

# 190: Building Wealth vs. Actually Living



## 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 190. So today I want to talk about my thoughts from reading this book called *Die With Zero*. It's a book that most of us have probably heard of, and it's been on my list of things to check out for at least a year or so.

And I kind of knew the basic premise so I kind of was like, oh, I don't really need to read it, I kind of know what it's about. But I've been listening to a lot more audiobooks lately in the car, I have a long drive to Jack's school. And let me tell you, it has been blowing my mind. I feel like it is a total paradigm shift for how to think about money.

And first, I just love getting my mind blown and having a total paradigm shift about anything. But, obviously, when it comes to money, I get really excited because this is what I do. This is what I teach. He talks about maximum life enjoyment and that's basically the way I define living wealthy, right? Living wealthy is having the money and having the life that you want, like a rich life.

And that's going to look different for all of us. Not all of us are going to want the same amount of money. And when I say the same amount of money, I mean, in terms of using the money for different things, right? One thing I did know, and a friend of mine actually told me about this recently, like it's something I knew already but bringing it to the surface also made me think differently about money, and that most of us will die at our peak net worth.

Now, when I say most – First of all, I should say that this book and what I'm talking about and, well, my whole brand, I guess, is aimed at female physicians. Meaning that we make a pretty great income, multiple six-figures. And so high-income earners most likely, and I don't have the

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percentage on this, but if I had to guess it's probably over 90% die at your peak net worth.

So what does this mean? This means a few things. Most of us are so worried and obsessed about saving for the future, saving for retirement, right? It's a form of majorly delayed gratification that I think all of us are a little tired of after spending a decade in training. And it makes sense that you want to take care of your future, your future self. But if you understood and knew that you would die at your peak net worth, you probably would save a little differently and live a little differently.

Now, again, this is something I kind of knew, but I don't know why it didn't occur to me. So when I worked with a financial planner early on in my attending career, I remember getting these projections of how much we would have depending on how much we put in and compound interest, blah, blah, blah.

And my goal at the time was to get to about \$5 million to "retire." Because using the 4% rule, which is for every million dollars you have in the stock market, you can safely take out 4% or \$40,000. Although some people are saying you could probably go a little higher. Anywho, the caveat with that is that the money is still invested when you're withdrawing from it. A lot more conservatively and maybe you'll have a large cash reserve in case there's a downturn, right?

But I remember in the table using our life expectancy, let's say it was 85, I don't remember, we were going to die with \$10 million. Isn't that crazy? I mean, at first I was like, that's a lot of money and that's kind of cool. But then also, why aren't we using the money sooner? Why can't I take out more? And if I die with \$10 million, that's money I couldn't enjoy, whether it's to enjoy spending on myself, enjoy giving it away to either my kids, my family, causes that I love et cetera.

And so this book really talked about how waiting until you die to leave money to all the various people and maybe charities and maybe your alma mater is actually really selfish. I know, that kind of blew my mind too. And

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he talked about how we've all been conditioned to give or leave money for our families upon death.

Now, what he says – Now he has a whole chapter on kids because when you think that you should spend as much money as you can before you die, he has a whole chapter about what about the kids. And so let me tell you what he said about the kids.

Now, what he talked about is something that I already was on board with. And that if you have kids, and even if you don't, there's people in your life that you love and you probably enjoy spending money on them or you love to be generous. Your kids need money the most when they are launching. When they're young adults and starting out.

They're not going to need it as much when you die and they're over 50. They really could have used the money when they were younger adults. Maybe it's to get their first place. Maybe it's to get married. Maybe it's to help out when they're having kids.

He talks about how it comes down to your money, your time and your health. And that when you're a younger adult, you have a lot more time but a lot less money, and you have a lot of health. So think of it as a triangle, and the triangle – What are those called? The sides, the legs, they change over time, right?

So you can see that when you're younger, you have a lot of time, you have a lot of health, but you probably have the least amount of money. And on the flip side, when you're much older, I don't know over 60, 70, we all can agree that our health is going to decline no matter how well you take care of yourself, right? And so when you're much older, you have a lot more money, you have a lot more time, but you have a lot less health.

