

## [One Thing That Helps Make Your Dreams a Reality](#)

**[0:00:12.0] ST:** Welcome Nation to the Financial Rock Star Show. I'm your host, Scott Alan Turner ready to help you get out of debt, save more money and retire early. In the studio with me is producer Katie who lives in workout clothes. On the show today we'll be answering your questions about money, business and life. Last time on the show, how to save a thousand dollars on your next car purchase so check that out.

Today in the show, how to set goals, how to proofread your writing easily. Robin want's to invest in the Iraqi Dinar, renting a car to become an Uber driver and ask to put an inheritance. Nicolas asks what are dividend stocks and should you buy them. Finally, how to stay on track. In 2005 when Katie and I got married, we started meeting with a financial planner, one of the first things he had us do in our second meeting I think was go through a goal setting exercise, setting our one year, three or five or 10 year goals.

Among the goals that I had on my list, we each had our own personal goals, was to go to Egypt — that's in Africa — to see the great Pyramids, own a lake house and play guitar five hours a day. Those are some of my goals. This is at a time in our marriage we were like most people, we were just getting started out or consolidating finances. Didn't have a lot of savings and so these were the goals, owning a lake house is a lofty goal.

When we met with the planner, I said, "I would like to play guitar five hours a day." Then he said, "I don't know how realistic that is." He didn't say I couldn't do it but he had a very politically correct answer. He said, "I don't know how realistic it is." Here we are 10 years later, I've been to Egypt, among many other places around the world I've had the enjoyment of traveling to. I own a second home, a lake house and I did take roughly a year and a half off several years ago to play guitar five hours a day.

Even though at the time, those goals may not have seemed realistic because they were kind of lofty, I achieved them. Zig Zigler has a famous quote, says, "If you aim at nothing at all, you'll hit it every time." When we talk about goals, what are we looking at? This is an acronym you may have heard before. It's call SMART — SMART goals. What's a smart goal? A smart goal, where are my notes here? I lost it, there it is.

S stands for specific, M stands for measurable, A stands for achievable, R stands for results focused and T stands for Time bound meaning have a date. If you just say, "I want to lose weight," that's just not a goal, there's nothing along with it, there's no power, there's no date, there's no path to get there. If you've got big goals, you want to have bite sized versions of them to get there along the way. Mini goals which add up to your medium sized goals or add up to your long term goals.

What your goals would do is they transform that dream or that vision you have into reality and give it energy. There's a Harvard study done many years ago, I think it was in the 70's or 80's where they tracked all these Harvard graduates in the three percent I want to say of students that wrote down their goals on paper. They looked at them 20 years later and they had accumulated more wealth than the other 97% of students combined. 97% of those other Harvard graduates, these 3% did better than all of them combined because they wrote down their goals.

Writing them down is super critical no matter what you're trying to do, whether you want to go to Egypt or you want to get out of debt or you want to get out of debt and then go to Egypt, wherever you want to go. Write down a lot of goals, write down hundreds of goals if you want to. Have a bucket list but then have a plan on getting there and how you're going to accomplish those things, when you're going to accomplish those things, how you're going to accomplish those things. You're much, much more likely to get there and achieve what you want to achieve.

Now, on to your questions. Robin asks if the Iraqi Dinar is a good investment?

**[0:04:33] R:** "With what's going on in the region with the price of oil, it's been said their currency will be revalued. I'm looking for a long term investment opportunity of five to 10 years."

**[0:04:44] ST:** The Dinar reevaluation is and always has been a scam. For the past 10 years, the Iraqi Dinar has been about to be revalued any day, any day it's happening now. There's several websites, they have advertising investment opportunities in Iraqi dinars, Iraqi dinar, it's a currency of Iraq. These websites, they're asking consumers to send checks, wire money, money orders, pay cash and then they'll deliver Iraqi dinars to you. What they don't tell you is that the dinar can only be redeemed in Iraq. Because most of the currency exchange houses and banking institutions around the world, they can't convert the Iraqi dinar to US dollars and since there's no exchange that exists, dealers that are selling these, they can charge whatever they want.

Now dealers will often register with the US Treasury as a money service business, MSB it's called. It's just a form that they fill out, doesn't reflect that they have an experience in currency trading, that they have any qualifications or anything that gives them any level of expertise but the reason they seek this certification out is it makes them sound important. Most of these websites, they're operating illegally anyways.

The scam has been successful because when you buy into it, you're promised this currency that you're going to hold on to, kind of like if you were buying gold and you stuck gold in your basement. It's certainly a tangible product, they'll send you some Iraqi dinars, you can put it in your safe deposit box, you can stick it under your mattress, you can bury it in the backyard or you can throw it in your fireplace and use it to get the fire going.

