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Jacques: [00:00:30] When she asks me for stuff, I want to say yes. She's my wife. I love her. I want to please her. When she asked me where I want to be in a year, hopefully, I'll be here, but might not, right?

Jennifer: [00:00:43] I'm stuck at home as a stay-at-home mom, but I still can't go outside and socialize, and we just moved in this new city that I don't know absolutely no one. So, I've been alone for months now. And when Jacques gets home, I know he's tired from work and he needs his own time, so I leave him alone.

Ramit Sethi: [00:01:06] My name is Ramit Sethi. Welcome to the I Will Teach You To Be Rich podcast. My guests on this episode are Jennifer and Jacques, who contacted me, because they're in debt and they just feel stuck. Now, the more I talk to them, the more I realize how common their situation really is. He goes to work. She stays home with the kids. At the end of the day, they're both tired. They order takeout. They overeat.

Ramit Sethi: [00:01:31] They don't track their spending. But something really interesting happened when we shifted from their problems going towards a solution. And as I always say, people who have financial problems love to talk about their financial problems. They are problem-oriented and many of them can spend their entire lives talking about what's not working. But as I switched them to focusing on what their rich life is, we had a pretty fascinating breakthrough. So, listen into today's conversation with Jennifer and Jacques.

Jacques: [00:02:09] I feel like she's spending too much, and I'd like to pay the debt, and the reason she spends a lot, she's asking me, when she asks me to buy something is because she's asking, are we having enough money, right? And I just want to say yes, because I don't know, I want to please her, right? So, it's things like buying, ordering out, because we can't go to restaurants right now, but ordering out for me is,

every once in a while is fine, but if we do it more than once a week, then it's starting to be too much. But I've never really mentioned it, so a lot of work.

Jennifer: [00:02:57] I feel like I'm in the dark. He's the one who takes care of the finances, mostly because when it comes to that, I'm more visual, so I have to have chart and everything, but because numbers are really not my biggest strength, the moment you see numbers, it feels like a whole total other realm as much as I want to know what's going on. So, the moment we start talking about the budget, I know we need to get a budget, get things in order, but I feel overwhelmed.

Jennifer: [00:03:36] Because I don't know what we're—like I don't know, I feel like I'm in the dark, so I kind of played blind, and okay, well, he'll take care of it. So, I'll be asking, okay, do we have money to buy this or do we have money to buy that? And it's mostly, usually stuff that we need for the kids. It's not like I'm asking for a purse or something, because I'm always kind of asking permission.

Ramit Sethi: [00:04:07] This is a common pattern. It's one partner throwing up their hands, saying, I'm not good at money, can you just do it? And then, over time, that very same person starts to feel in the dark. They feel out of control. Sometimes, they feel resentful. So, they push and they demonstrate their discomfort in lots of different ways. They'll start fights about interest or cable bills. But the real problem is not the cable, it's deeper.

Ramit Sethi: [00:04:36] It's a feeling of being out of control. Now, it's really easy to sit back and yell at them, well, you need to learn about money, duh. Well, that's easy to say. There are often very good reasons why people don't just pick up a book, and I say that as someone who wrote a book on personal finance. Listen to how Jennifer's psychology and her behavior is affecting her.

Jennifer: [00:05:01] So, I need to get them stuff, and of course, I'll get anxious, so I can't sleep. So, Jacques, I think he doesn't want to cause me grief, and more worry and stress, so he kind of doesn't talk to me about the numbers, kind of like—well, I know he means well, but I do feel like a child, because I feel like, oh, well, he's taking care of me, right? But at the same time, I'm kind of sick and tired of having to ask all the time.

Jennifer: [00:05:34] I know I'm the stay-at-home mom, so money-wise at the moment, I'm not bringing anything. I haven't for a few years. So, I feel like it's his money, because he's the one bringing the income home, so I don't want to ask for money, so I kind of don't ask. And with all the restaurants we've been adding, well, then I just feel like, okay, well, I'm burnt out being at home all the time, can't go out, because we're in a red zone here. So, I feel like—but the moment he talked about it, he's like, okay, let's talk about the money, I get overwhelmed.

