

## Should You Leave Your Job For A Better Life?

**Scott A. T.:** Broadcasting from One Dallas Tower, welcome to The Financial Rockstar show. I'm your host Scott Alan Turner, high priest of the Church of the Financial Truth, ready to help you get out of debt, save more money and retire early. In the studio with me is producer Katie, who sometimes snores but it's definitely not the worst of the bunch. On the show today I'll be answering your question about money, business and life. If you have a question you'd like answered on the show, visit [goaskscott.com](http://goaskscott.com).

Eileen from Massachusetts wonders if she should bail on her pension for a better life. She asks,

**Eileen:** "What are your opinion on when people should take a pension and walk away from a job that has become increasingly difficult to do. I work in public education and it's become pretty miserable due to a variety of factors. I think I'll always work doing something and I'm committed to the idea of having multiple income streams. I got started saving late but I'm now saving 30% plus of our income. My husband's already retired. He is older than me but continues to save and invest and has a part time job. What are your thoughts about the idea of golden handcuffs? Walking away and getting 40% or so and be much happier, or stay and get more of a percentage? I have 2 kids, plan on getting them through college if they decide to go, hopefully without taking loans. I know it's a personal preference but I wanted your thoughts."

"I also think about all those people who work till age 65 and then drop dead. I want to travel, volunteer and work at the things that get me both personal and professional fulfillment. I so appreciate your advice on setting and writing down goals and I'm doing that. I feel like if the finances are in line then the rest of my goals will be a no brainer." Taxachusetts, my old stomping grounds. Best maple syrup ever, followed second by Vermont. Do you stay in a job you can't stand if you have to pay your bills? Probably yes, unless it's an abusive job, then you've got to get out. Do you stay in a job you can't stand just for the money? Which brings me to the question, what price happiness?

I am very aware at how bad public education has become. I used to spend a lot of time years ago, back in the corporate world in Atlanta, listening to Atlanta Talk Radio about the Atlanta schools and the Atlanta politicians. Didn't matter what parties in office, they are both corrupt as the day is long. Let's approach this from the angle of beginning with the end in mind, how much do you need to fund your retirement for your expected lifetime, however long you expect to live? Then look at how much do you have, your current pension if you walked away, investments, savings, insurance policies, social security, your husband's part time job. What's the gap? What do we need for how long we're going to live? What have we got? Is there a gap?

**Scott A. T.:** Is the gap \$100,000, or is it \$500,000? If it's \$100,000 can you find another job making 25 grand a year for the next 5 years? Yeah, I know that's 125 but you've got to pay taxes on that too. Can the kids go to a community college for a couple years, 1 or 2 years, and you keep those savings for your retirement to help fill the gap? I don't know what your kids' ages are but maybe you can move into a home that costs less now, instead of waiting until the kids graduate from college or leave for college. Trim your current and your future cost to make up the gap if there is one. You may find after running the numbers, "Hey, we have no gap." There's no gap. Maybe if we trim some expenses there will be no gap, our next egg is big enough to carry us through for as long as we plan on living.

There are a bazillion online retirement calculators. I suggest looking at several and find one that takes the inputs that you have and see what it spits out. You might try a couple different calculators. You might try 3, 4, 5. It will give you a point to start with and have a conversation. Twice in my life I have taken huge, huge pay cuts and left

a lot of money on the table. I had the golden handcuffs. Stock options, I left them on the table. Unvested stock, I left on the table. Once I did it because my job was boring, I didn't enjoy it as much as I used to. The other time was for the thrill of doing something new and being a business owner, which is exciting.

I've never had a bad boss, or a situation where I've said, "I've got to get out of here, it's killing me mentally." I have known plenty of people who have, and yeah they're pretty miserable. But the most important thing you can do, you've got to run the numbers and plan your escape to freedom. Count down the days to the travel, countdown the days to the volunteering, count down the days to being a total lazy bum, if that's what you want to do, and joining your husband in retirement, because I can hear it in your email even though I'm just reading words, you want out. Plan to get out as soon as it's practical.

For me personally I have made many decisions over my working career to, I guess you could call it, breaking the golden handcuffs, leaving the money on the table for the potential, or maybe the promise, or the seeking out of a higher quality of life, whatever that might mean to you. The richest guy in the graveyard, he's still dead. He's still dead. If you're not writing down goals based on what you've heard on the show before and you're in the habit of doing it, you're already working down the right path. Carve out an afternoon on a Sunday, or Sunday night, whenever you've got some free ... You and the husband to sit down and say, "All right, here's what we need to do to get me out of this situation." Those retirement calculators, they're going to help you do that. It's okay to leave money on the table if it improves your quality of life.

