

**Laura:** [00:00:03] But I think what you said first, that's the problem, it'll be fine. We don't want our lives to be just fine though, right? We want to be better than fine. We want it to be great.

**Greg:** [00:00:14] Okay.

**Ramit Sethi:** [00:00:16] What if you wanted to live a rich life? What if you wanted your life to be better than fine? But when you tried to convince your partner to dream just a little bigger, his response was, well, it depends.

**Laura:** [00:00:31] Oh, no, we would, we would want it to be better than fine.

**Greg:** [00:00:34] Yeah. But like I mean, I guess it depends, right? Like what your priorities are? Well, I just don't have a lot of trust in certain things, like for a lot of reasons, right? I guess I was just kind of been like an old-fashioned guy who just puts money in the bank, and then that's it, right?

**Ramit Sethi:** [00:00:51] When I pulled and pulled, and try to understand what their rich life is, specifically what his rich life is, I just got a lot of resistance.

**Greg:** [00:01:04] We can go tomorrow like if we wanted to, right? But I don't know, do we need to go like one of those things? Like I don't know, like just go-

**Ramit Sethi:** [00:01:16] Greg, you don't need to do anything. You could sit at home and drink out of a straw for the rest of your life.

**Greg:** [00:01:21] I've just kind of been like an old-fashioned guy who just puts money in the bank.

**Ramit Sethi:** [00:01:30] Hi, I'm Ramit Sethi, and welcome to the I Will Teach You To Be Rich podcast. Today's couple, Laura and Greg, are from Canada. And between the two of them, they make about \$150,000 per year. Laura contacted me for advice, because she wants to be able to spend some of their money on renovations that she believes their house desperately needs. Now, Greg doesn't want to spend any money on their house, because they plan to move somewhere else in a few years.

**Ramit Sethi:** [00:01:57] What do you do when one partner sees money completely differently than the other? And not just sees it differently, but one partner wants to engage on money and the other doesn't even want to talk about it at all. That's what we're going to find out today. Oh, and by the way, she only told Greg that she applied to be on the show right before we got on the call together. That's a little clue that's going to be important as you listen to today's episode.

**Laura:** [00:02:26] I think we should spend some money on our home and Greg thinks that we should save every dollar we have.

**Greg:** [00:02:33] I didn't think that we'd be here forever, so I don't see the point in putting a whole bunch of money into it if we're not going to be here.

**Laura:** [00:02:42] My thought is like, we're living in this home for likely the next like three to five years. It shouldn't just be like we're squatting here, like we should be making it our home. We should be adding to the value of the home, so when it is time for us to sell and buy our forever home. We've lived in this house. We've not just waited here. We know we have the money. I think Greg's just a little bit more weary about spending anything, where I'm like, we're fine, it's safe, we can do this.

**Ramit Sethi:** [00:03:13] Already, you can hear lots of layers here. Greg and Laura have totally different views on saving and spending money. And there's also some financial literacy issues, like the idea that renovating your house adds to the value. I just want to go on a quick side note here, because lots of people mistakenly believe that if they renovate their house for \$10,000, then they can automatically sell their house for \$10000 more.

**Ramit Sethi:** [00:03:40] This is wrong. Most renovations don't make you money, they just cost you money. Now, there are a few renovations that tend to be more profitable, like kitchens and baths. But again, most of them are simply costs. So, if you spend 10,000 bucks, you might get a nicer stove, or a wall, or an archway, but you're not going to get that money back. This is one of the many lies that we tell ourselves about money. We take the things we want and we disguise them as investments.

**Ramit Sethi:** [00:04:11] Part of your rich life is getting educated about the basics. Okay. That's what we're here to do, and you can learn about that in my book, I Will Teach You To Be Rich. Another part of your rich life is being honest with yourself. If you want to renovate something, learn if it will pay you back, and then acknowledge the real reasons. Are you doing it because it's an investment or are you doing it because you just, plain, want it? Either one is fine, but you got to be honest. Okay. That was Ramit's real estate rant of the week. Let's listen in for even more layers between Laura and Greg.

**Laura:** [00:04:46] Greg bought the house on his own like a week before we met, and it is very much a bachelor pad-type house, like it's very small. I don't find it to be very functional for me personally, but I know that currently, we do need to stay in this house, we can't afford a larger house at this moment, and like it just doesn't make sense for us to move.

**Laura:** [00:05:11] But I think for me, if we could improve upon things, it would feel more comfortable for me and it would just make both of our lives easier. So, for me, like it doesn't look good and it doesn't feel good, you want to be able to like, I'm in my home, I feel comfortable, I want to go into the bath and take a bath, but our bath is disgusting. It was that way when Greg moved in.

**Greg:** [00:05:34] I understand where she's coming from. I mean, I've always just had the opinion that, like a lot of this stuff can be expensive and the price can run up, right? And why do you want to spend so much money when you're just going to leave? Right?