And so I found this framework a great way to think about how I want my life to look. I'm getting a little off course, I'll come back to the kids. But he recommended thinking about your life in specific time periods. I think we can all agree that there are different seasons in our life in terms of what we do and how we spend our time.

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And so he recommended actually mapping out around five-year blocks and figuring out how you want to spend that time using those three things I talked about; your money, your health, and your time. And the one thing I want to say about that before I come back to the idea about kids, is that it helps you prioritize the things that you want to do in terms of like, do I need to do this sooner rather than later?

Like he gave the example of if you want to climb a big mountain. I have no desire to do that. You need to do that when you're younger, when you have great health, right?

Okay, now back to the kids. Again, as I said, they need money when they're younger and starting out. And he talks a lot about the ROI of spending money. Now, I talk about this a lot, too, because a lot of us when we're thinking about spending money, we only see the money leaving our bank account, right?

So let's say something costs \$5,000. You might just look at, oh, that's a lot of money. That's \$5,000 leaving my bank account. But everything you spend money on has a return on investment. Now, it's not necessarily quantifiable, but it is in terms of if you're investing the money, right? You do expect it to go up.

A lot of it could be classified as priceless, right? You get to decide what that means to you, but he talks about how experiences become lifelong memories. Now, I think we all know that when we spend money on experiences or spend time on experiences, that gives a lot more life happiness ROI. I think that makes total sense. And so he talks about spending money on your family when they're younger gives tons of memory ROI for you and for them.

Now, one of the reasons I mentioned this is I've seen a lot of talk about how traveling with the kids when they're really young, I guess before five years old, is kind of a waste because they're not going to remember it. And I just want to say that is not true. You will definitely remember it and have lifelong memories of them as young kids, which when they're super old or even my

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age, it's going to be nice to have memories of your kids when they were really young.

And even if your kids might not have what I call picture memories of their travel experience, that doesn't mean that they don't have memories. I think of it as like their body and their brain has absorbed that experience and it helps shape who they are, okay?

So just in case some of you are thinking there's no point in taking them around the world or wherever you want to go because they're too young and they're not going to remember it. But remember, you're going to remember it.

And I think about that when it comes to my mom, who's in her early 70s. And she has great health, but we don't know and she doesn't know how long that will last. And so that is one thing that I've been trying to do more of, is how can I create more memories with her and with Jack, at this time her only grandson, so that she can have those memories too, you know?

So back to that little triangle framework. I talked about; time, money and health. And so he says in your peak earning years, you have a lot less time, you have more money and your health is pretty good. And this is sort of the period of time in our life where basically he says we are working too much and we are spending too much accumulating wealth.

And he has this quote that really stuck out at me. "Once you're in the habit of working for money to live, the thrill of making money exceeds the thrill of actually living." I want you to spend a second thinking about that quote. Now, I don't know if I agree that the thrill of making money exceeds the thrill of actually living, but the way I think about it is that I think a lot of us become a little bit too obsessed about building wealth instead of actually living.

Now, they're not mutually exclusive. And there are ways and I feel like this is something I've done, is I've really combined how I make money into my life, my lifestyle, right? What I do really lends itself well to traveling. I travel to conferences where I get to spend time with my friends, coaching, doing

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this podcast, creating conferences, all the stuff I do in my business are things that I truly, truly enjoy. Nothing is 100% amazing, but I will say that I have really minimized the parts that I don't like about my work. And mainly that comes down to delegation.

Now, you might be thinking, okay, this sounds great in theory, but I don't want to run out of money. And is Bonnie saying that I should just spend my money recklessly? That is not what I'm saying. And actually, this is going to affect how I teach money.

And, side note, I am rerecording my program right now and it's going to be awesome. And it will be unveiled in January. So just an FYI, whether you're a current member or not.

So he really wants you to think about what gives you maximum life enjoyment. And again, this is going to change depending on what period of your life you're in. And using that to help inform you how you want to spend your money.

