Jaime: Welcome to Eventual Millionaire. I am Jaime Masters and today on the show I have Scott Alan Turner. Now, the first time I saw Scott was actually on stage in Dallas for FinCon, rocking out with amazing guitar. He is The Financial Rockstar. You can check it out at scottalanturner.com. Thanks so much for coming on the show today.

Scott: Thanks, Jaime. glad to be here.

Jaime: It's sad that I say that it has to be a bit of a dichotomy, but it is. Musicians aren't really known to be great with their money. So, how did you pick that?

Scott: Yeah, it's interesting. Chris Ducker, who I'm sure you know, I said, I want to give advice to musicians. And he was like, so you want to sell products to broke people?

Jaime: Ding, ding, ding.

Scott: Yes, it is a bit of weirdness. I got into personal finance a couple years ago. I'm a serial entrepreneur. I've had eight companies over the past 15 years. And I call myself the original money moron because coming out of school I didn't know much about finance, which I think most people can relate to.

Jaime: Times a thousand, which is sad, but still.

Scott: I had some debt – student loan debt, credit card debt, auto loan debt, got into too much house, or more than my salary was for. And I had a financial awakening in my early 20s and turned that around. Now I am financially independent, and I have great joy and passion teaching other people how to avoid the mistakes that I made.

Jaime: Do you just tell them they're dumb and they need to wake up, too?

Scott: If only they would listen to that advice.

Jaime: Well, I guess that's the point, right? So, I had to have an awakening moment also. Can you teach people that have not had an awakening moment quite yet, or do they need the pain to be so great that they actually do something?

Scott: Some people can say, all right, I can see how this is a bad situation and I want to prepare to turn that around. Other people just got to hit rock bottom.

Jaime: Stubborn entrepreneurs, maybe – potentially? Just wondering.

Scott: So, that's where I was. Here's rock bottom, all right. Now, I think I've got to do something.

Jaime: Okay, so give us some advice, especially because these are all entrepreneurs that are listening, and we also think that investing our money in our business is the way to go. And you throw it all in, and risk is good, and all sorts of stuff. So, lay of the land, what should we be doing as entrepreneurs to actually take care of our personal finances?

Scott: Sure, and some of it depends on where you are on your financial journey and your stage in life. If someone's in their early 20s, not married, don't have any kids – yeah, go all in and risk it because your odds of recovery, your chances of recovery, your time horizon – you've got all those working in your favor. So, you can take those huge risks.

Somebody who might be jumping out in their mid-40s, hey, you've got some kids in college or some younger kids and a wife. You've got responsibilities in life.

Jaime: Darn those responsibilities.

Scott: You've got to be a little bit more careful. If you've got a stay at home spouse, that's a bit different.

For me, I like to fall into investing back into my business as well, but I'm of the opinion let's carve out a little bit of that – the percentage depends on each person. Let's put that into something, like a 401(k) or some retirement accounts that we're not gonna touch for 20 or 30 years. Not a ton, but just a little bit to cover our bases. That's diversification, something that we're all familiar with. Let's not put all of our eggs in one basket. Let's put a little over here, a little over there. So, if something does happen, statistically four out of five businesses are gonna fail.

So, is that gonna be you? Chances – I've had eight companies, four of them never made a dollar. So, I've gone through that. I lost a lot of money on those.

Jaime: So, don't just put all of your money in Bitcoin. Okay, noted. Okay, so walk me through your entrepreneurial journey also, especially, if you could go through – you don't have to go through all eight, but give us the overview of what this is and how you learned the personal finance side across the board. As you go, you learn in business, and then you learn in personal finance. At least this is how I figure it. And we have those awakening moments as we go through. So, give me the trajectory of how you learned all this.

Scott: Sure, the first company – I had a corporate job, so I started out in the corporate world. I worked there for eight or nine years. And on my first job, I had a couple co-workers. They branched off and decided, hey, we want to start out own business. And they needed a web guy. So, I've got an IT background. I've got a computer science degree. And they said, we can't pay you, but we'll give you equity in the company if you come work for us.

I thought, all right. I didn't know anything about being an entrepreneur or business, but I like doing websites. So, I thought, this is cool. They'll give me some ownership. So, that was my first company. We taught people about wireless networking, installing networks in office buildings, hospitals, stuff like that.

Jaime: Wow – what year was that, though?

Scott: That was early 2000s.

Jaime: Oh, that's perfect timing. Okay. People are like, wireless what?

Scott: Sure. So, I did that evenings and weekends for three years before I made a dollar. So, that was the sacrifice I put in to build up that business.

Jaime: Three years, when you say it, sounds really short; when you're in it, sounds probably ridiculously long. Most people can't last that long. That's impressive. How did you las that long?

Scott: Single was No. 1; no kids.

Jaime: No wife going, so, why are we doing this again?

Scott: Yeah, well, later on I got married, and I put my wife through that again. So, I've been on both sides of that coin. But it was something I enjoyed. I did it on evenings and weekends. So, for me, it wasn't a big sacrifice because I was passionate about it. I enjoyed doing websites, and I didn't feel like I was missing out on life or other things – missing out on watching my kids or taking them to the games or whatever, because I didn't have any.