**Ramit Sethi:** [00:05:48] Greg has a point. If you're going to leave in a couple of years, certain renovations might not make financial sense. Now, one thing I notice is that his money lens, the way that he views the world is financial. While Laura's money lens seems to be comfort, right? She wants to be comfortable in the place that she lives. She wants to make it feel like it's theirs, not just his.

**Ramit Sethi:** [00:06:13] When you are working on money with your partner, it's very important to be transparent about what your money lenses are. For certain things, my money lens is comfort or security. For another part of my life, it's speed or results, sometimes, security, and sometimes, it's cost, right? You can Google Ramit Sethi's

money lenses to find out some of the other ways that you might think about money. What do you think the real problem is here, both of you?

**Laura:** [00:06:48] We have differences on what we each need to feel comfortable in the home. I obviously want things to be a little bit nicer. Greg would probably be happy like with a tent in the backyard.

**Ramit Sethi:** [00:07:02] Is that true, Greg?

**Greg:** [00:07:02] Yeah, like I never really needed much, right? Like I don't know, like I didn't really have much even furniture before she moved in. And I was good then, like I didn't need anything extra, right? Like, obviously, it's nice, I love having her here, I love her. I don't know, I didn't really put much thought into it, right?

**Laura:** [00:07:18] Well, so we started like really talking about the bathroom, probably like December, January. And the thing is, my dad is able to help us do the work, so we're not paying for somebody's labor, which makes it a little bit more reasonable. Anyways, Greg was not on board with doing anything, so we started like making a budget, like I think this is how much we spend in a month. And then, in March, we actually tracked like this is actually how much money we spent.

**Laura:** [00:07:47] So, we could say, okay, we have like this much money extra, and we can put this much money into our savings, and we can put this much money towards home improvement like every month, right? So, at the end of the year, we should be able to do X, Y, and Z, depending on what the costs are. So, I think that slightly helps to get Greg on board with just doing the downstairs bathroom, and my dad was able to price it out for us, and it is like fairly cheap. It's a small space. It's just a toilet, a vanity, and flooring. That's not a lot.

**Ramit Sethi:** [00:08:22] Why buy versus rent?

**Greg:** [00:08:25] Oh, so you can build equity in such, right? Like I've rented before in university, and like to me, it was just like, okay, well, I lived in this place and I was paying somebody else's kind of mortgage with regards to my rent, right? So, I decided

to buy, because it made more sense to me at the time to kind of get some assets and build equity for when you do want to move, you know what I mean?

**Ramit Sethi:** [00:08:56] Mm-hmm. Okay. When I'm on these calls, my job isn't to correct people for any mistaken beliefs they might have, my job is to help them solve their money issues. But for you listening right now, I just have to give you a list of common misconceptions that Greg just said. First, he said, build equity. Yes, maybe true, but you don't build equity if you move out after two to three years. A good rule of thumb is to live in the same house for at least 10 years.

**Ramit Sethi:** [00:09:25] Next, I don't want to pay someone else's mortgage. It's funny when people use that phrase as if they absolutely hate someone else making money off of them. But it's funny, we don't say, I went out to eat at an Italian restaurant, but I just hated paying that restaurateur's mortgage. We only say that for real estate. Isn't that funny? That's the power of propaganda. When you are paying rent, you're not simply paying someone else's mortgage, you are paying for value, and you're getting it.

**Ramit Sethi:** [00:09:56] And finally, Greg said, to get some assets. Okay. Assets are important, but compared to what? A house is an asset, but it also has huge phantom costs. In many ways, Greg is pretty knowledgeable. He understands that renovating the house might not be profitable, especially if they're going to move soon, but in other ways, the very decision to buy a house wasn't fully thought through. And I'm not sharing these points to disparage Greg.

**Ramit Sethi:** [00:10:25] I'm sharing them, because Greg's money lens, that way that he views the world, seems to be profit and ROI, but he hasn't even done the basic fundamentals of understanding why he bought a house. And that's the biggest purchase of his life. You can imagine that if he continues down this path, all the financial mistakes that he will make over the course of his life and their lives together. So, when Greg continues carrying on about profit, and why should we spend money here when we're going to move soon, I see lots of red flags.

**Greg:** [00:11:03] If she comes to me with an idea, and says, hey, I want to do this, this or this, and I say, okay, like I'm open minded, I'll listen. But when it's the end of the day, it turns out it's going to cost us a boatload of money, right? I guess the way I see it is,

there's no guarantees that when you resell this place, that you're going to get that kind of back. I just assumed that it would cost quite a bit of money, right?

**Ramit Sethi:** [00:11:25] Oh, wow. Okay. You assume that it'll cost a lot.

**Greg:** [00:11:28] Yeah.

**Ramit Sethi:** [00:11:29] Laura, do you assume it will cost what?

**Laura:** [00:11:32] I don't think it'll—I mean, I personally don't think it'll cost a lot, but my thoughts on what a lot of money is, I think is different from what Greg's thoughts are on a lot of money when it comes to spending on the house.

**Ramit Sethi:** [00:11:48] Why is that?

**Laura:** [00:11:49] I think because I can maybe be a little bit more realistic about like what things actually cost. Like I've looked into how much—I mean, okay, we've already bought flooring, but we looked into, how much will flooring cost? How much would a new tub cost? How much wood tiling cost? How much would a new toilet? So then, I can kind of get like a slight perspective on things.