Now, he was talking about a period of time when he had a lot more money and he was just spending more on stuff and things that really didn't give him long lasting joy. And he even says, or postulates I should say, that when you're a really young adult, I'm thinking like in your 20s, that it doesn't make sense to save your money.

I think that's also another paradigm shift because everyone says save money when you're young, the magic of compound interest, et cetera. And he gives a story about how when he was, I don't know, some lowly job on the totem pole working at the stock market when he was making like \$20,000 a year or something. It was less than \$30,000 in New York City.

And how he proudly told his boss that he had managed to save, I don't know, a certain amount of money. And his boss actually told him, or rather yelled at him saying, what are you doing? You're going to make so much money, you're going to make more money as you get older, you should be spending the money and enjoying your life. And it kind of stunned him.

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But it really made me think like, why are we so obsessed with saving money when we're younger? I think it's because we've all been fed, it's not a lie though, that compound interest and we need time and money to bank on it. I hear this all the time. And there's nothing wrong with it. That is true. But are we doing it at the expense of enjoying our life in the current?

And what he says is that our fear of running out of money, which is rampant, right? This is a form of scarcity, not enough money. Even though that fear of running out of money is really, really, really unlikely to happen. And he said people who do save for the future, tend to save up too much and wait until too late in their lives to spend it on fulfilling experiences, if at all.

So he actually talked about a friend of his who went backpacking in Europe for several months, and I think actually went into some debt for that. And he actually said he was on board with that, because that gave him a crazy amount of ROI in terms of his memories and experiences and things he frankly you can't do anymore when you're older and have a family and obligations, right?

And, obviously, those obligations are a choice, having a family et cetera. But there are certain things you simply can't do depending on what life season you're in. Now, I'm going to give you some examples from my life that I didn't go into debt for but definitely cost more money than I would normally do at that time and basically spent kind of the money that I had.

And I've never regretted it, but hearing about how he thinks about experiences when you're a young adult that you really can't have when you're older, first, I was like that was a good thing you did, Bonnie. And second, I realized, not even realized because I knew this already, but the memories I have from those experiences, they will be with me for life.

So when I was in residency I was a resident in Southern California. Many of you probably know what Coachella is, right? It's that music festival and it's in Southern California. And I don't remember how much the tickets were



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but they weren't crazy expensive, or maybe they were, I can't remember. And at Coachella they have different levels of accommodations, right?

So when you're really broke, you basically stay in this big field and just pitch up a tent, literally. And my friend and I were like, okay, we are a little too old for that, because that's mostly like high school and college people. And we just knew that just wouldn't work for us, basically.

And then the second level where you could actually pay for a tent that they had, I mean this was a nicer tent, and have access to bathrooms and showers that were nicer than the pitch your own tent level. And then they have really nice accommodations. And then some people just stay off site, right?

Now, we didn't stay off site because all those Airbnbs that do that are exceedingly expensive. And I guess we could have found one where they just piled on the people, but we didn't do that. So anyway, that was what, three days? I can't remember. This was a while ago, I mean, if I had to give you a year, I guess it was – God, I really can't think of it, maybe it was 2012. I don't know, something like that.

But that experience was amazing. I still have memories from that, I have pictures from it. And I am so glad I did that because I probably would not do Coachella anymore. And it's not that I couldn't, but I don't know if I'd take the time to book a ticket to go there. There's just other types of trips that I really want to take now. So I'm so glad I did it back then.

Now, after I finished medical school and after I finished residency, both times I took a very long trip to Europe. I think the first one was maybe five weeks, the second one was around five weeks. So basically more than a month of traveling all over Europe. And, obviously, the one where I finished medical school, I didn't really have that much money. But I'm one of those people at the time, I still do it now but a lot less, where I had like this crazy Google spreadsheet of everything we were doing and finding out all the deals.

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So these were the days of this is where you hostel around Europe, but I found the nice hostels. I think my flight was actually free on points, so I guess I was into points back then. It was on miles, I can't remember. But I remember flying into Paris and then out of Rome, and I know at least part of it was subsidized.

