

I Will Teach You To Be Rich Episode 44: Charlotte and Alex

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Charlotte: [00:00:33] In the heat of that troubled time in Richmond, there definitely was talk of maybe we just need to go separate ways, and that was really, really hard to hear.

Alex: [00:00:43] I'm tired of us putting ourselves in this position to pull ourselves out of something. Like, this pattern that doesn't need to happen anymore. Like, I don't want to do it anymore. I don't want to have to pull us out of these situations.

[Narration]

Ramit Sethi: [00:01:01] Today, I'd like you to meet Alex and Charlotte. Alex is 31 years old and he brings in about \$70,000 from his full time job. Charlotte is 29 and she's focused on building a business, which doesn't yet bring in a lot of money. Charlotte calls herself an intuitive. She believes in letting the universe take care of her. In today's conversation, you're going to hear her use words like manifesting.

Alex has had to play a different role. He's had to step in to save the day whenever this faith in manifesting has not been enough. And as a result, they live month-to-month. In fact, they both have a lot of debt that is not being tackled. And this is a problem because their income recently doubled. They need a plan for what to do with this money because so far it just seems to be disappearing.

I'm Ramit Sethi. Welcome to I Will Teach You To Be Rich.

[Interview]

Charlotte: [00:02:01] We decided that we wanted to elope. And the first question that came to Alex's mind was, how are we going to pay for it? And that's a valid question, but I don't think that's the first question we need to ask. So, basically, I went into thinking about that and then I drew up a short budget. And I'm not usually a budget writing person, so it was a very loose budget. But after that I said, "Okay. We need to manifest \$5,000." So, I didn't look at it as, what are we going to dig out of our savings?

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But, how much money are we going to allow to come into our reality?

Literally days later, my dad handed me a check for \$5,000 that came from my grandparents, who recently passed away, and they wanted every grandkid to have \$5,000. So, that was just such confirmation for me. And it felt like a blessing and it felt like blessings from my grandparents. And it was just like, "Okay. Well, there it is. That's a relief. This is a yes. This is our wedding money. And we're going to put it aside for that."

Alex was going along with that, and then it really surprised me when he said like, "I know that you have an idea for that money, but if we were to put all of that money towards our credit card debt, we would be able to save, like, \$500 from interest by June," which is when we plan to have the ceremony. So, that was drawing for me because that is so not the vibe.

Ramit Sethi: [00:03:37] What does that mean the vibe?

Charlotte: [00:03:38] I just felt kind of, like, peaceful and blissful and I just had a lot of gratitude. And his recommendation felt like a contrast to that, where it felt cold, and calculated, and rigid, and just a bummer to me.

[Narration]

Ramit Sethi: [00:03:56] I'm not really a big manifesting guy. I don't use the word, but I don't mind it. I can understand the idea that we need to make space in our lives for the things we want. That it's okay to say what we want. At its best, manifesting can help us be intentional about the kind of lives we want to live. It can help us make a plan to get there. But at its worst, manifesting could be a phrase that broke life coaches used to convince other people to sign up for their coaching programs on Instagram. Charlotte's use of the word manifesting is a major clue to how she thinks about money. What do you notice so far?

[Interview]

Charlotte: [00:04:40] I was raised Catholic, and so there's a lot of interesting money kind of programming that comes into play that I've been really working through a lot in the last few years.

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Ramit Sethi: [00:04:52] Like what?

Charlotte: [00:04:53] Like, a rich man has better chance of getting into heaven than a camel passing through the eye of a needle. So, very much like renouncing any sort of wealth and abundance, in the interest of being humble. So, as a kid, and very impressionable, I was just like, "Okay. Let's go move into a manger. Let's give all our money to God and we'll be taken care of." And growing up, I think that there are pieces of that that are valid. I do think that God, the universe, whatever you want to call it, really does provide.

And I've experienced that. I've experienced that example with the check, it's the perfect thing. It's like, this is what I need from the universe and it did provide. I don't think that money has to come from, like, grinding and working really hard. Of course, you have to work really hard, but I think it can come to you more naturally.

[Narration]

Ramit Sethi: [00:05:59] Charlotte is essentially saying that if you're a good person, you'll be taken care of. I'm not loving it. And, of course, any time something good happens, it's interpreted under this lens, "See. We made \$5,000. God takes care of us."

Remember that poster that my mom has in her hallway? It says, "Trust in God, but lock your car." And on the back, there's a discount price tag from TJ Maxx. Now, if you believe in God, that's great. But you still need a conscious spending plan. And now that I think about it, if Charlotte was right, if the universe really took care of her, why would she be on a call with me?

[Interview]

Ramit Sethi: [00:06:49] Were your parents wealthy?

Charlotte: [00:06:51] Not really. My dad was in the military for a long time. So, the first portion of my life where he was in the military, we were really well taken care of. He was, like, a commander in the Navy and we are good. We are traveling around Europe. Anything I ever wanted, like beautiful gifts from all around the world. And it was just like a really secure, wonderful childhood.

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Then, after my dad retired, my parents started a little country store right at the beginning of the recession, and kind of lost it all. So, there were definitely times growing up where we couldn't go somewhere because we couldn't afford gas. We could only make one errand a day. We lived really far out in the country, so gas was a really big deal, and upstate New York is really expensive. So, I remember things like that. I remember feeling bad about asking for lunch money. It was abundant at first, but then it definitely turned more scarce.

Ramit Sethi: [00:07:51] What were the messages that you started receiving when things became scarce?

