

Michelle: [00:00:05] You're netting 80,000 a month and you're questioning my Audible 12-dollar subscription every day? There's a problem here. We file our taxes jointly and I had to sign for taxes recently, couldn't believe my eyes. I didn't even know how much we made. I had to sign \$175,000 per month. My yard is in shambles. There's no reason for this. When we fly, we fly as basic economy as we can. When we stay in hotels, it's the cheapest.

Charles: [00:00:38] I'm cheap. I'm frugal, I am cheap. There's no mistake about that.

Michelle: [00:00:42] And the real clincher here is that because he earns the money and physically has more access to the money, he directs it, he manages it. I do believe that he wants to change. I do believe that he realizes the damage that has been done. I'm not optimistic that he can actually do it.

Ramit Sethi: [00:01:04] Hi. I'm Ramit Sethi, and welcome to the I Will Teach You To Be Rich podcast. I recently got a message, and I have to read it to you, here's what it said, we have a 10 million-dollar net worth and a 2.5 million-dollar income, and we still share a Netflix password. Please help. My wife of 21 years is threatening divorce. Well, today, I'd like you to meet Michelle and Charles. Both are in their early 50s.

Ramit Sethi: [00:01:34] And as I looked into their numbers, they actually earned more than he initially mentioned. They make \$3.1 million per year, mostly from a full-time job, but also from sitting on boards and investments. Their total assets are \$11.3 million, with a couple million bucks in mortgages, and yet Charles is cheap, so cheap that his wife, Michelle, has threatened divorce. And on today's episode, you're going to hear about their landscaping, their travel, and their children's mattresses.

Ramit Sethi: [00:02:08] This is one of the most fascinating conversations I've ever had about money. As you listen to Michelle and Charles, it's going to be easy for you to get mad. At some point today, you're going to scream out loud, if I was a multimillionaire, I would never worry about money, but I want you to stop thinking like that. When was the last time you actually heard real people with over \$10 million talk about how they really feel? Never. First, we should congratulate Charles and Michelle for being courageous enough to talk to me.

Ramit Sethi: [00:02:43] And second, the real lesson is that if you feel nervous, or anxious, or fearful about money, you're still going to feel that way even when you have \$10 million. One last thing, you can only hear conversations like this on the I Will Teach You To Be Rich podcast, so please tell your friends about this. Now, let's get to it. Charles, you sent me a message recently, and I would like to read off the message, and ask, what was going on when you sent that to me? So, you wrote, we have a 10 million-dollar net worth and 2.5 million-dollar income, and we still share a Netflix password. PLEASE HELP, in all caps. My wife of 21 years is threatening divorce. Charles, what was going on when you wrote that message to me?

Charles: [00:03:39] We're having a very toxic discussion about money. It's very argumentative. And I have my views about money. Michelle has her views about money. And I could frankly say that I have been unfair. I've been selfish. And I want you to help me in two ways. I want you to help me, give me the tools to talk to my wife about money in an open and transparent way. And number two, I want you to teach me how to live a rich life. I know you say you can't help cheap people, but I am cheap. I'm frugal, I am cheap. There's no mistake about that. And there are certain things that I feel I don't want to spend money on, right? Like I bought a fancy car a couple of years ago, paid all cash. It's a fancy car. I'll invest in that. Like the car, it was more like luxury, right?

Michelle: [00:04:27] I mean, is a Tesla luxury because I didn't look at that as luxury? I mean, he's a tech executive who bought a used Tesla with the lowest battery power. That's not a luxury to me. He originally signed up for the 35,000-dollar Tesla until we found out what the actual body looked like, and then he like upgrade it a little bit.

Ramit Sethi: [00:04:46] This really sets the tone for today's episode. Charles thinks one thing. Michelle thinks another. Both of them are extremely confident about their perspectives. This isn't like talking to two people who are ignorant about money, shy to talk about it. Not at all. This is going to take a totally different approach from my end. Listen in.

Charles: [00:05:06] I paid a lot of money to renovate the garage, to work out in the gym, I paid money for that, but I'm not going to pay more than a certain amount of money for a pair of jeans. I'll buy it from Costco, right? I don't value the jeans or some shoes, et

cetera. There are probably more areas where I'm cheap and a lot less areas where I am a bit extravagant.

Ramit Sethi: [00:05:25] You like being cheap?

Charles: [00:05:27] I don't. I think that it's been wearing on me, because I tend to think about price and money too often, and I found myself just stressing myself out too much.

Ramit Sethi: [00:05:34] When you get a good deal, what does that feel like?

