

## 180: Money Goals: Get Specific to Get Results



### 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.

Hey, everyone, welcome to a new episode. So I literally just got off a coaching call from my program, Live Wealthy. And there's been a few things that have been coming up and I was like, I really need to do a podcast episode on this and use my life as an example.

I always think examples, whether they're true or not, are so helpful in solidifying concepts because otherwise it's all theoretical, right? And so one of the things I've been talking about a lot inside my program is how important it is to have concrete financial goals. It sounds obvious, but what I've noticed with a lot of women is that we don't always have concrete goals.

We have goals like, well, I want to be able to go part-time. I want to be able to retire. Or I want to be able to travel more. And those are all super vague, but they sound awesome, right? Because it comes down to, well, how do you know that you reach that goal? And it really comes down to kind of a concrete number.

And so I want you to think of financial goals in two ways. And I think this is the easiest way, obviously, there's multiple ways to think about it. But how much income do you actually want per year? And I think sometimes thinking about how much income you want per month might make it sort of easier to wrap your head around.

And by when? By when do you actually want this? And then a third thing that I think is really important is what are you going to do with this? Or why do you want this much money? Because remember, money is a tool, right? So it's a tool to help us live the types of life that we want, whether it's to travel more, whether it's to be able to send your kids to private school or

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pay for college, right? It's a tool to help you reach those types of desires, wants and needs.

So I think this is really important to really think about that. And I think it's really easy to focus on the money goals. But again, I also want you to focus on the non-money goals. So let me give you an actual example from my life.

Now, of course, I have money goals, like an income goal. But I also have priorities when it comes to that type of money. For example, I have not been practicing clinically, like going to a job, for a few years at this point. And so at this point, I have tasted what it's like to have relative time freedom, flexibility, ability to do what I want and when. And that is something I'm not really willing to compromise on.

I'm willing to compromise it to a point, but really not a lot. And, to me, that includes not just having, for example, a regular job where I'm going to have to have a limited amount of vacation. I would never do that, even if that meant making a lot of money. And I've had offers to do that.

And I will tell you, like for a day or two I kind of had this, like, oh, I should do that because that money will be so great for XYZ. We could have more money for investments. It could help us do a down payment. Definitely that desire really kind of got a little, I don't want to say out of control, but just kind of almost clouded my judgment, okay?

And ultimately, I decided that I do not want to work full-time. Even if I could do that in three or four days a month, I just don't want to be beholden to having to work a certain amount of hours, having limited vacation, having to ask for time off. That is not something I ever want to do ever again. So that's a really important priority or filter that I have when it comes to making decisions financially.

And so one of the questions that I think is really important to answer when you're presented with an investment opportunity, or just even what are the decisions I need to make now and what actions do I have to take to reach those financial goals?

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And basically, it comes down to this simple question. Based on my current financial goals, does this investment, does this decision, does this action, kind of all the same thing, does it make sense? Does it actually help me reach that goal? And does it make sense with my current lifestyle priorities or other priorities that you might have?

That question alone is going to pause and slow you down so that you actually think about it. One of my clients was telling me how she gets a lot of emails for deals. We're talking about mainly real estate syndication deals. And it's so easy to have FOMO, especially if there's a deal that a lot of people are going into and they're hyping it up a lot. So easy to have FOMO and be like, well, I need to invest in this right now. This deal looks great.

Again, this question will help you pause and think about it because there's a few parts, right? When you're evaluating a decision to invest in something, yeah, the returns are important. And even if it's a very, I don't want to say attractive, because if it's so attractive why wouldn't you invest in it? But still, you want to put it through that filter of does it actually help me reach those goals in a way that I want to?

Now, one of the parts of my lifestyle priorities is, besides time freedom and flexibility, is also traveling a lot. And it's so funny, because I know I talk about traveling a lot on this podcast. And if you know me personally, it's something that is really important to me. But I go through phases of whether I want to travel.

I'm actually in a phase right now that I think will last until the end of the year anyway, where I actually don't really want to travel a lot. It's annoying to go to an airport, even though I have Clear and PreCheck and all the things that make things easier to get through an airport and onto the flight. But it's tiring, too.

