Is a Traditional 401(k) or Roth 401(k) better for you?

Scott A. T.: Broadcasting from one Dallas tower, welcome to the Financial Rock Star Show. I'm your host Scott Allen Turner, ready to help you get out of debt, save more money, and retire early, in the studio with me producer Jet, who's still on vacation. On the show today I'll be answering your questions about money, business, and life. If you have a question you'd like answered on the show, visit goaskscott.com. Today we're going to examine the differences between the traditional 401K and the roth 401k. You might have access to one or both of these from your employer. If you have a 401k but no roth 401k, you might consider lobbying for one, more on that later.

The 401k has replaced traditional pension plans as a retirement savings of choice for employers. It gets them off the hook for being responsible for having any financial liabilities and obligations for you when you retire decades down the road. The 401k, a 403b, 457b, the thrift savings plan, these are all created by the government to encourage people to save for retirement, and when you contribute some of your income to these accounts you get special tax breaks that you wouldn't receive contributing to non retirement accounts, just regular ole brokerage accounts, as in taxable accounts, and they've got a lot of features that people like as well, probably the biggest one is a lot of them have an employer match up to a certain percent.

If you contribute 5% of your income to your 401k, the employer might match that dollar that dollar up to 5% or 3% or 6%, just varies plan to plan, which is free money for your retirement, because if you don't contribute any money to your employer sponsored plan you don't get that match, which means you're leaving money on the table. The simple difference between a roth 401k and a traditional 401k is with the traditional 401k, you pay income taxes on the distributions. In retirement when you start pulling that money out, that's when you pay the taxes. The roth 401k, you pay income taxes on your contributions, so you're paying the taxes on it now, it's with post tax money, or after tax money. If you go with a traditional 401k, you contribute what's called a pre tax basis, so you reduce your income taxes now and again pay the taxes when you withdraw the money in retirement. Roth is with after tax dollars, but you don't have to pay any taxes later on when you go to withdrawal it. With the traditional 401k, when you contribute your pre tax money, the money grows tax deferred throughout your working lifetime. When you get ready to retire, start pulling the money out, every dollar that you pull out, including the dollars that have grown and multiplied and compounded, that's when it gets taxed as ordinary income.

The after tax, or the roth 401k, it's with pretax, that money grows, compounds, makes more money tax free the entire time, no taxes on it, and then you get to make the withdrawals tax free because you've already paid the taxes on the money. Which one should you choose? Should you pay taxes now or should you pay taxes later? It's not necessarily cut and dry. The big question we all face is do you think you're going to be in a higher tax bracket when you retire, or a lower tax bracket or the same tax bracket, which requires guessing because nobody knows. You don't know if taxes are going to be higher in the future when you retire. If your income increases over time from job promotions, which will most likely happen, if you get into other types of investments, real estate investments where you have more income in the future, you could potentially be in a higher tax bracket later on. If you think your income is going to decrease down the road, maybe 20 years from now you go to work part time, take some time off, you're going to leave workforce, whatever, you may be in a lower tax bracket.

The general is, if you think your current tax bracket is going to be higher in the future or you think taxes is going to go up overall in the future, you're better off with a roth 401k. If you're in a higher tax bracket now and you expect to drop down to a lower tax bracket during retirement, you might be better off with a traditional 401k. What else are you going to look at? Is there employer match? If there is no match and you expect to be in the same or a higher tax bracket in retirement, you go with the roth, because you pay no taxes on the gains in retirement. You also got to look at the management fees of the investments available. They might be the same between the roth 401k and the traditional 401k, but those can eat into your money over time. Also looking at your household income, if you are eligible for an IRA or a roth IRA, not 401k's, but just regular IRA or roth IRA, those have income limits. If you're making $250,000 household income you can't do a roth IRA, so that may be a deciding factor between whether you should go with a traditional 401k or a roth 401k, since you can't get into a roth IRA on your own.

Oh, you're killing me Turner, it's too much to think about. Hey, of course there's going to be a solution for you. I've got a calculator in the show notes, it figures out all this stuff for you. It's not the only one out there, but it's the one I'm including. It's a good place to start. It uses your income, it uses your tax filing status, it uses your employer match, if you got one, what tax deductions you take, whether it's a standard deduction or you itemize it. It takes a lot of information unique to you, which allows you to have a better decision. It's not the plain vanilla get the 401k match, then go to a roth IRA, then go back to a 401k. You can plug this stuff in, think about it and get a more educated answer. The end goal is to pay less taxes and to pay less taxes you've got to do a little bit of retirement planning in order to figure that out. That's going to let you make a better decision on should I go with a regular 401k, traditional 401k, or a roth 401k.