Charles: [00:05:38] It feels great. Like I'm an investor, when I get like a great like rental property, I love it. When I get a great deal that I go to the dollar store, I load up on good deals there, I just love the feeling, the fact that I got a good deal.

Ramit Sethi: [00:05:52] You got a 10 million-dollar net worth, you walk into the dollar store, what are you getting in the dollar store, by the way?

Charles: [00:05:58] So, the thing where I find good value in the dollar store is light bulbs, batteries, and frozen fruit for my smoothies. When I compare, I usually shop that at Whole Foods, it's almost 2X.

Ramit Sethi: [00:06:11] I just have to make a guess. Is it blueberries that you're buying at the dollar store? Man, what is it about rich people and blueberries? You know how many rich people I've talked to, who will not pay more for blueberries? This is crazy. Alright. We're going to have to get into that another time, but there's something cosmic going on here. Okay. So, you walk out, you got your bag with your light bulb and your blueberries, and what are you feeling when you walk out of there after making a seven-dollar purchase that otherwise would have been \$21 somewhere else?

Charles: [00:06:44] It's that feeling of money well spent, like it's not wasted. And so, I feel that like I cringe whenever Michelle throws food away, because it's money down the drain.

Ramit Sethi: [00:06:57] I have a suspicion here. I want to know about the people around him, like who is he sharing this feeling of getting a good deal with? Who's reinforcing it? Is Michelle in on it, too? And do you share that feeling with anybody else?

Charles: [00:07:13] What do you mean?

Ramit Sethi: [00:07:15] Like do you come home and tell Michelle, oh, my God, look at this deal I got, or is it just for you?

Charles: [00:07:21] I tell Michelle often, but she doesn't quite like get as excited as I do, so I'll tell my other friends, like I got some college buddy's usher that made deals with, they appreciate it more than Michelle does.

Ramit Sethi: [00:07:32] Michelle, I'm curious to hear what it's like when Charles comes home with this bag of light bulbs and tells you about the price that he got on it. Have you had this experience before?

Michelle: [00:07:42] Initially, when he would come home from the dollar store, I would just kind of laugh and just chalk it up as that's another notch of his cheapness, and I would swear that I would never do that. I mean, I'm a Whole Foods kind of girl. But ironically, I went one day, and I was kind of, wow, this is a good deal. But there's a caveat. It depends on what you get, because to me, cheap at what cost?

Michelle: [00:08:11] So, there are certain things that were just not brand names that there was a cost to that. Frozen fruit, that's the same everywhere. But even though there was a good feeling for it, it was on very few items. And I just figured, you know what, that doesn't affect me. If he wants to shop, dollar store, that's fine. It's not something that I want to do on a regular basis, but I wasn't as affected on that as I am on other things.

Ramit Sethi: [00:08:34] When I have these conversations, I'm always looking for a clue that's going to open up something deeper. It's like finding a secret entrance in Super Mario. If I find it, it can take me to that secret underworld where the real truth is. I suspected that Charles's cheapness might be motivated by people around him, but that's not it. So, when you're talking about money with your partner, it takes a lot of

gentle searching for clues. But notice, if you can't find it, just move on. That's what I'm going to do right now. I'm going to switch approaches and I'm going to try to find out when this started affecting their relationship.

Michelle: [00:09:12] Before marriage. So, the night before our marriage, so we're planning the wedding and everyone's responsible for whatever thing, and he comes to me the night before the wedding, and says, did you bring your checkbook? I'm like, no, in all the frenzy, how can I bring my checkbook? I was like, why? He's like, because you have to pay the musicians. I'm like, what difference does it make? We're getting married tomorrow. And that stuck with me. I almost called the wedding off, because I just felt like, we're getting married, we're going from separate to joint, why would he ask for my checkbook?

Michelle: [00:09:46] And so, that's been the theme for 21 years. Sometimes, I refer back to that, like the checkbook moment, and that's been a problem. So, this started very early. For me, there was never enough being with my husband. It felt like we were always in deficit. So, even though most people are broke in college, I don't think he was broke, I think I was only the broke one. He's never been broke in the sense of like lack of money. I think it was just this feeling of, we don't have enough, we don't have enough, but the numbers always showed that we did have enough. He would always make me feel and put this buzz in my ear that it's not enough, we don't have enough money, we have to be more frugal.

Charles: [00:10:30] I think that's fair. I think that looking back, I had more of a scarcity mindset as opposed to an abundance mindset. But I think the biggest difference was like, I'm very intentional. And so, in my mind, if there's no agreement or a plan on how to spend the money, then there's no cap. And so, I get worried. And so, if you say we're going to spend 100 bucks on groceries or whatever, then that's 100 bucks, I'm good with that.

