

# 145: Past Performance Does Not Predict Future Returns 2.0



## 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.

Hello, hello. Welcome to episode 145. So, I just got the physical copies of the Live Wealthy planner. I created/designed a planner with the help of a professional designer that I've worked with quite a few times. I love her. And they just came. It's something that we designed last fall, and it's so amazing to see something that you created.

Now, I created this planner specifically for my clients. And what's different about this planner, obviously there are so many planners out there, is I included stuff for money planning, and because it's so important to work on new thoughts and beliefs to invent your future, there are prompts for that. To really think about what you want to believe, who you want to leave behind, really focusing on creating forward versus living in your past.

Now, in the past few episodes, I've been setting you up for the new year, reflecting on your past, thinking about your future, and thinking about your goals. Now, this is coming out at the end of January, and this is around the time that people forget about their goals. So if this is you, there's nothing wrong with you. It's totally normal. And in the planner I created, there are prompts to remind you to view your goals.

I'm guilty of this, too, of writing out elaborate goals. I write out pretty detailed-ish goals for my business, and it's really easy for me to forget about them and just start doing other things. This planner wasn't really a planned project, for example. But nonetheless, I'm so glad I did it. And the only way to get it is to work with me, either privately or by joining Live Wealthy.

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I have a few spots open for my private coaching. I only take on a few clients at a time. And if you are interested in that, go to [wealthymommd.com/coaching](http://wealthymommd.com/coaching). That's C-O-A-C-H-I-N-G. And there, you will be able to schedule a call with me to see if we are a great fit.

And I believe that when this podcast comes out, Live Wealthy will be open for enrollment. It's not always open to join, so it is open starting January 26<sup>th</sup> until February 2<sup>nd</sup>. And so this is your chance to enroll and get your hands on a physical copy of the planner.

Okay, speaking of creating your future and thinking about all the things that you want to accomplish this year and beyond, today is a throwback to an episode where I talk about how your past performance has nothing to do with the future. And I used that phrase, past performance, based on the stock market.

And so if you ever looked at a stock or a mutual fund, you'll see that there's always an asterisk after they kind of show its past performance, saying that past performance does not predict future returns. And I talk about we can apply this sentence to us because so many of us define ourselves from our past and think we can't do something because of our past.

And so this is really important because I really, really want you to get into the habit of creating and inventing your future versus looking to your past to inform you of what you're capable of or what you can do. And so I hope you enjoy listening to this episode, it came out when I first started this podcast, so I'm just guessing many of you have not heard it, and even if you did, you probably need a reminder.

All right, here we go.

So I'm recording this right after the New Year, and I was looking at an index fund and was looking at its 'past performance.' And there's always an asterisk and a disclaimer that says, 'Past performance does not predict future returns.' Hopefully, some of you have seen this too. And this kind of

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got me thinking because, as humans, we look to our past to see if we can do something in the future. And this kind of thinking is so ingrained in us. When we apply for jobs, they want to see our résumé, which is all about our past.

And then let's fast forward, we're choosing our specialties during medical school to apply for residency, and how many of you were told or told yourself, well, I can't do that specialty because I didn't score high enough on step one or my clinical grades aren't good enough, et cetera?

So I think you can see that society tells us from a very young age what we can or cannot do based on our past performance. And we believe them because they are the adults. They're wiser than us. They've been around the block. They must know something we don't.

And for those of you with kids, don't we tell our kids to dream big, that they can really do whatever they want? But then, somehow, for us, this isn't true anymore. Why?

And I just want to tell you a bit of a side story here about Matt and me. And so many of you probably know by now that last year, 2020, is when we bought our first rental property. And we had a really hard time buying it because we couldn't get a loan. Because what happens when you apply for a mortgage? They look at your past and, I guess, current income. And our immediate past was not great because, on paper, neither of us had full-time jobs. And so, the loan officers look at your past income and your ability to make money as a future predictor of your future money.

And at the time, my business wasn't showing a lot of profit in the past and so they basically all said no. And so we ended up having to buy the property in cash. Here's the thing about the past, the past is in the past, it's done, and it really has nothing to do with your future, nothing.

But most of us don't really know that, so we keep repeating the past over and over again. And what I mean by that is we keep thinking the same

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thoughts over and over again. And let me just briefly tell you why we do this, or rather, why our brains do this because, remember, our brains like to be efficient. And what's really efficient and takes the least amount of resources and energy is to just keep playing the same thoughts over and over again.

It's so much easier to basically pick the greatest hits of Bonnie's past, volume one, than for it to have to spend time, energy, and effort to think something new. So it's kind of a design flaw. The problem is our past and current thoughts also become part of our identity.

Remember, our thoughts create feelings, and the feelings inspire actions, what we do or don't do, which ultimately create our results, our outcome, our money, and our future. Now, you might be thinking, okay, I get what you're saying, but what does this have to do with money and your future ability to have more money and create wealth? Everything, because right now, when you think about yourself and money, what are you telling yourself?

Many of my clients tell me things like, "I'm not good with money." Or, "I just got divorced, and I've lost half of my wealth, and now I'll never be able to retire, let alone retire early." And my response to this might sound callous but so what. And I ask this with love and curiosity because truly these have nothing to do with you and your money future, but we think it does.

I want you to ask yourself, what is possible about your future? What if your future is limitless? What if it doesn't matter that you're in debt or that you lost half of your wealth due to a divorce? Or that you're a pediatrician, and pediatricians, I love you. I just use this as an example. I really want to hit this point home. It's not what you know about your past. It's what you know and think about your future.

So I'm going to give you a little assignment right now. Right now, I want you to temporarily forget about your current money situation, your past money

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situation, or whatever is haunting you about money. Let's just pretend you literally have a blank slate because you do. How much money do you want really? And maybe it's helpful to think how much money you want to make per year.

And a lot of you have this preconceived notion of how much you want for retirement because I hear you guys talking about this magical retirement number or financial independence number, one million, two million, five million, whatever that is, but what do you really want? Do you want to be able to fly first class? Do you want to be able to give away millions of dollars to causes you love and care about? Yes, I said millions.

And I can hear some of you thinking already, but I'm not really allowed to think this, am I? Of course, you are. Or maybe you're thinking, yeah, I would like more, but I really should be grateful for what I have and make because we make a lot as physicians.

And let me tell you that that type of thinking is not useful, and it doesn't serve you or your kids or future women, period. I might get on my soapbox a little here. We women are socialized to be grateful for what we have, and this prevents us from creating amazing futures, amazing money-filled futures.

As a woman who went to an all girl's school, I went to Barnard College in New York City, one of the things I was taught was that I needed to be, we needed to be an example for future women coming behind us. I am giving you permission to think and want as much money as possible, as much money as you want, because what if it's actually normal to be rich? Because most of us think it's not normal to be rich.

To take this little assignment a step further because this is what I actually ask of my students inside of Money for Women Physicians, I give them permission to dream about whatever they truly want for their life. And then I actually had them calculate what that life would actually cost. It's kind of a fun exercise, and so I really encourage you to do that.

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I truly hope I have inspired you to think bigger about your future. And if I have, you may want to go back and review last week's episode on belief plans because you probably need to now create some new belief plans for your awesome rich life. I'll talk to you next week.