Charlotte: [00:07:58] Honestly, it felt like my dad, he kind of turned it so that there was almost like a pride around it. Like, God will smile on us or God will be happy with us for living so humbly and frugally. And there's so many more things more important than money, like having a home over your head, having family, having food. So, many more things are important than money and we should focus on those.

Ramit Sethi: [00:08:29] Do you agree with that?

Charlotte: [00:08:30] I think that it's true. It's important to be grateful. But I think that when you have that mindset, you can really block the money from coming in. Because if you say, "Well, I have a roof over my head, I have food on the table, I guess I don't really need money because that's not as important." Where that's not true. I think it's important to have money flowing in abundance is a wonderful thing.

Ramit Sethi: [00:08:53] Alex, I want to come back to the wedding check. So, you had been talking about eloping. And she comes to you and says, like, we should get married. And your first question was what?

Alex: [00:09:12] How will we pay for it? My first response was, like, we could use it to pay off debt. That's probably it.

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Ramit Sethi: [00:09:21] So, when you said to her, we could use this to pay off our debt, and then I'm sure you probably showed her your calculation, we can save this much in interest.

Alex: [00:09:32] Well, no, actually.

Ramit Sethi: [00:09:32] I've been that guy. And how did that go over with her?

Alex: [00:09:36] She said, "We're not doing that. This is important to me to use the money that I got from my grandparents who passed away for something that is enjoyable and not a cold, calculated decision."

Ramit Sethi: [00:09:50] And how did you feel about that?

Alex: [00:09:52] I felt understanding. She had just lost her grandparents. And I agreed that would be a good use of \$5,000. And \$5,000 wouldn't get us out of debt. So, I understood that perspective.

Ramit Sethi: [00:10:04] Okay. So, what's the issue here, Alex, as you see it? What do you think is the real problem here?

Alex: [00:10:14] For me, the problem is Charlotte has many ideas, as do I, of how to live a rich life. I take the perspective of, "This is what we want. How do we go from step A to step B to get it?" Her perspective is more, based on my understanding of it, "This is what we want. We'll do it and we'll figure it out afterwards." So, I would say that the biggest problem for me is, when things don't work out, I have to come in and save the day. And that's happened many times, because I have the credit. Not anymore, but I did have the credit. I usually am able to come up with money by working.

Ramit Sethi: [00:10:56] Can you give me an example where you've had to save the day in the past?

Alex: [00:10:59] Sure. We moved from Oregon, where we met in graduate school, to Richmond, Virginia. Charlotte had lived there for -I don't know - five or six years before. She said, "I have an extensive network of healthcare professionals that we can partner

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with." I was super excited and I was like, "Great. We'll move there." I had an internship in Richmond, it just worked out perfectly, so I was down for it.

But our business didn't take off at all. In fact, I was living off of this debt. And me saving the day looked like we have to figure this out. So, I had connections in North Carolina. I got both of us jobs in North Carolina. We ended up moving from there. That's one instance.

In New York, we were at her dad's. We had a plan to start a business, which we did. But I realized it wasn't going to make enough money to support us moving from there. So, I applied for, like, 30 jobs. I got one great job, which is what I'm doing full time now. And so, I saved that in a sense. So, I was able to come up with, like, \$8,000 in a couple of months and moved us to this house we live in now.

Charlotte: [00:12:04] I'm an idea machine and I am very intuitive. Reaching out to you, even, is just like I have this inclination and I go for it. And he seems to trust me and go along with it. But I think it doesn't always work out as planned. So, it seems like when we get kind of backed into a financial corner, he always pulls this trick out of his sleeve and he'll find a job or something, and we pivot.

Ramit Sethi: [00:12:33] How does that feel to you when he saves the day?

Charlotte: [00:12:36] It definitely feels like a relief. But sometimes, I don't know, I almost feel bad or crazy or something for leading him down this wild goose chase, even though I think that things always come out of it. I don't think he appreciates my spontaneous nature.

Ramit Sethi: [00:13:05] Why would you feel bad if, as you said, good things always come from this?

Charlotte: [00:13:12] I guess it's like a double edged sword. I didn't like seeing him struggle so much in Richmond, like applying for, like, 20 jobs a day and just not even getting a nibble. Because I really chalked it up. I really chalked up my town and I believed it. But I just felt bad for putting him through that.

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But some good things came out of it because I was able to reconnect with a lot of people, consolidate all of my belongings, some loose ends needed to be tied up there. And looking back, it was the right move. But maybe it could have been done better.

Ramit Sethi: [00:13:50] When you both get your backs against a corner and he has to save the day, how do you think he feels?

Charlotte: [00:13:58] I think probably the first time it happened, he probably felt like, "Okay. We got this. I got out of it. We're good." The second or third time it happened, he's probably like, "Okay. This is a pattern that I don't know if I can always pull this trick."

Ramit Sethi: [00:14:15] Do you want to ask him?

Charlotte: [00:14:16] Alex, how do you feel when you have to save the day?

Alex: [00:14:21] The first in Richmond, I felt like my life was over. I have taken a huge risk and it didn't pay off. So, I knew that this would be another one. So, when it didn't pay off again, I was depressed, anxious, mental health spiraling. That's how I felt, to be honest. I felt probably one of the worst times in my life living in Richmond. It's a great city. I loved it, in the sense, like, what you do there. But mentally, emotionally, I just felt exhausted, just almost hopeless at points. I even thought about moving back home and just not being together anymore. That's honestly how I felt.