Charles: [00:10:56] If you say I don't want to agree on that, I'm going to spend whatever I want, I'm going to be nervous, because every expense, like when is this going to end? And so, that's kind of what led to, I guess, the friction between spending plan, no spending plan, being frugal, and kind of having that scarcity mindset. There was never in my mind agreed upon plan on how we want to spend the money.

Ramit Sethi: [00:11:18] There are so many insights in what we just heard. Michelle mentioned that she's felt this sense of scarcity since the day they got married. When you're young and you don't have much money, that makes sense, but a lot of us hope that once we're more financially comfortable, that scarcity will change. What you're learning is that simply adding more money doesn't automatically change your feelings about money. Then, you heard Charles say that he wants a plan.

Ramit Sethi: [00:11:48] He used words like worried or I'm going to spend whatever I want. Notice how emotionally charged these ideas are, nervous, friction, when is this ever going to end? Also, notice how it's all focused on what can go wrong, but it's never focused on what can go right, and \$10 million later, he still feels the same. Okay. Let's play this out for a second. Let's take jeans. I'm going to give you a couple of different plans and you tell me how you feel about it.

Charles: [00:12:22] Okay.

Michelle: [00:12:23] Alright. We're going to spend 50 bucks on your next pair of jeans. How do you feel?

Charles: [00:12:29] That's okay. It seems okay.

Ramit Sethi: [00:12:32] Okay. We're going to spend \$250 on your next jeans.

Charles: [00:12:38] I don't think it's worth it. I wouldn't do that. Why is that? I think that that doesn't feel like a good way to spend 250 bucks. I'd rather spend it someplace else.

Ramit Sethi: [00:12:50] Like what?

Charles: [00:12:53] I've been looking to get to some AirPods Pros to help with my conference calls at work, and so I'd prefer to spend money on that, and then go without jeans.

Ramit Sethi: [00:13:03] I'll tell you what. We'll get you the AirPods and the 250-dollar jeans. How do you feel about that?

Charles: [00:13:10] Again, I think the AirPods may be worth it, but the jeans, it just seems like it's a waste of money.

Ramit Sethi: [00:13:15] Okay. So, it's not the plan, it's the amount as well.

Charles: [00:13:21] I think so, yeah.

Ramit Sethi: [00:13:24] Because I just gave you a plan, I told you exactly how much we're going to spend, you were not having it.

Charles: [00:13:29] Yeah, I think that's right.

Michelle: [00:13:30] The most dangerous three words that I've heard for 21 years is, in my mind, it's whatever he makes up his mind. So, in his mind, \$50, \$250 is too much for jeans. It's not based on anything. It's not based on him shopping and seeing the different range. It's not based on analysis reports on jeans. It's just in his mind, that's too much. So, he has like an internal compass of what things should cost versus what they really cost or what the quality of it really costs.

Ramit Sethi: [00:13:57] You ever heard stories about people who go out with their parents, and they go to dinner, and their parents are still tipping like 5% or 10%, and you're just like, no, dad, can't do that anymore, here, I'm going to slip an extra 20. Have you ever heard stories like that?

Charles: [00:14:12] Yeah, I have. Yeah.

Ramit Sethi: [00:14:13] Do you think that that's possible for your internal compass around things like jeans?

Charles: [00:14:18] Yes and no. I think that there are two parts to it. One is the internal compass could be updated, but I think that there are certain things that I just don't put value on and some things that I do. And so, I think it's a combination of both of those things.

Ramit Sethi: [00:14:31] That was a very good answer from Charles. It was very logical, what he said. Did you catch it? Hey, sure, I could probably update my internal compass, but also, I just value certain things and I don't value other things. Sounds so logical, right? That comment would slide by 90% of people, but there's just one problem, Charles's wife is about to divorce him. All the logic in the world is not working. Watch me now as I sharpen my questions so that he starts to truly internalize the consequences of his beliefs.

Ramit Sethi: [00:15:04] Fair enough. I agree also. There are certain things I just don't care about, and some people look at me like, why would you not buy that? You can easily afford it. And I just don't care. It's not important to me.

Charles: [00:15:17] Exactly.

Ramit Sethi: [00:15:17] Sp, my question, Charles, is what is the cost of your beliefs?

