

[015 Budgets Are Sexy with J Money](#)

SCOTT: Welcome rockstar nation to The Financial Rockstar Show. I'm your host Scott Alan Turner, ready to help you get out of debt, save more money and retire early. If you missed the last show, I talked about how to stay motivated when you're getting out of debt, as well as answering your questions about money. If you're in need of some motivation while you're paying off those loans, please listen to that show. Today we have a special guest for you nation, and I know you will learn a lot from him.

J.Money is the founder of personal finance sites: [budgetsaresexy.com](#) and [rockstarfinance.com](#), which combined have gathered over 10 million views while helping people reach financial freedom in a fun and engaged way. J.'s a blogger, coach, and most importantly, a daddy of two. Welcome to the show, J. Money.

J.MONEY: Hello everyone, nice to be here. Thanks for having me, Mr. Rockstar yourself.

SCOTT: So when I was new to the financial blogging world, which was not too long time ago, I was digging around the internet and I came across Rockstar Finance, and I thought, "Dang, that is such a great domain name." And from there, I dug around and I ended up at [budgetsaresexy.com](#) and I started reading about you. I saw the picture of you with the Mohawk and I immediately knew, "This guy, I don't know who he is, but he seems awesome."

J.MONEY: I'm glad you found me. That's the perfect world of blogging and being online. You want people to find you and hopefully like you.

SCOTT: You don't by any chance own a cat too, do you?

J.MONEY: Do I own a cat? I do have a cat. Yes, I do.

SCOTT: So I'm not alone in the personal financial world as the crazy cat guy.

J.MONEY: No, I love cats. They're so easy to maintain, you know. We even had a goldfish and this weekend it died, and I feel so horrible. So, you've got cats? I like cats.

SCOTT: Awesome. So tell us the story behind your website [budgetsaresexy.com](#) and how it got started.

J.MONEY: Yes, so growing up I've always been Okay with money. I've never been really good or bad, I've just kind of been like floating by. When I hit 25, I was engaged and I thought, "Oh man, everyone's saying like you need to own a home, and go for the American dream, and settle down." And I grew up in the military, so like I was moving everywhere. And I thought, "Alright, well let me look around." I was going to look for like a two-bedroom apartment to rent first, got lost, stumbled across a home and all these voices in my head said, "Buy, buy, buy!" And within 48 hours I bought a \$360,000 home, no budget, no money down and it was right like when the market started to crash a little bit, but then like stabilized for a little bit and I thought, "Oh, this is perfect, it's going to start going up again."

So I just did it, and then like within 6 months it fell off and I lost 60 grand in equity, so it was a really bad timing, but besides that I just shouldn't have bought a house on a wimp, like in general. This is stupid. So I went online and I thought I don't have a budget, maybe I should research this and I kept coming across all these people like sharing their stories, normal people, not companies or corporations trying to sell you something. It was like, "Hey, here's my savings, here's my debt, here's my net worth," and for the first time it was so cool to kind of talking, you know, you're just reading about people being open with their numbers. And I learned so much, I learned from people and experiences versus like again companies, organizations, or even just theory stuff. Like I can't comprehend it.

After a couple of months reading I thought, "Oh man, all these are good and they're interesting, but maybe I can add a little flare and just tell my story. And back than I didn't know like that buying a house like I did was stupid, right? I didn't learn anything from that. So, I didn't think I had a story, so I was like, "I'm just going to blog, and I'm going to curse and I don't care if I spell check, and I'm just going to write about money. Like I'm the guy with the Mohawk, maybe they'll send me a sign and I'll just do whatever I want to do."

So I did it and within 6 months I got in a readership and then like a company was like, "I'll pay you 100 bucks to put an ad on." And I was like, "What, you can make money doing it? Yeah, oh yeah, sign me up." That was like the first six months and over the next couple of years I started just spending more and more time, I ended up leaving my job and doing this full time, and man, it's been about 4 years of self-employment and about 7 of blogging in general.

