



Episode 197: The Opposite of Being Spoiled:
Raising Financially Responsible Kids
With Ron Lieber

Child: Welcome to my Mommy's podcast.

This podcast is sponsored by Desert Farms Camel milk. Have you ever heard of camel milk? Or ever tried it? Years ago, I found some fascinating studies about camel milk a few years ago and had to try it. I found Desert Farms, which is the highest quality camel milk source available, and ordered a box. Here's why camel milk is unique- according to the studies, there are some unique immune supporting properties that make it potentially beneficial for those with autoimmune disease and it can often be tolerated by those who don't do well with traditional dairy. I love that Desert Farms raises happy camels in a sustainable way and really cares about the quality of the milk and the health of their camels. Right now, they're offering Wellness Mama listeners 4 free extra bottles for life with any subscription. Check out the link in the shownotes of this episode or go to wellnessmama.com/go/camel-milk/ to grab the free bottles or find out more.

This podcast is brought to you by Four Sigmatic. There's so much I love about this company. For instance, their founder, Tero, foraging and growing local foods is a passion that goes back generations as he is a 13th-generation farmer from Finland, where they do things a little bit differently. He found a way to incorporate highly beneficial superfood mushrooms into everyday beverages like coffee, matcha and super food elixirs so we can all sip them and get the many benefits. For instance, did you know that one serving of chaga mushrooms contains as many antioxidants as 30 pounds of carrots and that chaga mushrooms are considered the most antioxidant rich food on earth gram for gram? Four Sigmatic coffee is my go-to on coffee days since it has beneficial Lions Mane or Cordyceps for an extra brain boost without the jitters, and I consume one of their coffees or elixers every day. I also often end the day with their Reishi elixir which helps promote restful sleep. Check out their full range of products and grab a 15% discount at foursigmatic.com/wellnessmama with the code wellnessmama.

Katie: Hello, and welcome to "The Wellness Mama Podcast." I'm Katie from wellnessmama.com. And today's episode is going to be super illuminating for any parents listening because I am here with Ron Lieber who has been the "Your Money" columnist for "The New York Times" since 2008. Before that, he wrote the green thumb personal finance column for the "Wall Street Journal." And you may be thinking that's not my normal type of guest and there's a really important reason I have him on today.

His first book was, "Taking Time Off: Inspiring Stories of Students Who Enjoyed Successful Breaks From College and How You Can Plan Your Own." And it was a New York Times bestseller, but his most recent book is why I'm so excited to talk to him today. And it's called, "The Opposite of Spoiled." And it's all about how and when and why to talk to your kids about money and what to say when you do and it was also a New York Times bestseller. So Ron, welcome and thanks for being here.

Ron: Thanks so much for having me.

Katie: I can't wait to jump in because I feel like maybe second to the birds and the bees conversation, this is probably one of the toughest topics that parents try to talk to their kids about. I think there's a lot of fear and probably misinformation surrounding it. It's just a very tough topic to navigate. And especially trying to figure out how much do we tell kids, at what age, and when? And obviously, you've done a ton of research on this. So what did you find a start off about the importance in general of talking to children about money?

Ron: Well, it's interesting that you make the sex talk comparison, which I think as an apt one, people have, you know, sort of equal levels of discomfort around it. And the issue with the sex talk, though, is that there is actually a biological imperative to having these conversations, these sex conversations with kids starting around 9 or 10 or 11 when their bodies really start to change in ways they begin to notice or feel emotionally. With the money talk though, you can talk yourself into this idea that, "Well, I or we." We can just protect our kids, shield them from all of this money stuff just a little bit longer. And you can keep talking yourself into that until they're 16 or 17 or 18.

But the fact of the matter is, is that they're thinking about money and wondering about money and maybe craving money or spending that in inappropriate ways, you know, starting that single digit ages, right? And so you may think you're protecting them from money or protecting them from, you know, difficult decisions or difficult conversations around money. But let us not forget that in more cases than not these days, families, when kids are turning 16 and 17 and 18, are making maybe the biggest financial decision, the biggest financial commitment they will ever make. Because college costs up to \$300,000 per student these days, right? So if you're not getting them ready by having money conversations earlier, you're doing them a disservice.