Charles: [00:15:26] I think it's costing me quite a bit, because I think that I want to have a partner in my marriage when it comes to the money and the investments. I want to be able to work with somebody to do that, and my beliefs have caused a huge wedge between my wife and I. And so, it's cost me quite a bit. It's costing me harmony in my home. It's costing me my wife's happiness. And it's costing me a lot of stress.

Charles: [00:15:50] And so, that's why I'm trying to figure this out. So, it's costing me quite a bit. I hope it's not too late, but I want to turn this around. I want to loosen the purse strings. I want to start to provide my wife with the things that she wants, and I've been trying to do this on my own, but I've been having trouble. Like for example, I try to do your 100-dollar challenge to turn to 1,000-dollar challenge, and I failed miserably. I couldn't find anything to spend 1,000 bucks on.

Ramit Sethi: [00:16:17] You couldn't find anything to spend \$1,000 on.

Charles: [00:16:19] No, I failed. Yeah.

Michelle: [00:16:22] His idea of spending is spending to make more money, and then make more money. I'm constantly saying like, why do you need more money? Oh,

because I want to invest, make more money. Well, why do you need that? Why do you need that? At some point, you die and you're just doing this to give it away to other people. So, his beliefs, if he were a single guy, would be fantastic. It's his beliefs. He can do what he wants. It's his money, value, all that can be his. The problem is that we're married, and what his beliefs are, he doesn't realize that they affect me immensely.

Michelle: [00:16:53] So, I mean, literally to the point where it's broken my spirit. I mean, the reason why we're coming to you now is because after all these years, it's just too much. I mean, I remember another podcast you did and you asked them to rate it from zero to 10. We're at a nine, and we've been in a nine-and-a-half for many years, maybe the last 10 years, and I just can't take it anymore. And so, even though he was the one who initiated the call, I was totally on board, because we just need some guidance. And we've talked in therapy, it always ends with the same mindset that he has.

Ramit Sethi: [00:17:26] You have children?

Charles: [00:17:27] We have kids, yes, teenagers. Do you think that them getting ready to start thinking about college is perhaps also bringing this more to the surface?

Charles: [00:17:39] For me, yes, because my kids have seen my cheapness. If you ask them if I'm cheap, Daddy is cheap, they'll say, yes, he is, and I don't want that to taint how they view and think about money as well. And so, I try to give them the right kind of tools, like accounts, and talk about investments, et cetera, but I don't want my cheapness and my issues to kind of rub off on them. So, that's part of why I want to try and get this resolved, so they can really have a good chance at being good with money.

Michelle: [00:18:10] And I have a different perspective. So, on money, I want them to know how to live abundantly. I want them to know that their hard work has a payoff. I want them to be able to live life, where, yes, they can save and understand money, but at the same time, they could do things that they otherwise could not do.

Ramit Sethi: [00:18:30] It is really, really hard for people to turn the page in their rich life. Let me explain what I mean. For highly successful people like Charles, all of their skills of saving, and investing, and planning, and optimizing got them to the top of the

mountain. So, from the outside, you look at them, and you say, you made it, why are you agonizing over 200-dollar jeans? But to them, they see the very skills that got them here as identical with themselves.

Ramit Sethi: [00:19:03] They can't separate the desire for success from themselves. So, I can sit here and repeat, turn the page, what's your rich life? It doesn't mean anything to Charles yet. Michelle can even say, I'm about to divorce you, and it still doesn't really hit home. This identity is deeper than money. It's deeper than relationships. It goes to the very core of who Charles is. By the way, I sometimes ask people on my newsletter, what would you do if you had \$100 million?

Ramit Sethi: [00:19:37] The answers are so fucking depressing. Half of them say, I'm already living a great life, I wouldn't change a thing. I know they're trying to signal that they're happy, but I consider this almost a criminal lack of imagination, to not know what you would do with essentially unlimited money, not even a single amazing trip, not even taking your family to create an unforgettable memory, I'm not impressed.

Ramit Sethi: [00:20:03] Half of the people respond, pay off my house, then invest the rest. For what? You fucking won the game, you have \$100 million, and now, you want to invest more? These are the kinds of answers people give when they haven't really thought through their rich life, when they haven't given themselves room to dream. Now, there's just one more catch with Charles here, he actually has that kind of money, and yet he can't stop making more of it.

Michelle: [00:20:34] I think the part where we vastly differ is on spending it. I mean, we're accurate on how to save it and why save it, but there's a big divide on spending, how to spend, what to spend it on, why spend it on these things?