Because the suckers out there, I mean the people, they buy piles of this money, waiting for that glorious day when the currency's going to reevaluate and then they come in and they claim their riches. It looks legit, you've got fancy websites, people are talking about this stuff, there's forums, social media posts, awesome advertising, they just need an athlete to sponsor this and it will look 100% legit, right? A famous athlete, famous celebrity.

Any day now the currency's going to be revalued. In one particular scam that was quoted by the Time "Scheme Unraveled", federal officials say, victims have handed over 24 million dollars to the people that were conning them because they thought it was going to make them rich. No, don't invest in it. Thanks for the question Robin.

Alright, this next one is a piece of work. I'm withholding the name on this next person. Here we go. I'm reading this word for word and it's one long sentence. Bear with me.

**[0:07:46]** "How long does it take the money start coming in? I'm going to do this too but I really need to make some real money, leads mean no, okay, I need a good word on this website, I don't want to invest the money if I'm not going really make nothing."

**[0:08:06] ST:** You can listen to that again if you want. Let me interpret it. We are of course talking about Betterment, I don't think you realize that but we are. Before we get to the answer, let's talk about a great online service I use called Grammarly. It's a subscription service you pay for and it's an online proofreading tool. I guess you could use Word, I don't like Word, I stopped using it years ago.

I use Google Docs and I use Grammarly to proof read stuff before I publish it to my blog or if I send out an email to someone other than my friends or family who know I have lousy grammar and spelling and just not going to make them any less of me. So I use Grammarly and then I read what I write back to myself out loud so I can minimize my grammatical errors. Two tips right there to reduce your chances of sounding like a complete idiot.

Number one, Grammarly, the online tool and two, read it aloud your email or whatever you're writing before you hit the send button, do a term paper, whatever you're writing for, submit a report to your business, do the PowerPoint for your business presentation, send an email or anything. Facebook status updates as well, you're sending a text, you know that autocorrect on the smart phone, that's a killer. Let's get into this.

"I really need to make some real money," okay, let's address that first. Yes, the stock market returns 10% on average over time. That's the money you can make pass away by automating your savings investing each month. Despite your

investments being held at a brokerage house, it is in fact real money when you sell the stock that is, you get cash when you sell your stock. If you own stocks while they do have value, they're not physical cash.

I cannot present a stock certificate at the Starbucks drive through. I can't. A smart barista would take it and just take five bucks out of their own wallet and stick it in there if it was a stock that had value but it's not a valid form of currency that stores accept. Next; "I need a good word on this website," okay? It's good. Favorable, satisfactory, sound, reputable, splendid, super, excellent, tip top, those are all synonyms for good straight from thesaurus.com.

And finally, "I don't want invest the money if I'm not going really make nothing." Okay, you will make money in the stock market if you invest consistently over time and don't bail out of the market when it goes down, stock market crashes have happened. They will happen and they will happen many more times in the future. Big whoop, okay? Smart investors in our time in the market is a fool's errand, we talk about this periodically on the show. You get in, you stay in, you win. You get in, you stay in, you win. You get in, you stay in, you win.

If you invest in the proper asset allocation, you're diversified and invest consistently, you don't know what I mean, we'll discuss those terms in the future over and over again. Over and over again, because repetition is the mother of skill. When you invest with Betterment, directly with Vanguard, Fidelity, Schwab, whoever you go with, some of that low cost index funds, you'll be 80% professional money managers. The only losers in the stock market are the people who don't follow this advice. How do I know this?

Number one, I used to be a loser, that's why, recovering loser, reformed loser, no longer a loser. Then I got an education, I did my own research, I read the reports, the books of studies, I ignored the marketing hype, the guys that are yelling on TV and the advertisements in the magazines. The folks who tell you every day that what the next hot stock is that you must buy when you buy into that, that's when you lose.

Luck, good thanks, and.

[BREAK]

**[0:11:45.5] ST:** Okay next, let's talk a little bit about the sharing economy, you might be familiar with Uber and Airbnb. Uber where you're your own taxi driver with your own car, that's not really the sharing economy. Sorry, let me correct that. That's just no way to make money. Airbnb sharing, you're sharing your home. Anyway, what if you have an idle car sitting in your parking lot and there's this service out there now where you can rent the car to potential Uber or Lift drivers which is pretty neat. It's called HyreCar. Link in the show notes spelled HyreCar.