[Narration]

Ramit Sethi: [00:15:05] This is pretty extreme. And Charlotte had never asked Alex about this before. It can be common in a relationship dynamic where you have a creative, a muse, a dreamer. And on the other side, the rescuer. There's often so much attention paid to the dreamer and their passions and their problems, that nobody spends time on the rescuer. If you're in a relationship where you are fixing things, you can take that burden on for a long time. If you see yourself as the fixer, you can bear a greater burden for longer than you can possibly imagine. But everybody breaks. And more importantly, when you stop to look around at what your life has become, you might ask, "Is this what I really want?"

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[Interview]

Alex: [00:15:56] I'm tired of us putting ourselves in this position to pull ourselves out of something. Like, it's this pattern that doesn't need to happen anymore. Like, I don't want to do it anymore. I don't want to have to pull us out of these situations.

Ramit Sethi: [00:16:12] Charlotte, did you know that?

Charlotte: [00:16:17] Yeah. Actually, in the heat of that troubled time in Richmond, there definitely was talk of maybe we just need to go separate ways, and that was really, really hard to hear at the time. And I'm glad that we stuck it out.

Ramit Sethi: [00:16:34] But did you hear what he said? He talked about his mental health. He talked about almost giving up, moving back home. Those are really serious words. Did you know that?

Charlotte: [00:16:48] We definitely talked about it a lot. And that's a main reason why when he did find a job, or find us both jobs actually, in North Carolina, I didn't hesitate because I was like, "Okay. I went, it didn't work. Let's do it your way." Because I just didn't want to see him going on like that.

Ramit Sethi: [00:17:12] That's great to be able to respond to circumstances and to acknowledge, "Hey, this route we took is not working. We got to do something else." That's very advanced. You know, usually when I talk to people who are deep down a hole, they just tried the same thing 20 times, and they go, "Ramit, I think I'll just try this another time, surely it will work." So, I'm actually very happy to hear you say that.

The reason, Charlotte, that I pushed on that question was that I notice you tend to pivot to the positive. You know, "Yeah. We went to Richmond. Oh, it was a disaster. My partner's mental health totally deteriorated. But, anyway, I got to consolidate my belongings and meet some old friends." Like, no. That's not the take away.

So, not to make a joke of this, this is as serious as it gets. You know, we're talking about mental health. We're talking about your relationship. I am glad to hear that you acknowledge, you know, there are some costs of being spontaneous, there are some serious costs of being intuitive. Intuition can be great. I think we should all learn to listen

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to our intuition more.

But it affects the people around you, especially a partner. They don't have that same intuition. And if they're the ones especially having to save the day, that can be really, really difficult.

[Narration]

Ramit Sethi: [00:18:44] I've noticed that Charlotte is very good at pivoting to the positive. Even when she acknowledges something negative, at the end of her sentence, she spins it to look at the bright side. Now, that can be a good thing, but it can also prevent her from confronting reality.

After they'd moved to North Carolina, Charlotte proposed that they leave the jobs they'd gotten and move to upstate New York.

[Interview]

Ramit Sethi: [00:19:12] What's great about this is you see a silver lining almost to a fault. You're not talking about any of the possible negative things, right? Well, guess what? I love to look at the negative things. So, if you said that to me, how do you think I would respond?

Charlotte: [00:19:33] Probably that it's crazy to leave our jobs without a strong financial plan.

Ramit Sethi: [00:19:43] Bingo. I would say, What are we going to do in upstate New York? Do we want to live with your parents? I don't know the situation there. How do we know that this is going to work out when the last two things have not? What is our plan? Can we talk about that? I want to know some details, et cetera, et cetera, et cetera. It's not necessarily negative. It's just, give me some facts here. We've got to have some information. Alex, did you do that?

Alex: [00:20:13] Yes. To be fair to Charlotte, she's not the only one with the intuition, like, we just got to make the move. I'm the same way. I would have gone along with it.

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Ramit Sethi: [00:20:25] Oh, man. Two intuitives. This is like three's a company right now. We've got two intuitives and then me. All right. Let's get into this. Great.

Alex: [00:20:33] But I'm training myself to not do that. Because before I met Charlotte, I was like, "I'm going to quit my job and be a personal trainer and make \$100,000 a year." And, no, I didn't. I was broke. I could barely pay anything. And I was like, "This sucks. I'm not going to do this again."

[Narration]

Ramit Sethi: [00:20:50] First of all, if you quit your job to become a personal trainer without checking how much any personal trainers actually make, that is a good way to go broke. I even told it, "Wait a second. Did you talk to any other trainers?" He goes, "Yeah." I was like, "What'd you say? Hey, you're all trainers and you're all broke. Sounds great. Sign me up." He's like, "No. Not really. I didn't ask them how much they made." It seems a little to me like both of them are living in La La Land. I also think both of them need skin in the game. Right now it's mostly just Alex.

[Interview]

Charlotte: [00:21:24] I can't say that I care about money in the way that Alex cares about it. But I am trying to get a little bit more invested. Put a little bit more skin in the game. Because Alex half jokingly calls me an outlaw because I really am, like, allergic to anything financial, paperwork, DMV. I've been really irresponsible. And I try to avoid that kind of stuff. Like I said, I would just be happy just living off the land.

But I've come to realize that if I want to live in that way, I need to get things in order. Like, you can't buy a house if you don't have a credit history for a start. That stuff is starting to catch up with me and I'm realizing that I need to become more proactive and more responsible.