Ramit Sethi: [00:20:49] Yeah, there is. I'm hearing so much focus, Charles, on saving, and accumulating, and compounding, and you've done a fantastic job of that. I do hear a lot of excitement when you talk about the light bulbs and the blueberries, and getting a good value. Love that excitement. I'm not hearing any real joy aside from a couple of things, like the gym, on how to spend the money.

Charles: [00:21:14] It's financial freedom, right? At some point, I want to be able to go into my next chapter, and work on more passion projects, and retire from my full-time job. I'm not sure when that's going to be, but that's part of the mission that I've been on, is to get to financial freedom, so I can kind of go to my next chapter, and that's the piece that gets me really excited.

Ramit Sethi: [00:21:34] So, you did it. Do you know you succeeded?

Charles: [00:21:39] I think I'm close.

Ramit Sethi: [00:21:42] Yeah. How close?

Charles: [00:21:45] Boy, there's a lot of factors to consider, but I think I'm very close. I think that one of the biggest question marks in my mind is when I talk to Michelle about, what does our rich life look like? And she starts talking about that, and I start seeing dollar signs, I start hearing, I want to fly first class, I want to buy a huge house, I want to stay in the western United States in a high cost geography. And I'm saying, okay, well, my initial plans were for X, her plans are 1.5X, and so that's the thing that is occurring. So, unless we get an alignment on what that rich life looks like, it's going to be hard for me to pencil it out.

Ramit Sethi: [00:22:22] Why don't we just do it right now? Let's just do it right now. We'll keep it very high level.

Michelle: [00:22:26] Here's the thing before we do it, that's exactly why I haven't done it, because it doesn't stop there. It's not here are my five things that I like to do, great, we'll do it, because there are two problems with that. One is it's set in stone. So, if I give you five things right now that I'd like to do, that's my rich life, that's it, there can't be a single dollar spent anywhere else.

Michelle: [00:22:51] And number two, the minute I spit out the first one, he has a problem with it, because it's like, oh, my God, that's spending money on something that I would not otherwise spend money on. And then, also, the few things that he just mentioned, first class and the big house, those are false. Those are things that he

hears. The reality is, I'm tired of sitting smashed in the middle every time we go on a vacation. I just want better comfort, not I got to fly first class just because it's first class.

Michelle: [00:23:17] The truth is, I want to live on the West Coast, because, A, that's where we're from, and B, that's where my children are, and they'll probably stay here after college. So, there's some truth behind his statements that come across like, well, gee, this woman is crazy, she wants to actually live in a big house? Yeah, I do. I do. I think we've both worked hard, yeah, I do, I'm not ashamed of that. Or, you want to travel first class? Yeah, I do. We've been married 21 years and it's about time after flights after four hours, we're in business or first class. So, again, it's that negative spin to it, and I'm like, yeah, I want to do that, what's wrong with that?

Charles: [00:23:52] What I heard from Michelle was that my inflexibility, and that's fair. I'm a very planful guy, I like to stick to a plan, but I'm trying to convince Michelle that, hey, I've learned to be more flexible and it's not going to be set in stone. But let's be thoughtful about putting a plan together. Don't just kind of spit out numbers or ideas. Let's be thoughtful and make sure that something you put forward is something that you put some thought into.

Ramit Sethi: [00:24:18] Okay. Before we go on, are you seeing Michelle's reaction right now?

Charles: [00:24:24] No, I can't see it. What is she doing?

Ramit Sethi: [00:24:27] She's shaking her head. Why do you think she's shaking her head? Just rewind back to what you just said. What did you say in that sentence again? Try to say it out loud.

Charles: [00:24:37] Okay. I said that I'm trying to be more flexible, not set in stone, but I want her to put some thought into what she's trying to do. Maybe she took it as she's not being thoughtful and that's not what I meant, but I just feel that, sometimes, she spits out numbers or I-

Ramit Sethi: [00:24:54] Okay. Hold on. I want to pause you right there. So, you had two parts of that sentence. I want to convince her that I am more flexible. That was part one.

And then, part two was, but, started with a but, I think we should run our numbers, and we should be thoughtful and planful. Okay. Those two parts, which part, part one or part two, do you think that she started shaking her head at?

Charles: [00:25:18] Part two?

Ramit Sethi: [00:25:20] Yeah.

Charles: [00:25:21] Because I think she may be offended at my thinking that she's not being thoughtful or planful, et cetera. I think she may think that she is thoughtful, what she says.

Ramit Sethi: [00:25:30] And what is the implication of you needing to remind your wife of 21 years that you both need to be thoughtful? What's the implication there?

Charles: [00:25:40] I think the implication is that she has not been thoughtful, and she hasn't put any thought into what she's trying to do.