And also, I've realized I don't really want to be away from my family so much. I used to travel a lot for work, and I would rather do more travel for vacation. Like I already have two trips planned this fall for speaking

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engagements and I'm happy and thrilled to be able to do that. But I've decided I'm not going to say yes to any other engagements for the rest of this calendar year.

I'm excited to take the only vacation planned with my family, which is not till the end of the year, December. And so I'm thinking maybe I need to have a little, even if it's just two nights to get out of town with my family to spend time with them. But because I do love to travel, and I like to travel in style generally speaking, having the income to do that is one piece.

But this is also why I love credit card points, because it allows me to basically pad that income need or actually take away some of those income goals because I am able to get a certain amount of travel through credit card points. I actually added up how much free travel I've gotten through credit card points this year and that's actually like almost \$40,000, which is kind of insane when you think about it.

Now it would have been, I wouldn't even say more, but I probably could have gotten more out of it, meaning like more travel opportunities if I chose not to fly business class to France, for example, or choosing to stay at really nice hotels in Paris. I could have used a lot less points, leaving me more points to do some other travel.

But my priority is to fly very comfortably and stay in nice hotels. But if that's not one of your priorities or needs or wants, because you would rather be able to actually take more trips, then you're going to use points differently.

This is why personal finance is personal, because not everyone's going to have the same goals, right? And so I think that's really important. So I really don't like when there's these cookie cutter generalizations of how you should invest or how you should spend your time, because we're all going to have different desires.

And then another thing I want to say about this decision making process is that your goals are going to change. I would say just count on your goals changing over time.

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Now, one of the skill sets that's going to be really important with making these decisions is your ability to make decisions quickly and then take action quickly, meaning not too much time between the decision and taking action, these are the things that are really going to move the needle.

And it comes down to a few things. You do have to learn about the investments to see what's available and educate yourself so that you do make prudent decisions about what you invest in. But then a critical skill set is to have the ability to manage the discomfort with risk and decision making, okay? And mindset around fear. And yeah, being scared to invest in something new.

And what I've seen a lot with my clients is that we all want certainty, myself included. We all want certainty that a deal is always going to work out and that you're never going to lose money. And so what I've been offering to, not just myself but to my clients, is like I would just assume that you're going to make some decisions that result in outcomes that you did not want.

And for money it kind of basically comes down to losing money or maybe the money payout taking a lot longer than you think. Because, of course all of us want a guarantee that that's never going to happen, but it's just not possible. Even with the stock market because I find a lot of clients think investing in index funds is safe and have relatively low risk, but even that, there's nothing risk-free, okay?

And then I find a lot of people stalling and making decisions because they're scared to lose money. But I also want to say that is risky. I actually want you to consider that it's riskier not to invest. And so I think the work in terms of feeling better about risk and decision making is actually to just accept that it may never feel great.

Actually, everyone I know, when they invest in something, pretty much, I mean we all have different thresholds, there's a certain level of discomfort involved with every decision, with every evaluation of risk. I don't think the goal is to ever feel 100% sure about a deal working out. Because if that's

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where you think you need to be, you're probably never going to get there and you're going to slow down your wealth creation dramatically.

Now, one thing I want to point out is I think it's really easy, and maybe I have actually done a disservice to you, that everything can be solved with mindset and that you should do your best or only work on mindset. And that's only part of the deal, right? It's okay to make a decision to change a circumstance if it makes certain thoughts easier.

Let me give an example because I know that sounds really vague and abstract. So, one thing about my business, and if you own a business you know business is not guaranteed. 90% of businesses fail and it's not a consistent income, like a paycheck. And I go through periods where I'm really stressed out about my ability to make money or feel pressure as the main breadwinner of my family. Matt does have a job and he contributes.

But I've noticed that recently I've had a lot more stress and pressure and feeling like I have to make money in the business, which are not great thoughts to have. It actually is detrimental to my ability to make money in my business. And I've worked on my thoughts a lot. I've gotten coached on it, yada, yada, yada.

And I've just decided recently that I'm going to change some of the circumstances because I do not want to spend so much brain bandwidth on stress and fear that actually takes me away from my ability to make money and to, frankly, be better at business and be a better coach for my clients.