And then I branched out one day. I was like all right, dudes; I've been doing this for three years. Can we pay me? Like I was kind of burnt out. Three years – that was the time I put into it. And he said, yeah. I asked him, can we pay my mortgage, my basic expenses? I ended up taking a 65 percent pay cut from my corporate job so that I could resign. And that worked out for me.

And from there it kind of grew up. And, I think within 18 months I was making more money than I had at my corporate job.

Jaime: At that same position, or somewhere else?

Scott: That was at the first business that we started. So, from what I was making in corporate, I took that huge pay cut. And then within 18 months, because I was able to go full-time and dedicate the time into this side business I had started with these other couple guys, I was able to recover that income. And I was able to do that for something very important in personal finance, the emergency fund.

So, I had six months of cash set aside. Worst case scenario, if this company doesn't work out, I could probably go find a corporate job, sell my house, and just rent an apartment within six months. So, that was my recovery time frame.

Jaime: Smart man at that point. So, you were already financially smart at that point, because most people don't do that. Okay, so take me through, especially one of the first failures in business where your finance – your emergency fund had to actually be really, really important.

Scott: These other couple guys, we were running a business. And what we did, and later in our lives was not a good thing. A lot of entrepreneurs do this – but they do it with credit cards. We took out a small business loan – six figures plus. And we decided we were gonna start a couple other businesses with this money. And one of them was for achieving a government grant, a government contract.

And another one was like YouTube. So, we were building a YouTube-type of product before YouTube existed. And I managed a couple contractors. We built up this business, spent all of our small business loan for two companies that never made a dollar.

And then here we were – okay, we've got to pay this loan back, and we're all on the hook for it because we all personally signed guarantees on it. And that was a bad time.

So, both those businesses failed. And then hurt a lot of friendships because of what we did with that money and different personalities of how we should pay these bills back. And eventually the partners dissolved the company.

Jaime: Okay, how do you recover from something like that? And was your smartness from beforehand with your emergency fund enough to see you through that? Or were you screwed sort of within that also?

Scott: It helped. It gave me a cushion in my mind, at least. What happened was, this was prior to about 2007, around that time. So, when the economy was tanking, coupled on that. So, our revenues in the business were going down at the same time we owed all this money, I did have an equity stake. And what happened was my personal side of it, and I had gotten married at the time, and my wife would get on my case, and like, what are we gonna do about that loan? I'm nervous about the loan. We've got money here. The bank can come after us.

And I ended up giving back the equity stake I had in the company in exchange for getting out from under the loan. And that was fair in my eyes. I'm getting rid of lots and lots of debt. I'm losing my equity in the company, I get out from it. I can sleep at night now.

Jaime: Was the company worth all that much, though? You said it was tanking, though, at that point anyway. So, maybe it's a good thing. You'll be like, okay, sure, that equity that won't be worth anything potentially soon.

Scott: Yeah, eventually – there were four business partners at that point. Everyone else got out except for the one owner. He eventually sold it. I don't know how much he sold it for. It wasn't a significant amount. Not enough to retire on.

Jaime: You're like – check, I did a good job – made a good decision on that one. All right – so, take me through a little bit more What was a successful company – because I know in your story it's like okay, and then I retired rich. So, we want to hear about that trajectory. How long did that piece take once you went through all the craziness?

Scott: Sure, 2007 – I had been married for a couple years. My wife was getting an MBA. She got a concentration in commercial real estate development. So, she started working for a developer back in Atlanta, where we got married. Again, this is prior to the housing collapse, the commercial real estate bubble collapse. And so, she was working for a commercial real estate developer. She was going to school full-time. And she had to take this test in what she did for her green building exam.

And she came back home one day from her commute. Her schedule was crazy – drive to her internship for an hour in the morning. Work there all day. Drive an hour to school at night. And she would get home at 10:00 at night.

Jaime: Before kids, I'm assuming.

Scott: Yeah. Spent a lot of time listening to the radio. She comes home one day, I want a new car, but I don't want to take out a loan for it. How can I do that? So, I thought she had been listening to a guy on the radio who said, don't take out debts for car. And we thought, well, what about that test, can we start a business around that for what you're doing, what you're learning? Because she had the domain knowledge. I had web development, eCommerce IT knowledge.

So, she said, "All right. Let's start a business around that." Bought a $7.00 domain name. She developed all the products. I figured out how to sell them. And that $7.00 domain name, within 18 months, we had turned that into a seven-figure business selling these products that she had developed. And about that same time, the company that I was working for full-time – see, that was a side gig that we did – we built for her on the side.

So, that income eventually eclipsed what I was making at my other business, so I started doing that full-time. And it worked out because the commercial real estate development market tanked. She couldn't get hired anywhere, anywhere. And she had credentials, too. She had interviews with huge corporations. She was working for this national company which eventually went bankrupt. So, it worked out.

Jaime: Thank goodness for a $7.00 domain. So, unpack that a little bit because 18 months – oh, look how much I made. Everybody hates that statement, also. They like hearing the pain part. They're like okay, what made that different than everything else so far that didn't really work?

