

## 5 Money Lessons From The Kardashians

**Scott A. T.:** Broadcasting from One Dallas tower, it's the Scott Alan Turner show, ready to help you get out of debt, save more money, retire early and become a financial rockstar. In the studio with me is producer Katie, who recently redid her entire wardrobe. On the show today, I'll be answering your questions about money, business and life. This is your show. If you have a question you would like answered by me, visit [goaskscott.com](http://goaskscott.com).

Now nation, if you're like me, you wake up every morning, hop out of bed, maybe roll out and the first thing you do is grab your smartphone off the counter or the dresser, enter in the pass code, or use your little thumbprint to get into it, head over to Instagram or Twitter to find out the breaking news of the day. Where did Kim eat dinner last night? What trendy restaurant was it? What shade of lip gloss did Chloe have on to whatever red carpet event was being held the night before?

What's that other one's name, Katie? Is it Kandace? Kourtney? Yes, of course, how could I forget. What outfit was Kourtney wearing when she posted her latest selfie and where can you go buy it. Forget the Chinese economy and how it's going to grow at 6.5% this year. How much extra is the North American economy going to grow because of the value add the Kardashians bring to our nation's GDP. Lip gloss, perfume, magazines, television advertising, this juggernaut is unstoppable and our unquenching desire to hear every minutia of their lives is the driving force behind Ivy League textbooks such as People, US Weekly and the National Inquirer.

Without further delay, 5 money lessons from the Kardashians that you can apply to your own life to grow and prosper. The first one, stick to a budget. Whoa, really? Yes. Kim is quoted as saying, "I was on a strict budget, so if I wanted to buy something, I had to sell something." This is when she was younger, and in response to some advice her dad gave her. There is nothing sexier than a woman on a budget, except a woman that can make an excellent chocolate chip cookie.

Kim in her youth, she wanted to buy something, she had to figure out how she was going to pay for it. Lesson learned from her parents, sticking to a budget. Next, buy low and sell high. Kim took out a loan with her father, whose name is Robert Kardashian to buy 5 pairs of ... I don't know if I'm going to pronounce this right, Manolo. No, it's not spelled like Barry Manilow's name. Mano-whatever, Manolo Blahnik shoes, they're \$750 a pair. \$750 for a pair of shoes? Oh my word. I don't live in that world.

Then, she says, "I sold this pay on eBay for \$2,500. Buy low and sell high. If you want to be relatable to this, you can buy stuff off Craigslist or eBay, mark it up, and resell it, and make a little bit of a profit on it. A lot of people do that. Go to garage sales, buy things cheap, sell them for more, to other people. Buy low and sell high. If you come across a pair of Manolo Blahnik shoes and you see that they're \$750 a pair, know you can get about \$2,500 for them off of eBay. Good luck with that.

Next, don't get overexcited at the prospect of buying something. Kim says, one of her dumbest money mistakes was buying jewelry she never ended up wearing. There are occasions where she got excited at the idea of the purchase and not the purchase itself. The salespeople were really good at selling.

This reminds me of my last trip to the Men's Warehouse, which was about 8 years ago. As a man, you only need a couple of good suits that can last forever. Try on the suit. It's inexpensive, at least at the Men's

Warehouse. Then, the sales rep, he starts whipping out the accessories. Socks, shirts, ties, more shirts. The accessories end up costing more than the suit. That's how they get you at the Men's Warehouse. Accessories. That is how they get you at Home Depot too. Pretty much a lot of stores.

Next, advice for millennials, from Kim Kardashian. Learn a budget, balance a checkbook, what credit is and how to use it as well as saving. That's great advice. That is great advice. Finally, save. Kim says, "I thought the more money I made, that I would spend more. That's the opposite. The more money that I make, the more I want to save. I didn't think it would be like that and I actually surprised myself." Spend less than you earn. You thought you couldn't learn anything from the Kardashians.

I check Google news headlines every day on my phone for what's going on around the world. Without fail, every day at some point, a Kardashian shows up in the entertainment feed. If Google was smart, they'd move those ladies straight over into the business section where they belong. Wall Street is only reporting on what the Kardashians already told us three days ago on Instagram and Twitter. It's no wonder that People Magazine has more subscribers than the Wall Street Journal. They say we're not informed. Hogwash.