Jennifer: [00:06:14] And when I get overwhelmed, well, we kind of just shut that conversation out, because he doesn't want me to be overwhelmed. So, I know he means well, it's just I know though that I need to figure it out somewhere. It's pretty much the only thing that's a stress point in our relationship. That's really it. Like we are usually pretty good at communicating with one another, except money. That's the one thing. I know what he means, like I would love to pay the debt, I just personally don't know how to get there.

Ramit Sethi: [00:06:53] Well, let's make sure my instincts are correct. What are the actual numbers? 80,000 household income, would that be accurate?

Jennifer: [00:07:02] Sure.

Ramit Sethi: [00:07:03] Ballpark. Great. And let's talk about any debt. How much?

Jacques: [00:07:08] Well, like I said, we're selling a house right now. Once everything's done, we're going to be around \$40,000 in debt left from credit cards and other things.

Ramit Sethi: [00:07:22] Tell me about this debt. How did you incur this 40K of debt?

Jacques: [00:07:28] Well, part of it was when we repainted the Jeep and part of it was just overspending. I went from a higher paying job to a lower paying job, so we had to cover that. So, yeah, it was just basically overspending.

Ramit Sethi: [00:07:45] I know it's overspending, but why?

Jacques: [00:07:50] Restaurants, going out like on trips with the kids, not like fancy trips, but going to see the family. It's minimum \$500 per trip with the gas and food on the way there. And once you're there, you go out with the family and all. There are activities with the kids, things we needed in the house, things like that for us, for the kids, or the vehicles, or in general, that's what it is.

Jennifer: [00:08:25] Sometimes, it's emergency stuff. I find one big chunk was actually the Jeep. Of course, with the pandemic, we had decided to get the Jeep repaired, because it needed quite a bit of repair. And with the pandemic, the price kind of doubled by the time we got our quote to getting it done with the pricing of pieces went up double and all that. But it is the spending here and there, restaurants, and like Jacques said, we go visit the family in New Brunswick, because we live far from them. It's little things that kind of seem to creep up.

Ramit Sethi: [00:09:12] This is a very common response that you'll hear from people whose finances are out of control. They will constantly describe little things that seem to come up. Why? Because in the small view that they have on their financial life, the 50 feet that they can see ahead as they're driving, there's always something. But if they zoom out, if they can get a bigger perspective, maybe see a mile down the road or a month forward, maybe six months forward, they start to get a better grasp on them, and they realize, oh, that surprise car repair that seemed to come out of nowhere, that seems to come around every three years.

Ramit Sethi: [00:09:51] Maybe we can put 20 bucks a month aside so that next time it comes out, we're ready for it. Again, people who are out of control with their money will constantly feel like they're taking one step forward and two steps back. That feeling is real. We can't dismiss it. What we can do is help them zoom up, look at the bigger picture, and switch to planning a little bit more proactively.

Ramit Sethi: [00:10:18] Where do we want to go?

Jacques: [00:10:20] I'm not even sure myself, to be honest. I usually see couple of months ahead of me, and that's it. If you asked me where I want to be in a year, hopefully I'll be here, but might not, right?

Ramit Sethi: [00:10:36] Yeah, living month to month is very difficult. That's all you can see. It's like driving in a snowstorm. It's very scary and difficult, and half of it is just, I hope there's nothing 50 feet ahead of me.

Jennifer: [00:10:52] Yeah.

Jacques: [00:10:53] Yeah. And that's the reason why we won't take care of it is I'd like to have some protection in case there's something in front of us like that that we don't foresee, right?

Ramit Sethi: [00:11:08] Yeah. And I also want to go beyond protection.