Ramit Sethi: [00:25:54] If you were to say, hey, babe, you make the plan for the vacation, here's the checkbook. What is the implication, that what would she do with that checkbook?

Charles: [00:26:06] That she's going to spend a bunch of money thoughtlessly.

Ramit Sethi: [00:26:09] Like a huge amount, like amount of money that's going set you back in the poorhouse? Do you think she would do that?

Charles: [00:26:17] I don't think she would do that intentionally, but I think that she could or has spent money in ways that I thought that we should not have spent in this way.

Ramit Sethi: [00:26:28] Do you think there is a vacation that the two of you could go on? Do you think there's an amount she could spend that would materially affect your finances negatively?

Charles: [00:26:41] No.

Ramit Sethi: [00:26:44] Say it again, say it in a full sentence, so you hear that yourself.

Charles: [00:26:48] I don't think it's possible for Michelle to spend money on one vacation that would materially impact our finances. However, if-

Ramit Sethi: [00:26:58] I agree. Just stop right there. Just stop right there. I'm going to save you from yourself. Okay. Trust me. I'm saving you. I'm saving all of us right now. Okay. Okay. I had to stop him from some long monologue that he was about to go on. And two things just happened right there, one you could see and one you could not. First, Charles acknowledged that there is literally no amount Michele could spend on a vacation that would materially affect their finances.

Ramit Sethi: [00:27:29] To put it another way, she could plan a \$500,000 trip and they would make that much money back in a few months in interest alone, but you'll notice how I had to almost drag this out of him. Even when he admitted it, he felt he had to caveat it to cover his bases to explain. This is true of a lot of logical people. They feel they need to cover every contingency. Second, I wish you could have seen Michelle's face.

Ramit Sethi: [00:28:00] She looked so sad. She looked frustrated. The problem with needing to dot every I and cross every T, and I'm talking to all you logical dorks out there who feel the need to explain, show the math, ROI of every life decision, the problem is that nobody likes being told all the things you might do wrong, especially when you've been someone's partner for 21 years. Michelle is looking for a little partnership here, a little trust, to focus on what can go right instead of only focusing on what can go wrong.

Ramit Sethi: [00:28:43] I belong to a small group of CEOs. One time, we were on a retreat, and I was telling them about some upcoming review I was going to have with one of my coworkers. And they asked me, how good is this guy? I said, he's great. 90% of his work is excellent. And they said to me, okay, then in your call, spend 90% of the time on the positive. This totally blew my mind, because as a guy who used to be a logical dork, I still have remnants of it in my mind. Here's what I was planning to do, I

was going to spend five minutes praising him and complimenting him on the good work, and then 55 minutes going through constructive feedback.

Ramit Sethi: [00:29:27] What a fucking mistake that would have been. Michelle has been subjected to literally decades of constructive criticism, of being warned about all the things that can go wrong, of listening to Charles's fears about money. But she's been a good partner. She hasn't asked for anything over the top. So, you can understand the sadness, the anger, and the resignation that I saw in her face. Okay. So, we start there, we can agree on that. Let's put the plan part of it aside, let's just put that financial part of it aside. Is Michelle a good mom?

Charles: [00:30:08] She's a great mom.

Ramit Sethi: [00:30:09] Is she a good wife.

Charles: [00:30:10] Excellent wife.

Ramit Sethi: [00:30:12] Good partner?

Charles: [00:30:13] Very good partner.

Ramit Sethi: [00:30:15] How come in your statements, the two-parter, you give her the warning of what she might do wrong. Where's that coming from?

Charles: [00:30:27] I think it's coming from because we approach things differently, right?

Ramit Sethi: [00:30:33] Talk to me about yourself. You.

Charles: [00:30:34] So, I approach things maybe too much so in a very analytical, planful, intentional way. I do my homework. I'm very punctual. I build spreadsheets to make sure I know what's going on. And that's what I do. Maybe overkill, but that's what I do. I think Michelle is very spontaneous, and she very much has a gut that tells her to do this and do that. And she's oftentimes right. But it could be a scary ride, because like Michelle's approach is a scarier ride for me, because I'm not sure where she's going,

where we're going to end up, but if you look back on it, she always ends up in the right spot.

Ramit Sethi: [00:31:17] Who's more adventurous out of the two of you?

Charles: [00:31:19] Michelle.

Ramit Sethi: [00:31:20] Yeah. If you were left to your own devices, Charles, would you sort of do the same thing day in and day out?

Charles: [00:31:28] I like routine.