Anyway, but the whole trip, if I remember correctly, was like \$3,000 for five weeks in Europe. Isn't that nuts? Now, this was more than a decade ago, so there's some inflation there but not a whole ton. And that trip I remember I started out in Paris, we went to Southern France, Italy, Rome, Venice, Florence, Cinque Terre, Amalfi Coast. I mean, that was a pretty amazing trip, right?

And again, we stayed at hostels. I think we splurged a few times on hotels, but you can imagine for \$3,000 for five weeks, I know you're doing it on a little bit of a shoestring budget. Now, I don't recall feeling deprived or thinking this was not good.

The only time I thought that, actually, was the hostel in Rome because that was the only hostel where we had to share it with like 10 other people and I did not like that. I remember thinking, someone's going to steal my stuff, et cetera. I think in the other hostels, I was able to find a single room.

And then after residency, for that trip I had a little bit more money. And also I think I probably did go into a little bit of debt because I knew I was going to be an attending. So for that trip, we started out in Italy, a different part of Italy. I love Italy. I started out in the northwest area known as Piedmont, which is an area that most people will never go to because, I mean, it makes sense, if you're going to go to Italy, you probably won't go multiple times and you're going to hit the hot spots, right? Rome, Venice, Florence, Positano, Amalfi Coast, et cetera.

But Piedmont you fly into Turin for that. There really are no American tourists there. In fact, I don't think I saw one. And that's where Barolo wine is. That's where Alba is. That's where the truffles are picked. And so it was

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an amazing time. There was food there that I had not experienced before because the food in Italy is very regional.

And I have not actually been able to find this type of pasta called pin, P-L-I-N, the way I had it there. I've seen it pop up on some menus, but it's nowhere near as good as it was there. Anyway, that was a bit of a side note.

So we went there and then I went to Bologna. And then from Bologna, we went to Modena, then Croatia, we took an overnight ferry to Croatia. Then we went to Athens, Santorini and ended up in Istanbul, Turkey.

Now, I want to talk about this amazing memory I had from Bologna that I still think about and my friend and I will still talk about, okay? Especially when it comes up on our Facebook memories. So when my friend and I, we were in Modena, which is a short train ride from Bologna. Modena is where the vinegar, the famous vinegar, is made.

I had booked lunch at this restaurant. Now, I've always been a foodie and so I had to find the places that were really good, but also not going to be like \$500 a meal, because that's just not what I could afford back then, right?

So I found this restaurant, it's called Hosteria Giusti G-I-U-S-T-I. I think it's still there, because I looked it up recently. And if you look at a picture of it, it looks like an Italian deli. But in the back they have a really small dining area with just a few tables. And so my friend and I were dining there, the food was ridiculous.

While we were eating, we saw this group of men, younger guys and there was like an older guy leading them. And they clearly knew the owner because I saw them, you know, the whole group went down to the wine cellar and came back up, and then they had their lunch.

And then they started talking to us because, basically, they were shocked that there were two American girls eating lunch there. Actually, it was the older guy, his name is Emilio. He said, how did you guys know about this

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place? And then I told him that my careful Google research found it. And basically, he was so impressed. He's like, I've never seen an American here.

Anyway, so we got to talking and then he said, we're all going to the Ferrari Museum, which is a Modena, would you like to join us? And we said, sure. And so we went to the Ferrari Museum, and totally not my thing but it was just a fun experience. And then I found out that Emilio was actually, I don't know what his position was, but I think he is the winemaker and owns this wine label. And I can't remember, but his name is in it.

And then we ended up going to a dinner, like a private dinner at this restaurant in Bologna where there was all this amazing food and all of his wines. I mean, it was kind of like those weird, crazy experiences. And these are experiences you can't plan for, right? You just have to be in the right place at the right time. And these are the things you do as a young adult.

Now, some people could be like, how did you know they were safe? I mean, that is a valid concern but, I don't know, I guess I wasn't worried about that. I feel like my people reader antennas are pretty high, having spent decades living in New York City. But it ended up being an amazing, amazing experience.