Ramit Sethi: [00:22:21] It sounds very intellectual. Do you really care about this?

Charlotte: [00:22:26] In my heart, not really. I care about Alex. And I care about our future. And I care about our safety and security. And I know intellectually, I guess, how money plays a part in all of that. But thinking about finances, and saving, and investing, and all of those important things don't really invoke any sort of strong feeling in me.

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Ramit Sethi: [00:22:55] Okay. I appreciate the honesty. I'm not here to beat you up for how you feel. I actually love that you're telling me the truth. A lot of people come here, they apply, do all the stuff that you did, and then they come here and lie to my face. I go, "Why are you wasting my time? Don't lie to me." You're telling me the truth.

What you're saying is, intellectually, I know I need to go to the DMV and get my driver's license so that I can get X, Y, Z. Fine. It's all logistics. But do I feel excitement around setting up an investment plan? No. In fact, would you even feel excitement if you saw \$10,000 in your savings account?

Charlotte: [00:23:35] I would feel relief, I guess.

Ramit Sethi: [00:23:38] But what would be more exciting to you, building a plan to invest your money or manifesting some amount of money and it just gets sent to you as a check?

Charlotte: [00:23:52] Manifesting.

Ramit Sethi: [00:23:54] Yeah. Why?

Charlotte: [00:23:56] I'm a very spiritual person and it makes me feel connected and supported and it's validating. There's a lot of strong emotional connections to manifesting. To have a check arrive in the mail that's down to the dollar amount that you need for some random thing, that feels like you're a part of a mysterious, amazing universe.

Ramit Sethi: [00:24:31] Besides the wedding, what was an example of something that you have manifested specifically financially and you received it?

Charlotte: [00:24:43] I have, like, a journal page where I wrote down a bunch of little things.

Ramit Sethi: [00:24:52] Like what?

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Charlotte: [00:24:52] One thing, this really imprinted on me in a young age. So, my sister is adopted from China. And when I was little, we were trying to figure out a way where my sibling would come in. I mean, we don't really talk about it, I guess, but there's a lot of money that goes into the adoption process, and travel, and fees, and paperwork, and all the things. And so, my family really wanted to adopt, but we weren't sure how the money was going to come in.

And out of the blue, we got a letter from a family that was renting our house in Virginia. So, we were living in Germany, but my parents owned a house in Virginia they were renting out. The family renting had a garage sale, and a person came to the garage sale and said, "I love this house. I'd like to buy it in cash." And the renters reached out to us. This is the amount that they want to put down. It was the exact amount that they needed to go forward with the adoption. So, that just struck a chord in me forever. And then, I've seen that kind of play out in smaller ways.

Ramit Sethi: [00:26:17] That's amazing. I've never heard a story like that. What do you take away from that story?

Charlotte: [00:26:24] That God provides. The universe provides. My dad would probably say like, "If you were faithful, then you'll get rewarded." I don't know if I see it that way, but I guess that is something that's imprinted to me, is really believing. I want to say I've not been let down by that, but like I said, we've definitely got into some rocky situations.

Ramit Sethi: [00:26:53] Yeah. I mean, you have over \$110,000 of debt.

Charlotte: [00:27:00] Yeah. That's no joke.

Ramit Sethi: [00:27:00] Yeah. If it was just about manifesting, why don't you just manifest \$110,000?

Charlotte: [00:27:14] Well, that's a good question. I think with \$110,000, so we have two different pools of that. We've got our credit card debt and the student loans. I have \$110,000-ish in student loans. And like I said, money doesn't invoke a strong emotional response for me. I feel so disconnected to that debt. It's all student debt. And I honestly

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feel like that was the hoax of the century.

I wouldn't like to take back my college education, but what I paid for what I got and what my career outlook looked like after college, I mean, I could talk forever about that. And I'll spare you, but honestly, I feel disconnected from it. I don't feel like it's mine. It wasn't me swiping a credit card for years to accrue this. It's not something that I see. It's not a fancy car in the driveway. It's not a fancy wardrobe. It's not a big house.

[Narration]

Ramit Sethi: [00:28:16] So, many people feel resentful about their student debt. You can just hear it dripping off their voices when they talk about it. And some of them just ignore it. I'm talking about ignoring \$100,000 plus in debt. When I talk to them, it simply does not exist to them. They think they can ignore it, but they can't.

For example, in Episode Number 36 called We make \$145,000 a year but Have \$828,000 in Debt, I spoke to two physical therapists who were stuck with student debt that they felt tricked into taking on. But just like I shared in that conversation, there is a way out.

[Interview]

Ramit Sethi: [00:29:01] When you think about that debt, what word comes to mind? I don't want the intellectual word. What word do you feel when you think about that debt?

Charlotte: [00:29:10] Injustice.

Ramit Sethi: [00:29:12] Yeah. Why?

Charlotte: [00:29:14] Because, like I said, it felt like a hoax. This was something I signed on the dotted line when I was 18 years old. And I specifically remember counselors telling me, "Yes. It's expensive. But within five years you'll be able to pay it all off because you'll get such a great job." And I'm like, I don't know, I got a Bachelor's Degree in Biology from a liberal arts school. And I ended up having to pursue, like, more education to see if I could do something with that. It just has not turn out at all like it was portrayed to me when I was a teenager. And this is something that it feels like it's going to follow me around forever.