And then also, what I've decided is that I never want to lose the ability to work as a physician. And the longer you don't see patients, the harder it is. And especially with, I'm assuming, surgical specialties including anesthesia, the longer you're out of practice, the harder it is going to be. Is it going to be impossible? No, but the barriers are going to be higher.

Now, outpatient, like dermatology, I think is a little bit easier because I'm not doing complicated procedures where there could be really consequential outcomes. And I haven't seen a patient in person since the end of February 2020 and I haven't done clinical work since the end of 2020. So it's been a

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good two and a half years. And it's interesting, at some point I made a decision like I'm never going to go back, I'm retired.

I would even say that because I thought it was cool to say that or I felt good about that. And I did feel good about it at that time. And so here's another point I want to make, you are allowed to change your mind. You are allowed to make a new decision. And that's okay. It doesn't mean that you made the wrong decision. We are always changing and evolving.

And so what I've decided is that I want to work clinically part-time. There's so many permutations, like I could do locums a few times a year. We decided as a family that that wouldn't work for our family because being away, because most locums jobs I'd have to travel to literally be away for maybe weeks at a time. We just decided that doesn't work for our family. Although, in terms of being able to work only just a month out of the year is obviously very attractive. But in terms of logistics, it doesn't work.

So I went through a few permutations. At the time of this recording, I don't have a job contract signed, but I am talking to a bunch of practices, including some telederm practices. And what's going to help me guide the decision is going to be some of the questions I just mentioned before, which is like, does it help with financial goals? 100%, because one of the things I realized is I need capital to be able to invest more, right? And so I want to have access to capital faster.

So having that income is going to help. Also, it's going to help me calm my mind around my business. And then also my son is starting private school and he has some needs, like therapies that are, unfortunately, cash out of pocket. And unfortunately, my health insurance does not cover any out of network services. It also doesn't count towards my deductible, which sucks, but that's my current insurance circumstances.

And so I never want to feel like I can't afford it. I never want to have to think twice about being able to pay for the support that he needs, or me or Matt, frankly.



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And again, I didn't want to lose the ability to see patients. I didn't want to have to have so much time lapse that it's going to be hard. Now, thankfully, it hasn't been hard, it hasn't been difficult to revive my licenses. I was really scared of having to reapply all over again, which is such a slog and so unnecessarily.

That's a whole nother conversation. Like why do we need to have specific state licenses? I know there is that, I forget what it's called, but there's that sort of agreement between many states where it's much easier to get a license, thank God. And thankfully, I'm still board certified until the end of 2025 because it's a 10 year cycle for dermatology. I think that's how it works for other specialties.

So I'm in the process of getting all that together. I feel great about this decision. And I definitely have a lot of fear and discomfort. And my fear and discomfort is basically, what if I hate it? What if it sucks? The great thing is I can always quit again. There's a plan B.

I don't think it's necessary to have a plan B, but I have also just accepted it's normal to have some trepidation around this decision. It's something new. But also, one thing I've also had to remember is, of course I can do this. Of course I can find the right environment, the right practice where it's going to be enjoyable to practice again.

And I'm actually, to be honest, what surprised me is that I actually am excited to practice again. I am such a different person now. I have all these coaching tools, I think I'm going to be happier as a physician. And I actually think I am a much better physician for my patients because of the tools that I have gained over the years.

So that's what's going on in my life. And using that as an example to talk about how to think about financial goals, your non-financial priorities and the timeframe. And again, you can always change your mind. You might decide you need less money, you might decide that you want more money, and you might decide you want it sooner. And that's all fine and there are multiple ways to get there.

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But it's hard to make decisions, it's hard to make informed decisions when you don't know where you're going. And if you've heard some of my prior podcasts where I talk about goals, I want you to think about goals as it gives you a direction. And the timeframe informs what decisions you need to make, what actions you need to take in a timely manner, okay?

So goals are guideposts. And also what goals aren't are ways to beat yourself up if you don't reach the goal. Because let's say you have a goal of \$10,000 of non active income in five years. If you reach it in seven years, who cares? But you wouldn't have made those decisions if you didn't have that income goal and timeframe goal, okay?

So I hope this was super valuable to you. I know it's been valuable for me to go through some of the decisions that I've been making lately, including which deals and investments to actually do. All right. I will talk to you next week.

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