**Laura:** [00:12:12] And also, both of our parents have recently redone their bathrooms to a much nicer degree than what we would do ever here. And I know it's not going to cost as much as their bathroom's costs. So, to me, I'm like, well, ours is going to be not too expensive, but Greg, I think, disagrees with what is expensive or inexpensive. But we have the money, the thing is we currently have the money and it's not like we're trying to do it like everything at once.

**Laura:** [00:12:44] We would do one room, okay, we did it, we're still good, we're still saving every month. And then, move on to the next one, and, oh, okay, there were all these unexpected costs, then we're going to halt it for a bit and we're going to save some more. But we currently have the money, and it's just sitting in the bank doing nothing, waiting for us to spend it to make our house nicer.

**Ramit Sethi:** [00:13:08] If Greg doesn't want to spend money on his house, where does he want to spend it?

**Ramit Sethi:** [00:13:12] Greg, what do you want to do with your money?

**Greg:** [00:13:16] I don't know, save it.

**Ramit Sethi:** [00:13:18] And then?

**Greg:** [00:13:23] Well, I don't know. I've never been much of a traveler or anything, so like I don't know, I've always just like got a paycheck, put it in the bank, buy groceries, gas, et cetera, and that's it, right? I don't have any long-term plans or anything.

**Ramit Sethi:** [00:13:39] But dream with me for a minute, you're going to have a lot of money, you guys make a very good income together, what are you going to do with this money saving, it's accumulating? What are you going to do with it?

**Greg:** [00:13:53] I don't know.

**Ramit Sethi:** [00:13:55] What do you spend money on that makes you happy?

**Greg:** [00:14:00] I don't know. Like I don't know, really, like I spent a lot of time at work. Like I play golf, sometimes. I just set up a home gym in the basement that costs a little bit of money. But again, right now, there are no gyms open. So, I bought myself a new truck last year. Yeah. That's pretty much it right now.

**Ramit Sethi:** [00:14:23] Okay. That's cool. So, golf, home gym, sounds awesome, and a truck. Okay. That's good. I didn't know that, so that's fantastic. So, let's assume you keep your savings rate up. Let's assume you get a couple more raises over time. You're going to get the house, you'll have a down payment. Let's assume that that works out over time. Then, you skipped right to your kids going to college, which is like 20 years away. It seems like that's a big hole, all this work, you're going to work every day, like what's the point of it all?

**Greg:** [00:14:57] Well, like that's a great question, I don't know, right?

**Ramit Sethi:** [00:15:00] Well, that's why I'm here.

**Greg:** [00:15:03] I don't know. I've never really thought about that, to be honest with you, right? Because again, like I didn't do a lot of trips or anything, like I know some people who went to Europe or whatever, it costs them a fortune, and like I just never did that, right?

**Ramit Sethi:** [00:15:17] And I don't like that kind of life where we're just living for one day in the future. Don't worry, Greg, I'm not saying go out and renovate the whole house and spend all your money, not saying that at all. Okay. What I am saying is we probably all know somebody who saves and saves, and there's just no point at the end. They die at 64 or they literally don't know how to spend money.

**Greg:** [00:15:46] I think I know a lot of people like that.

**Ramit Sethi:** [00:15:55] Pretend you're not, Greg, you're somebody else. You got the amount of money you've got in the bank, you're earning more, you're saving your investing, you can get your house, keep the truck, great. What does this person, we'll call them Gregory, what does this person do with their money from now until Gregory retires? Paint the picture for me.

**Greg:** [00:16:19] For who, for me, or for like hypothetical person?

**Ramit Sethi:** [00:16:23] Hypothetical Gregory.

**Greg:** [00:16:25] I don't know what they do to be honest, because I'm trying to think about, I guess like you think about it like the value of a dollar, right? And you kind of hear that all the time and all the time, and I don't know what people would do, to be honest, because I never did it myself, so I have a hard time picturing it.

**Ramit Sethi:** [00:16:47] Is this not fascinating? Even in a hypothetical, Greg struggles to imagine what someone would spend money on. He just cannot put himself in someone else's shoes. He can't dream.

**Ramit Sethi:** [00:17:01] Is it possible that Greg of tomorrow could find a way to spend his money that gives him joy?

**Greg:** [00:17:08] Yeah, possibly. I mean, I think it's got to be within reason and not reckless, right? Like to me, it has to kind of make sense, right?

**Ramit Sethi:** [00:17:17] Well, you're going to stop before it's reckless, I have no doubt about that. So, let's take that off.

**Greg:** [00:17:22] Well, you got to start before you stop.

**Ramit Sethi:** [00:17:24] Yeah, but notice what you just did, you went from zero to maybe we're going to go 150 miles an hour, but right now, you're going zero. So, why worry about the reckless part, you're not even in first gear?

