

65: Three Steps to Creating Wealth



Full Episode Transcript

With Your Host

Bonnie Koo, MD

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Welcome to *The Wealthy Mom MD Podcast*, a podcast for women physicians who want to learn how to live a wealthy life. In this podcast you will learn how to make money work for you, how you can have more of it and learn the tools to empower you to live a life on purpose. Get ready to up-level your money and your life. I'm your host, Dr. Bonnie Koo.

Welcome to episode 65. So this episode is coming out, I think, my birthday week. My birthday is June 26th, I think it's a weekend this year. And I think I said on an earlier podcast episode that I love June. Partially because my birthday is in June. But I just love summer and June is the beginning of summer, the longest day of the year and I just love the long days that we have.

I'm in the northeast and so we do follow daylight savings so the days are really long, like 9PM before the sun sets. And so I'm doing something a little special for my birthday for you guys, you ladies. So you may have heard me talk about a book I'm writing, if not now you know I'm writing a book.

Actually the book is written and that's why I'm making this announcement. The book is called *Defining Wealth for Women: Peace, Wealth, and Plenty of Cash*. And the manuscript is done and we're doing revisions right now. Hopefully we'll wrap those up in the next six to eight weeks and figure out the graphics and all the finishing touches that goes into a book. And it has been quite a journey.

So the book isn't going to be coming out until probably September-ish. And there will be an audiobook version as well. But that won't be ready for a few months later. And that's because I won't be recording the book until this fall and so I didn't want to delay the actual book. So we decided to stagger the actual book launch and then have the audio book come out a few months later. And I'll be reading the book myself.

And this is a random aside but as I was talking to my book people; I was asking them about how they decided who reads the book because I listen

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to audio books, and you probably do as well, and I definitely find that the narrator makes a huge difference, right? I mean I've listened to books where I was like, "I can't listen to this book, the narrator sucks. Like the voice is weird or off." And the few books that I've listened to where the author reads it I've loved it, especially if I knew the author already.

And so they were telling me that they don't always recommend the author reads the book, it really depends. I guess some authors don't have a great voice or they're not really used to public speaking and so they might be awkward. And so I guess it was a compliment that I actually read my own book. And so I will be reading it, but once again we're not going to be doing that until the fall.

Okay, back to the book and my special gift for you. And so if you're on my email list- If you're not why aren't you? And in order to join in case you're not on it, you go to wealthymommd.com and you'll see an area I think just up top on how to join my email list.

If you join my email list, I do send a weekly email every Tuesday and it's what's on my mind. I try to share new things I'm learning and obviously little tips to get you to up-level your life. But you can only get the special gift if you're on my email list because you need to get the notification.

And so the special gift we're doing is for 24 hours only. And basically if you purchase Money For Women Physicians, my flagship signature money coaching program only for female physicians I will send you a signed copy of my book. And so go to wealthymommd.com, join the email list, or if you are you'll get the email later this week on how to get the special book bonus.

I'm so excited, we'll send you the book when it comes out this September. In fact you'll probably get the book before it's on sale because we'll get advanced copies.

So I'm really excited about this book, it has everything I've learned as a money coach, a little bit of the history of women and money, and all the

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bullshit socialization we have internalized as women that gets in the way of us creating wealth.

And so that is a perfect segue into today's topic. I'm actually going to be talking about the three step process I take my clients through inside Money For Women Physicians. Because you can do this process whether you're in my program or not, I'm just there to guide and coach you along the way. But I want you to know what the process is because you can do this for yourself as well.

And so I'm going to just quickly go through what the three steps are, then I'm going to go through them in detail. And then I'm going to tell you how this actually looks like in practice by using myself as an example.

And so the three steps are, number one, you got to know where you are, we also call this awareness. You have to sort of know where you are in terms of your money and where your mindset is. And so this is where you need to basically look at your numbers, like actually look at them. Where's your money going?

And this is also where you start understanding what's been in the way of creating wealth. Not so much money wise but mindset wise. What are the beliefs that have been in the way of creating wealth?

Number two, once you are able to look at your numbers and you sort of know what's going on, then you need to make decisions. This kind of seems obvious, right? You need to make decisions and take action.

Now, step three I call grow your mind and your money. So it's in the making of decisions by taking action that you learn, you evaluate, you see what happens by the decisions and actions you've taken. And as this is happening, you're growing your money and you're also growing your mind, which I'm sure you've heard me say are your best income producing assets.

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Now I say this is three steps but it's not a destination, it's not like a linear journey. It's more like a cycle, it's an iterative process meaning you go through it over and over again. So I think it's best understood if I actually give you my example.

So when I first started my money journey it was basically the end of residency. Before that I was pretty much a hot mess when it comes to money, I often ran out of money every month. I got paid once a month during residency, so literally like the checking account balance was not looking good the few days before I got paid on the first of the month.

And so it wasn't until my last year of residency, I was armed with my first job offer and getting all the things from HR about my salary, 403B matching, all the things that were available to me. And so this was where I started in terms of step one.

Step one is basically know where you are. Look at your numbers. Look at where your mind is. And now in terms of look at my numbers there wasn't much to look at. I didn't have a lot of money but I knew what my incoming salary was going to be and I knew that I wanted to max out my 403B. I had sort of made that decision earlier, like I want to max it out, that seemed like a good idea.