Scott: Sure, in that particular industry we looked at what are the products that are available. And at the time for these different study products, everything was a printed book. And it was super expensive. And the business model, which I've had a lot of success with and which I continue to follow to this day, was based on a movie. I think it's called American Gangster, with Russell Crowe, Denzel Washington. Denzel is a drug dealer. You've got to go watch this movie.

Jaime: I love this. Okay, I'm writing it down. I don't think I've seen it. Okay.

Scott: So, Denzel's a drug dealer. And he figures out – he wants to corner the market on heroin. Now, I'm not recommending people start a heroin business, but this is where the idea came from. And his business model was, I want to have the best heroin out there, and I want to sell it for half the cost of everybody else. And he cornered the market because he put everybody out of business.

So, my business model, which has worked really successful for me over the years – I want to go out and find a market that's underserved. I want to create a product that's twice, three, four times as good as anything else that is available.

Just to give you an example. Let's say there's this training course out there. And maybe it's eight hours. So, I'm gonna go out and create something that's 16 hours long, or 30 hours long – better than anything else. And then I want to sell it for half the cost. So, I'm more interested in making up the volume. I don't want something that's gonna make me in the 90 percent profit margin. I'd rather have 10 percent profit margin but with 50 times the sales. And I've had a lot of success with that.

Jaime: I love that. When I was little, I would think about cars. And I'm like, why can't they just sell cars for $10.00 more than **[inaudible] [00:12:44]**, then just sell a whole bunch of them? So, when I was little, which – not in that market – bad idea. But how do you go about finding those markets, too – especially if you don't know anything about it?

Because way back when, no offense, but everybody's like but that was when you could do that in that market. Of course, there were books. We were getting digital, so there were lots of opportunities. And now they're like but what about right now? So, how do you actually find those markets?

Scott: What I tend to do is find something that's gonna be interesting, or it's gonna keep my attention. That first business that we started – I worked on it for three years without getting paid, but there was a passion there and I enjoyed it. And I challenge people – it doesn't matter if there's an existing market for it. There's always a niche you can drill down.

I'm in personal finance now. And when I got into it a couple years ago, I started looking at the land saying, wow – there's thousands and thousands of people out there talking about money. There is nothing new that you can teach about money. It's the same old thing. I can sum up personal finance in one sentence. Spend less than you'll earn. You'll make a bunch of money. But yet there's this huge billion-dollar industry of people doing this.

And I have managed to carve out a niche for myself in it going back to this same business principle. Let's offer more product, more services, more advice for less money. And when you do that, and you can do it better than anybody else, you'll make money.

Jaime: Okay, how do you do that in the personal finance space? Because I was in that space for a little while. I started talking about getting rid of debt and stuff like that. A lot of people were broke. And then I felt bad charging them because they were in debt so much. So, that's where I came from. And so, like you said, there's not a lot of new stuff, but there's a lot of discounters in that space, too. So, no matter how much you do your personal finance programs or whatever it is, there's always people willing to sell it cheaper, so it seems. So, how did you carve in that specific niche?

Scott: Yeah, and it's something that I would recommend. You want to get into the race to the bottom. So, are you just charging a dollar? Because then – it's hard to make money charging a dollar for something. So, there's some floor that you want to hit. For me it was about branding – personal branding was a big thing. People do business with people. There's another phrase from Chris Ducker.

I love that guy. People want to do business with people and their friends, and they want to have a relationship with people. They want to be able to trust you. And in order to do that, you've got to put yourself out there a little bit. You don't always. You can hide behind the screen, but I find you put out your flaws, like I did. And money moron – I've made $40,000.00 mistakes in the stock market. Now I teach people – don't do that. That's not the best way to invest.

Jaime: Wait, so no Bitcoin? Damn.

Scott: No. No Bitcoin for me over here. Slow and steady. And when you do that, you put yourself out there. You build those relationships. People want to do business with you. And the more value that you can provide them, they're gonna want to buy from you. Even people that are broke. If you're providing a solution to them, they're gonna spend money on it. Even broke people. They've got to get their cars fixed. They've got to go get gas. They've got to go get tires. So, they have money, or they'll come up with the means to buy something that is going to help and improve their lives.

Jaime: So, I knew you were already a rock star beforehand. But how did you come up with that? Because a lot of people are like, especially on the USP or the personal branding side – what's my schtick? Like everyone's like, you could be the geeky girl, or you could be the MMA girl. And I was like, I don't want to be – or the podcast girl. And I'm like I don't want to be any of those. So, I am those, but I don't want to just be those. How do you pick that?

Scott: The MMA millionaire.

Jaime: You have no idea how many people have told me to start an MMA podcast. The only girl that likes MMA. No, I'm kidding. So, how did you go all in on that and then know that that was gonna be your schtick?

Scott: I didn't really know it at the time. Chris Ducker needs to buy me like a Diet Coke or something.

Jaime: Seriously – I'm gonna tell him – way more than Diet Coke.

Scott: Pat Flynn and Chris Ducker held a seminar, I think two and a half years ago. Their 1-Day Business Breakthrough. So, I went to that, and I dressed as I normally do, which is like a guy who belongs up on stage. And they noticed that, and they picked up on that. It was actually not either one of them. It was – I think her name was **Mindy** or **Mandy**. She was running the questions. The Q & A off to the side. And I was in the hot seat. We were going through the things.