One other thing I don't want you to lose sight of, think about you got into teaching for a reason, so you probably enjoy teaching. What are things that you can do at your workplace to make that a better work environment? Is it ... I don't know what that would be. Is it avoiding certain other teachers, stuck with your students each year, year in, year out. Is it staying out of the teacher cafeteria, bringing your peanut butter and jelly sandwich and go hiding in a corner eating for lunch everyday so you can silo yourself off from that bad stuff that's going on, whatever it might happen to be? I don't know because I don't know what's going on in your particular workplace, but sometimes you may not have the option to leave, and then you have to start thinking about, "All right, I'm here how am I going to make this work for me in the best way possible?" Thanks Eileen for the question.

Ginger writes,

**Ginger:** "My biggest struggle is getting my finances organized. I have pages of bank entries over the last few months. I've just read your post about EveryDollar versus Mint, I am evaluating them both as we speak." I remember sitting down with all my paperwork for the first time, I used Quicken, that's a software product that I used to use. I was in a time in my life where I was just learning about money, just learning about getting my finances in order, entering in each Starbucks' coffee into this software, which is silly I later learned, and my cat Rooster who would sit next to me, keeping me company during all this. What you've got to do when you're organizing your finances is do what makes sense for you, because everybody's different. There's no hard and fast rules that says, "You must have this budget category," or, "You must do it this way."

**Scott A. T.:** There are some suggestions that are going to make your life easier. There are some suggestions that are going to help you save more money in the long run, like using the cash envelope system. But when it comes to budgeting categories, you can have things like groceries, entertainment, personal spending. Those are some of my recommendations, but there's no, "This works best," rule. What works best is the system that you do each week. It's like there's no best workout, or no best super food. The best workout is the one that you're willing to drag your butt out of at 5:00am to go to the gym and do, whether that's spin class, Zumba, the treadmill, body pump, whatever you're into, whatever's going to get you out of bed.

Just like there's no best software product. I use EveryDollar, I used to use Mint, some people like a pen and a paper, some people like Excel. Use what works best for you. My suggestion is you block out 3 to 4 hours of time one day and you try them all, just go through them one by one. Then you pick the one you like the best and you try it for a month. If you don't like it you try something else. Don't be afraid of change. I switched my budgeting software last year, I'm going to be looking at a different solution coming up here shortly to see how that works. Always be willing to try something new, you'll save time and you'll find something that works best for you. Don't be afraid to change. Don't be afraid to change your budget around either if you find something after a month that's not working for you.

I just redid my budget for the 2016 year and I took a couple categories that I had last year and I just threw them into one category. There were actually 2 kid categories, we had baby supplies and we had baby clothes. I decided, "That's kind of silly. I'm going to roll them into one category and call them baby stuff." Now the diapers come out of the baby stuff and if I go buy them a toy, which doesn't happen often, they don't get a whole lot of toys. Tennis balls, boxes, pieces of paper, those are great pieces of toys because they're free. Do what works to you, works for you, that makes the most sense for you and that you will stick with. When you do that, and do it consistently over time, you'll have much more organized finances and it won't be so much of a burden for you to do. You'll stick with it and you will come out ahead and you'll win. Thanks Ginger for the question.

Some people are hearing the show for the very first time, we address budgeting questions. We're going to address budgeting questions over and over and over again, just like we talk about investing over and over and over again. Repetition is the mother of skill. I've been budgeting for over 15 years and I still learn new things occasionally. Been investing for a very long time, still learn new things. I'm always going to make sure every show has got one little nugget you may now have heard before.

Here's your useless factoid of the day, one of the quotes I use in the \$64,000 Pizza and I've poster on Instagram, other places as well, is, "Live long and prosper." Famous quote from Mr. Spock in the Star Trek series. One of the reviewers of the book asked me, when were going over it, he says, "Do you know where that comes from?" I said, "No, I don't story behind that." He proceeded to tell me, which of course means I'm going to proceed to tell it to you. Some of this comes off Wikipedia and a couple of other sites.

The Vulcan salute, "Live long and prosper," was devised by Leonard Nimoy on the show, the Star Trek series. It was something that Nimoy made up on the spot during one of the episodes, the episode that it appeared in. Story goes from an interview he did is this is the shape of the letter shin, meaning the hand sign with the famous V gesture. The letter shin is the first letter in several Hebrew words including, I'm probably not going to pronounce this right, Shaddai, a name for God, Shalom, the word for hello, goodbye and peace, and Shekinah, which is defined as the feminine aspect of God who supposedly was created to live among humans.