Ramit Sethi: [00:31:29] You remind me a lot of myself, because I also love the plans. I love the spreadsheets. I like to map it all out, and actually, that has helped me to become successful. So, in a way I look at it, I say, well, that's a strength. I can't fly by the seat of my pants like these other people, that would be crazy. And then, it becomes reflexive. My skills made me successful, therefore I need to lean on my skills. All of that's true. I'm hearing a lot of that from you. There's just one problem. My skills can also be very destructive to the people around me, because I'm naturally analytical, utilitarian.

Ramit Sethi: [00:32:17] When I was in my early 20s, I didn't even put a frame on anything on the wall. I was like, why would I? It's a waste of money. I'll just hang up a poster. Then, I met my wife who's spontaneous, more adventurous, and it was, I just want to talk about the spreadsheet all day. I said, let's get into the spreadsheet, let's talk compound interest, this is great. And okay, that took some time and all that, but there's a cost to sharing your analytical views all the time. There's a cost to looking at the world only through an analytical lens.

Charles: [00:32:55] I think the cost is you miss out on some really good experiences, right? So, for example, we always tend to plan our vacations. This one time, we didn't plan out this vacation to Los Angeles, and it was Michelle's doing, and she wanted to not plan it, and we had like one of the best days. We kind of went to a museum here, ate something on the street corner here. And if you're so planful about everything, you're going to miss that in those spontaneous magical moments.

Ramit Sethi: [00:33:26] Charles and I spent some time talking about money lenses. Let me explain that concept to you. Imagine you're wearing a pair of glasses. Everything you see in the world comes through those lenses. So, if I asked you, what's your money lens, what would you say? The most common money lens is cost. This is how most people view the world. They focus on cost first. How much is it going to cost?

Ramit Sethi: [00:33:51] Charles uses a money lens that's more commonly used by highly educated people. ROI, he wants value. He loves analytics. A lot of tech guys use these money lenses, but there are also other money lenses. There's experience, which could be an amazing restaurant or a sunset trip to the beach. There's relationships, like my friend who hosts people at his house all the time. There's security, like knowing you can call someone to fix your car. My wish for you is to treat money lenses like different instruments in an orchestra. You would never only have one instrument. You would never only have a trombone.

Ramit Sethi: [00:34:32] I don't know. I'm a little out of my league since I don't know anything about orchestras. Basically, you would never play with just one instrument, yet so many of us do this for our entire lives. And there's a real cost to seeing everything through one lens. For Charles, he's always crunching numbers, always looking for more value, and it really rubs his wife the wrong way. Sometimes, you can just do something for another money lens. Sometimes, there's another money lens you can use, pure desire. I'm going to do this because I want to. Once you have a large enough net worth, you should be a master of many of these money lenses. Listen as you hear Michelle's response now.

Michelle: [00:35:18] The house is my biggest thing. The house, maintaining it, beautifying it, making it comfortable, making it comfortable for my family and friends, but the problem is it's not. And then, another thing that I kind of picked up as Charles was talking is it's what he finds valuable, is what he finds pleasure in. So, when we talk about the Tesla, that benefited him solely. When we talk about the garage remodel, that benefits him solely.

Michelle: [00:35:50] So, the disconnect comes when it doesn't benefit him in any kind of way, that's when the friction happens. So, he could care less about furniture in the living

room, could care less. That's our friction. And it's everything to me. He could care less about landscaping, could care less, but it's everything to me. And the real clincher here is that because he earns the money and physically has more access to the money, he directs it, he manages it. So, mine is just a wish, his desires are actually played out, because he physically earns it and doesn't view this as our money.

Ramit Sethi: [00:36:30] Is that true, Charles? Do you view it as your money or both of your money?

Charles: [00:36:36] I view it as our money. I think early in my marriage, I was much more selfish with the money, but I've tried to make amends and try to be more open with her. For example, I created this spreadsheet that shows her, here's where all the money is, here's all the passwords, she has access to it. I try to get her to sit down and talk about different things that I do, because before, I would make an investment without talking to her about it. Now, I'm trying to really just say, hey, Michelle, I'm thinking about doing this, what do you think? I try to talk to her more about it, but it still is very much one-sided, and I want to correct that.

Ramit Sethi: [00:37:10] Okay. I appreciate that. I'm hearing you. And I can see that you are. So, clearly, you've probably talked about this before. I'm sure it's been a hot topic of discussion. Charles, it sounds like Michelle wants to get some furniture. What has your approach been with this furniture that she wants to get?