Jennifer: [00:11:13] Well, yeah, because we do have plans, like Jacques, we were talking about, where we'd like to have a cottage in New Brunswick, so when we visit family, we could stay there instead of staying with family, because when we visit, we actually stay with family and it's getting annoying. And when we go there, like, well, let's get a cottage, and then we could rent it out when we're not there, because we'd only visit a few weeks a year and the rest of the time, but it's to get the money to get to that, to make future income. And then, we're like, oh, we'd like to travel, but we can never seem to put it in a concrete plan, like it's so vague.

Jacques: [00:12:00] Yeah.

Jennifer: [00:12:02] Because usually, when it's—

Ramit Sethi: [00:12:05] Why is that?

Jennifer: [00:12:05] I don't know, because it's weird, because when we decide to like, okay, this is what we want, we go there, it actually happens like, snap, like really fast. When we actually decide that this is the way we want to go, it usually happens extremely fast.

Ramit Sethi: [00:12:20] Well, that's the opposite of a plan, though. You're telling me when we decide to do something, we do it overnight. Okay. Great. That's good. You're very spontaneous, but a plan is the opposite. It takes years and years of slow, putting

work, automatic transfers. It takes a longer vision than let's go buy a house or let's go on a trip.

Jacques: [00:12:46] Yeah, that makes sense.

Ramit Sethi: [00:12:50] You can hear me slowly starting to shift them away from a problem orientation to a solution orientation. I'm taking it very, very slowly. I don't think they're fully bought in yet. You can kind of hear it by the, okay, but let's see where it ends up. Again, this often takes months and months of work, but I've got a limited time, so I'm going to try to do my best here.

Ramit Sethi: [00:13:13] Can you tell me when this debt will be paid off?

Jennifer: [00:13:19] At this rate, it would be 20, 30 years at the rate we're going right now.

Ramit Sethi: [00:13:27] Okay. And how does that make you feel?

Jennifer: [00:13:30] I hate it. I hate it, because I know we're paying so much interest right now here and there, and it's all money that we could actually be paying off the debt, and putting aside, and saving to actually buy things not credit, or save so we can go to a trip, or save for a future cottage, or this, or that. Instead, I feel like we're throwing money out the window.

Ramit Sethi: [00:13:58] Yeah, you are. Let me go to you, Jacques. When do you think you will pay this debt off?

Jacques: [00:14:04] The way I calculated it, it will be 15 years.

Ramit Sethi: [00:14:08] Fifteen years. Okay. I am wondering, with 80K of income and your rent price looks pretty good, 1,500, that's good. It's not too much. A lot of people, they spend too much on their housing. You have affordable housing. That's good. Your car may be a little high, but eventually, that will get paid off. Where's the rest of the money going?

Jennifer: [00:14:35] Food.

Jacques: [00:14:38] Yeah.

Ramit Sethi: [00:14:39] Food like groceries or food like eating out?

Jennifer: [00:14:42] Both. Groceries and eating out. Like it's funny, well, we were actually talking about that a little while back. We have issues buying ourselves a piece of clothes that might be 50 bucks, \$20, \$40, but we have no issues going out to the restaurant one night and pay \$50 for takeout.

Ramit Sethi: [00:15:09] Why is that?

Jennifer: [00:15:12] Well, as you can see, I'm big, so food is my addiction. And it's just my comfort, the way to comfort myself, and I've been working on that. But it is a way of like, oh, well, it's okay to spend it on food, but not on other things, right?

Ramit Sethi: [00:15:32] I appreciate the honesty on that.

Jennifer: [00:15:33] [Indiscernible].

Ramit Sethi: [00:15:35] Yeah, that's a tough situation, but you have a very high level of self-awareness.

Jennifer: [00:15:41] I've been doing a lot of work to get through that.