So, this is something that people can do, is ask your circle of friends, the people you do business with – hey, what do you think about me? What's my brand? What do you think I should focus on? And then you start picking down that and narrowing that down. So, I was in the hot seat and they were asking me some questions like how to help people get out of debt, and da, da, da.

Ten minutes later and it's like oh, by the way, I'm a rock and roller. I love metal music. I'm a metalhead. And then Mindy looks over me and she says, "I would listen to that. You need to go with that. "So, it wasn't Pat. It wasn't Chris. It was Mindy off of the side. And then later on, during their thing the lighting guy comes down from the second stage. The guy who's running the lights. And he says, "I would listen to that. You need to go with the rock and roll thing." And so, those two people said that. I was like, I guess I'm going to the rock and roll thing.

I get home to my wife. We were working out one day in the gym. And we're doing lat pulldowns. I remember this conversation like it was yesterday. I'm doing the lat pulldowns. I was like, yeah, I was at the 1-Day Business Breakthrough. I want to do this rock and roll thing. And she's like, no. There is no way I'm getting my financial advice from somebody who was in a death metal band. I'm like, I'm not in a death metal band. But these guys say that this would be a good thing. So, I had to ignore the wife's advice and it's worked out.

Jaime: Okay, Number 1, you do look like a rock star. That's how you dress, so it seems like that's your persona that you take on anywhere. That's you. So, it's hard to get rid of that. But how do you not listen to your wife over the other – because that's the thing. You're gonna get conflicting information either way.

Scott: Yes.

Jaime: But usually the men listen to their wives over the random people from business breakthroughs. So, how did you keep going through knowing that this is the thing to do?

Scott: I knew deep in the core of my being or my soul early on. Prior to going to their business event, I was – you look at my first podcast which got canceled. I shut it down. It didn't get canceled. They don't cancel podcasts, but –

Jaime: That’s what I was gonna ask. Who canceled it?

Scott: I’ve got the artwork, I’m like all smiley with a collared shirt – just vanilla, like every other personal finance guy out there. I was like, this is totally not me. I like cats. I like talking about Star Trek on my show, and music, and being offbeat and weird. I can’t talk about boring stuff. I’ve got to throw some spice into it. I had to be true to myself. Otherwise I wasn’t gonna be able to do it. I wasn’t gonna be happy. And if you’re not happy, that’s gonna shine through on whatever you choose to do. You’re gonna be miserable. So, you have to give the Heisman, sometimes, to people that are close to you and go with your gut.

Jaime: I so love that. My mentor wanted me to wear suits and red lipstick when I was like 25 because I looked too young. And now I’m like, look how much I make. And I have purple hair and don’t care. Now, don’t get me wrong. It took a lot of trajectory and really sitting in with that because it’s different to just go out with, I’m amazing and awesome. Look at me. Because it does take a little while to settle into your brand and who you are. But I think that for you, specifically, it is who you are anyway. So, getting away from that must have been really difficult to do.

Scott: Yeah, everybody’s got their own brand. It really comes down to figuring out what is gonna make them happy, what they’re good at. I met a guy a couple weeks ago. And he played a lot of baseball. And he was in an investing class that I’m in. And he’s gone through different – whatever baseball players do – all the stuff that they go through.

And he wanted to be a financial advisor to other baseball players. Well, that’s perfect for him because he knows baseball, so he has that relationship and he can speak that language that they do. And they’re more apt to do business with him because of his background. He may not have been a professional baseball player, but he knows that stuff. So, that’s his in to that stuff. And I think everybody’s got an in. They just have to identify what that is.

Jaime: Would you have been a geeky personal finance guy? Because you’re geeky also. Do you think there’s more than one option, or is it supposed to be this thing is mine?

Scott: No, you can spread yourself out in different ways. I’m a huge Star Trek nut, so I can relate to the Star Trek fans.

Jaime: I'm Star Wars, so I think we're gonna get mad at each other. We're gonna fight later.

Scott: I'm also the crazy cat guy because I've got a couple cats. They show up on my show. I post cat pictures on Instagram. I irritate the heck out of the dog lovers, but my wife –

Jaime: I'm a dog lover. Don't even – sorry. I keep interrupting you. That's because it's my show. Go ahead.

Scott: My wife has a dog, and it's kind of a joke because the dog belongs to the family, but it's my wife's dog. I don't' have a dog. So, we get all our bases covered. You just have to figure – all right, here's my core. For me it's music – being the financial rock star. And then there's all these other offshoots that I'll throw in to a lesser extent.

And by doing that, you're broadening your reach as to people that you're gonna attract – compared to somebody – all right, let's only talk about baseball 100 percent of the time. Well, if you like baseball, maybe you'd grill on the side. So, let's throw in some grilling conversations once in a while. Hey, I made a steak this weekend, and it was amazing.

Jaime: I love it. Baseball and grilling go together. Star Trek and rock stars.

Scott: Or a hotdog, you know, whatever.