**Greg:** [00:17:37] Yeah, fair.

**Ramit Sethi:** [00:17:38] Something to think about, because otherwise, the alternative is you save fairly well, you're diligent, sounds like you have a budget, we'll talk about the numbers in a minute, but you end up at the end of your life with a house and a couple million bucks, and what else?

**Greg:** [00:17:58] I don't know.

**Laura:** [00:17:59] Yeah. I think we're doing okay, considering we don't really have much debt, like it's not like we're still paying off school loans. Obviously, we have the mortgage and we have car payments, but it's not like we have credit card debt and stuff. I think we've been okay in saving. I just started putting money into RSPs a couple of years ago, and we do both have very good pension plans through work. So, everything we put away, well, everything that I'm putting into like an RSP is additional to what is already being taken off our paychecks.

**Ramit Sethi:** [00:18:35] How much do you save every year, save and invest?

**Laura:** [00:18:41] Invest, I have like—well, it's into like a mutual fund RSP I have, and it's not a lot. But when I started it, to be fair, we were planning our wedding, \$50 every other week, that goes, which is not a lot, I know that.

**Ramit Sethi:** [00:18:58] And then, Greg, what about you? How much do you save and invest per year?

**Greg:** [00:19:03] I would say probably three to 400 a month.

**Laura:** [00:19:09] Just savings.

**Greg:** [00:19:11] Yeah.

**Ramit Sethi:** [00:19:11] Okay.

**Laura:** [00:19:12] And then, I also contribute like into our joint savings account.

**Ramit Sethi:** [00:19:17] How much is that per year?

**Laura:** [00:19:19] I don't know. It kind of depends what we've got going on, like if we're buying something like we bought flooring for our downstairs bathroom, I didn't put money into the joint savings account that month, because we paid for that.

**Ramit Sethi:** [00:19:30] Greg, how come your money is sitting in savings and it's not being invested? I'm curious.

**Greg:** [00:19:36] I don't really know much about it, to be honest, investing. I never really researched it or looked into it, so yeah.

**Ramit Sethi:** [00:19:45] It's curious, because you have a decent amount in there, but you talked a lot to me about not wanting to be reckless, and wanting to make sure you have enough and things like that, but you're actually losing money every day you're not investing, a lot of money. And so, what do you think is behind that?

**Greg:** [00:20:06] I don't know. I guess my lack of kind of understanding or knowledge about the subject, just kind of I don't really want to be involved in it, because I don't have a lot of trust in it. There's been a lot of, like I think I've always looked, like are you talking about like stocks and stuff, or?

**Ramit Sethi:** [00:20:31] Yeah.

**Greg:** [00:20:32] Like to me, like I look at it and I just never really had a lot of trust in it, right? Like partially, probably because I don't know, right? And I never really looked into it, right?

**Ramit Sethi:** [00:20:44] Look, I'm not here to change your mind. I'm just trying to understand and suggest a couple of things. I will tell you that you go to work every day, you work hard, you make a lot of money, you will lose hundreds of thousands of dollars over your lifetime, probably over a million dollars by not spending a weekend learning how to invest. So, all the time you go to work, all the hours you grind and make all this money, it's just sitting there, you will lose over a million dollars in your lifetime by not learning how to invest.

**Ramit Sethi:** [00:21:20] There's no vision of what do you want to do with your money, it's just, I don't care. Greg, that's what you're saying, whatever, put it over here. And Laura, you're saying, let's spend it on a mirror, and a floor, and this, and that. And Greg is like, what? Well, why are we going to do that? We're moving out of here in three, five, or seven years anyway. So, you guys are down here, you're in like a ground war, you're in the weeds, but nobody has ever stepped up, and said, what are we doing all this work for, making 150 grand a year? The hell, what are we doing with all this money, and then you spend the next 30 years fighting over tile? It doesn't sound inspiring to me.

**Laura:** [00:22:06] Feeling comfortable, always. I really like going out for a really nice dinner or something nice to be able to just do that without thinking. Like okay, this is our one-time every three months or whatever it is. If we wanted to travel, like not being like, okay, let's plan a trip for two years from now, being like, okay, you know what, we have the funds, we have the time, let's go next week.

**Ramit Sethi:** [00:22:31] Get more specific.

**Laura:** [00:22:32] I want to be able to get our bigger house or do the renovation on this house. I want to be able to, I mean, someday, no time soon, obviously, but travel. Go on a couple of vacations somewhere.

**Ramit Sethi:** [00:22:45] Okay. Wait, wait, wait. Hold on. Let's get specific, because you're in the clouds. You can't start using your money for a rich life if you can't get specific about it. When I started off, when I was younger in my 20s, I'll tell you how small my rich life was, I wanted to be able to go to a restaurant and order appetizers, because when I was a kid, we never ate out. We ate out once every six weeks or so. We had a coupon to go to a pizza place, and we would never, ever order appetizers.