Ramit Sethi: [00:15:44] There is a relationship between food and money. When I first wrote my book, it was published in 2009, in the introduction, in the first chapter, I wrote about the similarities between food and money, how we often don't track what we eat, how we often don't track what we spend, how we often listen to fad diets, and how we often do the same thing with fad investments. When I wrote the 10-year update to my book, the 2019 Edition, an editor that was working on the book strongly encouraged me to remove that material.

Ramit Sethi: [00:16:24] And she said that it was offensive to write about the connection between food and money. In the intervening 10 years between writing the first edition and the second edition, I had gone through a fitness journey of my own. I used to be very skinny. I would call myself a skinny Indian guy, and I really wish, looking back, that I had not said that, that I had not condemned myself to a self-fulfilling prophecy.

Ramit Sethi: [00:16:53] In the intervening time, I learned how to change my body, and I learned that a lot of the things I believed about myself were not true, and I needed a lot of help. I had help of friends, and trainers, nutritionists, and eventually, I started to feel in control, that if I wanted to put on muscle, I could, if I wanted to cut fat, I could. And so, I told the editor no. In fact, I insist on keeping this material in the book, because more than ever, I see a connection between food and money, and I've seen it with many of my own I Will Teach You To Be Rich readers.

Ramit Sethi: [00:17:34] Many of them take control of their money, and they realize, oh, my gosh, if I could do this, the thing that I was never good at, what else can I do? It is very common that I Will Teach You To Be Rich readers later go on to change their fitness, their food, their nutrition, because many of the skills are transferable. So, I wanted to add that here, because it's really important.

Ramit Sethi: [00:17:58] What Jennifer is doing, she's being so honest about being out of control with food, and I was candidly very surprised at how honest she was, how self-aware she was. You can see that there's a relationship between food and money. And so, I want to approach this with compassion, not judgment. And I just want to share that, oftentimes, when you're out of control in one part of life, it can feel like dominos. On the other hand, when you start to make steady progress, even a tiny bit of progress in one area, it can really cascade into other areas of life as well.

Jennifer: [00:18:38] For me right now is just taking that stress off. With the whole COVID stuff going, the pandemic, I'm stuck at home as a stay-at-home mom, but I still can't go outside and socialize. And we just moved in this new city that I don't know absolutely no one. So, I've been alone for months now. And when Jacques gets home, I know he's tired from work and he needs his own time, so I leave him alone. So, when it comes to making suppers, I feel so burnt out and I don't want to be around no one that

it's easy access. It's the only way I can seem to have a certain sense of control and relief for a moment, I guess.

Ramit Sethi: [00:19:24] Yes, that's it. You both understand your behavior pretty well. Understanding it doesn't change it, but I love the way that you are in touch with why you are doing things you do. Jennifer, you're nailing it, it's control, it's relief.

Jennifer: [00:19:44] I feel the numbers and I see like—example, my credit card. I have one credit card, and it's maxed out at the moment, and I see the interest that I pay on it, and I'm like, big words, I'm just like, I'm paying all this money for interest when I could be paying if we had it in one big loan with less interest, and pay more of it, so we can pay it faster or put it aside to build some savings, so we can buy that cottage that we want down the road. When I see the numbers, I get mad at myself that we're in that situation, so I just want to put the blinders off, because I'm sick and tired of being mad. I'm like-

Ramit Sethi: [00:20:32] Well, you are sick and tired of being mad and you've done everything except confront the problem.

Jennifer: [00:20:43] Pretty much.

Ramit Sethi: [00:20:44] I hear, deep down, that both of you believe you've already lost, you've already lost the game of money. And so, why not just give up and order this food? We already got 40K a debt, an extra 40 bucks isn't going to change anything, and at least we'll feel good for a couple of hours.

Jennifer: [00:21:11] That's it. For me, that's how I feel, yeah.

Ramit Sethi: [00:21:15] This is classic. In personal finance, you see this in two particular areas. This is the idea that if I'm not perfect, I might as well throw it all away, forget it, none of it really matters. The first area is the area that Jennifer is talking about, which is people in debt. People in large amounts of debt, at a certain point, they go, what does it matter? Forty bucks? It's not going to change anything.