Jaime: What do those people do? I don't know. So, let's get into what somebody should be able to do right now with their personal finance. So, there are a thousand things. There are a thousand easy sayings that you say like save more money – great. Great, that sounds great and easy, but nobody ever does it. Hence, the reason why the industry is so big. So, give us a couple quick tips on things that we can do to actually start taking action on some of this stuff.

Scott: So, here are some quick wins. One of the first things that I did in my businesses years ago when I first heard this. And every business has vendors that you do business with, and services. It could be cell phone, internet, whatever stuff that you happen to use.

Get on the phone with everybody today. And you can spend two hours and just renegotiate everything. I did this when I first learned about this. And I think I ended up saving $1,000.00 per month over all my services. So, over the course of one year I saved ten grand by spending a couple hours on the phone. And I would call up the company who is hosting my servers for my business and I said, I've been a customer with you for two years. Here's what I'm paying, and I want to pay half that. Or do you have any better deals? And I do this over and over and over again. And everybody dropped my rates for what I was being charged.

So, when you have those relationships – leasing, if you're leasing office space, anything like that, phone service. Every business has got about 20 or 30 different things you're paying for. So, you could easily save $500.00 to $1,000.00 a month just by making a few phone calls. And that's a quick win, and exciting too because wow – you save a bunch of money.

Jaime: Seriously, two weeks ago I did that with my homeowner's insurance. It apparently was going to be $3,600.00 this year. And I got it down to $1,200.00 with one phone call. I still care about money. That's amazing. But you forget about all those things because it's just normal and you just put it away. And that's what you do. Or it's auto debited, so you forget that you're paying however much you're paying. I love that. Okay, what else have you got? That was a good one. Everybody go do that right now, by the way.

Scott: Yeah, go through your credit card statements. Cancel all the subscriptions that you don't use. What I found is – oh, I might use that some day. That could be stuff in your closet too. Oh, we're gonna go skiing some day. What I found is, some day is never. So, put the skis up on Craig's list. Cancel the Spotify service or whatever you've got, the *Wall Street Journal* that you never read. You thought you were gonna, but you don't. So, that's an easy win too – just going through your credit card statements for your business, and your personal life, too. And figuring out what those things are.

Outside of that, all right – let's start about how we're gonna save money, cutting down on interest rates for credit cards. Maybe you're carrying a credit card balance, which is roughly half the country. Figure out if you can transfer those to a zero percent balance transfer card temporarily.

Debt is a huge crush in small businesses because we think we have to take out $100,000.00 in debt to start a business. And then we make decisions based on paying down that debt. And usually they're not good decisions. It's like, all right, we've got the bills due. We've got to pay the rent tomorrow. Hey, let's have a flash sale and charge 50 percent of what we were doing yesterday because we 've got to pay this debt. When those debts don't exist, then you can make better, smarter, wiser decisions and you're not under the gun just to pay the bills.

Jaime: How do you distinguish between personal and business? Because I know a lot of people, not that we're coupling them together, but even if you have separate bank accounts, it still can be a little, well, I know, but I have this much in here. And I've got this – and that's technically a business expense. So, things get a little sticky in general. How do you delineate the difference between –?

Scott; Certainly, having separate checking accounts, separate credit cards for each of those. That's really what I do, what it comes down to. Keep them completely separate. There was this book I read earlier this year that I highly recommend. I don't know if you've heard of it, called *Profit First*.

Jaime: I just interviewed him right before you. How funny.

Scott: That's cool.

Jaime: That's Mike. Mike is awesome. So, last week he came out, and then you're coming out right after him. Mike is great, for sure.

Scott: Okay. So, *Profit First*. If you just heard the interview, go do that. It will make your life so much better and so much easier because it's a proven – it works. If you're – I know there's entrepreneurs who**[inaudible] [00:26:06]** all right – every dollar that comes in, we're just gonna blow that on the business.

And part of that is, figure out why am I in business, what am I trying to do? I want to better my life and I want to have these experiences. Well, when are you gonna pay for those, and when are you actually gonna do that? Oh, I don't know, like five or ten years from now when we actually start making money. It's like no, no. You don't want to wait five or ten years to have fun. Let's go do something now.

Well, that whole profit first model, it's build into that. It keeps you out of debt. It gives you your savings, your salary. All right, you build your business a little bit slower, but you don't have to wait to go on vacation for ten years.

Jaime: I love that you said this too, because it just highlights that anybody that listened to the last episode and didn't do anything with it, that's dumb. Go do something now because he's the other millionaire that I interviewed the week after said the exact same thing.

Okay, so, tell me how your stuff works with the 401(k) or the SEP or the whatever in regards to after that because let's say they did what Mike said a little bit ago. And now they have some money to play with, but they don't totally know what to do with it yet either besides going on vacation because I'm sure they all want to spend it on that. What can we do to actually start investing and saving, especially when it feels kind of foreign?

Scott: Sure, let's save first and then save for vacation second. Those would be important. Single K, I think that's the website – singlek.com, or it might be now Ubiquity. But if you Google Single K. Single K is a solo 401(k). And it's a simple service provider. I think when I set one up several years ago. I'm with Fidelity now because it's a different business. It was $150.00 a year for a single person, which is cheap for a 401(k).