Now, onto your questions. Will asks,

**Will:** "I have a traditional IRA and a 401K through my job. The traditional IRA I've had since 2007, while I was in the Army, but haven't invested in it since 2011. I've had a company 401K since 2013 investing 10% of my income each year. I can't roll over the traditional IRA to my 401K, so should I get rid of it and put the balance in my 401K. I have about \$8,000 in my traditional and \$20,000 in my 401K. I was going to cash it out, the IRA, and use it as savings. I thought I could put it in my 401K. I made \$86,000 this year, but \$8,000 went into my 401K, so \$78,000 is taxable."

**Scott A.T.:** About 70% of employers will allow you to roll an IRA into the company 401K. Sometimes, it can be a good idea but since that's not your case, we're not going to worry about that. \$7,000, if you've got that in an IRA and you cash it out, you're going to have to pay taxes on any gains. Plus, there's going to be a 10% penalty for early withdrawal, if you're under age 59-1/2. With your income that you're making each year, we're not talking huge numbers here in respect to your income. You can handle that if you did cash it out.

Since it's in retirement, let's keep it for retirement, because it's going to be worth more when you actually do retire. One thing you want to consider, is converting it over to a Roth IRA. Then, you don't have to pay any taxes on the gains you've made over the years when you do retirement. It is totally different than cashing it out, which you don't want to do. When you roll it over into an Roth IRA, you don't pay the 10% penalty.

Now, in conjunction with your 401K, that gives you money to grow tax free. You got both your bases covered. Your 401K is going to grow, reduce your current income. You pay taxes on those later on retirement and with your Roth, you'll pay no taxes on those gains later. That's something you can do anytime, but if you do it, you want to do it when your IRA is worth less because you'll pay less taxes. If you rollover a \$100,000 IRA, you're going to pay taxes on the \$100,000. If you rollover a \$7,000 IRA, you're going to be taxed on a lot less.

In this situation, you're going to want to talk to a tax preparer, because they're going to look at your entire situation. All your deductions, all your different investments, the everything you've got going on. They're going to determine how much you should do, when you should do it, and if you should do it at all. If you're getting a big tax refund, you could roll it over and not have any taxes to pay. You won't get any tax refund out of it, but

you won't have to pay any taxes on the conversion either, so you won't have any out-of-pocket costs.

Again, best idea, you want to sit down with a tax preparer and look over your situation and see what the best thing is going to do, because when doing a conversion from a traditional IRA to a Roth IRA, there's going to be some tax implications usually. Thanks, Will, for the question.

Roman asks,

**Roman:** "What advice can you give to a broke, almost homeless college student that wants to be wealthy? I may consider the military for some stability first." I have two great regrets in my life. One, I didn't stick with my Kung Fu lessons in college. I am not a Kung Fu master right now and I could be. That's regret # 1. # 2, is I didn't join the military. I missed that brotherhood that people have and I've heard about from the military experience. Now, my life would be completely different if I had picked that route, but I am kind of envious of those people that did pick that route and have that.

My father-in-law was in Vietnam. My dad was in the Army. My friend, Russ, who is an Army Ranger, multiple tours in Afghanistan. He's an entrepreneur and you're going to be hearing more about him in the future. If my kids ever want to join up, I cannot think of a prouder moment I would have as a parent to have them serve our country. Absolutely love our military, the freedoms they provide me to do this show, so a huge shout out to them.

**Scott A.T.:** Now, if you serve 3 years of active duty under the post 09/11 GI bill, you can get your tuition and fee payments for public school completely paid for, if you're an in-state student. If you want to go to a private school, you get a maximum allotment of \$21,000 a year. Under the GI bill, you also might have a monthly housing allowance, book and supplies, and a ton of other benefits that you get by serving in the military. Education is one of many. I applaud you if you do, in fact, choose that route.

Now, wealth is built in one of several ways. First, one that's open to everyone, spend less than you earn and invest wisely for decades. Low cost index funds that get a 10% return the stock market has averaged over time. You do that, you'll be a millionaire. It's almost guaranteed. It's hard to screw it up if you do that. A lot of people build wealth that way, through the stock market.

Another option is to start your own business. If you have that entrepreneurial spirit, you want to run your own business, you can be broke as you are and start a business or nearly broke. An important factor is how much you hustle. How much time you're going to put in. How much energy. If you're going to crush it, if you commit to doing it. Day-after-day, week-after-week, month-after-month, and year-after-year, for the long term, because there is no get rich quick way to build wealth.