If you're down the road, you're getting close to retirement, some advisors will tell you you're in your highest income earning years, you might be in a higher tax bracket, then when you stop earning income, you get into retirement, your tax bracket is going to drop considerably, so they might say, "Okay towards your later years you get into a traditional 401k, when your tax bracket is going to go down and you pay the taxes during retirement from your 401k." That's different than say a young person who is in their lowest tax bracket ever, probably, unless you're just coming out of medical school and bumping up to $250,000 in salary right off the bat, that's different, but generally most people come out of school are going to be earning much less. That's the scenario when advisors would say, "Get the company match, then go do the roth IRA, max that out, then go back and get whatever, max out your 401k, that way you're getting a little deduction now on your income, you're getting the company match, free money, and then you're getting that tax free growth in the roth." Another thing to consider, roth 401k's like the roth IRA, they have no required minimum distribution, RMD's.

When you hit age 70 and a half, if you have a 401k or an IRA, the imperial federal government is going to require you to take a minimum amount of money out of your account. If you have bookoos of money, and you're required to take a minimum amount out, that could bump you up into a higher tax bracket so you pay more in taxes. Roth IRA, roth 401k, they don't have that, you don't have to touch the money. You can let it grow, keep letting it grow, no worries there. A lot of people think, "Oh, I'm going to be a in lower tax bracket." That's not always the case, you've got to consider you've got social security benefits to pull from. If you've got a spouse, you got spousal social security benefits. You've got required minimum distributions from your 401k potentially, may be if you've got a pension, you've got to pull that out, if you've got rental real estate income, if you've got other taxable accounts, non taxable investments that you might pull out of, then they're going to have capital gains on them that are going to be reported every year, if you got a side business, working part time or anything, all these things they add up and they can add up to a lot specially if you're starting young. You can't ignore the possibility of being in a higher tax bracket during retirement than the years prior to approaching retirement.

When you hit retirement, you can't change what you've put your money in, or where it's coming from, you can, but not too much, so you've got to plan ahead for all that stuff. Something else to consider, the roth 401k gives you a little more flexibility in retirement. Say you want to retire at age 60 and you delay pulling from your social security benefits for 2, 5, 7 however many years there are, with the roth 401k, you can pull out that money and not pay any taxes on it. If you're working part time or you're doing your own thing, your own business and that business is kicking off a little money, or may be you got some rental income that's kicking off money that you're going to live in, that money is going to be subject to FICA taxes, so you can have the taxable portion of money that you're earning and roth 401k distributions that you're pulling out which are not subject to taxes, so they can supplement your income until social security kicks in, and the last point which I'll reiterate again is, do you think you're going to pay more in taxes in retirement than you do now?

A lot of people, myself included, look at the government and how the spend money, like a drunken sailor, and can that be maintained for 20, 30, 40, 50 years, we have a lot of debt obligations, the country does. The politicians, no matter your political affiliation, keep punting the football, as they say, to the next generation, and then to the next generation, and then to the next generation. The cycle can not continue, it's not a cycle but the path can not continue forever. Somebody has to pay the piper someday. If you're age 50 and above, probably not you. 40, maybe. 30, more than likely, 20 very likely. If you're still left wondering what you should do, or even if you're not, try out the retirement calculator in the show notes.

Kristin from Massachusetts asks if she should hold or sell her EE savings bonds.

Kristin: "I have several, 7, $50 savings bonds that have not matured yet. They will mature each year starting in December 2020. Below is the list of the current values," which she includes. "Does it make sure to hold these until maturity, then invest the amount, or is it smarter to cash these out now and investment the amount shown directly to a 401k or on to an outstanding debt? From what I can tell, they have an approximate rate of return of 4%, as my bonds were purchased between 91 and 1997. I feel like this is a 7th grade math problem that is straight forward, but I'm not wrapping my head around it in an answer that makes sense." It's certainly not a 7th grade math ... Well the math portion of this is pretty easy, but it's the other things that are going on around it that make it more of a situation that you have to base on where you are in your own life. Series EE bonds, they are an ultra safe, low risk investment because they're backed by our government. These bonds, they earn the same rate of interest, so it's a fixed rate for up to 30 years, and when you buy one you know what the interest rate is that you're going to earn on it.