If you're doing a business setting up with two, three, four employees, it's gonna be about $1,500.00 to set up a 401(k). So, Single K or Ubiquity, one of those two. It's the same company. Really cheap to set up. You can set up a 401(k) for yourself for your business, and just start funneling a percentage of your income into that each month. Just start with 1 percent is what I recommend to people.

If you're not used to saving, you don't want to feel the pain. Saving's important. So, pay yourself first, just 1 penny of every dollar that you earn in revenue – funnel it away for the future. Future you – future you is gonna thank present you down the road. You just don't know it yet.

Jaime: Be smart now. So, why not Roth? So, I've never even heard of that 401. We have a SEP, and it's a pain in the butt to deal with. And anyway, we do it at the end of the year, blah, blah, blah. It was a pain to figure out for me. So, please, I'm so thankful that you actually said that for people to actually do it because if it sounds simple, they will.

Scott: Yeah, that's for a one-person shop or a husband and a wife, you're allowed to go under that as well. So, SEP is if you've got multiple employees and you're gonna contribute to them.

Jaime: Yeah, but I could also have – my employees could have their own 401. Anyway, there's other ways that we could do it that probably wouldn't have been so complicated because I think I postponed a little bit too long because I was like, I have to figure that out now, and I don't want to.

But so, should people go that route and not do like a Roth IRA first, or real estate first, or why is that your go-to thing?

Scott: Yeah, when we are getting into the diversification component of it, saving for retirement and the stock market. Most people who build wealth, the stock market is a component of that, aside from businesses and real estate. And the stock market is the easiest way to get going with that. Depending on how much income you have – if you're in a lower income tax bracket, yeah, it would be better to do the Roth 401(k), which would be an option in one of those choices.

If you're in a higher tax bracket, you want to get the tax breaks now, just the standard traditional 401(k) will get you those deductions now on your current year's taxes.

Jaime: Perfect. Okay, so then what? So, let's say they're putting – it's auto – set it and forget it. And that is great. Let's say we've been doing profit first. We've got more profit than we know what to do with. Everybody wants to see that. What do we do then? What's sort of the next step?

Scott: Roth IRA or Roth 401(k). Those are your options. It really comes down to each individual person. How much do you want to save? How much is your business earning? What your ages are, what your target goals? I like to tell people, what do you want down the road. When do you want to retire? How long do you want to work for?

As entrepreneurs, I think most of us are gonna work forever, just because we love it. It's in our being. And that's never gonna change. You're always gonna be doing something because I've tried doing nothing. It didn't last very long. It's like I can't do this. I'm gonna be out there working.

Jaime: I'm bored. So, my dad actually just retired five days ago. So, he's been doing nothing – he's 67 now. And he's been an employee his entire life pretty much. He kept telling me to work for myself because he did guitar repair on the side because he was also a musician. And it's crazy to look at him now and just sort of be like he's bored. He doesn't know what to do. And they don't have a ton of cash because they didn't do the savings that they should have, probably, beforehand.

And so, what's tough is if we go 401(k), do we have to be 65 in order for us to start taking some of that stuff out? Or should we be diversifying in other things so that way it's a little more liquid, so I can retire by 40 or something like that?

Scott: Yeah, certainly some of that's gonna depend on what your target date is. So, if you're shooting for 40, you could do Roth IRAs. Those allow you to pull out the principal at any time without any penalties. Not the gains, just the principal. And, depending on how much money you're gonna need before age 59 ½, you might just do that in a taxable account, or you might get into real estate, where those rentals are kicking off income each month, and you can live on it.

So, the choices are pretty much endless, but it depends on here's the date I'm shooting for, here is how much money we need to live on, which is unique to each family, each individual. And then, from there you work backwards to figure out, here's what I need to set aside each month in which type of accounts.

So, figuring out what the end goal is first is the most important piece. What do you want? All right, and then we figure out –

Jaime: How do we pick it, though? How do you go, I want to be 50, but I'm gonna feel like I work for – I am an entrepreneur. I want to work forever. I want to have the option to work forever. I don't want to work forever – if I have to. So, how did you pick your – because you're like I'm retired. I get to do the fun stuff. How did you pick your date?

Scott: Yeah, and that's really my definition of retirement, which I think entrepreneurs can relate to. I work because I want to, not because I have to. And that's the big difference. And for me it was all right, what dollar amount do we need to live on. We know what we spend each year now – budgeting, another important thing. The B word. Call it a spending plan, whatever. I think I called it, let's see, what was my latest term for it? A hot and spicy spending plan. Let's make up something fun and not call it what it is, a budget.

Jaime: Seriously, right.

Scott: Yeah, knowing what you spend each year. We've got to figure out how we're gonna fund that for however many years you expect to live. That's the doom and gloom part. When do you think you're gonna die? Jaime, how long are you gonna live?

Jaime: Forever.

Scott: Yeah. Me – it's 80. I don't know. I won't say I love, but I have a good time talking about death on my show because I'm not afraid to. So, I get calls coming in.

Jaime: Why 80? Why not 82 or 85? And with the technology is going. It's getting very, nanobots, all that fun stuff. You're gonna live until you're like 90. I'm just –

Scott: Yeah, they're gonna take your brain out and transfer that into a robot or whatever.