Ramit Sethi: [00:21:39] Might as well be happy. That's exactly what we heard Jennifer saying. Can you think of the second category? The second category of people who say, I have lost the game, so forget it. Well, the answer is, parents, I will frequently get DMs on Instagram or Twitter, my email. They say, how much should I save for my daughter? I said, how old are you? And what is your financial situation?

Ramit Sethi: [00:22:11] They go, oh, I'm 44, I don't really have anything saved up, but just had my daughter, really need to start saving for her. I go, your daughter has time, you do not. And what they are really saying is, I believe I've lost the game of personal finance, but at least I can win it for my daughter. Jennifer and Jacques are smart. It's not that they don't know they should pay off their debt. There is something much deeper here, and finally, we are ready to start talking about it. Listen.

Ramit Sethi: [00:22:48] What is it, Jacques?

Jacques: [00:22:57] Well, I think part of me wants to say yes. So, when she asks me for stuff, I want to say yes, right? She's my wife. I love her. I want to please her. So, part of it is that, right? Because I want to say yes, and that's why, sometimes, she'll ask me a couple of times, oh, can I get this, can I get that, stuff for her, I'll be, no, we don't have the money, no, we don't have the money, like, fine, get it, right?

Ramit Sethi: [00:23:26] In your mind, is creating a plan, does that mean saying no?

Jacques: [00:23:35] Well, we got to say no at some things, right?

Ramit Sethi: [00:23:37] Well, you haven't yet.

Jacques: [00:23:40] True.

Ramit Sethi: [00:23:42] So, let me see if I can get this right. Tell me if I'm off. I like to be a good husband, I don't like confrontation, I want to say yes, I want to please my wife. Deep down, I know there's a couple of things we probably shouldn't do. We probably shouldn't go here and maybe buy this, but sometimes, she asks me, and I don't like the confrontation. I know she's going to be upset, so I say yes. I know it's probably going to cause problems down the road, but I'm just trying to get by day to day here.

Jacques: [00:24:16] Yeah, pretty much on the dot there. From a young age, I was always told no, like when I grew up, my mom was a single mother. We didn't have much money, so any time I asked for something, it was no, because we just didn't have the money.

Ramit Sethi: [00:24:32] So, keep going. Trace it to yourself now. How do you think a child reacts when they hear, no, no, no, no, no?

Jacques: [00:24:40] My needs are not important. What I want is not important, because I always got told no, right?

Ramit Sethi: [00:24:46] Yeah. And then, what do you think is a possibility for how someone reacts to that as they get older?

Jacques: [00:24:57] Well, just trying to please people, I guess that's-

Ramit Sethi: [00:25:01] Why? What's the connection between being told no by everybody in the family, and then saying yes? What's that connection? How did it feel when they told you no?

Jacques: [00:25:15] Well, it sucked, but eventually, you get used to it, right?

Ramit Sethi: [00:25:18] I mean, do you? Do you get used to it? Does it ever feel good when somebody tells you no?

Jacques: [00:25:26] Well, no. But like I don't put myself in a situation where somebody will tell me no.

Ramit Sethi: [00:25:32] Exactly. Eventually, you say, that is painful, so painful that I'm just not even going to ask, because I don't want to hear no. And then, growing up, getting in relationships, this relationship, do you think it's possible that somebody who's been told no their whole life says, I felt so bad, I never want to feel like that or have anyone who I love feel like that, so I'm never going to put them through what I went through?

Jacques: [00:26:02] Yeah. That's the first time I thought about that.

Ramit Sethi: [00:26:09] Yeah.

Jacques: [00:26:14] I've never connected the dots, right?