Scott A. T.: The treasury, they guarantee that the bond you buy is going to be worth at least the face value when it reaches it's original maturity date, the Series EE bonds that is. There are some special criteria you need to consider if you're considering redeeming them. If you redeem a EE bond before it's five years old, that's not you, you'll lose the last three months of interest on them. These bonds will earn interest for the full 30 years, so if you redeem them before the maturity date, they are going to be worth less. If they've already reached their maturity date they're going to stop earning interest, in that case you just go ahead and redeem them. When you cash in the bonds early, you're going to owe interest taxes on interest on all the interest that accrued while you owned the bond, so if you held the bond for 8 years, if the bond accrued $1000 of interest, again not your case, $1000 is going to be taxable that year that you cash it in. You've got $425 in value right now, your tax hit, if you cashed them in, is not going to be that significant. Your bonds are eventually going to be worth at least $700. Your pre 1993 bonds, they're earning 6%, that's a good guaranteed rate in today's climate.

After March 1993, the bonds that you hold, 4%, okay. There's a savings bond calculator provided by the treasury, link will be in the show notes, but you can enter in all your different bonds, when they were issued, their maturity dates, it will calculate the interest rates for you and you can get a real clear picture of here's what they're going to be worth, here's what they're going to be worth now. More importantly, it tells you when the next interest rate period is going to be, because they get compounded twice a year. If you have a bond that's going to earn some interest in, just make up a month, March, you wouldn't redeem them in February, you would wait until March, get the interest and then redeem them, give you a little bit of extra money. More of a factor if you have thousands, tens of thousand, hundreds of thousands of dollars of bonds, that interest can certainly add up. What should you do? If you've got debt that is costing you more than 4%, it makes financial sense to sell the bonds, pay down the debt. Otherwise you're getting a guaranteed 4 to 6% with the bonds. Compare that to 1%, which is what you can get into a savings account right now, or the newer treasury bonds, .10% is what they're paying out if you went out and bought bonds today, which is pretty much zero.

If I were you, I would not cash them out for another type of investment because it is a safe investment that you're in and it's a good guaranteed rate of return where we are today, 4 to 6%, but if you've got some debts out there that are costing you more than 4 to 6%, car loan, medical bill, credit card bills, anything that's above that 4 to 6%, yeah I would cash them out and day down the debts because you've come out ahead financially. Thanks for the question.

Dusty is deciding on which mutual funds to pick, says,

Dusty: "I saw your article on not paying high fees in investments. What I got from the article is that I don't need an advisor, I just need a $1000 to open a Vanguard account and put it all in the Vanguard target retirement fund along with monthly contributions, if so I guess my only question is, when should I move my $90,000 that I have around my 401k, and is a 4 way split a good idea? I've already picked the 4 funds that look like they have the longest and best track record. Okay, I have to admit, how I picked my 4 funds, I had pulled up a lifetime line graph for each one and picked the ones that looked the best."

Scott A. T.: I think advisors are great, I have one myself. What you want to figure out is, how are they compensated and where are they're working for? An advisor that charges you 5 1/2% upfront commissions, when you can get an equal or better investment for a 0% commission isn't working for you in my opinion. At your age, 34, in sense you're loaded, $90,000 in a 401k is awesome. You can find a fee only certified financial planner on xyplanningnetwork.com and they'll charge you for a couple hours of time, it's a great investment. They'll objectively look over your 401k options, help you with your Vanguard selection, if that's the way you want to go, Vanguard's great, and they'll do what's in your best interest. Sounds pretty reasonable, right? A couple other thoughts. Historically over a long period of time, a globally diversified portfolio, that's where you're investing in a lot of stuff around the world, it produces superior results compared to what investors typically invest in, which is a mostly all US based large cap portfolio, big US companies. You can go out and look at the academic theory and it will show you that investing in foreign markets reduces your risking of having all your eggs in one basket.

You can have similar historical returns but with less risk over time when you compare the two portfolio's, all US based versus globally diversified. Your 4 way split, probably a good idea if you have some US, some global, some bonds, I'm not sure what number 4 is in there for you. That's not to say that you should have 3 in there either, I have 12 in mine. If you use a robo advisor they might put you in 6 or 10, or 12, it just depends on your risk tolerance, your age, and where you go to pick these funds, if you're using a robo visor, there's lots of variables, it depends person to person. If I'm looking at the Vanguard retirement target fund that they've got, they've got, looking at it here, bond market index fund, a stock market index fund, a short term inflation protected securities index fund, that's a TIPS index fund, international bond index fund, and an international stock index fund, so there's five in that target retirement account fund. What's best? Is it more important to have low fees, proper risk for you age, diversification, proper allocation? That's what's going to get you the results that you want.