Now depending on what part of the country you're from, may or may not have access to that service. Let's say we've got — well we wouldn't rent out the Honda Fit household because the rear bumper's kind of shady looking but the Highlander, we could rent out, that's in pretty good shape and it sits in the garage quite a bit. If we wanted to, we could use this service, rent it out to an Uber or Lift driver and make some money on an idle resource. Let me give you a quote from the website from one of the customers who is making \$40 a day renting out his car, this is one of the case studies they did.

He says, "I walk to work and my wife works from home, we own two cars and they're just sitting in our garage collecting dust. Start to look for ways to supplement our income after my daughter was born or Prius C," that's a Toyota car, "was the obvious choice for Uber drivers. I originally posted a couple of ads on Craigslist but after walking through the process with Uber, I realized that my personal insurance wouldn't cover the drivers. I did a Google research under rent my car to Uber drivers," and then he found this HyreCar service. If you've got an idle vehicle, looking to make some extra cash, hire a car might be something that you want to check out.

Now, back to your questions. Anonymous Anne, that's what I have to call her because you'll figure out why in a second. Anonymous Anne writes.

**[0:13:40.5] A:** “My husband and I are about to inherit a large amount of money, estimated around four million dollars. There you go, now you know why she’s anonymous Ann, we want to keep the leeches away from her. A lot of it is currently tied up in real estate, cars, investments, et cetera. My husband wants me to open and fund my name and put part of the money in it.

The family trust is protected against divorce so otherwise I would not get anything in the case of separation. What would be the smartest way to personally invest the money? Buy stocks, real estate, investment in local company, we’re in our 30’s, we both work full time and we’d like to continue working and we have a toddler. What is the best way to make the money work for itself?”

**[0:14:13.3] ST:** Okay, so when you get into the higher asset ranges, there are a whole new world of investment opportunities that become available, especially if you got four million dollars. You can get into dimensional fund advisers, that’s like a souped up index fund, you can get in to timber Leases but for a lot of this higher end opportunities, you have to go through a financial adviser, they are not available to individual investors.

Why? Because individual investors are very emotional and hot heads, they want to get in and out of the market and buy and sell stuff. Some of these other opportunities require you to stay in, that’s how they keep the costs low which makes you more money. When you’re dealing with that amount of money, smartest thing to do is you sit down with a fee only certified financial planner and have them look over your entire situation.

You not only want to do what’s best to grow your money but you want to also make sure, number one, you’ve got the right amount of coverage in an umbrella policy so that nobody comes in and sues you and takes it. If they trip on your front step, break a leg, you want to look at your other insurance policies, your home, auto life and disability. Make sure those are up to date. You certainly want to make sure your will’s are up to date.

You want to make sure you have a rock solid tax strategy and are paying the least amount of money legally required by law. You’re going to need a planner to help you do that and an accountant as well. Then you want to carve out some money for your short and long term goals. So I could say yeah, go invest in X or go invest in Y. Your best bet is to have one person look at everything, take a holistic approach rather than different people looking at each component.

Most of your fee only certified financial planners, they’re going to charge a percentage of your assets managed. If you give them a million dollars to manage, they would be pay \$10,000 a year. If you get a comprehensive planner like what I use, they help you with the insurance, the goal setting, the tax planning, the business planning if you’ve got businesses and everything so it is a great value on that.

It is a bitter pill to swallow, paying so much for service. I get that, even if you’re going for the hourly financial planners. What I found had come out ahead each year. Advisers, they can get you into investments other people don’t have the access to what I’ve just talked about. The special funds, the timber leases. They can save you a bunch of money on your taxes. If you consider you’re going to spend a third of every dollar you’ll earn in your lifetime on taxes, it is important to have a professional who knows the tax code inside and out on your side because they’re going to save you more than you spend for their services.

It’s also good to have a neutral third party letting you know if you’re doing something stupid. You don’t want to invest a third of all your money or a punch of all your money or all of your money in your second cousin’s cupcake shop. That’s ultimately going to save you money by getting that advice. For me, I will gladly pay 1% a year to a fee only adviser because of what I get out of it. That’s why I recommend that so frequently to people as well. Sit down with a fee only adviser even if it’s for a couple of hours.

You get to shell out for them two hours a year which is significantly less cost. You’re still getting valuable advice. Also, the fee only CFP’s, they have a fiduciary, which means legal duty to do what’s in your best interest. They don’t get commissions, they don’t get kickbacks on products or investments. The only money they make is what you pay them. They don’t have a conflict of interest.

And if they don't do a good job, you don't pay them and they don't make any money so there's an incentive for them to do a good job. Unlike if you go to an investment broker who gets paid in commission on what they buy and sell you, stock market goes up, stock market goes down, they're still making money, you're losing but they're making money.