Katie: Yeah, I absolutely agree. And I also see a correlation. I've had a couple experts in child psychology and health on that talk about how, you know, kids need exposure to risky experiences. And we're afraid to give them those because we're afraid it's going to create a phobia, but it's actually the opposite. It's when they don't have the experiences that let them develop their physical and psychological boundaries, those "little bit scary, risky experiences," that they then become fearful. And it seems to be a similar correlation with money when they don't have the information and they don't have the skills having actually interacted with money in a healthy way growing up. It's a much harder process and they're more likely to have trouble with it than not. Would you agree with that?

Ron: I think that's true. And I like that you brought up both information and skills because those are actually, you know, suit two different kind of parallel tracks of, you know, conversations and parenting strategies. When you're talking about information, that has to do with the kinds of questions that kids may ask you about how much money you and your family have. And what it is that's appropriate to tell them at each and every moment along the way.

Skills mean giving them ever increasing amounts of money and responsibility to practice with money, to learn about the difference between wants and needs. Again, ever more money and ever more responsibility as time goes on, so that they can make mistakes and they will make the most hysterical mistakes. And it's great fun to watch, right? So they will make these mistakes while they are still under your roof. And the consequences are lower than they will be than when they're in college or beyond. And, you know, it might cost them a good credit score or a job even.

Katie: Yeah. This is the reason after reading your book, I was so excited to have you on and to share your message because my husband and I have been very focused on that with our children across the board as we raised them realizing we're trying to raise adults, not large children who don't know how to operate in society.

And that part of that means that we have to let them start having independence in whatever they're capable of at a very young age.

And then once they're capable of something, we should not do that for them but let them take responsibility and ownership over that area of their life, whether it be their laundry, or their chores, or learning how to use sharp knives. And to me, money skills are very logical and equally important extension of this because if we look at society, I know that many divorces are because of financial disagreements.

And many children get huge amounts of debt in college and potentially I know there's many factors to that but not understanding and fully being cognizant of what they're doing when they get into loans and there's just so much there. And I think the hesitation that a lot of parents have maybe that holds them back is that they're worried if they involve kids in conversations about money too soon, that it's going to make them too focused on money or too, like, money grubbers, like worried about money. Did you find anything about that in your research?

Ron: Well, there's nothing about money grubbing in particular, but I do worry that that's a sort of misplaced concern. Because if you think about our everyday grown-up lives, there is rarely, you know, an hour or at least a segment of the day that goes by where we're not, you know, thinking consciously and specifically, or at least subconsciously, about the financial consequences of our grown-up decisions.

You know, whether we like it or not, money does, in fact, make the world go around. And there are financial consequences and financial choices that we make multiple times a day often without even realizing. So, you know, unless we choose to abandon capitalism or move to someplace where it doesn't exist, the fact of the matter is that money is going to matter and it's going to matter a lot. We may not like it that way, but that is the way that it is.

And so, you know, part of good parenting means helping to bring our kids along and give them a better understanding of why money matters but also how to make it so that it doesn't matter too much, right? And these are things that we can control, that we can watch, and you know we can attempt to intervene in a variety of ways, whether it's, you know, starting them on allowance at a relatively early age or watching as they're teenagers to see what sorts of social media environments they find themselves in and the kinds of people they find themselves idolizing or pairing up with.

Katie: Yeah, exactly. So you make this point really well in your book, "The Opposite of Spoiled" and that'll be linked in the show notes. I definitely would recommend parents pick it up and read it. But can you kind of give us an explanation of why talking about money can actually lead to peace about the issue versus fear and anxiety? Because like I said, I think that is the common sticking point for parents, is that, putting this knowledge on children when they're young is gonna be too much for them. And that it's gonna cause them anxiety.