Ramit Sethi: [00:26:18] This is a really big realization. Oftentimes, we behave in ways that seem totally rational to ourselves. And if I asked you, why did you say yes to this? Well, it was a long night. Why did you say yes to that? Well, she asked me four times. And there's a reason, our minds are really good at creating reasons. I'm actually not concerned about the math here. This isn't a math problem. I want to say it again, because it's really important for me to say that. This is not a math problem.

Jennifer: [00:26:51] It's to take charge and do it.

Ramit Sethi: [00:26:55] Yeah, but if that were the case, you would have done it already, like motivational phrases only, they're like snacks, they only get you so far. So, what's the real problem?

Jacques: [00:27:10] Not wanting to put myself in a situation where I have to say no.

Ramit Sethi: [00:27:14] Right. That's a deep, deep issue. If you pull on that string, you're going to end up back being three years old or four years old.

Jennifer: [00:27:24] For me, it's more of an instant gratification. I want it now versus wait.

Ramit Sethi: [00:27:34] Yeah. And do you see any similarities between the food, instant gratification, and the money?

Jennifer: [00:27:40] Oh, definitely. Pretty much everything is like that.

Ramit Sethi: [00:27:45] So, that's another deep-seated issue, and you mentioned you've been getting help, I'm really happy to hear that.

Jennifer: [00:27:52] And that's the thing. Like for me, food is my gratification. Oh, you did well here, eat food, oh, you feel like shitty, here's some food. So, I've been trying to do some work on that to try and heal those wounds to get over that, so I don't use food, because all that food, well, you need money to pay for that food.

Ramit Sethi: [00:28:16] Yeah. I'm really glad to hear that you are pursuing this, because it's challenging, it's not easy, and it takes a lot of deep inner work, ideally with some help as well. We've made a couple of breakthroughs. I want to shift them now to what they are doing with their money. One of the observations I have about this couple is that there's no real purpose to their money. It's a lot of instant gratification, whatever's in front of them.

Ramit Sethi: [00:28:47] I bet you, if I ask them, do you remember the last four meals you ordered as takeout? They wouldn't even remember. So, nothing memorable, nothing special, it's just whatever's in front of them. And I think there's a totally different way to think about money, a way where you can say, you know what, let's think about what meal would be amazing for us, or what trip, or what baby car seat, whatever, and let's save up. Let's get that. Let's dream big, and then go after it aggressively. So, I want to talk about what they want with their money. I'm curious if they've even thought about it.

Jennifer: [00:29:24] One thing we have talked about, Jacques and I, was buying cottages or building little cottages in different areas, and then renting renting them out since we would have like, okay, we want to go there for a vacation, let's go two hours away from here, five hours from here, but at the same time, those houses would be working for us when we're not there so that we can—I'd like to build on that, build a business or something that builds an income that we don't have to go to a job 40 hours of a week.

Ramit Sethi: [00:30:05] And then, what?

Jennifer: [00:30:08] And then, it would allow us to be able to travel. We mentioned we wanted to travel, and we've been looking into the schoolies, and RVs, and whatnot, and that's something that I'd like us to do, especially with the kids being young.

Ramit Sethi: [00:30:28] Nice. Okay. Love it. Beautiful. I love the vision. Jacques, what about you?

Jacques: [00:30:34] My vision of being wealthy is to have an RV and you go to these far out places, where there's nobody around, and just have a campfire, and the kids are there, they can see nature, and look at the stars, because there's no pollution, or lights, or anything like that. That's my vision.

Ramit Sethi: [00:30:55] First of all, there are two places you're never going to find me. Number one is in a Home Depot. Okay. And number two is in an RV. Those two places are a special kind of hell for me. Alright. But remember, it's not my rich life, it's yours. Okay? Your rich life is yours. It's not your parents', not your friends', it's certainly not mine. So, while I don't understand the appeal of an RV, it has nothing to do with it.

Ramit Sethi: [00:31:25] In fact, I love hearing people's rich lives the more different they are from mine. I love it, because it tells me, they've really thought about something that they want. And the more you dial in your rich life, your money dials, everything, the more incomprehensible it's going to be to everybody else. So, I'm getting excited and I can hear it in their voice that they're getting excited as well.