SCOTT: So a lot of us just don't like budgeting. How would you convince us to budget?

J.MONEY: So, yeah. So the old me would've gone on and on about how to check your money and all this stuff, but the new me, I realized like if you can learn how to budget now, honestly you can stop budgeting. Like the point of budgeting is really to just figure out where all your money is and all your habits, and then like conscientiously start changing them. So like if we put a budget – like I just did this with a client. I said, "What's your income and where do you foresee this money going?"

We all like live in this perfect worlds, you know? Like, "Oh, I only paid \$50 for this and \$100." But the reality is like different, right? And then you give up, right? So what I do -- and budgeting is important, but I focus -- and I guess what I really like is just a bigger picture of like freedom.

For you, if you can learn how to budget early on, later a) you don't have to do it once you know what you're doing, but b) there's a chance you can just stop working forever. And being able to just, "Oh, I'm going to not work for the rest of my life unless I want to." That's huge, that's more exciting to me than trying to stay on top of my budget. So I think it's more of a, "Hey, let's figure out the whole money thing, budgeting's a part of it because I don't know what I'm doing yet; and once I do, I don't have to track every penny and lighten up a bit."

SCOTT: One of the things that changed your way of thinking about money was how cutting your spending rate is much more powerful than increasing your income. Tell us the story of what happened there.

J.MONEY: I go back and forth on this stuff, but growing up and all the way up until my mid 20's and even into the late 20's, I'm 35 right now, I was just like, "It's just income, income, I need to make money because I need to support my lifestyle." I wanted all these cool stuff so I kept needing to make money, so I thought the only route to have a good lifestyle is to make a ton of money. And then I got blogging. It's like, "Oh, the hustler," I wanted to be self-employed, work 80 hours a week. This is like what a lot of people like dream of and then you go back to your life, "Why would you want to work 80 hours? Who cares if you have a million dollars, you've got no life." I was making tons of money, I had no life, I wouldn't do anything fun anymore, I mean besides the work stuff, which is fun.

But anyway, so then I had kids and I thought, "Man, this lifestyle, I was like dude I just can't. Like it's too much working too much, I'm a workaholic." And I'm a big fan of the blog www.mrmoneymustache.com, he is really hardcore, he retired in his early 30's, he worked his ass off for 10 years and just figured it out early and then quit. He still works, he still makes tons of money, but he does everything on his own terms.

One of the things he said in one of his blog posts was like the least amount of money you need to live on is like the least amount of money you need to make. And like that thing, I don't know how to rephrase it, it really sunk in because if you only need \$1,000 to live, you don't need to have \$100,000 job or a \$200,000 job, you can have like an entry level job and be fine. But as your expenses increase, you know, like I started with \$1,000, then 2, 3, 5, \$6,000, now not only like do you need this money, but like you need to make so much more to save anything, because your expenses are so high now.

So most people are paycheck to paycheck and the only real way to change that is you either need to make a lot more money, or you need to cut out some of your expenses. And so I'm so into making money and I've never really paid attention to the expenses, even though like I'm a blogger on money. Like it was just boring to me. But once I thought, "Oh crap, I just don't need as much, I don't even need to make this much. I can stop working all those hours." It was like a mind shift.

So I started looking around, like how can I still live my ideal lifestyle just with less money. So I looked at my phone, I had an iPhone, which no way in hell I was ever getting rid of the iPhone, that was like almost 200 bucks a month, you know, it was like \$160 or something. And so I thought, "Well look, challenge it, challenge everything," and I made this all series on my blog

about it. So I did and I found public wireless which you can get everything I need, a phone, texting, like all the first world things like we have to have. It's a smart phone, but like 25 bucks a month.

This is crazy, like it's pretty much the same thing, like my lifestyle hasn't change that much, but now I'm saving over \$100 a month. And then I banked that money on the side into a savings account. So I spent about a year of challenging phone, bills, insurance, cable, whatever. Like I started selling stuff on Craigslist and I put all the money in one account, and just from doing these couple things here and there it's only 5,000 \$ in less than a year. So it really like hit home with me on that.

