[Well This Is Just Embarrassing]

Scott A. T.: Broadcasting from One Dallas Tower, it's the Scott Alan Turner Show, ready to help you get out of debt, save more money, retire early, and become a financial rockstar. In the studio with me is producer, Katie, who makes a great flank steak. On the show today, I'll be answering your questions about money, business, and life. This is your show, so if you have a question you'd like answered, visit GoAskScott.com.

In 1953, researchers surveyed Yale's graduating seniors to determine how many of them have specific written goals for their future. Now bear with me. We've talked about this a few times. The answer was 3%. Twenty years later, researchers polled the surviving members of the class of 1953 and found that the 3% with goals had accumulated more personal financial wealth than the other 97% of the class combined.

I've been quoting this research study for a long, long time, years, years. It's on the website. It's in past episodes. Thankfully, I haven't written a book yet, because I've been terribly wrong. All this time, I've been saying Harvard.

Hear this, the study never took place, never happened. It's a myth, a complete urban legend. There is no Yale study. There is no Harvard study. There is no 3% making more than the 97%. Can you believe this? Thanks very much to Michael over at Meyer Capital Group for correcting me. I first heard about this study from Tony Robbins in a product he developed in 1996. That was twenty years ago. This myth, it's been around for a while. What does that mean? We don't write down goals? You don't write down your dreams?

If you go back to episode 49, where I talked about the one thing that helps your dreams become reality, you find that just because some study is just a big fat lie, like Area 51 not having aliens, you'll hear how Katie and I achieved our goals because we had written them down. Even though I was completely wrong every time I quote that study, for a moment I want to draw your attention to a different study. In this study, I own the book. It's in front of me right now, so I know this isn't an urban legend somebody made up twenty years ago or more.

In the early 1920s, Napoleon Hill, he's the author of the book called Think and Grow Rich, he conducted an exhaustive round of interviews with five hundred of the most successful people of his day. He did it on behalf of Dale Carnegie. He was asked to analyze successful people. Here are some of the people on his list that he analyzed. You may recognize some of these names, Henry Ford, John. D. Rockefeller, Woodrow Wilson, Charles Schwab, who started Schwab Investments, Alexander Graham Bell, Theodore Roosevelt, Thomas Edison. Do you recognize any of those names?

Hill's conclusion after researching these people ... And these guys were the Bill Gates and the Warren Buffetts of their time. Hill found they had written goals that were a key factor in their success. You have to ask. Is it the writing of the goals that made them more likely to be achieved, or was it that these guys were just a bunch of high achievers and they were going to be successful no matter what they did, whether they wrote them down or not. In the book ... It's on page 62, so I know this is legit. This is not urban legend. There's a section on influencing your mind.

In one of the steps ... I'm going to read it for you. It says, "Place a written copy of your statement where you can see it night and morning. Read it just before retiring and upon arising until it has been memorized." It follows, "You're going to be skeptical because it's a new idea, which will be turned into a belief, which will turn into absolute faith." That is the end of the excerpt from the book. Faith of what? It's whatever you wrote down, that it's going to happen.

Here's what I think. The value of writing something down isn't necessarily in the writing of it down and seeing it a couple times a day. It's first about deciding, what do you want, then what do you really want, then what's most important for today, next week, next month, the next five years. When you pick one thing, you're saying no to all the distractions and the other stuff that are going to be priority number two through priority number ninety-nine. You get clarity. You get focus. You get laser focus, and that laser focus leads to making better decisions and following a path that is consistent with the outcome you seek, so says the cat in the background

That's your goal. Every entrepreneur and want-epreneur, so-epreneur, mom-preneur, they've all heard of or will hear of this book Think and Grow Rich. It was written in the 1920s, but the advice is still practical today. There may be no Harvard study, maybe no Yale study, even though every time I spoke of that in previous episodes, I was blowing smoke unbeknownst to me. Guys mentioned on that list that were researched for this book, that's pretty good company to keep. They might be in a better position to say, "Here's how we do it, and here's how you can do it, too."