And also in terms of where my mind was, I was new to money I didn't want to do anything weird and complicated. And to me I was like, "You know what? Figuring out what's available to me, AKA my 403B, made sense. And also figuring out my student loan payments at the same time." And so that's where I was for step one of this process for this go around.

Now, step two I said is you've got to make decisions and take action. And so like I said, the decisions I made was I'm going to max out my 403B. And then I had to decide how I was going to invest it. Now, it I remember correctly at the time, I was new to this whole stock market investing thing so I was like, "I'm just going to pick a target fund." Because they had Vanguard Target funds available.

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I was like, “This is where I’m at, I don’t really know what I’m doing.” But I knew enough that the target fund basically kind of did it for you. They picked the funds for you and re-balanced it every year, blah, blah, blah. So I was like, “That sounds like what I can handle right now so let me do that.” And so I did that myself, logged into I think it was Transamerica, I forget exactly, and I did it myself.

And so then we move onto step three, grow your mind and your money. This is where you sort of see the outcomes of your decisions, you learn from the action that you take. Because here’s the thing, we doctors, we love to learn. We’re so awesome at consuming information, but you got to carry out what you learn. You can’t just passively learn. We call that passive action. You’ve got to take massive action and that means you’ve got to make decisions and take action.

And so I think I actually have an episode on decisions, so if you’re someone who feels like you have trouble making decisions I definitely recommend that episode. But you have to make a decision to take action. I mean that make sense, right? It seems simple but not always easy.

After making that decision to invest my 403B I learned from that. I was like, “Oh, it wasn’t that bad, I can do this.” And that builds confidence, when you take action and you know that you can do it. That just builds confidence and experience.

And so I completed sort of that initial cycle of the three step process and then I was ready to do more. Now when I say do more, I was able to open a Roth IRA and invest it myself. Sometime later I found out that my hospital offered a 457B, which is just another tax deferred retirement account. And so I learned about that and I invested that myself.

And it just becomes this iterative process where you learn more, you take action, you learn from it, you gain more confidence. And then you feel like you can do more. And so I did that for, honestly, the first few years. And it took me several years, it seems like anyway but maybe it was three or four

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years before I was ready to go to the next thing. Before my mind was ready for something new besides just vanilla retirement accounts.

And so then I decided to invest in real estate syndications. And my first syndication investment deal was \$10,000. And I remember being really terrified of investing in one of those because it was new, it was unknown. I had to really work on my mindset to have the courage to just take the leap and do that.

But once you make that decision, step two take action, learn from it, realize, well, A, I didn't die of course. And that I learned something and that wasn't that hard. I gained more confidence. And then we were able to actually buy our first property during the pandemic last year. Same process

And this is what I mean by it is an iterative process, because you make decisions based on what you know. I really encourage my clients to meet themselves where they're at.

I think when it comes to money people think, not that it's complicated but that they have to figure everything out all at once and if they don't then they're doing something wrong. And so much drama, I think, just gets diffused when I just allow my clients to be beginners. Of course you don't know anything about money, let yourself be a beginner, just start where you are right now.

I always have my clients start with what they have. And most of my clients who are typically employed physicians they'll have a 401K or something similar to work. I invite them to learn about what they have right now before getting fancier. And that's kind of my motto I borrowed from Amy Porterfield, start simple, get fancy later.

Now, I mentioned before that the first time I ever invested it was a target fund. So as I learned more, this was probably like a year later, I actually moved the investments from the target fund to individual index funds, or individual ETFs because I became more comfortable and learned more.

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I use the same process inside my business. What decisions and what mindset you need to get started is very different from actually running it and then scaling it beyond 100K. And so this is why I invest so much in coaching, which is basically investing in my mindset, investing in my brain, so that I can go through these reiterative processes faster and faster. Do you see what I'm saying?

The more that you can grow your mind and make decisions quicker, you can go through this process quicker and quicker. Now listen, this is not a race, I'm not saying that you should go quicker, but if you're someone who would like to, the easiest and quickest, no pun intended, way to do that is to get coached. And that's what we do inside of Money For Women Physicians.

I help my clients make decisions. And the quicker you can make decisions, the quicker you can take action, the quicker you can gain experience, the quicker you can get comfortable, create confidence. The quicker you can go back to step one and keep going and keep going.

I have clients who, I first offered my program in 2019, who started and they had their basic retirement accounts but they weren't doing anything else. And not even two years later and they have invested in so much real estate syndications, properties, and having a good cushion of income coming from there. And that's just in two years versus waiting decades, right?

And so that's why I'm such a huge fan of coaching, not just for my clients but for myself. That's why I pay for coaching, so I can learn to go through this process faster and faster for my business. And then I just pass on what I learn to you, my clients.

And so I hope you got a lot out of listening to the process that I teach inside my program and the process you can go through as well for money. And honestly this three step process isn't just for money. You probably could hear that you could really use it and apply it to any goal that you want.

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And this is also one of the reasons why personal finance is so personal. I really don't believe there's one dogmatic way for you to do your money, we're all on our journeys. But as someone said, success leaves clues. There's a reason maybe why so many wealthy people own businesses and real estate, it's not an accident. It might be a coincidence, right? All right, well I'll talk to you guys next week.

Hey, if you're ready to create wealth I want to invite you to join my program, Money For Women Physicians. You'll join a community of like-minded women physicians who are committed to creating wealth. Just head over to wealthymommd.com/money to learn more.