In a 401k, you should be re-balancing your portfolio one to two times a year. You can think of it like changing your investments within it just like we're balancing, which is what you're doing, you're not going to pay any taxes, the transaction fees are going to be hidden from you, so you might pay sales charges, exchange fees, backend loads, but if you're selecting better investments you're probably better off in the long run anyway. Here's a couple tools for you to check out, one is called personal capitol, personalcapital.com, and the second one is futureadvisor, futureadvisor.com. You can use those tools for free, plug in to your 401k plan and they'll analyze it for you, give you some nice data that you can look at, tell you how much you're paying in fees, maybe there are other options within that plan that might be better for you. How you picked your funds, looking at their lifetime grafts, that's what most people do. They look at the percent, what's giving me the highest percent? "This one recorded 15% in the past 12 months, I think I'm going to go with that," and that's why most people lose money in mutual funds, past performance is not an indicator of what? Future gains.

If a company is selling a mutual fund and the fund doesn't perform well over time, they shut it down. They shut it down and go start up another fund, so you'll never see a bunch of poor performers within a 401k plan. They're going to pick the winners and put them in there. From 2009, the lowest point of the market drop, how many mutual funds have beaten the average return of the stock market? Zero. According to one study, zero, and the studies called, "Does Past Performance Matter? The Persistence Scorecard". They looked at almost 3,000 actively managed mutual funds that were in operation for at least 12 months through 2010 and they picked through it in different periods, so they're looking at the performance over periods during that time and the bull market's been going on for 7 years now since 2009, so 2. Two out of 2800 funds were in the top rankings quarter after quarter after quarter for five years. Those are not good odds, and those two funds are definitely not going to be in your 401k, I can almost guarantee that. The author of that article had a good analogy, if the mutual fund managers had just flipped coins to pick stocks they would have done just as well.

It's just another study supporting that you should be investing in low cost index funds with a balanced portfolio based on your risk levels. What funds should you pick? You look for the ones that have index in the name, that keeps it simple. Thanks Dusty for the question.

: Quick break. You can fast forward if you want to but by the time you pull out the phone, enter the password and try to get to the fast forward button, it's going to be over anyways so just listen. You're listening to Scott Allan Turner.

Hey nation, Scott Allan Turner here for The Weed Store. Are you sick and tired of spending your value time on the weekends mowing your lawn? Can't fight the crabgrass, clover and dandelions? Now you can cover your entire outdoor landscape with attractive weed seed so you can finally give up the fight. The Weed Store has weed seed for every type of lawn; Bermuda, fescue, Kentucky bluegrass, and even the Cadillac of grasses, emerald zoysia. Replace your tiresome, monoculture grass with beautiful flowering weeds that grow no higher than four inches in height, eliminating both your mowing and complaints from those pesky neighborhood associations run by power hungry board members who have nothing better to do than send you nasty grams, threatening to take your house by force if you don't mow. If your face Wisconsin, The Weed Store. Mention promo code Czechoslovakia and get 10% off your first order. Ever mow again.

Pete from Tokyo, Japan asks about ETF's versus index funds. He says,

Pete: "I've been interested in obtaining index funds as a long term retirement option and currently trade some stocks through on online broker. I e-mailed the broker about the possibility of acquiring some Vanguard index funds and he sent me a few options through the Hong Kong market. I'm curious as the difference between these exchange traded fund options and other index fund options. What may be the benefits or drawbacks of either one? In our opinion, are these options wise as a long term investor?" If you see the word index and Vanguard and the name of a fund, it's usually an investment fund with low fees. That's a key criteria for a good investment, that it has low fees. The next thing you want to look at is asset allocation. Broadly speaking that's stocks, bonds, cash, commodities in real estate, where your money is allocated through those different things. Where your money is. If we're talking non investing, you can think of it as, "How much money do I have in my house? How much cash do I have in savings? How much do I have in furniture? How much equity is in my car? How are my assets allocated?"

It's a fancy word for what do I own and in my percentages.