Now, on to your questions. Nick writes,

Nick: "I'm looking to get out of debt. I've been out of school for a year now, and I'm working a pretty solid job with an above average salary, but I can't manage a budget, and I have a truck payment and student loans I'm working to get under control." This sounds very familiar. Lucky for you, you figured it out after being out of school for only a year. It took me five, so you have a four year head start from where I was and where I got my money awakening moment.

Scott A. T.: The simplest budget if you're just out of school, or you don't have many bills, you don't have many obligations, is just to pay your basic needs first, your utilities, your cellphone, your rent. Carve out a set amount for your cash, your entertainment each month, and take that out first, whatever those values happen to be, however much money you're going to spend on groceries, however much you want to put aside for retirement. Then, you take the rest that you've got left over, and you pay down your debts. Those are your buckets. You've got your fixed costs. You've got your food. You've got your debt repayment, and you get a little fun money, a little fun money, I little fun money, not a lot of fun money.

I mentioned saving for retirement because paying off your debt is a better return on your money right now. Now, I would seriously consider unloading the truck to get rid of the payment, because you're way too young to be saddled with a car loan for years, and it's also a waste of money. I know this, and I share this with you, because I have been where you are. I want you to do something for me. I want you to go Google ... Use Google Image Search. Google a Porsche Boxster, and then I want you to Google a 1995 Nissan XE. That is what I downgraded to when I was around 26 to have no car payment.

That is where I started building wealth. That was the moment in my life. Instead of losing my paycheck to a car loan and car depreciation each month ... When I did my first budget, I didn't know what the heck I was doing. I was single. I recently came up with a clever name for what I was doing, though. I called it the Lazy Man's Budgets. I paid my bills. I saved for retirement, then I took every spare dollar I had and threw it at my mortgage. Before I tracked any spending, I paid my bills. I paid my car loan. I saved nothing for retirement and threw every spare dollar I had at my student loans. I had them paid off in two-and-a-half years.

I saved thousands and thousands of dollars in interest. You just need to keep it simple. Figure out where you're going to spend your paycheck before it hits. Use cash for groceries and entertainment. That'll keep you from overspending in those categories. Just set the amounts, whatever works for you. It won't be so overwhelming, and you'll get those debts paid off faster. That's the key. Thanks, Nick, for the question. Bryan asks,

Bryan: "Apart from going to school, what other ways can I spend my time to further my education as well as gain expertise in order to beef up my resume? I'm also very interested in beginning to invest. Apart from retirement goal investing, what can I do to create a more passive income that I won't have to wait fifty years to see? My father has told me to buy stocks that pay dividends. What are your thoughts on that?"

Scott A. T.: Bryan, you are a smart guy. You know how I can tell, because you ask questions. There are no smart or dumb questions. They're just questions, so the more you ask, the more you're going to learn.

If you want to beef up your resume, just go volunteer some place. Look for places that are within the area that you may want to be working in or a place that is going to allow you to connect with people in an area that you're going to want to work in. You're just going to have to search online and seek out those opportunities. Meetups is another great place. Look online for meetups, different parts of the country, different towns, different subjects. People are going to ... I go to a podcasting meetup once a month as an example, meet other podcasts in the industry and get tips. We sit there, and we learn a lesson. We network.

Now, here's a hint about meetups. Everyone there might be smarter than you on the subject the first time you go. Guess what? Everybody starts not knowing. Everyone starts where you are. You don't know that subject. It can be intimidating to be the dumbest person in the room. That's what's in your brain or goes through my mind. I've sat in rooms before and asked myself, "How the heck did I end up surrounded by these people? I should not be here. I am the least of these." Everyone appreciates a learner. Everyone I've met is willing to help and share their knowledge. Just put that thought out of your mind. Don't worry about being intimidated.

There are places online you can watch online courses for free. MIT's got a whole big library out there. Working for free is another way. That really shows you're committed and that you're willing to learn. You go find somebody and say, "Hey, I'm willing to work for you guys for X number hours a week for free, because I'm just trying to get my foot in the door." You may have to knock on a lot of doors to get somebody to take you up on that offer, but you might find someone who's willing to take you on, if you show that initiative and you show that spark that somebody might be looking for.