**Ramit Sethi:** [00:23:19] So, now, to be able to go to a restaurant, and if I see two appetizers, I go, yeah, I'll take them both. What is it, 15 bucks? But it feels unbelievable just to know I can do it. And then, my dreams got bigger. Oh, I want to be able to get in a taxi instead of the subway, or I want to sort my airfare by direct flight only. Right now, I'm like, oh, this feels good to be able to work out with a trainer or whatever it may be, felt good. So, you're saying you want to travel?

**Laura:** [00:23:54] Yeah, I'd like to see more of Canada. I'd like to go to the West Coast, like to B.C., I'd like to go to Calgary, maybe up farther north in Ontario. I guess visit every province at some point would be nice.

**Ramit Sethi:** [00:24:14] Love it. And is that expensive or inexpensive? What does that look like to you?

**Laura:** [00:24:20] I'd say fairly expensive. Like traveling, I'd say trips I've taken in Canada are more expensive than trips I've taken in the US.

**Ramit Sethi:** [00:24:30] Okay. And how were you getting around? Are you driving? Are you flying?

**Greg:** [00:24:35] Driving out there or take a boat, four days.

**Laura:** [00:24:38] Yeah, fly, like I mean, in Ontario, could drive, you could do it, but anywhere else, like you have to fly, like yeah.

**Ramit Sethi:** [00:24:46] You know that people from the United States are horrible with geography, so we don't know where any—so I'll take your word for it. I need to talk about geography with everybody for a second, because I suck at it. A couple of examples of why, number one, I want to go back to seventh grade where my archrival, Albert, Albert C., if you're listening to this, you know what I'm about to say.

**Ramit Sethi:** [00:25:09] Albert and I competed with each other in the spelling bee and geography bee. Now, Albert was very smart and crushed me in geography, but it's very important for me to make sure everybody knows that I absolutely dominated in the spelling bee. Albert, don't ever forget that. So, fast forward, oh, about 20 years and my wife and I were planning our honeymoon around the world, and we were like, where should we go?

**Ramit Sethi:** [00:25:35] Let's go on a long trip and we started writing down all these different countries. And then, I found a site where you can just plop all the countries, and it shows you what the flight paths would be from one to the other, it was literally the most inefficient travel that I could have possibly plotted. I showed it to a couple of my travel friends, and they're like, are you stupid? You want to fly from there to there? And I just flashed back to seventh grade, Albert would have known better. Alright. Back to the conversation.

**Ramit Sethi:** [00:26:06] Okay. You're flying around, great. And what seat are you flying in, by the way?

**Laura:** [00:26:13] I'm happy with the regular seat, honestly, like it's never crossed my mind to be in whatever business class or first, like that's not crossed my mind ever. I'm happy to honestly just get on a plane and go.

**Ramit Sethi:** [00:26:31] Okay. Great. By the way, I'm glad it crossed your mind today. That's what I want the two of you to do. I want the two of you to start thinking about, what do we want to do with our money? It doesn't mean you have to sit in business

class or first class. It seems like you don't care about that. Fine. I totally respect that. I have a car that's 15 years old, more than 16 years old, I really don't care.

**Ramit Sethi:** [00:26:54] Okay. But at least I've thought about, do I want to get a Tesla? And I decide, no, it's not that important to me. So, I love hearing you say, never crossed my mind, let me think, is that important to me? No, I've decided it's not. Happy with economy, great, but I do want to get on a plane and go to this part of Canada. Okay. Love it. So, now, we've got, you want to travel to Canada, what do you say, Greg? You want to go on that trip?

**Greg:** [00:27:24] Sure.

**Ramit Sethi:** [00:27:26] Great answer. Love it. Okay. Now, we have a vision.

**Greg:** [00:27:30] Just to be on that, no, it's like, do we need to go? Like one of those things, like I don't know, like just go-

**Ramit Sethi:** [00:27:40] Greg, you don't need to do anything, you could sit at home and drink out of a straw for the rest of your life. I made a mistake here, and I really wish that I had taken a different approach with Greg. For the entire episode, I have been chasing Greg. It feels like I've been pulling teeth. Have you noticed that? Every question I ask, I'm getting back a one word answer or just stonewalled, I'm not getting engagement from him.

**Ramit Sethi:** [00:28:06] In my life, I've found that if you are inside a dynamic you don't like, our tendency is to just try harder, to chase more, and that's what I did on this podcast. And as you can tell, it's not working. But a better approach is to step back and try to change the dynamic. One thing I could have done here would be to call out the elephant in the room, hey, Greg, I'm really enjoying chatting with you and I've enjoyed hearing how you bought your house so early in life, but it also feels like I'm chasing you, like I'm pulling teeth, and I'm just not sure if I'm feeling you want to have this conversation with me today.

**Ramit Sethi:** [00:28:44] Am I reading that right? That's how you call out the elephant in the room and maybe possibly change the dynamic. I wish that I had stopped chasing

Greg, and instead made him put some skin in the game. Hey Greg, what do you want to have happen here today? Do you want to change anything? That's okay if you don't, it's your life, not mine. If you want help, I'm here, but what would you like help with? If I had done that, and also, if Laura had told him earlier than right before the call what they were going to be doing, I think we would have had a better chance of success.