SCOTT: That is awesome. That is an excellent tip. Challenge everything you have on your budget and see where you can save money on it.

J.MONEY: Yeah, everything. Even the stuff you thought were off limit, like the iPhone. Again, I would've never given up, ever. And once I stopped, I thought like, "Come on, idiot." Like it's Okay to have an iPhone, I still miss the iPhone itself, but the \$100 bill every month is much more exciting.

SCOTT: Sure. One of your goals you state on your website is to be a millionaire. What is your plan to get there?

J.MONEY: So, when I first started blogging that was like one of my first articles, it was how I wanted to be a millionaire. And I still do, but again I'm realizing now, like it's more about the freedom, more than just say – like I just want to say I was a millionaire and make a ton of money, because it's cool and sexy and all that, and now I'm like if I could retire like tomorrow for example, and I only need half a million, that would be even better. Like you don't need a million dollars then to retire.

So for me because I have kids and because of certain lifestyle choses I've made, I need to have like \$1,5 to \$2 million in order to call early retire, so I need to cross over that \$1 million mark either way. And so what I'm doing, at least my like method of choice, is investing. So any extra money I have, like that 5,000\$ that I've banked, it's all going to max out a Roth IRA. When I had 401K, I would max that out. Now I have a SEP-IRA since I'm self-employed, and I maxed that out.

People can do real estate, you can start your own business, your own podcast and make \$1 million, that's what's going to happen to you, you know. And so, there's lots of ways to get it. For me and my personality, and my laziness even, I choose investing in the market, and especially when everything is crashing around you, like it's been going on lately.

SCOTT: Sure, that's another excellent tip. Many millionaires have made their millions by investing consistently in the market over time, even during the down times.

J.MONEY: Yes, you're right.

SCOTT: But those kids, I'm with you, they're going to suck that money right out of you.

J.MONEY: Yes, I know. It's a lifestyle choice.

SCOTT: I've got twins that are about to turn two.

J.MONEY: I've a 15 months and a 3 year old, so you're right in the middle, but you had to deal with two at the same time, from going from none to two, that's insane.

SCOTT: Yeah, when we look back and people who have one child, it's like, "Oh man, you had it easy for a long time."

J.MONEY: Yeah, yeah. Well, on the plus side, you learn really fast. Like I got used to having one and I thought, "Oh, this is easy after a while," and then I had the second and I was duped, like everything was like doubly hard. And so like I screwed myself into thinking it was going to get easier. At least you like got over faster, probably.

SCOTT: One of the things you do on your website is you publish your net worth. What is the benefit of doing that?

J.MONEY: Yeah, so two things. That's like probably one of the best things that I've ever done with my money. For one, it holds me accountable, right? There was a time where I thought I was always saving money, but like once I put the numbers down, I wasn't. I was just breaking even, sometimes earning a little, sometimes going down. So tracking your net worth, a)

gives you like a financial snapshot of all of your money is. Everything you've done good: savings, investments; all the stuff you owe: debt, mortgage, loans you're giving to your brother, whatever the case is. Like knowing what that number is, is really empowering, because every month that goes on, especially if you track it, it should be going up. And if it's going down, you know there's like a problem and you know exactly where you stand.

And the beauty, what I like about it, is that if you're like, "Oh, I'm going to pay our debt, pay it off, the net worth goes up. If you're like, "No, I don't care about debt right now, I'm going to go invest in the market, money goes up." Like either side of the equation, your net worth goes up. So you can work on anything, it applies to every single person out there. Once you know what it is and you track it, you can see it go up or down.

And so when I was reading blogs, that's what like kind of sunk in with me, and so then the reason why I publish it live is, a) to hold myself accountable. People are reading it and they're going to call me out on stuff; that's what I want. And then also, people don't do it in the real world. Like none of your friends are going to say, "Oh, here's my net worth." Like it just doesn't happen, so I try and make it available to people.

SCOTT: You've been known to text with Warren Buffett. What advice does he text back to you?