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Ramit Sethi: [00:29:56] Yeah. Well, at the current state of affairs, it will. I don't want that. It's frustrating hearing from people who feel injustice about loans. The schools don't do a great job of informing you about reality. No 17 year old kid understands what interest rates are. Everybody's told you since you were a little kid, "Got to go to college. You have to. Just sign. You got in." And so, they don't do a great job informing. Some of them actually openly lie about their graduation rates. They hide information.

And then, at the same time, you know, young people are not stupid. They do know that taking out tens of thousands of dollars of debt is probably not great, especially for certain majors. But I'm not here to play the blame game. I feel for you because I can see how resentful you are about that debt. And I see that what you've chosen to do is basically just put it aside and just ignore it. But can I come back to that question I asked you, if manifesting alone would work, why don't you just manifest yourself out of this debt?

Charlotte: [00:31:17] My mindset around money and my methods isn't quite cutting it. And I think Alex, who has a very analytical perspective, might be a very important missing element.

Ramit Sethi: [00:31:32] In other words, you need help.

Charlotte: [00:31:35] Yeah. I can learn from him.

Ramit Sethi: [00:31:37] I love that. Okay. That's great. Now, Alex, you also have debt. In fact, you have over \$150,000 of debt, \$138,000 of that is student loans and then you've got \$20,000 of credit card debt. What's the story behind that?

Alex: [00:32:00] You know, same thing. I was, like, top five percent of my class, that makes sense, I'm going to go to school. I didn't have any education around finances at that point. So, the first \$40,000 or 50,000, I just didn't think about it. So, that was undergrad.

And then, after undergrad, I did kind of a major that was biomedical science. It doesn't really train you to do anything specifically. And then, I studied for the MCAT. I didn't do

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that well. And I just realized that it wasn't for me.

And then, I was working for years, and then I realized that wasn't going anywhere. So, I decided to go back to school to get a master's degree and then apply to medical school again. And then, while I was in school, I remember, "Oh, yeah. I don't really want to do another four years of school and all this training." And then, at the same time, I met Charlotte who had the same vision as me. So, that explains that part of the debt. I was just like, "I'll become a doctor. I'll pay it off. It won't be that hard."

And then, the credit card debt, that came through the more recent events of moving to upstate New York without having a real plan of how to grow our business.

[Narration]

Ramit Sethi: [00:33:08] There's a lot of impulsive decisions from Alex here. It's interesting, sometimes people cover up their impulsive decisions with positive words like intuitive. That's what Charlotte does. But Alex actually does the same thing. He just doesn't call himself intuitive.

Listen, your intuition might be a good guideline for deciding whether to get pasta or Thai food tonight. But it's not enough for deciding on your career or your money. You can't intuit the power of compound interest. You need to read a book.

Now, some of us are more intuitive. Some of us are more data driven. But the magic comes from acknowledging where you are and then supplementing your natural strengths by getting help.

If you're creative and intuitive, read a book. If you're super analytical, listen to this podcast. Learn how to talk to your partner about money. I joke around a lot on this podcast. I want you to know that money is fun. But building a rich life is also serious. It's your life. I want you to take it seriously.

[Interview]

Ramit Sethi: [00:34:13] I think that you use intuition to play small. Intuition can be amazing. It can be a tool in a tool belt that so many people do not take advantage of. I'm only recently learning how to use intuition in my life. My wife has been very helpful in

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helping me open my eyes to that. I love analysis. That's where I come from. But if you use intuition only, you might find yourself playing a very small life. Think about it, how big of a deal was it when you started thinking about your wedding? You know, this elopement that you wanted to have, one to ten.

Charlotte: [00:34:59] That's a ten.

Ramit Sethi: [00:34:59] That's a ten. I noticed you're not talking about anything bigger. I noticed you're not really talking about the house that you want to get. I noticed you're certainly not talking about paying off this debt, being debt free. I noticed you haven't once, either of you, mentioned traveling. You're playing small and you're using intuition to obscure that fact.

Charlotte: [00:35:25] I never thought of it that way. That's really true. It really brings me back to my childhood where it's like we're living within these means, we're living by the grace of God, and this is what we have. And even planning this elopement, it is going to be beautiful and luxurious, and Catalina Island, and it's going to be an incredible thing. But I'm still only dreaming within the parameters of this \$5,000 check.

Ramit Sethi: [00:35:56] Totally. The check that was given to you. You didn't make a plan to earn \$5,000. You're literally playing within the bounds of something that just came to you.

I find in my experience that you will never trip and fall your way into a rich life. Never happen. Nobody wakes up living their rich life and says, "Oh, I accidentally got here." It is engineered. It is designed thoughtfully. It takes work. And, absolutely, it takes intuition as well.

In my life, my rich life, being able to travel for months every year with my wife, sometimes bring our family and others, that takes planning, takes investing, saving, earning. All that is very logistical. I got my spreadsheet. I review it every month. I love it.

But it also takes an intuition to say, "You know what? This year I think we should do this. Or what do you feel?" I'm talking to my wife, "What do you think, babe, should we do this? You know what? We haven't seen these friends in a long time. Let's invite them

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with us." Intuitive. Or, "I feel like we should go really big this year." Or "Let's shrink it and spend some money elsewhere." That's intuitive. We can marry the two.

But if we were just intuitive, what do you think it would look like for our rich lives? Right now, day-to-day, you have a fine life. You know, your household income is what? Between \$70,000 to 90,000? It's more money than I think you've ever made. Your debt is accruing, but you don't really care. You're not logging into it. And, you know, day-to-day, it's okay. You got your T.V. You could probably take a trip a couple of times a year, see your family.