**Greg:** [00:29:22] Like we can go tomorrow like if we wanted to, right? But I don't know.

**Ramit Sethi:** [00:29:30] Keep going, I want to hear the end of this.

**Greg:** [00:29:32] That's it. If we want to go tomorrow, we can go, like we're not in a position where we can't go. I guess we haven't taken any steps to go, is, I guess, the issue.

**Ramit Sethi:** [00:29:42] Yes. Do you see my point? Yeah. You guys are down here arguing about tile, but the stuff that you actually want to do, you've never even thought about it, you never talked about it. You make \$150,000 a year and you have no idea what you want to spend any of it on, except for what is literally in front of your eyes, which is this house that is not making one of you happy.

**Laura:** [00:30:14] Yeah.

**Ramit Sethi:** [00:30:16] It's not really a budget problem. It's Greg saying we don't need to, which is true. You don't need to do any of this. You don't even need to be on this call, but you're here. And then, Laura, it's you not acknowledging that you both have two totally different perspectives, and actually saying, well, hey, let's start up here. Let's talk about what we want.

**Ramit Sethi:** [00:30:38] And Greg, although I think you have a hard exterior, Greg, about, I don't know, I don't know what I want, but Laura, I think you could pull it out of him. And honestly, how do you know what you want if you've never actually spent money and seeing people who who get joy out of it? Do we want to travel more or eat differently? If you had the ability to do it, would you?

**Laura:** [00:31:05] Yeah, probably.

**Greg:** [00:31:07] I think so, like if you're talking about like if money's no object, then yeah, of course, right?

**Ramit Sethi:** [00:31:13] Yeah, what would you do? What would you do if money were no object?

**Greg:** [00:31:16] Well, there's lots of things that you would do, right? Like you'd go to the Super Bowl, right? You'd do all kinds of stuff that you like I guess-

**Ramit Sethi:** [00:31:24] You would, I would not, but I love hearing that you would go to the Super Bowl if money were no-

**Greg:** [00:31:31] It's just one of those things, that like if money were no object, then you could literally do whatever you want.

**Ramit Sethi:** [00:31:36] But, Greg, you can do that.

**Greg:** [00:31:38] Well, I don't know if I can afford that, but okay.

**Ramit Sethi:** [00:31:41] I can show you how to afford it easily. If you want to do it, you could go.

**Greg:** [00:31:47] Well, I don't know about that. I'm kind of skeptical about that, right? Because I mean, I don't know. But anyways, I'm just saying, if money's no object, then I mean, you could literally do anything you want, but I think in the real world, like it actually is, and you have to live within a budget and means, and prioritize what you're going to spend on.

**Ramit Sethi:** [00:32:08] This Super Bowl thing is really fascinating to me. It is really, really fascinating, and Greg, I don't know if you know how interesting it really is, that what you just said, because first of all, I don't know the first thing about how much it costs to go to the Super Bowl, but let's dream big, 20 grand.

**Greg:** [00:32:26] Yeah, I would say close to that, at end of the day, yeah.

**Ramit Sethi:** [00:32:30] Perfect. I love it. When I talk about the kind of stuff you guys love, like I'm not just talking about eating at some restaurant. I asked another guy, what do you love? You know what he told me? He goes, coffee. I go, okay. I said, what do you spend your money? And he goes, I love coffee beans and I have a coffee machine. I go, okay, anything else? No. I said, look, man, I like coffee, too, but that's kind of boring.

**Ramit Sethi:** [00:32:53] I'm talking about love, like the rest of your life, you're 32. So, when I hear you talk about something that's 25 grand and it's like a life dream, man, I get excited, because no, you might not be able to afford that today, but if that's something you want to achieve in your life, I can show you in five seconds how you can afford that. Okay. Twenty-five grand is not that much for the amount of money you both make.

**Ramit Sethi:** [00:33:17] You want to go there, we could put on the calendar and project when you would accomplish it. That gets me excited. 25,000-dollar things, 30,000-dollar things. And again, I'm not talking just the numbers, I'm talking about the scope, the scale. You want to go to Canada, different parts, love it. Now, I want to point something out to you. I looked at your numbers. If you were to conservatively invest 2,000 bucks a month, I'm being conservative, because you actually have more money than that.

**Ramit Sethi:** [00:33:51] Right now, it's like you have a pot with holes in it, money is just leaking out, because you don't have a plan, you don't have a vision, so money is just kind of coming out of it. But let's just say 2,000 bucks a month, you invest that, plus the money you've already got, 75 grand or so, I'm being conservative. By the time you retire, you have \$953,000. Okay. And that's like conservative.

**Ramit Sethi:** [00:34:16] You could do more than 50% more, you could do double that. It's millions of dollars if you really wanted to. We're talking like a lot of money. You're young. You have pensions, which puts people in the US, don't have, and you have money sitting around literally earning nothing. But if you don't like make a plan, make a vision, start investing it properly, then there's no Super Bowl, you suddenly take like five years to go travel somewhere on an airplane for 700 bucks. Guys, I feel like you could be thinking so much bigger.