Jaime: Yeah, well, I'm okay with that. That's forever. I said forever. What do I do? A different tangent, and I'm crazy. So, how do we pick that piece, though? Because I feel like everybody that's listening right now agrees with you 1,000 percent. They want to have the option to work, but they don't necessarily know what that timeline is.

So, if we go, I want to be 40, we are still trying to figure out what assets and stuff do I need to accumulate now that will spin off however much money it is without any scope creep of all those years of all that stuff. You're gonna stay spending the exact same amount forever, from 40 to 80, do you think? Every single year?

Scott: No, definitely not because markets are gonna go up, they're gonna go down, So, some years you're gonna spend a little bit less, some years a little bit more. The kicker in all this is health. Fidelity came out with a report, age 65 to whenever you're gonna live to, each person is gonna spend right now, according to the latest, $250,000.00 on medical and health starting at age 65. So, if you're a couple, that's a half a million bucks out of pocket.

Jaime: That's ridiculous.

Scott: Not gonna be cheap. And that's a big unknown for people. And Social Security, I would say that's a big unknown, depending on your age. If you're 25, forget about it. Don't factor that in. 50, you're kind of good. They're not gonna take that from you because you're gonna vote. In between those is the gray area. I recommend people count on like half of it. That's what I throw into my projections when I'm doing them. You don't want to count on it. It's just the icing on the cake if I get it.

Jaime: Isn't that sad? Oh, we've put in so much money.

Scott: Yeah, maybe we'll get it.

Jaime: I'm gonna lose it all. Okay, great – lovely.

Scott: Yeah, extra vacation a year, maybe.

Jaime: Seriously. Okay, so what if that number is just so huge, and you're like, oh my gosh, it's going to take, $5 million, $10 million for me to do that. And then you feel a little deflated.

Scott: And for most people, it's gonna take $5 million, $10 million, but depending on your time horizon, that's very doable. And as business owners, we have to remember the business has value. You can sell a business. So, as you're growing that, even somebody who's – financial planners, they have a business called the book value of the business. They have clients, and that's worth something.

So, financial planners, when they get into their 60s or 70s, well, I built up this great clientele. What am I gonna do with it? I don't have any assets. I don't have any buildings. I don't have any equipment. Well, you've got all these people and clients. That's something that's valuable to someone else who might just be getting started.

So, every business – there's some value there that you can factor into selling that. And when you're talking about a 10-year horizon, 20-year horizon, even a 30-year horizon, that $5 million or $10 million, when you break it up to each decade, each year, each month, it becomes a much smaller amount.

It's kind of like figuring out, how am I gonna pay for my kids' college. Well, it's $70,000.00 a year to send them to a nice school. All right, if it's 15 years out, that's $250 a month. So, one less meal out a month if you're going to Ruth's Chris or something. Or 55 trips to Starbucks or whatever that's gonna cost. It's not as big when you break it down into the micro goals.

Jaime: And you have 30 years. And most people don't go 30 years out, they won't – death comes, and people don't want to look at that. But also 30 years seems so vast.

Scott: Yeah, that's why people don't get started in time. It's like, oh, I've got plenty of time. No, you don't. No, you don't. The sooner you get started, the less you have to save each month. That's that magic of compound interest which we've all seen the fancy charts. Joe starts at age 26, and Mary starts at 36, and Mary's gonna be broke and Joe's gonna be a millionaire or something like that.

Jaime: Yeah, so my son told me this on the car ride home yesterday, but he was like, can we start a savings account? My son wants to save $15,000.00 for a van. And he's 11, by the way. Yes, because that makes sense. But they're doing their life plan right now in school.

And the teacher told him to do a savings account. And he goes, can I have a savings account? I was like, sure. We have the debit cards for them already, but I was like sure. And he was like because if I put this much in now, I'll have this much. I was like, well, savings rates aren't what they used to – it's not really the same. So, I'm like, I'm pretty sure a savings account isn't gonna get you there. But it's an interesting thing of having him go okay, what if I start now. And I've always said that, too, for the kiddos. When I was little I used to do the same thing.

But what should as a parent, the kids – not just the learning of personal finance stuff, but what should we be setting up for them to set them up, besides just paying for their college because I'm not sure I'm sending mine to college. Just so we're clear.

Scott: Yeah, I'm with you on that. I've got twins. They are four, and I'm already planning, like here is the business that you're gonna start. Oh, talking about this with my wife last night. It was like, what are we gonna do for the kids this year, 2018, so that they can be – herbs is the big thing. We've got a little back yard. We're gonna grow some herbs for them.

And we're figuring out, all right. We're gonna plant them in these pots and then they'll grow the seeds. We know the intersection where we're gonna set them up at. We're gonna sell them for $2.50

a pot. And they're gonna make three for $10.00. No, that would be a rip-off. We'll have five for $10.00.

Jaime: We sold rosemary door-to-door around our neighborhood. So, I totally get it.

Scott: There you go. Yes, we're on the same page. All right, what do we do for kids besides college? Exactly as you said. Having goals for them is good. We haven't gotten to it in our kids' life yet because they're not earning anything, but most people, parents in my circle is, all right, you have savings, and then you have giving, and then you have spending. And you divide those three buckets.