So, I'm not asking a rhetorical question. I'm really asking you, do you want to change? Because if you do, it will be really hard. We're talking about decades of rewriting your invisible scripts. What do you think?

Charlotte: [00:38:11] Yes. I think there is more than I want. And that doesn't mean that I don't feel grateful and blessed for what I have right now. But like you said, I don't want to continue to live small.

Ramit Sethi: [00:38:27] Yeah. It's funny out of everything we've talked about today, that was the thing that I saw really reached you. When I said that, your eyes went wide. I think that tells me intuitively you know you have been playing small. Alex, do you want to change?

Alex: [00:38:49] Yes. I feel I'm a lot more anxious and stressed out than I want to be. I want to change to just feel confident in my lifestyle. We have a rich life. It's incredible. I mean, we've lived in Oregon. We went to Vancouver when we first met. We've been to India and Mexico. Like, we've done a lot of things that not everyone I know has done. So, it's like, we figured it out.

But, now, I want to get to this point where, one, if my family needs help, or we want to have a homestead, we can buy it. And it's not like a big deal. We just have to put in the work do. And I know the tools are there, I just have to learn it. So, that's the change that I'm making now in my life, learn about finances, understand the next steps I have to take to really live this rich life, and be able to share it with as many people as I can.

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Ramit Sethi: [00:39:37] Beautiful. So, you both want to change. Okay, Charlotte, let's stick with this. So, you are now making double what you used to make, but it seems like you're still living paycheck to paycheck, right? What do you think's happening?

Charlotte: [00:39:51] I've had a lot of beliefs about money that haven't been serving me.

Ramit Sethi: [00:39:55] Yeah. I agree. Can you think of a woman you admire who's good with money? It does not have to be somebody in your life. It could be a celebrity, a movie character, even a fictional book character.

Charlotte: [00:40:10] Yeah. I'm a big Almost 30 fan, so Krista Williams from Almost 30. She's got this comfortability talking about money that I really admire.

Ramit Sethi: [00:40:19] Love it. Great. I've been on that show. Love talking about money with them. So, what is the difference between you and her?

Charlotte: [00:40:32] Well, theoretically, there's no reason that I can't be where she is financially. But one thing that comes up just from what she shared from her story is, from a young age, she just loved working and bringing in money. And she associated it with independence and freedom from an earlier age.

Ramit Sethi: [00:41:00] Wow. And you associated it with?

Charlotte: [00:41:05] Problems and burden and sacrifice.

Ramit Sethi: [00:41:09] So, she has a reverse attitude. Can you think of any specific behaviors she does that are different than you?

Charlotte: [00:41:20] From what I can tell, she takes action and she makes plans.

Ramit Sethi: [00:41:28] But let me ask a couple of questions, you tell me yes or no. Has she read a book on money?

Charlotte: [00:41:34] Yes.

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Ramit Sethi: [00:41:36] Does she talk about money with other women around her?

Charlotte: [00:41:40] Yes.

Ramit Sethi: [00:41:42] When she talks about what she wants to do this year, does she factor in how much it's going to cost?

Charlotte: [00:41:49] Yes.

Ramit Sethi: [00:41:50] Yeah, I think so. What are you taking away from this example?

Charlotte: [00:41:55] That you have to be a participant in your financial life. You can't just let go and let God. Sometimes that works. I mean, it seems to work for the bare minimum and the basic means. But I want more than that. And if I want more than that, I have to take action and look at money, and play with it, and interact with it.

Ramit Sethi: [00:42:23] That's right. It's about behaviors. Attitudes matter, of course, the way you think about money. Well, here's another attitude, trust in God, but lock your car. Trust is great, but take some precautions as well. Make a plan.

And what I really want to emphasize is that, anybody you admire with money has very specific behaviors that they do. These are tangible things that I could sit in the room and watch them doing. This is something that a lot of us miss. We think it's just about how people think.

When I say, "What behaviors do you need to change?" I'm talking about, if I were sitting in your house and I could sit there and watch you, I would be able to say, "Wow. She's making a spending plan, or she's discussing money with her partner," things like that, "she's reading a book." What money behaviors do you think you need to change?

Charlotte: [00:43:19] I need to ask Alex more questions because just the way that our relationship is, he earns most of the money. And I've been very keen to just let him take control of that. And even with our shared business, he takes all the money in and then

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disperses them to me. And I'm just like, "Thanks," and I don't ask any questions. But I need to know what's going on behind that curtain.

Ramit Sethi: [00:43:43] How will you know what questions to ask?

Charlotte: [00:43:47] By doing some research.

Ramit Sethi: [00:43:52] Where?

Charlotte: [00:43:52] Read a book.

Ramit Sethi: [00:43:52] Let's decide right now which book are you going to read?

Charlotte: [00:43:56] Well, you'll appreciate this. I found your book in a thrift store the day after I heard back about being on the podcast, so that felt like an intuitive thing to me.

Ramit Sethi: [00:44:08] That is interesting. But let me just ask you a couple of questions now. Which color cover was it, the orange one or the black one?

Charlotte: [00:44:15] Orange.

Ramit Sethi: [00:44:19] Oh, my God.

Charlotte: [00:44:20] I think. It was like neon colors.

Ramit Sethi: [00:44:22] Yeah, neon. That's the 2009 edition.

Charlotte: [00:44:25] I should have checked on the date.