**Greg:** [00:34:57] I don't think that 150 in Canada and the US are the same, I think we're probably a lot lower. Like you don't get as much for that here, just like with regards to how much you could actually realistically save, like I know it might sound like a lot if you live in a certain place, but up here, it's not really much, right?

**Ramit Sethi:** [00:35:17] So then, isn't that more of a reason for you to invest your money and make it work for you?

**Laura:** [00:35:23] Yes. Yeah.

**Greg:** [00:35:25] Yeah, I mean, of course. But at the end of the day, I think like when you're looking at it like that way, like it's not as much as you make it sound to be, right?

**Ramit Sethi:** [00:35:36] I'm sure things are expensive up there, I believe you, but that's not really the point, right? The point is you have \$50,000 just sitting in cash. And each month, you save approximately 4% of your income, which is, it could be better, I understand there are certain expenses, but like if those are the numbers that we're talking about, then if you want the money to work for you, it won't happen by just saving it alone.

**Ramit Sethi:** [00:36:09] Like basically, you have opportunities to turn that money into a lot more, but it would require you to learn about investing and to start putting some of that money to work for you. Otherwise, it just sits there. So, that's something I would suggest, right? You can get educated, I totally understand if you're skeptical about investing, but I always ask people, what is the cost of your beliefs?

**Ramit Sethi:** [00:36:32] If you believe that investing is like super risky and scary, okay, fine, but I can calculate for you right now how much that will cost you, and it will cost you like hundreds of thousands of dollars to just let the money sit there. So, that would be my suggestion to you, like you're losing money every day by not investing it. Greg, what do you think happens if you don't change anything going forward?

**Greg:** [00:36:59] If we don't change anything? Like I think it'll be fine, like I think we'll live comfortably. That's basically how I was raised, right? But that being said, like I'm

willing to kind of make some concessions or agreements on some things, right, with regard to spending, but yeah.

**Laura:** [00:37:28] I think what you said first, that's the problem, it'll be fine.

**Greg:** [00:37:32] I think it will be fine.

**Laura:** [00:37:33] We don't want our lives to be just fine, though, right? We want it to be better than fine. We want it to be great.

**Ramit Sethi:** [00:37:44] Okay.

**Ramit Sethi:** [00:37:46] Talk to each other.

**Laura:** [00:37:49] Well, no, we would, we would want it to be better than fine.

**Greg:** [00:37:51] Yeah. But like I mean, I guess it depends, right? Like what your priorities are, right?

**Ramit Sethi:** [00:37:57] If you want to be fine, it feels really comfortable, because you know exactly what to do. Go to work, put money in the bank, one day, get another house. Maybe we fight once in a while about this or that, but we're fine, just like your families. But if we want more, well, I don't even know what more is, how do I even decide what I want to do with my money? I never thought about that. It's uncomfortable and it's scary. And isn't the stock market like a scam and you're just going to lose all your money? Ah, forget it. Let's go back to what's comfortable. That's an option. What do you think, you're laughing, Laura?

**Laura:** [00:38:40] It's funny, because that would be like Greg, he would say like it's a scam.

**Greg:** [00:38:45] Well, I don't know. I just don't have a lot of trust in certain things. Like for a lot of reasons, that I think like I have friends and coworkers that day trade and stuff, and like it seems to me like these guys have their head in the clouds, and they're just like waiting for one day when they strike it rich, and they can just leave. And in my

view, like could that happen? Sure could, right? But you could also like lose your shit, too, right?

**Greg:** [00:39:17] What's that?

**Ramit Sethi:** [00:39:18] You work out?

**Greg:** [00:39:19] Yeah.

**Ramit Sethi:** [00:39:20] Alright. What if I told you that I feel like working out is a scam? Because like I don't want to look like Arnold Schwarzenegger. I go in there, I squat, suddenly, I'm squatting three planks, and I'm going to look like Schwarzenegger in two weeks. Scam, what would you tell me?

**Greg:** [00:39:35] I'd say you're probably wrong. I'd say you're wrong, because it's a proven fact, right? Like you work out, you're going to get bigger, you're going to get stronger, right?

**Ramit Sethi:** [00:39:44] But it's a scam, because what if I look like Schwarzenegger?

**Greg:** [00:39:48] Well, then don't do it, don't work out.

**Ramit Sethi:** [00:39:51] Thank you. Now, what if somebody came to me, and said, I don't want to invest, because my coworkers, day trade and that seems really stupid, what do you think I would say to that person?

**Greg:** [00:40:06] You'd say that I'm kind of looking in the wrong place, right? But my perception of this whole thing is like, I listen to these guys talking, like they're going to be like the next guy that writes a book like you, and like they're going to retire, when in reality, I don't think that's going to happen, right?