There are people that are going to try to sell you on that, but that's not the way real wealth is built for 99.9% of the people. I'll give you an example of my little entrepreneurial 2-year-olds. Now, are they entrepreneurial? Well, they're not yet, but they will be because dad is going to teach it to them.

They're going to have an herb garden empire. I've already envisioned it. They're going to sell herbs around the neighborhood because we have a lot of houses in our neighborhood. This is just one crazy idea that you can make money out. Dirt is free. Pots are almost free. Plants, my first basil plants, I paid \$20 for 6 of them. Now, they re-seed all over the yard, so I've got 100's and 100's of basil plants each spring that could be

re-potted and sold for \$2 to \$3 a pot, because in the grocery store, they usually run for \$4 or \$5, and at the garden centers, for \$4 or \$5. My kids can make a killing selling herbs around the neighborhood.

It sounds silly, but this is the hustler mind at work. You just think of these little ideas of how you can make money, add value to people's lives, or sell a product cheaper than someone else is offering it. Start in your own business. Tons of opportunities.

The third, getting into real estate. A lot of people build wealth buying foreclosures, hanging onto them, and turning them into rental properties. Teachers, historically have low salaries. A lot of teachers get into rental properties to help build wealth. There are great ways to do it, and, you can do it. You just have to be committed to doing it. Thanks, Roman, and good luck.

Are you missing out on valuable benefits? At my old corporate job, one of the perks was a free Sam's Club membership, \$50 a year. This was a company that had 30 to 40 employees at the place. A pretty small place. Depending on the size of the company you work for, you may have access to perks and savings you may not even be aware of like free warehouse club memberships, cheaper cell phone plans, discounted auto insurance, discounted travel and car rental rates. Incentives for healthy lifestyle choices, gym memberships, free flu shots, tuition reimbursement.

Also, if you're a member of a warehouse club or some other organization, you might have benefits available there you hadn't thought about. AAA's got a lot of extra stuff, AARP, if you're a member of a professional trade organization. You just need to check with your HR department, the company website, employee manuals, organization websites, dig around. Spend a few minutes and dig around and see what you can find.

When Katie worked for a large defense contractor many years ago, she got a corporate discount on rental cars. Anywhere we traveled and needed a rental, we got the corporate rate and it was about 25% less than what an individual would pay. Also, her company paid for her MBA while she worked there. Free degree. If you're an employer, you might consider adding some perks to your employee benefits. You might find you can negotiate discounts for your employees that won't cost you anything. Win, win.

Now, back to your questions. Ruben from Plano, Texas.

**Ruben:** "I'm married with 2 kids, age 4 and 2. My wife and I want to finally have control over our finances. Our main issue is motivation. We work 8 to 5, get home, play with the kids, eat dinner, and after that, we're exhausted. This is our routine all week. We want to change, but we don't know where to start."

**Scott A.T.:** Each of us has to ask ourselves, "Why do you go to work each day? Why do you go to work? Why do you get up and go to your job?" The reason is, because we have a fear and a pain of being hungry and homeless. That's really our driving motivator for going to work for most of us. We want our family to be fed. We want to be a provider for our family. For many people, that's enough. That's as far as we're going to go. We're just going to provide. Life is good. We're getting by. Change is hard. When things get bad, things get dire, we'll make a change. If our boss is a jerk, we'll look for a new job.

There are 2 driving forces in our life. The desire to avoid pain and the desire to seek pleasure. As humans, we will do more to avoid pain than to seek out pleasure. I get it. When my kids go to bed at night, I too, just

want to sit down and watch TV, especially after getting up at 6:00 AM in the morning and going through all of the day's events.

We just finished up 4 seasons of Spartacus last night and we've been watching 2 episodes a night. About 2 hours a night in the evening, after the kids go to sleep. I get it. You don't have to go cold turkey, though, on the TV at night. With TV, it's not like we're trying to quit smoking. You can multitask, which is what I do. Quitting smoking, you've got to quit. TV, if you're exhausted and that's your decompression, which I can appreciate, you can do other things in front of the TV, which is what I do.