Nimoy said when he was a child his grandfather took him to an orthodox synagogue and he saw the blessing performed by one of the priest and he was impressed by it so it stuck with him over the years. When he got into the TV series he busted it out in one of the episodes and now it lives in infamy. "Live long and prosper," never claim you didn't learn something new every day on this show. Now you can go tell all your Trekkie friends, "Hey, do you know where that came from?"

Lesson of the day, let's get into more of your questions. Tamulo from South Africa is empire building and needs

advice. She says, "My name is Tamulo," I hope I'm pronouncing that right, it could be Tumelo, I'm going to go with Tamulo.

**Tumelo:** "I'm a 23 year old female from South Africa. I've just read your biography online and it has brought me hope. I've registered a company back in 2014 but it never yielded any fruits because of a lack of a start up capital, but I still have a burning desire to create an empire. It sounds corny but it's true. I now have an idea that I feel would definitely bring hope to the youth here. With the business I hope I'm able to create jobs and generate profit and be able to fund other struggling entrepreneurs like myself. I believe in myself. I really need any advice or just anything you've picked from my email. It would really pick up my energy and passion for what I dream about."

**Scott A. T.:** South Africa, another pin in the map, I love it. Tamulo, nothing is corny about empire building. Nothing is corny about it. I wake up every day and think about, and have for a long time. These, these are the emails I get. I picture somebody who's saying, "I'm going to get out of bed and I'm going to grab the world by the throat and make it mine." I can hear it in the words that you wrote. I love it because I know exactly, exactly what you're talking about. I appreciate that you put together the email and reached out because it shows, "Yeah, I want this. I am willing to find somebody who's done it, I'm going to pick their brain and get everything I can out of them so that I can do it and reproduce it in whatever my situation is right now, wherever I happen to live, whatever's happened in the past. I will do it." Not, "I can," "I will."

In 2014 you got an education. Your business may have flamed out or you didn't have any money for it. It's not a failure, you got an education and you learned from it. That's a good thing. You learned what, or at least some things, not to do the next time around. From what I'm hearing I'm going to tell you that probably a thing you need to avoid the next time around is financing. The best way to finance is self financing. That's working side jobs, raising extra money that you can put into your business, or saving extra money for your day job that you can invest in your business, invest back in yourself, invest back in your business. Even if it's working crummy jobs for a period of time, 3 months, 6 months, a year. Whatever it takes. You've got to do whatever it takes, that has to be your mindset.

You can look at micro-financing, which I looked up some of those micro-financing websites in South Africa, but wow, the rates on those loans are crazy. 17% to 20%, you're going to spend your time trying to figure out how to pay back the loan. I'd avoid debt from the get-go because it's going to free you up long term to build the business that you want exactly how you want it. Many businesses, they start in garages, they grow one customer at a time. You build it at your own pace, you stay out of debt, you make decisions without the loan hawks circling- I call them loan vultures ... Loan vultures circling above looking at your every move.

It's going to take hard work and it's going to take patience. A lot of people aren't willing to do that, to have that slow methodical growth, but those are the ingredients. My biggest business failures were when we, and I say we, my business partners and I, we took out I think it was \$130,000 small business loan. I'm pretty sure that was the amount. We took out that money and we spent it on a couple projects, and our yield from that was 0. We didn't spend it all but that was the line of credit we got and we spent a lot of it. Back then I didn't know what I know now. My biggest success was when I built a business with no debt, started small and grew it slowly over time. I didn't run out and get a business, I didn't get investors, I didn't hire a bunch of expensive people to come work for me. It was bit by bit, over a period of years.

My best advice is start. You've got the desire, you've got the smarts, you've got the reasons. You've got big reasons, you want to help others. I can't think of any bigger reason than that. That is impressive, if you've got that as your driving force you're going to win. You've got to get up and go. You've got to start and execute. You're not

going to know everything, nobody ever does and that's okay. The more failures you have the more you're going to zero in on what does work and what will work. I believe in you even though we've never even met. I believe that you're going to do it, you've just gotta keep at it and never give up. It's my belief based on what I've seen work in my own life, if you start small you avoid the debt. You plan on the grind over a period of time, but if you love it it's not a grind, it's not work. You have that mindset, you will win. Thanks Tamulo from South Africa, keep me up to date.

Quick break to pay the bills and we'll be back. You're listening to Scott Alan Turner.