Commercial real estate investing, that's going to require more assets for you to get into, to keep you diversified. Residential real estate is an option for you but you have to decide if you want to be a landlord, if you don't you could still get some properties and higher property manager company, that's a great way to earn some passive income.

But right now I would just put the bulk of that money in stock market, don't touch it, just let it grow. That's where I have the majority of my money. Growing until I need it someday later in retirement. Congratulations kind of, I mean it's a bad situation. You had a death in the family but sorry for that but congratulations on your windfall, thank you anonymous Anne.

**[0:18:52.2] ST:** Okay, quick break, back in 30 seconds. I'll be answering more of your questions, you're listening to Scott Alan Turner.

[BREAK]

**[0:18:57.2] ST:** Hey nation, Scott Alan Turner here. Now, for those of you that are my long time listeners, you know I'm not one of those guys in 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 a fender amplifier because Marshall's go up to 11 or recommending you buy endorsed legal services from Dewey, Cheatem and Howe. No, I have a name to uphold to you my wonderful listeners.

If I were, if I were to recommend something to you, I would tell you about gold. Golden honey that is, from the Bad Bee Honey Company. 100% raw, natural, unfiltered Texas wildflower honey, harvested from only the finest Italian bees. Maybe they're Russian, I don't recall? You can't buy it in stores, you could only win bad bee honey by being in the Rock Star Nation, which you are because you're listening to me. Bad Bee honey, it's stickier than the rest.

[CONTINUED]

**[0:19:51.5] ST:** Welcome back nation. In an episode of another show I did, this was early on, I was giving away a potted plant because I had a plant around, I didn't want it, I was like, "I'm going to give this away to a listener." I said, "The first person who posts my Facebook page that they want this potted plant can have it and I will ship it to you." No one ever did, no one ever posted that they wanted the potted plant. Not a pot plant, a potted plant.

If I put pot plant yeah, I would have get post up the wazoo probably but a potted plant. Apparently everyone thought, "Oh someone must have already requested this potted plant so I'm not going to go to the Facebook page and ask for it." Nobody ever got it and I don't even know what I end up doing with it. Probably disposing of it or planting it in the back yard. Anyway, Nicolas says:

**[0:20:41.0] N:** "Hi Scott, love the podcast."

**[0:20:42.0] ST:** Thanks.

**[0:20:43.0] N:** "I have some stock questions for you, I have been trying to get started in investing more and listening to the tips you give out. I am trying to be smarter about it, I have some company stocks, I bought the past year, Apple, Netflix and a few others, some have been doing good, others not so much. I got into it with the help of a friend for long term investing.

Past couple of months I've been hearing different things, I heard a little about dividend stocks and that it's good to buy dividend stocks no matter if they are low or not because you can get a return on them. Would you mind breaking down what dividend stocks are, whether you like them or not and if I should sell what stocks I have and invest into those or something else?

I just signed up for betterment by the way, thanks. I have been investing in my 401(k) up to 6% of the match, I also put into my company stock which just seems like a glorified savings account. I work for Wally World — Walmart. Thanks for the advice.”

**[0:21:30.1] ST:** Thanks for listening to the podcast, I do appreciate that. So 6% in your company match, 401(k), that’s awesome, that alone puts you way ahead of a lot of people. What’s a dividend? It’s a cash distribution by a company to its shareholders. So there’s some new terms there, let’s break it down. That is the technical term and that means absolutely nothing to most people like most investment terms.

If someone who is new to investing and we were sitting down together, I might see that deer in headlights look right now. I love hamburgers, let’s say I want to build a hamburger joint and I want all my friends and family to invest in it so that I’m not taking all the risk. And its’ going to cost me \$150,000 to setup my store.

I put in \$50 grand and then I go find 10 friends to each invest \$10,000. I would never do this but just bear with me. I give each of them part ownership of my company. I don’t promise they’re going to make any money at all but they’re willing to take the risk, I can sell my awesome gourmet hamburgers which I do make and I’ll pay them back some day.

Plus they each own \$10,000 of my initial \$150,000 store. Now this is super simplified, just ignore the legalities of all this. My hamburgers are wicked awesome, they start selling like mad and I’m making money hand over fist. Perhaps I should go open a hamburger store and quit doing the show. So I have a few choices of what I can do without money. One, I can do nothing, I sit on it and I leave it in the bank.

Apple has been doing this, the Apple Company, and they have roughly \$200 billion dollars in cash. So they’re sitting on cash. My next choice is I can start other hamburger joints in other locations. This is a way a company can expand, that’s why you see Starbucks everywhere, they expand. My other choice is I can give some of the cash back to my friends and family, it’s called a dividend.