We have tons of pictures from it. My friend and I still talk about it. And I think I'm friends with that guy on Facebook still. Anyway, that's just one of the many examples I have about amazing memories from when I was younger and didn't have as much money. And I'm so glad I decided to take those trips, right? Because those are the types of trips I'm not going to be able to do right now. Like I'm not going to go to Europe for six weeks without my family.

All right, so that was a lot of information and let me just close with this. It comes down to don't save so much that you forget to enjoy your life. And I really thought about you guys, because so many of my clients, and they range in age from mid-30s to I would say even upwards over 50, they're so busy working. And the ones who have young kids, they're always saying

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how they feel like they're missing out on their kids' lives. And they are. I'm not saying this to guilt them, but they are because they are working too much.

But what I hear a lot is, but I can't because of money. And I just want to challenge that. Like is that really true? We all have different seasons and periods of our lives, and so the question that I want to pose for you is how do you want your life to look? How do you want to live it? What are experiences that you know you want to have? Or have you even thought about that?

People call this your bucket list in terms of travel, but what are the bucket life experiences that you want to have? And they don't have to be trips. It could just simply be like, I want to be home by six o'clock to have dinner with my family every night. Or I want to be able to go to my kid's games, or whatever it is, you want to take your kid to school. It's going to look different for all of us, right?

Is that something you need to do now or later? The examples I just gave are going to be things you need to do now because kids grow up. How much money do you actually need for that life? What I have found is that many of my clients simply spend too much money on things that really aren't that important.

A lot of it's stuff. And I'm an over spender, too, so no judgment here. It's so easy to do that, to shop, because you can shop online. And if we all had to still go out to buy things, most of us probably wouldn't have this problem. But I think this is a good time to really think about what actually gives you joy in terms of spending your money. Stuff is nice, but it only gives you a short-term dopamine hit versus the lasting ROI of spending it on experiences.

So wherever you are right now, whatever period of life, no matter what your money situation is now, how could you do parts of that now? Because I know you can. Also this might be an opportunity for you to really realize

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and appreciate that you may actually have everything that you want right now. And what I mean by want, I don't just mean things, right?

So actually, this is something I just realized really recently. And again, our brains, our brains are crazy, man. They forget that what you have is something that you wanted before. It's so easy to be focused on the next thing.

So in terms of sort of my life goals or things that I want, I realized I actually have it. I love where I live. I live in a luxury high-rise building where I don't really have to worry about anything. We rent, we love renting. I get to travel and I don't need to ask anyone how to do it. I'm able to travel a lot more using credit card points. I have time freedom. And I have the money I need to live the life that I want.

Now, I would definitely welcome a bigger space. You know apartments aren't super big, I'd love to upgrade to a bigger place. I'd love to have nicer clothes and maybe go out to some more fancy dinners. But in terms of what I actually am able to do right now, I realized I actually have it and basically how, ungrateful is not the word, but how I really haven't spent the time appreciating that. Because when you keep thinking, "This isn't it and I'll feel happier when," the arrival fallacy, then you never give time and attention to what you actually do have.

Now, I talked a bit about this on my last podcast. I think it was the one before this about gratitude. How important it is to train your brain to see and appreciate what you do have. That helps you get out of money scarcity, but it also just makes you a lot happier and fulfilled, right?

Because if you keep thinking, "I don't have this, I don't have this," and forget that you have so many things that you wanted already, and maybe the things you want are just going to add to your life, but that your life is already full, you're just always going to live in the future and not the moment.

The final thing I want to say is I am still figuring out how these concepts and, again, paradigm shifts, how it's going to affect how I think about

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money. Like my money, but then also what I want to teach to my clients because there's a balance, right? Because you don't want to save too much for the future, you don't want to die with \$10 million. But then you also don't want to run out of money, right? So what's the balance?

So my guess is it's not going to be some nice, neat formula. Sorry. My guess is that it's going to be a part plan, because obviously you want to have an investing plan, but also reevaluating your life at probably at least annual intervals. So stay tuned. All right, I will talk to you next week.

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