So, they learn to be generous because that's gonna come back to them over the years. And you've got savings, all right, we've got our short-term goals – Xbox games, I don't know how much those are, like $600.00 apiece or something like that.

Your long-term goals, like your $15,000.00 van, which that's cool – a conversion van like the Mr. Machine in Scooby Doo.

Jaime: Yes, that's what he wants.

Scott: And then the long-term goals – save up for – I wouldn't throw retirement at an 11-year-old, but I don't know what they would want. A gap year, there you go. We're gonna save up for your gap year. Even though they're not going to college, somewhere you're gonna want to take a year off. So, we'll save up for that trip to wherever you want to go.

Jaime: That's what his – hashtag van life. He wants to live it and go around the country. I was like, okay, have fun. And he's looking up YouTube videos and watching them constantly. He made me watch a documentary last night on that.

Scott: There's a baseball player who I read about I think it was earlier this year, who does that. And he's got like tens and tens of millions of dollars. But he lives in a van. He's a little bit eccentric.

Jaime: I'll send my son to watch that. Like pay attention.

Scott: You should have him on the show.

Jaime: I know, right. Okay, great. But that's the thing that I think is absolutely amazing. The way that we're going as a society is that's not a big deal any – that's not like, oh, you do have to go to school. You do have to get a good job. You do have to wait for Social Security. Oh, wait – none of those things are really panning out for anyone. And we wish we knew that way back when. Instead we became crazy, stubborn entrepreneurs that have hit our heads on failure a few times. But has progressed you faster than most of the people that I've ever met, especially growing up.

Scott: Yeah, we've broken that mold, and we've realized – I don't know if you know the history of age 65 when it comes to retirement?

Jaime: I don't.

Scott: Otto von Bismarck in the late 1890s was a German chancellor and there was like a power struggle over there. And so, he wanted to retain power. And what happened was, he said all right, everyone at age 65, we're gonna give them money for life. And so, he was basically buying his power. What the population did not know is the average age for people at that time was age 65. So, he was basically giving away nothing because everyone was gonna be dead. So, that's what that number came from – age 65 for retirement age.

Jaime: That's kind of brilliant and horrible at the same time. I had no idea.

Scott: So, now we've got this thing in our head, age 65 is retirement. Well, it's just a made-up number. And so, why wait until then? Why not retire at 30, 35, and then go do something fun? Just sock up a bunch of cash. Live really cheap for a few years and do what you really want to do.

Jaime: I love this. Okay, I know we have to start wrapping up. We could go on tangents for a really long time, too, because I love this stuff. So, I'm gonna ask the last question that I always ask. What's one action listeners can take this week to help move them forward towards their goal of a million?

Scott: Sure, well, we had talked about all the savings things, but one thing I like people to think about and I dwell on this quite frequently myself, is what, and you have this in your show notes as your big why – I don't remember the author of the book. And that's really figuring out why are you an entrepreneur.

Why are you saving money? Some people have a goal. I want a million dollars. Why? Why do you want the million dollars? It's not for a bunch of dead presidents on pieces of paper. It's what's it gonna give you? Well, I want financial freedom. Why? Well, what do you want to do? I want to travel the world. Okay, so now we're getting a little bit closer. That's what you really want to do. You want to travel the world, how are we gonna finance that?

So, starting with the big why and then working backwards to figure out how we're gonna finance that. How does the business fit into that? And maybe the business that you're in is you started it for one reason. I want to have 500 employees. Again – why? Why do you want 500 employees? Do you want to be generous and help 500 people do great things, so they can expand and then grow your brand, your legacy, whatever it is?

But really asking yourself, what it is that you're doing. And spend 10 minutes in silence one morning where it happens to be, without the radio on. And drill down into what is the reason that you're doing – why you're doing what you're doing and figuring out if you're doing it for the right reasons or if you're just on some strange tangent.

Jaime: Because we're on strange tangents and don't even know it for so long, even in our business. We have no idea. I started this for something completely different. And taking that time and perspective is something that we don't do very often. So, thank you very much. Everybody that's listening, make sure you do it. Like actually do what he said, because it will actually change the trajectory, potentially, of your entire future based on what you like and what you actually care about.

Thank you so much for coming on the show today, Scott. I really, really appreciate it. Where do we find more about you, listen to your podcasts, rock star – listening about cats and Star Trek and craziness? What's the best way?

Scott: Sure, my show is the Scott Allen Turner Show, and it's available on all the major podcast shows. And my website is scottalanturner.com. A-L-A-N, and I'd love to hear from people, help them out with their business. I answer personal finance questions on my show. It's the crux of it. It's three days a week whether you're half a million dollars in debt or you've got a multi-million-dollar net worth and want to know what should I do? What should I do next?

Jaime: Good, everybody that's listening – go check that out. And then try and stump him. So, ask him questions and try and stump him because I want to see what the rock star does –

Scott: Stump the chump.

Jaime: – when he gets stumped. Thank you so much. I hope you have an awesome day. I really appreciate it.

Scott: Thanks Jaime. It’s a blast.

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Duration: 44 minutes