power of compounding and starting early with a portfolio low-cost index funds. I didn't know that and I wish I –

[0:38:40.7]

FT: I don't think any child knows that. That's not to discredit anyone who raised you. That is not information we ever get growing up.

[0:38:47.7]

JR: True. I think if I could do that with – if I could show my kids that discipline now, because here's what I'm really getting at is that if they could just put away $10 a month, $20 a month when they're teens and they start working towards that, that would be such a – they would have such a huge head start as we learn about early when I talk about that compounding example.

I guess, you just say the power of compounding. There is just zero in high school, or even college frankly that is helping people understand personal finance. One of the reasons I like what you're doing and you're getting out there and making this – you got to educate people, and we got to do it in the way that they – not textbook form. They got to do it in the way that they consume information, which is why a podcast is so great. That to me is one of the things I wish that I had growing up.

[0:39:40.1]

FT: Well, thanks for that, thanks for that compliment. Last but not least, I am Josh Robbins, I'm So Money because?

[0:39:48.2]

JR: I am willing and wanting and desiring that everybody be financially successful and take ownership of their financial freedom. Yeah, that's it.

[0:40:00.7]

FT: So nice with a cap the show. Thank you so much, Josh. We really appreciate all the work you're doing for us as our advocate out there for retirement funds and really enjoyed listening to you talk about your childhood and all the lessons learned there. We really thank you so much.

[0:40:16.9]

JR: Well, thanks for having me on. I appreciate it.

[END]