Ramit Sethi: [00:44:27] I'm not blaming you. You know, get the new book. Get it from the library if you like. The point is, trust me, I'm not doing this to make \$0.80 from the book. It's about really taking this seriously. The serious. A rich life is really serious. You know, I love joking around with you, but I don't want you to go another 20 years and still have debt and still be playing small. So, whether it is spending money or, in your case,

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more likely spending time, I want you to take this seriously.

Okay. So, you're going to read a book and you're going to come up with some questions to ask Alex. Now, I want to understand what your rich life is. Why do I want to do this? Because right now, we're fighting against decades of both of your invisible scripts.

There's not a lot of emotional connection, Charlotte, from you and money. You've even told me you feel indifferent about it. You feel disconnected by it. And in fact, you have these deep down beliefs that were told to you that, if you have money, you become a bad person.

That's one of the reasons that I love doing what I do, because I can show people you can actually make a lot of money and you can be incredibly generous. You can be politically active. You can tip huge when you go out for coffee or to eat at a restaurant. You can do all these things and you can enjoy your rich life, whether it's luxury or food or whatever. That's why I love doing what I do.

So, Charlotte, let's start with you. What is your rich life?

Charlotte: [00:46:03] In my rich life, there's no compromising health. I lived a long time with a lot of health issues, and that's just not something I wanted to deal with.

Ramit Sethi: [00:46:13] Great. So, good food. What else?

Charlotte: [00:46:16] Travel has always been important to me. As a military kid, it's in my bones. I always do a solo trip every year. And I'd like to have a more extended trip once a year, that's me and Alex. And then, I also want to have the freedom of visiting my sister and friends without it being a really big deal.

Ramit Sethi: [00:46:36] How many times a year?

Charlotte: [00:46:37] Maybe, like, four times a year.

Ramit Sethi: [00:46:39] Okay, great. So, that sounds like two international trips and maybe two domestic trips. Would that be fair?

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Charlotte: [00:46:47] Yeah.

Ramit Sethi: [00:46:47] Great. What else? Homestead?

Charlotte: [00:46:50] Yes. Homestead. Living as holistically as possible. Regenerative agriculture, so growing lots of our own food, preserving things.

Ramit Sethi: [00:46:59] What does that cost?

Charlotte: [00:47:05] You're asking the wrong person.

Ramit Sethi: [00:47:07] You know, that was so interesting right there. I intentionally interrupted you not to be rude, but I could see your vision really spinning up. I could see the dream. In fact, I could even see the picture you were painting for me. And so, when I interrupted you to say how much does that cost, did that remind you of when Alex asked you about the wedding money?

Charlotte: [00:47:27] Yes, it did. It's charring.

Ramit Sethi: [00:47:29] Exactly. And how did you respond to that?

Charlotte: [00:47:32] I said you're asking the wrong person.

Ramit Sethi: [00:47:34] Yes. But I'm not asking the wrong person. I'm asking the person whose rich life it is.

Charlotte: [00:47:39] Right.

Ramit Sethi: [00:47:40] So, what did you just do there when you said you're asking the wrong person?

Charlotte: [00:47:45] I deflected.

Ramit Sethi: [00:47:48] Yes. And why did you do that?

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Charlotte: [00:47:50] It makes me uncomfortable and ashamed, because I don't have that answer. And if it's so important to me to live my life that way, you would think that's a question that I would find the answer to.

Ramit Sethi: [00:48:05] Yeah. I could almost see you shrugging off my question. It's like I tossed you a ball and you just threw the ball away and hit it to someone else. You didn't want the weight of that responsibility even in a purely hypothetical answer. I have no idea what a homestead costs. I literally don't even know how many zeros are on it. You could have said anything. But instead you said, "You're asking the wrong person."

What I am loving here, beyond the entertainment of watching you squirm, I'm loving that you are engaging with money. You tried to shrug it off. You tried to deflect me. That didn't work. I don't mind if your answers are totally wrong. In fact, I'm certain they are, but that's not the point. The point is just to get you feeling comfortable talking about this, because you said you're asking the wrong person, but I believe I'm asking exactly the right person. I believe you know a lot more than you have allowed yourself to know. Okay. Keep going.

Charlotte: [00:49:08] All right. Livestock. I know we actually did price out for a cow. That might be in our future, and that's going to cost \$1,000. So, we had 20 cows, that would be \$20,000.

Ramit Sethi: [00:49:24] How much does it cost total with the livestock and everything?

Charlotte: [00:49:30] Let's say \$700,000.

Ramit Sethi: [00:49:33] Okay. Great. Let's do a reality check and just ask Alex.

Charlotte: [00:49:37] How am I doing?

Alex: [00:49:39] I think it's possible, actually. Although, I'm not an expert, I mean, it could be close to, like, \$1,000,000. If you really want to build it out with, like, float tank and everything like that, I think would probably be close to \$1,000,000.

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Ramit Sethi: [00:49:49] Wait. Let me pause you right there. I think you're going off for way too long. She's not really asking you, "Is my number precisely correct?" Which is what you thought she was asking? What is she really asking you, Alex?

Alex: [00:50:03] Do you want to engage in this conversation, and actually look into this, and not just put it aside?

Ramit Sethi: [00:50:09] Yes. She's saying, can you validate me that I am taking the first step? And so, she's not actually looking for you to give her, "It depends." First of all, stop saying it depends. I fucking hate that answer. Everything depends. People go, "What's your investment?" "It depends." Never say that. It's like saying, "Do you like to breathe oxygen?" "I know that. Tell me something I don't know." So, when she asks you, "Am I on the right track?" Alex, give her the response that deep down she's looking for.