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 guy on the radio who wants every product that shows up on their desk. You're never going to hear me trying to get you to buy a snow plowing service from some company in Florida, or recommend you go buy neckties from some company in Little Rock Arkansas. No, I have a name to hold to you, my wonderful listeners. But if I were, if I were to recommend something to you I would tell you about Helium. Helium, if you don't remember from high school chemistry class, is a rare Earth element. Number 1 or number 2 on the periodic table I think. We're running out of it, which means the price of helium is set to take off, like a hot air balloon. Helium is going to be worth more per ounce than the price of gold. You can buy helium today at any flower shop or grocery store, store it in the attic in those balloons they give you, and watch your investment rise. Tell them Scott Alan turner sent you.

The big business news yesterday was in fact that scientists have discovered helium reserves in Tanzania, or Tanzania, Tanzania, one of those countries, that are a game changer in addressing the critical shortage of the vital yet rare gas. Google it if you don't believe me. You can't make this stuff up which is why I drive around with usually half a dozen, sometimes a dozen balloons, in the back of the fed. Just in cases the Chinese or the Russians decide to invade. Water and helium, currencies of the future.

Kevin is switching jobs and asks about pulling money from his emergency fund to pay off his student loans. He says,

**Kevin:** "I currently have \$12,000 remaining in student loans from law school at a variable 2.19% interest rate. Currently I have enough cash in hand to simply pay off the loan in full. However in order to do that I would have to dip into about 2 months worth of my emergency fund. I'm in the process of switching to a lower paying job and would love to be able to start fresh with no student loans remaining. However I'm nervous about pulling money out of my emergency fund in order to pay off student loans. What would you recommend?"

**Scott A. T.:** It's within grasp for you Kevin, you're almost there, almost done with the loans. That is very, very cool. You do however have 2 goals that are in conflict with one another. Number 1, being debt free and starting fresh, that's a great goal. Number 2, the security you feel from having a fully funded emergency fund. Fully funded emergency fund, also a very good goal. First we've got to see what's the emergency fund for. Loss of income from work, if you're laid off, if you become disabled, unable to work, if you have to move to another state to take care of a sick parent. That's what you're going to use that money for. Whether we use that for non emergency fund events, we'd have to start by asking a few questions.

How do you feel about your new job prospects starting a new job? What's the company look like? How are the company financial? They hired you, but have they laid off 25% of the workforce in the past 12 months? What is the industry that the business is like? For example if you're in oil and gas, which is having a significant downturn

right now, there are law firms that specifically cater to the oil and gas industry which are laying off people. How long did it take you to find the job? So that if you become unemployed again, let's say you start this new position something happens, it doesn't work out. The boss is a jerk, another opportunity pops up. The company has an unforeseen event where they have to let you go in a short period of time. How quickly could you find work to replace your income and get a new job?

If it took you 12 months to find this job, would it take you 12 months to find a replacement job? That's something to consider, if it took you 2 weeks you consider that as well, if you're in very high demand for your specialty. Also you didn't mention in your email, do you have a family? Do you have dependents that are dependent on you? Are you the sole source of income for your household, or is there a dual income where your spouse is earning an income that you could on it completely, it could supplement you in the worst case scenario of you becoming unemployed, unable to work or something like that?

2.19% is an extremely low interest rate. If you've got a case where the interest is deductible on your taxes it's even lower than that, it's probably 1.5% or 1% like that when you factor in the tax deduction for it. That's nothing on a \$12,000 loan as far as interest rates go. A) because it's pretty low balance compared to somebody who's been a lot more in student loan debt, and you get a super low interest rate. Even though it's variable, you can pay it off quick so we're going to ignore that it's a variable interest rate. Carrying that for an extra 3 months, 6 months, 12 months, it's not a big deal. There's a couple things to consider and think about because maybe you just hit the pause button until you get going in this new job, 4, 3, 6, 12 months, and see how it goes. You get some stability into it and then you can make a more informed choice.

You've also considered, once you've wiped out your emergency fund you've got to replenish it somehow over time, and you're going to be replenishing it on a lower income. How long is that going to take? Is it going to take 12 months? Is it going to take 24 months? Is it going to take 36 months? Without knowing your expenses I can't say. If your spending decreases along with your income that's one thing. If you're spending stays the same, how much cash flow do you have extra going forward? How quickly is your income going to increase? Are you taking this new job because it has more income potential in the long run, or are you going to do legal work for a non profit where you're typically going to be paid a lower amount? There's a big difference between those 2.

If I'm in your shoes and there's a big life change going on such as changing careers, I'm not going to make any drastic financial decisions like wiping out a huge chunk of my emergency fund prior to that decision being carried out. I would probably just sit tight for a while and then reevaluate it in 3 months, after you have some time in at the job and see how it goes. Then make a decision based on your circumstances then. Thanks for the question.