Ramit Sethi: [00:31:50] How old can kids be while you take them there and they still enjoy it?

Jacques: [00:31:56] I don't know. I would still enjoy it, so I'm thinking-

Ramit Sethi: [00:32:03] Well, what do you think? What is an ideal age to take your kids to something like that?

Jacques: [00:32:09] Well, I'm thinking before they're 10 or 11.

Jennifer: [00:32:13] Teenagers.

Jacques: [00:32:14] Yeah, because that's when they start having friends, and they're like, no, I'd rather stay at home, and just be with my friends and all that.

Ramit Sethi: [00:32:20] That's right. So, really, now, we're starting to get a little bit more specific, which is in the next X years, we want to take our children on some kind of outdoors RV adventure. How many years?

Jacques: [00:32:41] Four.

Jennifer: [00:32:41] I would say for me, with more like two.

Ramit Sethi: [00:32:44] Okay. So, soon. Well, look, we're getting somewhere, whether it's two or four. It's not 20.

Jacques: [00:32:52] No.

Jennifer: [00:32:53] No.

Ramit Sethi: [00:32:53] Okay. So, guess what? Now, we have a real reason to start changing our finances. You know what, you had no reason before. Of course, you're going to order out, because what else are we going to do, pay off debt? That sounds boring. It sucks.

Jacques: [00:33:14] Yeah.

Jennifer: [00:33:15] Yeah.

Ramit Sethi: [00:33:15] But listen to what I heard. I just have to repeat this back to you, because it was so vivid. I heard no light pollution. I heard outdoors. Look at the stars. RV. Traveling with the kids. These are words that are very emotional. That is beautiful. And I would love for both of you to actually expand on it outside of this call. I would love for you to have a conversation where you say, what would it look like if this were magical? How does this feel, Jacques, just to start thinking about this trip? How does it feel to you?

Jacques: [00:34:03] Well, it feels pretty good. It's a direction, right? I'm realizing now, that's what it was, like I had no goals or anything like that, nothing to shoot for. And it

makes sense that, what else is there to do? Get some food or, oh, we want to do that this weekend, let's go do it, you need to buy that, let's buy that. Now, I'd rather go do the trip than eat out tomorrow.

Ramit Sethi: [00:34:32] Let's say that it's 5%, right now, you would be paying \$400 a month. And like I told you, it would take you 11 years to pay that off.

Jennifer: [00:34:43] Okay.

Ramit Sethi: [00:34:44] Now, let me ask you a question, what if you increase that to 600 a month? How long do you think it would take you to pay it off?

Jacques: [00:34:53] Ten. Seven years.

Jennifer: [00:34:57] Seven, yeah,

Ramit Sethi: [00:34:58] 6.5 years, just from \$200 a month extra.

Jennifer: [00:35:04] Geez.

Ramit Sethi: [00:35:05] Do you think you could find \$200 a month extra?

Jennifer: [00:35:10] I'm sure you can figure something out.

Ramit Sethi: [00:35:12] 100%. When you go through your numbers, you're going to realize, you're sitting on way more than you think. Okay. And if you have to get creative to do it, you're going to get creative. It's either going to be 10 years or three years, what are we going to do? And truthfully, I hope you both see the costs of, what does it cost you to be treading water for so long? You start to actually normalize it, like, oh, it's normal to be sinking. It sucks.

Jennifer: [00:35:42] Well, that's all I've seen all my life is my parents being there.

Ramit Sethi: [00:35:46] I really love what Jennifer just said, just offhandedly. She opens up the floodgates. That's what we knew. That's what I've seen all my life with my

parents. Think about the implications of just that one sentence. That's what she modeled forever. And therefore, you normalize it. In fact, when you think of money, you think of problems, pain. And if you do that for enough time, you can't even imagine that money can be joyful, that it can be a source of opportunity instead of one of problems.