**Ramit Sethi:** [00:40:23] Your friends are never going to do that.

**Greg:** [00:40:25] Exactly, right?

**Ramit Sethi:** [00:40:27] Day trading is not investing. It's not investing. Okay.

**Greg:** [00:40:31] To me, it seems more like gambling more than anything, right?

**Ramit Sethi:** [00:40:35] Bingo. And I would never encourage you to do that. In fact, in chapter three, and six, and seven, you will see me take a huge shit on all these day traders and scammers. Okay. Point blank, I name names. That example kind of worked, but not as well as I had hoped. The reason that I use the workout example was I could see that Greg clearly worked out. Now, he automatically got what I was saying about working out being a scam, which is, of course, ridiculous.

**Ramit Sethi:** [00:41:06] But when I brought that example back to money, he couldn't make the connection. You see this skepticism in people a lot, especially people who haven't been exposed to different ways of thinking. They instinctively feel something is wrong, and rather than get curious, they circle the wagons, and they say, that's not for people like us, or even, that's just a scam. Personally, this kind of thinking drives me crazy. There are so many small-minded values like this that keep people in their same unhappy situation for generations.

**Ramit Sethi:** [00:41:43] If one of them had the courage to say, hey, is that actually true, they could change the trajectory of their entire family for the rest of their lives. But it's often too hard. This simple, black or white worldview is so compelling. It's often intoxicating and giving people a sense of control over a very uncontrollable world. Really, there's only so much that I can do if somebody does not want to participate with me. And that's why I think we're all feeling a little stuck right now. So, Laura, what do you think is the next step here?

**Laura:** [00:42:22] I think the next step is to learn about investing, so we can work on maybe investing some of our money, and then we don't have to have fights about like 1,000-dollar home renovation, because \$1,000 isn't a lot for us anymore.

**Ramit Sethi:** [00:42:41] Close. Before you get to that, because you know what, a thousand dollars is a lot if you don't know what it's supposed to look like, right? I get it. Especially now, I get it. It's hard to look forward when you're so deeply in the weeds. You need to kind of have some basic benchmarks, then you can start to say, oh, a

thousand dollars is not that much, because we already checked the boxes on all this other stuff. And then, suddenly, you're just not fighting about this stuff down here, you're actually talking about the big picture.

**Laura:** [00:43:17] So, surprising to think that like, okay, that is something that maybe we could actually do. Well, not we, Greg could do it.

**Ramit Sethi:** [00:43:26] But you could both do it if you want to do it.

**Greg:** [00:43:28] Well, I probably wouldn't even spend that kind of money on one thing, right? But that was just an example.

**Ramit Sethi:** [00:43:36] Alright. So, pretty much none of the conversation I had here really produced any change, whatsoever, and I am disappointed. I know that not every conversation can produce some life change, but every time I have a call, I want to help a couple take at least one step towards their rich life. As I reflect back on this conversation, the bathroom is just a symptom. This bathroom that they've both fixated on and argued over really has nothing to do with the problem, whatsoever.

**Ramit Sethi:** [00:44:08] It's just a symptom. The larger problem is that they have two different world views towards money and that they have not brought them together towards a vision of a rich life, whatsoever. Now, is it possible for them to change? Yes, but in my opinion, it's highly unlikely. That's because there's no pressing reason for them to make a change. If they had children, yeah, maybe they would be forced to change.

**Ramit Sethi:** [00:44:39] But unless they have a big, big life change, it's really hard to look inside and interrogate yourself, how was I raised, what do I think about money just alone, much less to do it with a partner and change those dynamics? And in this call, I found that there wasn't much change towards their joint dynamics. One of the key differentiators of people living a rich life and everybody else is that people living a rich life proactively plan before they have to, before they have children, or before they go buy a really expensive house, before their back is against the wall.

**Ramit Sethi:** [00:45:20] And that is my wish for you, in every episode I do, I want to show you the dynamics of a couple who are struggling with some aspect of money so that you can see yourself in there, and say, you know what, if we don't start making a bigger shift towards a rich life, boy, we might end up stuck. And as I've always said, I believe it's a tragedy to live a smaller life than you have to. So, I have one question for everybody listening today, how would you have handled this conversation differently?

**Ramit Sethi:** [00:45:51] What would you have done differently? I would love it if you sent me a note and tell me one thing you would have done differently. You can DM me. You can leave a comment on my Instagram comments. Get on my newsletter at [iwt.com](http://iwt.com), and you'll get my email address. Send me a note. I want to hear from you and I want to know one thing you would have done differently on today's call. Thanks for listening. Here's what you'll find next week on the I Will Teach You To Be Rich podcast.

**Chris:** [00:46:33] I said, Hey, if we want to make this easy, we could just buy flights in business class, and she's like, how much is it? I was like, oh, it's like \$6,000 a person.

**Amy:** [00:46:41] I barfed. Absolutely not. I'm sorry.

**Chris:** [00:46:44] I mean, there's like a real, probably messed up satisfaction of being like, I know I spent so long, but I got this thing that everyone else has to pay for, and I got it for less.

**Ramit Sethi:** [00:46:56] And therefore, what?

**Chris:** [00:46:59] I don't know the therefore.

**Laura:** [00:47:00] To me, that's a hard line that I'm like, you are going too far, this is bananas, it's like beyond sanity, please stop. We are so caught up in playing the game now that I just don't see an end in sight.