Miguel asks about switching investment advisors. He says,

**Miguel:** "I listened to your podcast on one of the robo advisors. I have been investing with a full fledged brokerage firm for a few months already, my question is would you recommend I switch to a robo advisor? Are they different or the same thing? Also, how about the Robinhood app. Is that anything like the latter 2 or is it something totally different?" Now Miguel did include the name of the big brokerage that he's with. I'm not going to mention it on the air because they don't necessarily like it when I do that and bad mouth them. You'd recognize the name, they're like Starbucks, they're on every street corner.

**Scott A. T.:** In one corner you've got the robo advisors like Betterment, Wealthfront, Schwab has one, Vanguard has one. In another corner you've got the full fledged commission based financial advisors like the one you mentioned, and

they give advice, there's a person that you can talk to, they guide through investments if you're not familiar with how to do it and give you recommendations. In a third corner, I guess we're in a room that's a triangle because it's got 3 corners, is Robin Hood. Robinhood is completely different. That is an app on your phone used for trading stocks. You buy and sell stocks through this app. Which is not what you want to do, you want to invest for the long term. If you're somebody who likes to buy and sell stocks a lot, you can do free trades within Robinhood. We'll take that one the table right now.

The robo advisors, some of them are starting to change a little bit, like the one at Vanguard, they have their robo advisor, but then they also have a fee you can pay on top of the service where you can talk to a person and get personalized service. That raises your cost over the long run because those fees they compound each year and they can cost you tens to hundreds of thousands of dollars over your working life time. Vanguard is charging a low fee, so it's not outrageous, and you're getting to talk to somebody. You step down a level on robo advisors, you've got Betterment which you don't get to talk to anybody. You put your money in, their algorithms take care of everything for you. It's the set it and forget it approach. They're doing very well in the industry. I like the product, I think it's doing well if that's something that you're looking for, where you don't need a lot of handholding or you believe in the computers and the algorithm, they can do the right things for you. From my research they're doing a pretty decent job of it. It's certainly a good way to get started quickly investing and saving.

That's all we want to do, we want to get started, start saving the money with a good platform, or service if that's what you were going for if you don't have a lot of money to get started. Just to get the money compounding and rolling, and then as time goes by, let's learn the ins and outs of these things. One of the outs of the robo advisors, they don't look at your entire life situation. It's more of a one size fits most, one size fits all, one size fits most approach. They're good at what they do. No knock against the robo advisors. What you're in right now Miguel with this investing group that you're working through, I bet if you dig in here's what you're going to find. Number 1, they probably sold you some funds that had big upfront commissions, probably 5% or more.

Then when they're making the sale pitch and doing the fancy presentation, they show the glossy brochures, they say, "This fund even though it costs you a little more up front it performs better than anything out there over the long haul." The study and the research shows that's not the case. Between the huge up front fee, the expensive yearly management charges that you're paying with those, and the fact that the past performance of a fund does not predict its future gains, remember no one has a crystal ball so something that this, a fund or investment, did over the past 5 years doesn't mean it's going to do it over the next 5 years. Whereas something, if you're looking at the total stock market and how that's performed over the past 80 years, we know that's a fact. We can see those returns because that benchmark, which is used to measure the stock market, of which all other investments are measured against, that's been beaten to death. We know what that number is, it's slightly more than 10% since 1926.

In a nutshell, you're probably paying a lot for an inferior product. You've got a couple things you can do. 1, switch to the robo advisor, that's a fine choice. If you want a little more hand holding then I would sit down with a fee only financial planner for a couple hours. You can find one on XY Planning Network that will charge you a flat rate. Say, "Here's how much money I've got. Here's what I'd like it to be invested in," and then give you some more customized choices where you would then go out and implement those choices. That's all you have to do, but they won't do it for you at that level. You pay these folks for a couple hours of time, they're not going to do the work you, they'll do an analysis for you, and that's perfectly fine. It's a hybrid do-it-yourself model. Either one of those 2 things is probably going to be better than what you're doing right now. It's going to save you a ton of money over the long term. It's your money, you want to keep it in your pocket. Thanks Miguel for the question.

If you follow the masses you will end up like the masses. If you dare to be different your life will have significant impact. Live well, and by the way don't let greed and fear be your guide, they will always steer you wrong, that's from Patrick Kelly. Those are the words. That's it for this episode. I'm your host Scott Alan Turner, rock star Katie is my producer. All links mentioned in the show are available in the show notes on scottalanturner.com. If you have a question that you'd like answered on the show visit goaskscott.com. Thank you for listening.