Ramit Sethi: [00:36:26] Now, this presents some real identity challenges as you start to shift from paying off your debt. I often find that people who are in a severe amount of debt or have been there for a long time, they can't even envision what it feels like to be debt-free, much less to actually have money in their savings account. And as they go towards this debt-free status, they start to ask themselves lots of uncomfortable questions. Oh, my God, what's it going to be like?

Ramit Sethi: [00:36:55] What if I told myself that being debt-free would make me happy, and I finally pay off all my debt, and I'm not happy? And ultimately, am I worth it? These are really tough identity questions that many of you will face, but I am confident you can absolutely work through these, just want to flag it for you that as you change your identity with money, you will have to confront your own personal identity. So I want to point out that based on your numbers, you both could do that and if you were to contribute instead 800 a month, you pay that off in 4.75 years.

Jacques: [00:37:38] That'd be cool.

Jennifer: [00:37:40] Yeah.

Ramit Sethi: [00:37:41] Jennifer, what is that look on your face?

Jennifer: [00:37:44] I wanted to say another swear word.

Ramit Sethi: [00:37:48] Well, I encourage swearing. There was something that really puzzled me in this conversation, when I asked them, what do you want to do with your money? They had this whole thing about want to buy cottages, and eventually use that money to be able to get an RV and sit under the stars. It was beautifully described. But then, when I asked him, when do you want to do it? They got very fuzzy. Did you catch that?

Ramit Sethi: [00:38:22] I don't know, first, we need to get the first down payment. We can't seem to save any money. And then, I asked him, how old do you want your kids to be? Well, probably before they're teenagers, because they'll still like us. Suddenly, you realize that this isn't a plan, it's just a wish. I don't want you to just wish for things to do with your money. I want you to make a plan. And so, for this couple, my dream would be that we just start by saying, What is it you actually want?

Ramit Sethi: [00:38:53] I want to take my kids, I want to get an RV, and I want to sit under the stars with them, and create some memories. Love it. Beautiful. Okay. How can we do that quickly? Well, maybe we can start aggressively paying off our debt. Maybe we can put 100 bucks a month aside for this trip. Maybe we don't have to buy four cottages, and then buy an RV. Could we just rent an RV? And what if we don't have to take a month off?

Ramit Sethi: [00:39:21] What if we just go for two weeks? Suddenly, you shaved off 15 or 20 years towards your rich life? Well, you can do it in 18 months. This is my wish for you. My wish is that you look creatively at what your rich life is, that you get super detailed about it, I want to know, what are you going to be eating underneath the stars? Tell me about that. And then, you go from a wish to a plan. How can we do that? How can we do it bigger?

Ramit Sethi: [00:39:51] How can we do it faster? And suddenly, you start to go from problem orientation to solution orientation. You are between four to six years away from paying off this debt. My guess is if you made this a true priority like number one, you could pay it off in less than four years, three or three-and-a-half years. That would be hard. You'd have to change everything. You'd have to do a lot of inner work. That may be even too hard, but four to six years, you could comfortably pay it off.

Jennifer: [00:40:31] Well, if we got rid of the car and you use the Jeep to go to work, you'd still burn more gas than the car, but it'll be about \$400 we could actually chuck there.

Ramit Sethi: [00:40:47] There it is. You can hear Jennifer getting engaged, putting some skin in the game, becoming creative about how they can work towards their rich

life. This is a beautiful moment. Here's what you'll find next week on the I Will Teach You To Be Rich podcast.

Paula: [00:41:15] I felt it like a joke saying, I will have to pay everything for you. I mean, my mind was that, I can pay for myself. Like if you don't want to support me, like I can support myself.

Nicolas: [00:41:26] When I questioned her about what we're leaving on the table as a family and what that implies for us, her response was, well, I have my own savings and I can kind of do whatever I want.