Ron: Sure. So for the parent or parents who are out there who do, in fact, have less money than average, you know, earning less than \$50,000 or \$60,000 a year in household income, there's a pretty good chance, depending on where you live, that, you know, your day-to-day or week-to-week or at least month-to-month budgetary struggles are ones that you talk about or are apparent to the kids. And they understand that there's only so much money to go around and there may be months when you simply do not have enough.

And so the knowledge of money and its scarcity is ever present, and trying to pretend that that's not the case is not realistic. We know that they are much smarter than you we often give the credit for. They are hanging on every word, they're picking up our own anxiety around money by osmosis. And, you know, if we think that they're not understanding it or picking up on it, we're kidding ourselves.

Now, if you're lucky to have more than average and you're lucky to have more money than you need, if you're lucky to be able to afford some of what you want, or maybe most of what you want, that just leads to a whole different set of questions. You know, maybe you've chosen to surround yourself in a community or school with other people who are a lot like you in terms of social class, but not everybody's the same. Kids are naturally curious, they go and they google one another's home addresses. So once they have access to the web and to the internet, they're comparing constantly. And for those of our kids who have access to social media, it is, you know, more than anything else sort of engine of comparison. And they're going to be thinking about these things.

They're gonna be asking questions. And if we are denying them access to any information and making them feel like there's something wrong with them for asking or wanting to talk to us about it, they're gonna go looking someplace else for the information that they crave. And that will lead to, you know, its own misconceptions, right? So rather than spend all this time working very hard to sort of dodge and bob and weave as they ask us questions or express curiosity, you know, which itself creates anxiety for parents, why not just have a real conversation with them when they have questions and attempt to address their curiosity, which, of course, is perfectly natural in an age-appropriate head-on fashion?

Katie: Exactly. So I'm curious, what age based on your research and the stories that you delved into, what age do you think is the best age to start? Is it pretty much as soon as they start asking questions? Because I know my kids even, as soon as they could talk, had questions about money and how it works and what it means and all that. What age do you think is the best to start?

Ron: Well, it is possible to start too soon. You know, people send me funny pictures and tweet things at me all the time. And, you know, it's everything from x-ray pictures of kids with quarters in their stomach, that actually came from a relatively well-known emergency room doctor, here in New York City whose own son ingested the money. Third child, I guess you know her skills maybe in atrophy at a certain point along the way or she was just exhausted. You know, to kids who start allowance at age, you know, three or four but haven't really gotten the hang of the fact that money is not a sort of alternative art project.

You know, one parents sent me a picture of a collage that a little boy made by ripping up a bunch of \$1 bill, right? So it's possible to start too early. But I think right about the time, right around the age of 4 or 5, 6,

whatever that is. Maybe give them, you know, \$1 each week if you can afford it for every year that they've been on the planet, right?

So maybe a 6-year old gets \$6 a week and you divide it up in a save jar and a spend jar and a gift jar and you're off and running. And all of a sudden, you know, on a fairly regular basis they're thinking about what this money's for and, you know, something long term that they might want to save for, you know, something that may be right in front of them that perhaps they have enough money now to purchase on their own. And maybe some people or some projects, some entities elsewhere in their community who need the money more than they do. Money that they can give away themselves. And from there, all sorts of interesting conversations fallout, but that is a good place and a good time to start.

Katie: I'm glad you brought up the Tooth Fairy because that's one of the things you tackle in the book. And I'd love if you could share a couple of the different ways that parents creatively figured out how to deal with the Tooth Fairy in a way that taught value and not just money.

Ron: Sure. So I remember completely blowing this when our first daughter came along. We just did not prepare it and all of a sudden, you know, the tooth fell out at 7:14 p.m. one night. And we were in a pickle. You know, we weren't quite sure what to do. So we put this note up on Facebook saying, "Hey, you know, what's everybody doing these days?" And they were like, you know, 150 responses with all sorts of amazing stuff. And somebody gave us a tip actually that there was a MetroCard machine in the New York City Subway near where we live in Brooklyn. That if you put a \$5 bill into the machine and bought one subway fare, it would spit a couple of dollar coins back at you.