Alex: [00:50:39] I very much appreciate that you're having this conversation with me. It actually almost makes you want to cry that we're actually doing this and talking about it, and not just saying, "We want to have this." And I'm like, "Yeah. I want to have a flip tank. We want to have all these things." Now, we're actually doing it, I'm very moved emotionally.

Ramit Sethi: [00:50:58] That's awesome. What a way to connect. And the two of you, I love seeing that just now. Charlotte, did you notice that you were able to connect deeply with him, even though you made up most of those numbers? That was cool. That's really cool.

Charlotte: [00:51:18] Yeah. Yeah.

Ramit Sethi: [00:51:19] You can get to the point where you can actually project these numbers, that's a whole another skill. It involves doing research and talking to other homesteaders, et cetera. But like, hey, we just got 50 percent of the way there by you just actually thinking about it and saying some numbers out loud. Talk about setting an intention. This is going from talking about \$1,000 expense and agonizing over it, to this is the kind of life we want to live, 700,000. That's a big goal. That's a rich life.

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Now, how are we going to get there? You are so good at being intuitive. That's never going to leave you. You will always be guided by your intuition. I'm not taking that away from you at all. What I'm saying is, let's add another guide. Instead of one guide, you now have two, and they can work in harmony. Your intuitive guide will always be dominant for you. That's okay.

My guide is analytical. I can't turn it off. But I've learned that I need to tap into the other guide. And sometimes I need to let them fight it out a little. And I need to notice what's happening, verbalize it, maybe even change it. You probably need to add on this analytical guide. Because right now it's about 100 percent intuitive and zero percent analytical. I'd like to see that number slightly more balanced. It probably won't ever be 50/50. That's okay. What number do you think maybe it should be ultimately?

Charlotte: [00:53:03] At least 70/30 or 60/40.

Ramit Sethi: [00:53:05] Seventy intuitive, 30 analytical. I think that's great. See, doesn't that feel good? Nobody's telling you you have to change and become a hardcore Excel analyst. That's not going to happen. I don't even want that to happen for you. It's just not you. But you get to add on this entirely new skillset.

I would like for you and Alex to set up a weekly time to talk about money. Get the new version of the book. In fact, get two copies so you each have one for yourselves. Each week, go through one chapter of the book. This is going to give you a front to back financial education. And it has action items at the end of every one. So, it's going to play more on the analytical side.

Of course, there's a lot of intuition in that book. Talk about money psychology, talk about what do you actually love, all of that is in there. But it's going to be uncomfortable for you because you're going to write down your expenses and you're going to calculate your debt payoff date. But when you do that, suddenly things are going to start to crystallize from just this sort of cloudy vision to something where you go, "Oh, my God. Now I see a path." That path might be really difficult. It might say in the math that it takes us 60 years to get there, but now I also know how I can get there a lot faster.

Suddenly the debt is going to become something that's not just this blob in the corner

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that you both ignore, but it's something that you go, "We have to go through this debt in order to get to our rich life. We have to confront it head on. So, we're going to make a plan. We're going to automatically pay it off every single month." And we know what's going to come on the other side of that, "Oh, it's going to be amazing. Not just because we're going to be debt free, because we did it together." That's a beautiful thing.

Charlotte: [00:55:13] I feel like I have a new perspective. I'm happy that it doesn't mean I have to really change who I am. I just need to add on some new skills. And that it's okay if I don't know what I'm doing at first. Alex pointed out, like, we're masters of physical wellness. And we didn't start out that way. And our clients don't start out that way. We need to learn these skills. The financial wellness is just kind of the next step for us.

Ramit Sethi: [00:55:50] Absolutely. Beautiful analogy. You started off from a baseline. You learned along the way. You get more and more sophisticated. It's the same thing with money. Yes. I love that you connected it to your work. You understand what the path to mastery looks like.

[Narration]

Ramit Sethi: [00:56:09] I really liked talking to Alex and Charlotte. When I was working with them, my coworker, Sydney, pointed out that Charlotte is unapologetically herself, and we both loved that about her. I actually love that Charlotte is tapped into her intuition.

One of the things I pointed out today is that, many of us believe if we change, we'll lose the essence of who we are. Charlotte was afraid of this. But in my experience, you're never going to lose your essence. Charlotte has spent decades developing an identity as an intuitive, carving deep grooves every single day. She even connects manifestation with joy. What I tried to show them here was that you can also add an extra note. Charlotte, you'll always be intuitive, but you can also add being more analytical.

And I received a follow up from Charlotte and Alex after I spoke with them. You can get the full follow up at iwt.com/followups. But let me give you a quick excerpt. Charlotte wrote, "My biggest takeaway was that relying on manifestation and intuition alone may

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have helped me meet my basic needs, but it prevented me from dreaming big. When living by the grace of God, I was giving up my power and playing small. Why focus on manifesting \$5,000 when I can cultivate the capacity to bring in \$500,000? If I sit in the driver's seat of my financial wellbeing, I will no longer have to stress over the thousand dollar questions. In order to do this, I have to actually engage with my finances."

This is amazing. I want you to read the full letter and you can get it at iwt.com/followups.

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. If you haven't read I Will Teach You To Be Rich, my book, pick up a copy. You can get it at any bookstore or any library. And it will show you the specific tactics for how to build the I Will Teach You To Be Rich system into your personal finances.