Sit down with my laptop, maybe for an hour, hour and a half, do different things on that. Do some research, answer some questions, or I might throw the yoga mat on the floor and do some stretching for a while, so I'm not just sitting there, watching TV. I enjoy watching TV, but I'm trying to do something at the same time, because I want to get the most out of my life.

For you guys, Sunday night would be the ideal time, since you're not working on Sunday, to have your money meeting. First, you've got to come up with a big enough reason to have a money meeting. Ask yourself, "What is it?" I've mentioned mine before on the show. For exercising and eating well, because I want to see my 2-year-old kids graduate from college. That is my minimum. I want to see them graduate from college. If I can make it to their weddings, whenever that is, who knows when they're going to get married. If I can see grandkids, those are bonuses. Who knows how long I'm going to make it, but I'm really trying eat healthy, exercise, so I can at least make it to college graduation.

What you guys have to do is come up with your big reason for, "Why you want to change." You may not have hit the bottom yet, so there's not a big enough reason for you to change. One reason I do to suggest to people is picture your life and what it's going to look like in 5 years from where you are now, if you don't change. If you don't change, what is it going to look like? Look at me sitting on the TV, you're going to have the "X" dollars in debt that you have currently, living paycheck-to-paycheck, with headaches, sleepless nights, bad health, whatever it happens to be.

Five years from now, ask yourself, "Is that where I want to be?", because if it's not, then I ought to change today because to get from here-to-there, we've got to do something a little different. Get that big motivating factor that's going to drive you to make those different decisions to improve your life for the better.

On Sunday night, if that works for you, start with a big pile of bills and start organizing them to get your finances in order. Figuring out, "Where is my money going?" From there, you figure out where it's going, we decide, "We're going to trim a little bit here. We're going to put a little bit more towards debt over here for making this decision." Making conscious spending decisions that work for you.

Or, you pick a day during the week. You're watching 5 nights of TV a week, Monday through Friday. Just say, "Hey, after listening to this right now, you're going to commit. Wednesday night, 8:00, we're turning the TV off." We're going to work on our finances, or play a board game, or go for probably not a walk, because your kids are going to be sleeping and it's not a good idea to leave the house. We're going to do something together, you as a husband and wife, that is not related to TV that is going to improve our life, improve our finances.

So that, in 5 years, we're not looking back and saying, "Man, I wish I had started this 5 years ago." That is not where you want to be. That is not where I want you to be. It's not where anyone should be. It starts with making the decision now saying, "That is not where we're going to be. We're going to do something a little different this week that gets the ball rolling." Ruben, you guys can do it. Pick 1 night. Start with 1 night. You don't have to cut out TV 5 days a week. Just 1 night to grow and prosper your life. Thanks for the question.

Quick break. Back in 30 seconds. You're listening to Scott Alan Turner. Hey, nation. Scott Alan Turner here. Now, for those of you that are my longtime listeners, you know I'm not one of those guys on the radio from what every product shows up on their desk. You're never going to hear me trying to get you to buy high fructose corn syrup or recommending you buy the DVD collection for Star Trek Deep Space 9. No. I have a name to uphold to you, the rock star nation.

If I were to recommend something to you, I would tell you about Spoon City. Many of you are sitting there right now, listening to this mindless dribble at home, eating a bowl of cereal for breakfast. Unless you're like my 2-year-olds using their hands, you're using a spoon to shovel in those chocolate marshmallow sugaro's. Spoon design has remained unchanged for hundreds of years until now. The fine folks at Spoon City have come up with the first ergonomic spoon to take your eating experience and health to a whole new level. Eating with a non-ergonomic spoon can cause side effects such as headaches, nausea, cramping, bloating, lightheadedness, stuffy or runny noses, chest pain, and, in some rare cases, spontaneous combustion. Head down to your local Spoon City today. Your mouth deserves the best.

Next, we have someone, I'm keeping anonymous. They're not an anonymous user, but I'm not going to share that information with you. A, because sometimes people request anonymity and I respect that. Sometimes, B, I feel they could be identified if we give enough information. I don't want that to be the case with this one.

The question is, "I'm a stay-at-home dad with my son, who is a special needs child. My wife and I have been married for a long time. In the past several years, she does not help me with the finances. She is the one who makes the money. I work from home. I sell stuff online. My credit is not good and the only reason I'm with my wife is because of my son, since I can't work full-time. Can you suggest something positive?"