J.MONEY: You caught me in a lie, sir. No, Warren Buffett – though I will say, I just read that he like reads 80% of his time, every day. 80%! Like I call myself like a man of action. I'm always like, I feel like people read too much and they never do anything about it. But that dude, man does something with his 80% of whatever he's reading, stocks or whatever. So that's why the takeaway thing is just educate yourself and then obviously take action.

SCOTT: What's a tool that you'd recommend that we all start using to help us get to \$1 million?

J.MONEY: Well, I guess it depends on where you need help. If you're coming from scratch and just learning about money, I would say either [14:30 – inaudible] or www.personalcapital.com, only because they track all your money and they'll even spit out your net worth automatically. So you can know right from the start, using all the data from the last 30 days or whatever, like where you stand. You don't even know if you're worth a million unless you track it all. So that's number one. Once you're tracking it, I use spreadsheet, I'm old school, so whatever works for you, just do it.

And then it's a matter of how do I invest to save more. And some of the apps that I like, right now I like Digit, digit.co. They'll automatically analyze your spending when you hook your checking account, and on the side the robots will like take off \$2.5 here, \$50 there, \$10 here and they just save it for you into an account. And so I've used them, I saved like – I mean I think I know what I'm doing too and I've already saved like 15,000\$ since year, so about 7 or 8 months.

And then Acorns, which is more investment side. What they do is, anytime you do a transaction, anytime you buy something, it will round up and then drop the difference into an investment account for you.

So it's like all automatic simple things you do, you hook up once and just let it ride, and depending on how good or bad you are with saving, it will adjust for that. And I like it. So, combined there's like \$16,000 that are just sitting in my account, it's not ready to be used. So that's digit savings I'm going to throw into investments. But they're easy ways to like get wins right away, which I like a lot.

SCOTT: Yeah, those are nice chunks of change that you don't have to pay attention to.

J.MONEY: Hell yeah, and I feel like I know what I'm doing, so if you don't and you're like, "Oh, I never had money to save," like see how much these bad boys take off and save for you. You might be surprised.

SCOTT: Now you listen to Hip-Hop music. Have you ever had to give a financial advice to a hip-hop artist?

J.MONEY: I did not, but there's this dude, Rob Wilson, he calls himself or I guess he's been dubbed like the hip-hop financial advisor or something. You know, it's like NFL, stars, rappers, he's a good -- you should actually have him on your podcast, you'd like him. But no, I've not. Although, I did just blare some Woo Tang Clan, like before I got onto your podcast to pony up. And they're very smart, you know. Actually Jay Z, there's a line, "What did he say?" It was like from a couple of years ago, it

was something like, “Money cares about credit, good credit and such, whereas before like all he cared about were like REMS. There’s a lot very smart rappers out there.

SCOTT: Yes, they are. You have two kids, which we talked about earlier. What is the first book that you want your kids to read?

J.MONEY: Relating to money or in general?

SCOTT: Either one.

J.MONEY: They’re already starting to read, at least the older one. I like Sandra Boynton books because they’re like funny and catchy. I actually like laugh when I’m reading them, so I like those for them. But I think financially or lively I like *The Millionaire Next Door*. I thought it was a good book.

SCOTT: Yeah, it’s a great book.

J.MONEY: It’s kind of boring, like if you don’t care about money, but like if you do, it’s a good way to get your mind right. And then there’s also www.iwillteachyoutoberich.com, he also has a book by the same name. His book will make you laugh, but he also gives you like tips, whereas *Millionaire Next Door* is more like theory stuff. Like his book will actually say, “Here’s what to do, here’s what to say on the phone,” like all those steps, which is kind of cool.

SCOTT: You’ve done a lot of money experiments over the years. Tell us a story behind the experiments and which one was your favorite.

J.MONEY; Yes, I’m a big fan of experimenting in general. Right now I’m doing like a Benjamin Franklin experiment. I wake up at 5 AM, 5 days. Like I think, I mediate, I brainstorm, a little praying in there and it sets my day right.