So, you know, we ended up with these fancy coins and we bought some glitter at the corner store and that ended up being good enough. But there are people who are way more creative and thoughtful than we were and, you know, I told some of their stories in the book. There's a family I know that lives east of San Francisco, both parents are educators and they decided what they were going to do was that, each and every time one of their children lost a tooth, they would get under their pillow that night, a tooth that had come from an animal and it was a different animal's tooth each time. And with that tooth came a letter from the Tooth Fairy that was written like backwards in disappearing ink. They would have to hold the letter up to a mirror to get clues as to what animal the, you know, the tooth had come from, right?

So, you know, this is kind of a pretty high bar to clear. But the reason why I liked it is because, you know, kids just want to have something special happen. They want to have something they can talk about when people ask them what the Tooth Fairy brought them. And the five and the six-year-olds, most of them will be, you know, they don't need to get money when their teeth fall out. They just want to have a good story to tell and something fun. So, you know, it doesn't have to involve money necessarily, and you can come up with your own rituals.

There's another family I know who I wrote about where both parents travel frequently internationally. And what they started doing was that they would take money from some of the other countries that they have visited and they would put that under the pillow often with a book that was about the country that they had

just visited, children's book. And then, you know, they could get excited about maybe visiting that place one day.

Katie: I remember reading that one. And that was such a cool tip to do the international coins that, not all of us had that ability. But it's such a cool idea. And you touched on another thing that I think is a big topic for parents, which is how to navigate the chores and allowance thing. And I know the default seems to be you pay kids for doing chores, and you take a different approach in the book, which I think is really wise. So walk us through what you found as far as chores and allowance.

Ron: Yes. So if you believe the surveys, roughly three quarters of parents have their kids do chores in exchange for allowance. But, you know, that's never made a ton of logical sense to me. And one of the biggest reasons why I find it problematic, is it just puts you in a difficult negotiating position because, you know, if you end up with one of these kids who's, you know, sort of a future attorney, they may come to you a couple months into the allowance. And if they're good savers, they may just say, "Well, I've got like, \$40 saved up and there's not really anything I want right now. And so I'm just not going to do my chores for a while."

And a part of the point of the exercise is to get them to learn to be contributing members of what one hopes will be an orderly, well-functioning household, then you actually want them doing chores each week, no matter what their financial situation is, no matter how much money is in the save jar. So, you know, that doesn't really work for most parents once they realize that they're backing themselves into that kind of negotiating position. So, you know, I encourage people to think about it another way. To think about the completion of chores and, you know, getting allowances is something that are in separate realms. Chores are things that we do because we love one another. The parent or parents in the household, they do all sorts of chores, right? And they don't get paid. And they don't expect to get paid.

They do it because they love their children, they love their spouse if they have one or whoever else lives in the household. And that's why you do the chores, right? So kids should learn to think about it the same way. The allowance, that's something different. Money is for practice. We want kids to get good at it the same way we expect them to practice reading or musical instruments if they have that or playing soccer, right? Something that we want them to get good at. And in the same way that, you know, I don't think most of us would take away a musical instrument or soccer cleats from a kid who does not do their chores. I think we should, you know, treat allowance the same way. It's a tool for learning in the same way that, you know, books or violins or the pro stick or a hockey stick is, right?

And so, you know, often at this point parents start wondering or worrying, "Well, what sort of leverage do I have over my kid? Like, are you some kind of softy and you just kind of expect this stuff to just get done?" Which I say, "No, absolutely not." You can totally punish your kids, you know as much as you want, as long as it's legal. And, you know, maybe the best way to do is just think about, what privilege you can take away from them if the chores aren't getting done. And if you think about the older ones, you know, if they have Wi-Fi access in your house, you can change that password any time you want to. And I can pretty much guarantee for the older kids, if you do that, the chores will get done right quick. So you have more leverage than you think.

Katie: Yeah, definitely. And you mentioned, like a savings jar. And I think that that's another goal that many parents have is to teach our children to be good stewards of their money and to save and also to give in to whatever nonprofits or charities or religious organizations we support. And you talked about this in the book as well. So I'd love to hear how you suggest people integrate that topic as well because I know that from the stats of adults, so many people, even of retirement age don't have much savings. This is something that adults probably could learn, stand to learn a little bit too. But how do we teach it to kids starting at a young age?