What I used to do when I had my corporate jobs is, if I had some free time and I wanted to learn something outside the scope of what I was supposed to be working on, I would just work on a little project at home, or on the side at work, trying to learn that little bit of knowledge that I could apply towards my next job and that I might need on my resume in the future. For those of you that are in the corporate and you're looking to work for free, just come up with ways that you can boost your resume by doing side projects that might not have necessarily been assigned to you.

If you're looking for a passive income, start a business, get into real estate, or, as your father said, invest. Those are the three ways to generate passive income. Stocks with dividends, they're good if you own a lot of investments, because you had a huge portfolio, they can kick off some cash each month for you to live on or have some extra income. Normally, people that are approaching retirements are more interested in that. When you're in the accumulation process of wealth, if you do get into those investments that have dividends, they're usually re-invested so that you can have more stock, and then later on, more money. Thanks, Brian, for the question.

If you have a question you'd like answered on the show, the website is GoAskScott.com. That's how you can get in touch with me, or if you just want to drop me a note and say hello, or you want to say, "Hey, you need to talk more about cats on the show," more about cats. I was cleaning out some old paperwork recently, and I stumbled on this eight-and-a-half sheet of paper that I used to write down all of my passwords on. As a business owner with multiple businesses, I had over a hundred passwords to maintain.

What happens if the house burns down, or I'm out and about at Starbucks, or traveling on vacation, and I need a password? That piece of paper doesn't do me any good. About two years, I switched over to password management tool on my computer, and it is amazing. Lastpass is the leading password manager for non-Mac users. Twelve bucks a year right now, that's worth the price. 1 Password, the number one password, that's the leading password manager for Mac users. That's what I use. $50 one time, according to the website, also worth the price. Both of those run on Mac and Windows.

Now, why would you want a password manager? The nice thing about it is every password for every login is different. There's no sharing the same password between your bank login, your credit cards, your Amazon, your brokerage accounts, wherever else you're shopping. If someone gets one of your passwords, they can't crack your entire existence. No more passwords like Johnny123, or Qwerty, or ABCD1234. These tools will auto-create passwords that are twenty random characters long, much, much, much more secure. The apps work by having a master password that lets you get into the tool where you manage all your logins and secure notes.

If you have one of those smartphones with the biometrics, with the thumb print access, you get in with your thumbprint. A thief would have to steal your thumb in order to break in. If that happens, you've got bigger problems than someone breaking into your account and buying a t-shirt online at Target with your login. The thief would need the master password, but it's a lot easier to create one long phrase like, "I like PB-and-J sandwiches," as your master password than ABCD1234 across a hundred different website logins. You don't have to remember a hundred different logins, just that master password, or remember to bring your thumb with you if you're using your smartphone. I think we can manage that.

What if you've got multiple devices? Well, the passwords are stored encrypted in the Cloud, which is great, because sometimes on the iPhone, you might update a password. If it gets cleared out for your Facebook or your Twitter, open up your password manager on your phone, copy it in the app, twenty seconds. It syncs it between your computer, laptop, iPad, iPhone, work computer. They all sync up. It's a huge time-saver, and it is way more secure than the old system of sticky notes. You've probably used those before, and what I used to do, eight-and-a-half by eleven sheets of paper with passwords littered all over the place. No more silly, weak passwords like ABCD1234.

It's a time-saver, more secure. You're protected from losing a piece of paper. You have your passwords and secure notes anywhere you go. That's another thing. I store all my credit cards in my password management tool, so if I'm out and about or I need my credit card on my computer to access or to buy something, I don't have to go run and find my wallet. I just open up my password tool, copy and paste into whatever I'm buying. Both Lastpass and 1 Password come with thirty day money back guarantees. They're worth trying out to simplify and secure your life. Now, back to your questions.

Teresa from Washington,

Teresa: "I often listen to one of your podcasts when I'm still in bed just waking up. It gets me thinking and sets my day." Thank you for the kind words. That scares me, people hearing me first thing in the morning, or anytime, for that matter. I hadn't thought about it too much. It's kind of freaky. It continues, "I have taken your advice and sent two beautifully crafted letters to CEOs at their headquarters, UPS and Comcast. UPS has already resolved the issue, and Comcast and I are in communication. Yay."