The movie, "The Dropbox," and I'll quote this from the movie. "It tells a story of a South Korean pastor, in his efforts to embrace and protect the most vulnerable members of society. It is a heart-wrenching exploration of the physical, emotional and financial toll associated with providing refuge to orphans that would otherwise be abandoned on the streets. But, The Dropbox movie is also a story of hope. A reminder that every human life is sacred and worthy of love." It's such a great movie. I highly recommend everybody watch it. A real tear-jerker though, I'll warn you.

Some of us, we don't get to chose the hand we're dealt with in life. You might have a physical disability. You might have a sick relative that needs care. You might get sick or become disabled yourself. Or, your lot in life might be taking care of a special needs child forever. I think my twins are a grind. I can't imagine 24/7 care of someone else. My hats are off to those of you that are in that situation. You've got bottomless strength and love to do what you do for your loved ones. I applaud you.

Someone with some outside perspective can help you out and your wife. A mentor couple in the same situation. Marriage counselor. Help is out there. You just have to seek it out and ask. Now, I'm not a marriage counselor. Even if I were, I can't help you in just a few minutes. You're going to have to seek out someone

that will talk with you, someone that is going to walk with you. If your wife doesn't want to go, you go anyways, and you keep going. You find a counselor online, if you have to, and do a virtual call. You do whatever it takes.

Each of us that are in a relationship, there was some reason we got together, early on. Seasons change. Time passes. Things can get stagnant. Sparks in the relationship, they wither to a dull flame. It's normal. It's not permanent. You can have a fulfilling relationship for the next 20 years, but it's going to take work. All great relationships do. The important thing is to not quit and don't give up and don't throw in the towel.

The grass always looks greener on the other side. It's just one thing people don't realize. If you chose to go to the other side, there's one thing that ends up there too. You. You and I have to work on ourselves too. It's not just the other person. It's easy to think that but there are two people in every relationship. Whatever there was at the beginning, it's still there. You both have to work hard to find it again, but getting some outside counsel, that is going to help you rediscover how to heal and grow in your situation. Thanks for the question.

From the Facebook community, Kathleen writes, she was able to reduce her cost on two different insurance policies, saving \$100 a month. Real people with real results. [scottalanturner.com/community](http://scottalanturner.com/community), if you want to join and get inspired. It's free.

Step # 1 in creating wealth isn't a big secret. What if I told you I know of a way you can be wealthy today? Right now. You would say, "Hold up, Scott. I don't have 2 nickels to rub together. I think you've been hitting the sauce too hard at the studio." Wealth isn't just money. There are a lot of sad and depressed rich people that have everything they could want. You need look no further than Hollywood with some of the stories out there. Broken marriages, crazy outbursts, Britney shaving her head, addictions. If it were just money, wouldn't all these people be happy? Most of them put up a good front. Your neighbors put up a good front too.

The illusion is, you don't already have wealth, but you do. If you woke up today and got out of bed, you're already ahead of the people that didn't get out of bed or can't get out of bed, which doesn't mean if you're stuck in bed, you can't have wealth. You have access to public parks, free museums, libraries, highways, concerts in the park, watching kids play sports, relationships, your spirituality, the list goes on.

You and I didn't have to go out and plant the wheat, water the wheat, cut the wheat, mill the wheat, bake the wheat, to eat a piece of bread today. Nor, do we have to go out and milk the cow and churn the milk to get some butter for the bread. You and I have more wealth than the richest kings of 1,000 years ago. They could not dream of the lives you and I live.

Food shows up at your door with a phone call, if you order pizza. You can cross the state or country in a car or an airplane in a matter of hours. You will attract what you already have. It's the opposite of how magnets work. If you are a happy-go-lucky person, you will attract people who are or want to be happy. If you're negative Nellie, chances are, if you look around at your inner circle, you're surrounded by negative Nellies. If you're successful, you attract people that are successful. To have a rich life, recognize you already have a rich life. You'll begin to attract even more of what it is you desire in your life. Those are the words.

That's it for this episode. Another one on the books. I'm your host, Scott Alan Turner, rock star Katie's my producer. All the works mentioned in the show are read in the show notes on [scottalanturner.com](http://scottalanturner.com). If you have

a question you'd like answered by me, goaskscott.com. Thank you so much for listening. I appreciate you.

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