Financially, I did this \$2 bill trick where every time I go by a bank, I had to go in and buy up all their \$2 bills that the teller had. And that was fun because you didn’t even know if you’re just getting \$2 or like \$100 worth of bills, but they’re also very hard to spend, because you like them and they’re cool. And so I started saving, I think I had like 600 bucks worth, but then eventually I was like, “It’s just sitting here doing nothing.” So I put it in the market, you know, but it’s a good way again to just like get you to save right away. And also when I started – I’d spent some, they’re [18:55 – inaudible] for interesting tests too, because again people just love \$2 bills, you know, so it’s kind of fun.

Another thing I did which you might appreciate, I started tracking all the money my first baby cost us from the second -- like we had the pregnancy test all the way up to I think a year and a half, I lasted. So, it was like over two years of tracking just to see, because you always hear sass, like babies cost half a million dollar in their lifetime and all this stuff. So my intention was to track it for the first 18 years, as best as I could, but once the second one came out I was like, “There’s no way I’m going to figure out what goes where,” and I didn’t have any more time, so I stopped.

But I think I ended up spending in two years \$25,000. Now granted, a lot of that was hospital related stuff, because I’ve a self-employed insurance, those are a little different. And then also I think I banked 6 or 7 thousand for collage, so there’s some stuff there that, you know, it was a little wonky. But still, like that was still 25 grand that, you know, wouldn’t have been gone elsewhere, challenging everything I’m doing now and then what else is there. Yeah, those were kind of the big fun ones.

SCOTT: Our kids were in the [20:14 – inaudible] for 5 weeks, we had good insurance, because that final bill was I think \$350,000.

J.MONEY: That is amazing and just the matter of insurance, whether you have to pay it or not. Isn’t that crazy?

SCOTT: Yeah, thankfully we didn’t have to pay a dime, but that was shocking.

J.MONEY: Yeah, I can imagine. Oh, I thought of another challenge that helped to just get started that I think people will like, it’s called “the no spend challenge”. And so, just for a month, you try to not buy anything outside of like your definite needs, you need to survive. The first week it’s pretty hard, but after a month I realized how much I just spend money just like

randomly. And like I slipped, I'd buy like a song on iTunes, I'm like, "Oh damn, I forgot to like not do that." But then I just stopped going into stores. And for a month it was hard, after that it's been like 7 years since I did that. I rarely go into stores. I used to just go when I was bored. I would just go to stores. And I didn't stop, and I'd buy a shirt or something. Like I just didn't pay attention. So that's a good tip if you want to get hardcore and start -- you'll automatically save money right away, too.

SCOTT: J. Money, where can we go and find out more information about you?

J.MONEY: You can go at jmoney.biz, it's just the letter J and then money, dot and then b-i-z instead of .com, so jmoney.biz. You'll have my projects, a way to contact me. Give me a shout, I love talking to people and helping. So give me a shout if you want.

SCOTT: Okay, and we'll have that link up in the show notes as well. Thank you so much for your time today and chatting with me. I know I enjoyed it. It was cool getting to know you.

J.MONEY: Yeah dude. It was fun, man.

SCOTT: So I did the interview with J. Money before I even met him in person. I got to hang out with him at a financial conference not too long time ago and he's such a nice guy, very well respected and well-liked by his peers. So be sure to check out his website.

Tune in next time when we discuss the secrets of budgeting on an inconsistent income. That's it for this episode. I'm your host Scott Alan Turner, rockstar Katie is my producer. All the links mentioned in the show are available in the show notes on scottalanturner.com.

Today's episode is powered by Ben & Jerry's Ice Cream, we won't quit until we have a flavor named after the show. Thanks for listening.

Presenter: You're not alone on your journey. To live a financial, rockstar life, that's why we put together a FREE eBook just for you. Go to financialrockstar.club to receive your free guide on How to Save \$1,000 In One Week and start getting out of debt, saving more money and retiring early. See you next time.