Charles: [00:37:28] So, my first approach was, okay. When I hear her ideas, I start to hear, see the [making sounds]. That's okay. For the next 12 months, let's just kind of outline, what do you want to do to the house for the next 12 months? And then, let's plan for that, so there's no like big surprise. Like the thing that I don't like as much is like, in May, let's do this, in June, let's do this, in August, let's do this. It just starts adding up. And so, when I kind of come to her, I say, listen, we can do this stuff for the house, let's lay out a plan for 12 months, and that's when Michelle cringes, and doesn't want to do it, and that's what causes the strife. She would love if I said, honey, you have a blank checkbook, do what you want.

Ramit Sethi: [00:38:09] Is that true, Michelle?

Michelle: [00:38:11] I would love him to take enough money that he needs, he said he needs 150,000 take it, give me the rest. I mean, literally, like you only need 150, you're netting 80,000 a month, and you're questioning my Audible 12-dollar subscription every day? There's a problem here. We file our taxes jointly, and I had to sign for taxes recently, couldn't believe my eyes. I didn't even know how much we made. I had to sign \$175,000 per month.

Michelle: [00:38:45] My yard is in shambles. There's no reason for this. When we fly, we fly as basic economy as we can. When we stay in hotels, like he said, it's the cheapest. Now, we're not in Motel 6 and it's not in dire straits, but it's probably the quality if we made \$100,000 a year, and there's nothing wrong with that. The problem is we make more. The reason why I'm not giving a list is because it comes down to the words that he said before, convincing, being thoughtful, being planful. I'm all those things.

Michelle: [00:39:17] I'm analytical as well. I plan, I research, I weigh and measure, I don't just willy-nilly just say, hey, I want to buy couch today. I'm doing research, et cetera, but those words are unacceptable and they shut me down. And when I hear those, I'm like, I'm not giving you a list, because the minute I say, let's do this, that's not being thoughtful, that's not being planful. Well, I'm just saying it, give me a chance to think it out. So, everything that he's saying is fantastic. They make sense. They're logical. But in reality, it doesn't play out like that.

Ramit Sethi: [00:39:55] Do you think that it's going to happen?

Michelle: [00:39:57] I don't know, because I do believe that he wants to change, I do believe that he realizes the damage that has been done. I'm not optimistic that he can actually do it. I haven't seen change in this area of money.

Ramit Sethi: [00:40:14] It's often the things that make us successful in the first place that turn around and cost us everything. Charles has been very financially successful, and yet he's taken it too far. He's become cheap. He's become disconnected from what really matters. His wife is frustrated, maybe beyond saving. Now, the good news is that they both came to me open mindedly willing to listen and potentially change.

Ramit Sethi: [00:40:45] And as I started having this conversation with him, I saw how much there is to unpack with Charles and Michelle. The first and the big elephant in the room is that cheapness is one of the most difficult afflictions to change. You know why? Because deep down, cheap people don't really think it's a problem. They'll often shroud their behavior in all kinds of positive phrases. Well, I'm a conscious spender. There are certain things I care about, certain things I don't, I would never spend on that. But when you zoom out and you ask them, what is your philosophy on money costing you?

Ramit Sethi: [00:41:25] Well, suddenly, they have to start to acknowledge that friends aren't inviting them out as much, that they're accumulating a huge amount in their checking account and they have no idea what to do with it. In this case, Charles has to acknowledge that his wife is extremely unhappy. It becomes clear that this is a much, much more complex psychological issue than the amount of money in a savings account. I have a lot more to talk about with Charles and Michelle. This conversation continues, and it whines and turns on next week's episode. I'm Ramit Sethi, and I'll see you then.

Ramit Sethi: [00:42:14] Thanks for listening to I Will Teach You To Be Rich. I'm Ramit Sethi. Please follow the show on Apple, Spotify, or wherever you listen to podcasts. To find our entire back catalog of podcast episodes, go to iwt.com/podcast. I'm giving away a signed copy of my book. Send me a screenshot. Show me that you're following my podcast on Apple or Spotify, and I'll pick one listener to send a free signed copy of my book right out to you. Here's what you'll find next week on the I Will Teach You To Be Rich podcast.

Michelle: [00:42:57] I do believe that he wants to change. I do believe that he realizes the damage that has been done. I'm not optimistic that he can actually do it. I haven't seen change in this area of money.

Ramit Sethi: [00:43:11] I get it.

Michelle: [00:43:11] Yeah.

Ramit Sethi: [00:43:12] I get it. You're cautious about hope. I get that.

Michelle: [00:43:16] Exactly.