Scott A. T.: If I own a $100,000 house and I have zero savings, I'm house rich and cash poor, my assets are 100% in my home, I'm 100% allocated in my house. It means I'm not well diversified, another fancy investing term. Diverse, think of the United Nations, one representative from every country, it's diverse. If the United Nations only members were Ireland and Chili, you would say not so diverse because there's over a hundred, forty, fifty countries. We want to diversify so if something bad happens over here in one part of our investments, we can still make money over there, in another part. Asset allocation, you do that based on your goals and your risk level. Depending on how young you are, for myself I am 70% in stocks and 30% in bonds. I don't include real estate in that, that's just my investments. Diversification means you want to be in some big companies, some small companies, some international companies. If big companies are doing poorly maybe the small companies are making you money. If the United States stock market isn't doing well, hopefully somewhere else in the international markets are doing well and you've got some money over there. If the international markets are not doing well and your home country is doing well, likewise.

To keep your expenses low, you would choose index funds over exchanged traded funds, ETF's. With an index fund you can buy a total stock market index fund, or the S&P 500 like the one you included in your link. That means you're buying little pieces of 500 different companies. The simplest thing for diversity is a US stock market fund, a US bond fund, international stock market fund, international bond fund, so that's 4 things to make you pretty diversified because you bought the entire world. It's not quite that easy, but that's kind of the goal. Are index and ETF funds wise as long term investments? Depending on which ones you pick, yeah absolutely, 100% great long term investments. According to who? People much smarter than me. People have won Nobel Prizes in economics who have done the math and produce the studies. The benefits and ETF's and index funds, they're low cost and they aren't actively managed, so you'll make more money in the long term if you are someone who believes in the studies and staying in the market and staying invested for a long period of time and ignoring what the market does day to day, week to week, month to month, or even some years you just stay in it, because over a long period of decades, stock market goes up.

Is the index fund or the ETF better? Over a period of time, the cost of the index fund favors you, if you are a long term investor that stays in the stock market. It comes down to the cost. For a specific cost breakdown, that's beyond of what I can explain to you on the show. I will include a link in the show notes showing the different costs associated with each, if you want to do some further digging in to that. Thanks, Pete for the question.

Jane from Connecticut has no retirement savings and questions on her life insurance policies. She says,

Jane: "My husband is 57. In 2009 we set up 2 life insurance policies. He has $400,000 policy that will expire in 2024, costs us $100 a month. I am 43 and have a $500,000 policy that will expire in 2029. At the time the insurance people also recommended variable life policies that we could borrow against to pay for college as they said it doesn't up when applying for student loans. These are the policies that I wonder about, we each have one at $100,000. My husband's has a 20 year guarantee, we pay $103 a month, it has a cash value of $4600, and my policy costs $48 a month, guaranteed to age 65.

I find the cost of these to be incredibly high, and wonder if it's best to cash these out, use the money towards paying down our debt, and instead put the $151 a month we pay towards these policies into personal savings or a college plan through the state, we have two kids age 11 and 9 and no college money saved for them yet, or should we increase our 401k contributions. Of course the health insurance rep won't tell me what is actually best for my financially, they want me to keep giving money to them."

Scott A. T.: You said it, Jane. They want you to keep giving money to them. I can you tell that for 99% of people, anything but a term policy is pretty much a bad deal. If you're in whole life, variable life, universal life policy, the point where they start breaking even, if you could even call it that, somewhere in the 15 to 17 year mark, and you're in year 7. That's because they're all front loaded with the fee's, the big commissions, and all those other costs associated with them, because they're huge money makers for the people that sell them, both the companies and the reps. Life insurance, the sole purpose, one purpose of life insurance is protect your dependents against the loss of income if you get hit by a bus. It is not to borrow against for college, like the sales person sold you on.

It's not to save for retirement, as a lot of people get sold on. It's not to pay down a house, to borrow and go buy a car, to borrow and go buy a vacation, to borrow from a pay off debt, it's just to replace a loss of income, nothing more. Since you've got several policies, you've been paying on them for a while, seven years, what I want you to do, sit down with a fee only life insurance review specialist, and I'll give you the links to those places, and they'll be in the show notes. All they do, they look at your policies, they make a recommendation, and they say, "Here's what you should do based on what we're seeing here in all these policies," that's it. They don't make commissions, they don't get kickbacks, they don't get paid any money by any one, except you. They might say, "This is a good insurance company over here or this insurance company over here is pretty good, they're highly rated," but they don't get paid by those insurance companies, you go wherever you want. They'll give you 3 or 4 recommendation, if they give you those recommendations. Sometimes they'll just say, "Get out. Get out. Your term policy is doing just fine. You don't need anything else."