Scott A. T.: Teresa is referring to episode ... I don't even know what episode, because I didn't make a note. Fool. A past episode dealing with customer no-service ... This stuff works, nation. It works if you apply it like Teresa has. She continues, "I have my own business. I do not have any debt. I take dividends throughout the year and write myself a paycheck at the end of the year. I don't want to pay the government any money until I have to. I'm working on my personal budget for the year and am struggling a bit with the income line item for each month. I was thinking that it makes more sense for me to budget quarterly, or would something else be better?"

Now, from a software standpoint, if you're using a tool, they all do monthly budgets. I would think it would be much harder to do a quarterly budget that way. Here's what I would do. I would add up your last year's take-home income, divide it by twelve, and then that's your monthly income on your budget. I assume your one paycheck is used to live off of in the year, or at least a period of the year. Maybe you spend that the first couple months, months one through four, one through five, however long it lasts. Why you spend that money, you're taking quarterly payouts, probably. If you're out of debt, you're clearly doing something right, and you're not overspending, so you have to have that cash lying around somewhere.

Now, you can also take the cash used for your expenses, your income, and stick that into an online savings account, and you can call that "my yearly budget money". Once a month, you pull out the total you need for that month, and it's just like getting a paycheck, except that it's coming out of your savings account. As you take dividends or you pay yourself, you stick that money into yearly budget savings account. It's kind of like an employer with a checking account that cuts checks for the employees, except you're both the employer and the employee, and you're cutting yourself your own paycheck.

This is exactly what we did at one of my other businesses. We keep an account we pull all our monthly expenses from, and periodically, we'd pull money out of the business and put it into our personal accounts, like you would do with your dividends, and use that to pay your monthly bills. That is probably what's going to work easiest for you. Thanks, Teresa, and good morning to you. Quick break, back in thirty seconds. You're listening to Scott Alan Turner.

Hi, folks. Scott Alan Turner here. Now, for those of you that are my long-time listeners, you know I'm not one of those guys on the radio who promotes every product that shows up on their desk. You're never going to hear me trying to get you to buy crochet needles, because I don't sew, or recommending a pool cleaning service from someone that's never cleaned my pool, if I had a pool. No, I have a name to uphold to you, my rock star listeners, but I were to recommend something to you, I would tell you about milk. It's delicious. It's nutritious. I have milk every day in the form of yogurt, that I make myself from milk.

If I'm feeling like a bowl of Cheerios, I don't add water or soda, I add milk. Once a week, I'll have a bowl of Ben and Jerry's ice cream, which is made with, you guessed it, cream, which is a form of milk. Next time you're buying groceries and you're at the checkout counter, when they ring up the milk, tell them Scott Alan Turner sent you, and if you see a black and white cow out on a field, stop and give it a little pat on the head, and say, "Thanks for the milk, buddy." No, better not do that. You might get arrested for trespassing.

Welcome back. If you have a question you would like answered on the show, visit GoAskScott.com. Tricia writes,

Tricia: "My husband was our sole provider, making excellent money in the oil field. Not very long ago, we moved and had to fix up a property, and aren't, unfortunately, debt-free, but no credit cards. Now the bottom fell out of the oil industry, and when they lay-off seemed inevitable, we decided to act sooner rather than later. He took a job closer to home but at a 50% pay cut. He's going to be starting that job soon. He'll still make pretty good money, but it just isn't anything compared to the oil field.

"I took a part-time job that'll allow me to help compensate the loss, and it will allow me to continue home-schooling our kids, which has been very beneficial for them. We'll still be suffering a loss, but until we get started ... I just started my job this past week. He's going to start in a couple weeks. We don't know for certain what will be our income. We are looking at harvesting timber, which would pay for some debt. We have cut down bills when we could. We aren't sure what else to do. He does have a big 401K with $250,000 in it, and we've been good about saving for retirement. We also have an emergency fund. Do you have any other suggestions or advice?"

Scott A. T.: Sorry to hear about your job loss, Tricia. Oil, very tough industry right now, and it continues to go down. You, you're doing everything right. You're doing everything right. You're working part-time. You saw the writing on the wall, that the job was going to be eliminated. You're cutting down your bills. You really have to go to the bone right now until you get some certainty in your finances and know, "What is my monthly income going to be?" That means doing exactly what you're doing, cutting out all the unnecessary spending for the next few weeks, or maybe the next couple months until you get the overtime worked out and your income figured out.