Ron: Sure. So just to take a step back for a minute. You know, one of the things that made me wanted to write, "The Opposite of Spoiled" in the first place was, the world didn't necessarily need another book about allowance, right? Or kids and money specifically. But, you know, what I realized after years of thinking and writing about the topic for "The New York Times" was that, you know, when you get right down to it, those jars, the spend jar, the save jar, the give jar, you know, those are just stand ins for a lot of the values and the virtues and the character traits that we grown-ups hold dear and want to imprint upon our children.

So, you know, think about it this way, right? That spending, that's just another way to practice modesty and prudence and thrift. You know, the gift jar is about generosity and gratitude when you get right down to it. And the save jar that you're asking about, well, you know, that's just another way to think about patience and delayed gratification, especially now 2018, where we live in a world that pretty much, you know, sort of stands in the way of our children learning to wait, right? I mean, if you think about our own childhood, you know, you would go to blockbuster and more often than not, you'd have to wait because that first run, you know, a new release movie was not there.

And when you watch television, you had to wait for the commercials because there was no Netflix and there was no fast forward, you know, off the live TV via your cable box. And if you wanted to use the telephone, you had to wait because, you know, your sibling or your parent was using the phone and there was just one landline in the house. And if you went to the amusement park, you had to wait, try it, and, you know, so on and so on. But now we live in a world where, you know, 12-year-olds are kind of issued their own private lives and they can press buttons on the phone and make cars appear and movies. And you go to the amusement park, and if you've got enough money, you can buy your way to the front of the line at most of these places. This is bonkers, right?

But, you know, we can't necessarily change the world that we live in. But the fact of the matter is that once you hit adulthood, being patient, delayed gratification, learning to wait, turns out to be essential, because the thing that's even more true than it was when we were growing up is that if you don't have the ability to be patient and delay gratification and wait when it comes to saving for retirement, nobody else is going to do it for you, right? The Social Security program in America is not getting any more generous, that's for sure. And will probably be getting less in benefits as we get older than we are now, sort of on the inflation-adjusted basis, right? No companies are, you know, starting new pension plans, they're gonna pay us a fat check when we retire. How soon we'll be able to retire and how comfortable we'll be based solely on our ability to be patient and to save.

And yet we magically expect 22-year-olds when they graduate from college or whenever they start working to be, you know, ready to do that, to be patient and to delay gratification and put away 10% or 15% of their

income, when we haven't been teaching them to do that while they've been growing up. So you can't just expect to kind of snap your fingers and have your young adult children be ready for this. But if they don't start saving until they're 30 or 35, they're gonna be in real trouble, they may never be able to stop working. So it is essential for us to, you know, establish these habits of patience and delayed gratification as soon as possible. So, you know, it may seem like a cute little jar with drawings on it and they've got, you know, dollar bills and coins in there and it's all sort of cheery and makes for a nice Pinterest or Instagram photo, but we're talking about really important stuff here, habits and values that are essential. And the sooner we have our kids start practicing them, the better.

Katie: What about how it with the teenagers? Because I feel like I 100% agree it's...especially at young ages, that the jars are very visual. It's a great, brilliant way to start teaching this to kids. And then, we're about to start raising teenagers ourselves, like how do you suggest handling the topics like, the cell phones, the cars, if they should have a job or not, their own checking account? How do you suggest integrating all of those as they start getting older?

Ron: Sure, let's take all those in order. First of all, logistics, which I know is a challenge for parents and, you know, if you're a single parent, it's even bigger challenge because you've got, you know, double the responsibility or maybe it feels like quadruple the responsibility if you don't agree with your ex about how to handle things. You know, if you have an ex-spouse, right? And so as they have more financial needs, you know, throwing single dollar bills and \$5 bills into a jar starts to seem kind of difficult and painful. I totally get that.