It's an excellent independent review. It has a potential to save tens of thousands of dollars over your lifetime, tens of thousands of dollars, because you guys are pretty young, you're young. You've got a long, long, long life ahead of you. I'd get quotes from all 3 of those services, forget what the health insurance rep says. Just from what you said and the numbers, I think your 400k term policy, your 500k term policy, you didn't say those were terms, but I think those were there, if that's correct I just wouldn't touch those, but the $100,000 in variable, it's a waste of money most likely. I'd cancel them if I were in your shoes, but I'd also go get the independent review of those policies first. The extra money that you can save by not having those policies can be put to better use. If you do you end up changing policies, or getting rid of those variable life policies, use the extra cash to pay down debts. Pay down the debts. That's the one and only priority. It's priority number one, priority number two, and priority number three. After that, then you start saving for the retirement. Forget the kids college fund. Sorry kids, sorry kids. There are dozens of ways kids can go to school for free, and your kids are not going to fund your retirement. You have to focus on your savings and your retirement first.

Kids can get scholarships, that's part of what I did. Kids can work, that's part of what I did. You can go to a cheap community college for a couple years. You can work more. There's lots of ways to go to school and not take out massive amounts of debt. There are plenty of resources out there and ways to go to school for free, or not much. Kids have got to study though. They got to study hard in order to get there and get the good grades and get the scholarships to do that, and hey, they could always take a year off, and work full time, and save up. Go to college, not have any student loans when they come out, in a much better position. Here's your action plan: Number 1, get an evaluation done on your policies ASAP. Number 2, you guys got to get on a written spending plan so that you stop this paycheck to paycheck cycle. Plan when your money is going to be spent before you get it. Number 3, pay off all your debts except for your house, any car payments, credit card loans, medical bills, anything like that, and then Number 4, save for retirement. That comes after all those debts are paid off. That plan is going get you to where you want to go fastest. Thanks, Jane for the question.

Deloris over in the Facebook group write, "Win. Serious win. I posted a copy of my college transcript on Facebook and explained what my capabilities are and that I would be cheap labor because I'm trying to get out of debt and supplement my income. I got a job offer in two days and start next week, can't believe it worked. Now I'll be able to put an additional $200 or so towards debt each month." Congratulations, Deloris. If you've ever gotten the chance to go watch youth soccer, maybe you've got a little one, or your sibling's got a little one, your friend's got a little one, and when I say youth soccer I don't mean the middle-schoolers, I'm talking about the really, really tiny kids who can just learn to kick a ball, it is hilarious because they don't have any skills or knowledge of the game and the positions, they basically just all follow the ball around the field, one of them kicking it. It looks like a pack of bees swarming around, and it's even funnier if the uniforms are yellow shirts and black shorts, because then it does look like a pack of bee's just going around the field, except for the goalies. You've got one on each end sitting down in the goal post, picking their nose, whatever they're doing, not paying attention just dancing around, whatever.

It is the perfect visualization of herd mentality, one person's doing something and everybody else is tagging along. In the book "Money: Master the Game" by Tony Robbins, he's interviewing David Swinson who is Yale University's chief investment officer, responsible for their billions and billions of dollars of endowments that he has to manage. Swinson says, "Unconventional wisdom is the only way you can succeed. Follow the herd and you don't have a chance. Often times people hear the same advice or thinking over and over again and mistake it for the truth, but it's unconventional wisdom that usually leads to the truth and more often leads a competitive advantage." I'm taking that quote out of content to use it, but what stood out says, "Often times people hear the same thing over and over again and they mistake it for the truth." I'm just talking getting ahead, because the herd, the bees, the pack of bees, the herd is running towards the cliff and they don't see it coming. If you made it this far, you're outside the herd, you're on the sidelines. You're watching the pack of bees, or the herd running around in a swarm in the field, chasing after the ball, nobody knows why they're just chasing after the ball because everybody else is doing it.

You got to be unconventional with your money and not do what everyone else is doing. That is how you will succeed. If you follow the conventional wisdom of the broke people, you'll be part of the herd that runs off the cliff. Those are the words. That's it for this episode. I'm your host Scott Allen Turner. All links mentioned in the show are available in the show notes on scottallenturner.com. If you have a question you'd like answered on the show visit goaskscott.com, leave me voice mail please. Thank you for listening.