You've got an emergency fund. That is like having a nice, fluffy pillow at night. It is. It'll give you a good night's sleep, so find comfort in that. When I set out on my own doing my own thing, I took a 65% pay cut from my secure corporate job. It's scary, but the emergency fund is there for just this case, so you're not as scared, for emergencies. If you guys have to tap into that, you tap into that. That is exactly what it's for, this situation. Preserve your 401K, though, as much as you possibly can. Treat it like it's off-limits. That is your retirement. Since you're working, you guys are planning, you're going to harvest timber, that sounds like a lot of work. Good for you guys.

I think you guys are going to be just fine. Again, you've done everything right, and you deserve such, such praise for planning ahead and making those decisions before you run into the wall. Be prepared ... Be proud, rather, that you've been prepared in doing whatever is necessary to stay afloat until your income becomes more clear. You're going to get the income back up. It's just going to be in a few weeks, hopefully, and then you'll know more. You just got to sit tight and ride it out for now. Good job in the preparation, and good luck with the new jobs. Thanks, Tricia, for the question.

Jen from Hoboken, New Jersey, has a UK pension and asks what to do with it. She says,

Jen: "I'm an American who lived in the UK for three years and had a pension there. As I don't plan on working again in the UK, should I keep the funds there or transfer them to an account here? I'd have to open a completely new account as there are a small number of banks in the US that the pension could be transferred to. This would require opening another account in addition to my current 401K, and Roth IRA, as these aren't on the list. It's only about $8,000, but I don't want to forget about this money when I retire in another thirty years."

Scott A. T.: This is a fun research project, way easier than figuring out the Belgrade Stock Exchange a while back for Neda. So, if you work for a UK firm and you get a UK-based pension, you can transfer all of it into a qualified recognized overseas pension scheme called QROPS. If you do the transfer, and normally this costs you the US taxes, because the IRS doesn't recognize most UK pensions. There are several services out there that have financial planners that specialize in this type of thing. They can look at your UK pension, where it can be transferred here, and see what makes the most sense in your situation.

One is called QROPS. I think I'm saying that right. It may be Q-ropes, but I think it looks like Qrops to me. QROPSReview.com is one of them. It looks like, from my brief research, and I'm certainly no expert on this, you'd be doing well to transfer the money back here to the states, if nothing else, just to have it here. It's going to be easier for your beneficiaries to access it later on down the road. Those few banks that you mentioned, they exist to deal with this exact type of issue and the tax issues.

Once you get the money here, and again, this planner will be able to assist you on the pros and cons, you might want to run the math and decide, "Should I pull out all the money now, pay the taxes now, and reinvest them in something that can go tax-free," so that's going to give you more control over it. I didn't see anywhere where there were early withdraw penalties, higher tax rates for doing that, different waiting periods, so you will have to consult with one of those specialized planners in order to figure out that stuff.

Also, there might be social security impacts that go along with this. The US and the UK, they have an international social security agreement, which is going to depend on the length of employment that you had over there, who the employer was, how your social security benefits were being pulled out, if at all. Those are more questions for the advisor. That's why you want to contact one of these folks. They're going to be able to walk you through these steps and do what's best you. I'll include that link in the show notes. You fill out a form, an advisor will get in touch with you, and then you can sit down with him and get it worked out. Thank you, Jen, for the question.

Over in the Facebook community, Terry writes he changed life insurance companies and is saving $35 a month. That's almost $400 a year. No, it's over $400 a year. I don't have my calculator with me. Nice work. We're real people with real results. ScottAlanTurner.com/Community, if you want to join and get inspired. It's free. Where you start to today is a sum of all your decisions you made over all the days of your life. Where you end up in the future is going to be the sum of all the decisions you make starting, you guessed it, right now. Those are the words. That's it for this episode. I'm your host, Scott Alan Turner. Rock star Katie is my producer. All the links mentioned in the show are available in the show notes on ScottAlanTurner.com. If you have a question you would like answered by me, visit GoAskScott.com. Thank you so much for listening.

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