I could give them some money once a month, once a quarter, once a year whenever I want to. I could give them different amounts depending on how much I make. Let’s say I sell a lot of hamburgers during summer, maybe I have more money. If there is a big snow storm during the winter, I may not have as many customers since people aren’t leaving their homes so maybe I don’t have as much money in the winter.

Your dividends can vary in frequency and the amounts. It’s entirely up to the company. A company might pay out 2% in dividends one year, one a half percent the next year or 3% the year after that. IBM, a company you might be familiar with, that is a company that frequently pays out dividends. Apple as I mentioned does not. Depends what the company wants to do with all the extra cash that they’ve made.

Now, why would I want to buy individual stocks with dividends? Well, you can take that cash when they pay it out and you can buy more shares or it’s called dividend reinvestment. You just turn it around and buy more shares. Now, you can also take the cash out when you get paid a dividend and spend it. Use that as a source of income. A lot of people do that in retirement, looking back at my hamburger example.

Let’s say my hamburger shop is doing well and I’m paying dividends frequently, all my friends and family that invested they’re getting checks every quarter or once a year they can take that money that I pay them and go spend it, save it, whatever they want to do. That’s nice extra money for them or if you’re in a retirement age, that’s nice extra money for you as your income.

If you invest in a mutual fund like it’s in your 401(k), you’re being paid dividends, you just don’t ever see them. Because in your 401(k) they automatically get reinvested. If you own mutual funds through a broker and an individual broker, you can notify the broker to reinvest any dividends to buy more shares, it gets done automatically.

Myself, I do not purchase the individual stocks, only low cost index and mutual funds so I don’t pay any attention to what dividends, individual stocks are paying out if any within those funds. When I’m investing, I’m just looking for that 10% annual

return stock market has averaged over the past 80 years. And that return is possible by investing in again good low cost index funds. Simple, it works, beats the weather professional Wall Street managers are doing. Different topic.

Now I'm not a fan of buying and holding company stock, no matter who you work for. Why? You work for Walmart. Employees of companies like Enron, Lehman Brothers, WorldCom who had big chunks of their retirement investments in the company stock, well when those companies went bankrupt, so did their retirement plans, everything gone, they had to start over a lot of them.

Now, Walmart, very highly unlikely Walmart is ever going to go bankrupt, it could happen but they're well run for a long time. As you mentioned Walmart is like a glorified savings account. In the past five years, Walmart stock has gone up and come right back down. The same period, overall stock market has made 15%. Now, it doesn't matter what an individual stock of the market's done over the past five years, what we do know is the overall stock market has averaged 10% over the past 80 years. That's a quick primer on dividends, thanks Nicolas for the question.

[BREAK]

**[0:27:02.9] ST:** In our daily grind, we may not have someone looking over our shoulders when we're filling out the budget. Especially if you're single. Single parent, single single, divorced, maybe there is nobody there when we pay off that credit card. Maybe when you keep driving by the Target that is clearly calling your name, "Come on in, buy some clothes," or more likely when you keep going by a Five Guys burgers and fries because the work day sucked but you have a spending plan with spending goals and life goals.

That can trump the deliciousness of that amazing burger or we unload the nice car for a used one in cash and your brother, sister, broke neighbor, parents, coworkers, best friends allocating, "You're crazy dude, you're crazy dudette. Why did you sell the mustang man? Why did you get rid of the Mercedes?" They don't get it, "How come you're sold the tires and rims." Yeah, some of you got tires and rims that cost more than the car.

I know, I used to have a stereo that cost more than the car. You are not alone, I get it, you get it, other listeners get it, you'll never meet them but they get it, you may never meet me but I still get it. Those other people, they don't get it. And sadly, some of them never will and it is sad. You need to look out for you because you do get it. Find comfort in the silence of yourself doing uncommon things to achieve uncommon goals. Because when you arrive, your silence will be interrupted by a deafening roar of you yelling, "I did it!" Because you got it. Those are the words.

Next time on the show, Oprah, not Oprah herself but we're talking about Oprah, you won't want to miss it. 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 at Scottalanturner.com. Today's episode is powered by Ben and Jerry's ice cream. Thank you so much for listening, I appreciate you.

**[0:29:09] ANNOUNCER:** Okay nation, for your free copy of the guide, "How to save \$1,000 in one week", simply subscribe to the podcast right now on iTunes and text the word saving to the number 33444 to prove that you did it. Subscribe now to get out of debt. Save more money and retire early. See you next time.

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