There are apps like Allowance Manager and FamZoo that allow you to, you know, move money over into sort of an app-based account where you can sort of press buttons in an app and actually move money from your checking account to a prepaid debit card that the kid is gonna walk around with. It's a good way to sort of check off when chores are done and/or, you know, kind of keep track of what they're spending, where they're spending it. So that way you're not constantly running to the ATM and trying to integrate 20s into 5s and 1s. So that's a good way to sort of handle logistically. Phones, right? iPhones in particular, you know, they last after these things earlier than you can possibly imagine.

So here's a good way to think about this, I mean, one of the things we're trying to do all throughout their childhoods is make sure they understand the difference between wants and needs. And, you know, we can talk about that more in a little bit. In this particular category, I don't think anyone can make a case that, you know, particularly for a first phone that a child absolutely needs a data plan, needs internet access on the go. They need to be able to talk to their parents or parents on the phone, they need to be able to, you know, text with friends or coaches or teachers if they do that. But that's really all they need to do. They may want to do a lot more with these phones, but I'm not sure they need Internet access everywhere they go. So that can keep the cost at, you know, a more sort of reasonable level.

You buy them an entry level phone, you know, that they're the cheapest smartphone you can find, you don't get them a data plan, and they're often running for, you know, maybe 50 or 100 bucks for the phone and, you know, 15 or 20 bucks a month. And that at least is a somewhat reasonable price. Now, if they want something more later on, that's fine. But, you know, the money for the data plan, ought to come out of their allowance and it ought to be a, you know, carefully, calibrated, prepaid plan so that they're learning to watch very

carefully what they have and spread it out over the course of the month and make sure to, you know, hook themselves up to free Wi-Fi wherever they can get it. And so, you know, it becomes an exercise in budgeting for them for watching and waiting and planning and being careful and making tradeoffs, right?

You talked about how we're all trying to raise adults here. It's totally true. We are in the adult making business as parents. And one of the most important things for adults to do but something and I think we all struggle with. I know I do, is, continuing to have these kind of ongoing lifelong conversations with ourselves about when something is a want and when something is actually a need. And how to make sure that whatever money we have for our wants, we're spending on the things that kind of deliver the most happiness. So giving kids as much practice with that as possible is ideal. And, you know, the same thing is true with the car, right?

In recent years, all sorts of parents who were lucky enough to have more than average, have talked themselves into this idea that because the safety equipment on cars has gotten a whole lot better relatively quickly over the last half decade, that, you know, kids just absolutely have to have the best safety equipment often because parents are worried that they're texting while driving. So there are all sorts of ways to keep kids from texting while driving. But, you know, if you're insistent on your kids, having the safety equipment that shoves your car back into the center of the lane if they meander, hits the brakes automatically, if there's an object in the road, you do not need a 2019 Acura to get that equipment. There are plenty of used cars that are two or three or four years old that have that. You do not need to spend a five figure, a lot of money necessarily. And I actually wrote a column about this for the Times, you know, if you're looking for it, you can just google Ron Leiber and 2014 Chevy Malibu, and you'll discover that there are plenty of boxy, boring American vehicles that will do the trick.

Katie: I love that. It's not made me particularly popular with my older kids but that's been our policy as well when they've asked us, "When do we get a phone?" I'm like, "Well, when you start driving and you have a need for a phone, then you can have a phone." And we've said the same thing. If it's still available, we'd much rather get them a non-data phone, like an old school phone, just because first of all they can't text and drive as easily and also, there's no social media on it. There's no distractions other than they can call us and they can text us. And it certainly, like I said, hasn't made us the most popular but I somehow managed to survive that when I was a teenager. And it taught me quite a bit. And I hope that the same will be true for my kids.

And one thing we've done and are doing with our kids that probably is unique, I would guess is, before they can drive, before we'll sign off on them getting a permit or a license, they have to have a profitable business for a year. And it could just be a pet sitting business. It could be something small, but that way, it's twofold. First of all, if they're gonna have a car, they have to buy a car. So they need the money, so they need to create a business, to create the value, to get the money, to get the car. But also, it is gonna be a lesson and responsibility. Because when you set a time period of a year, that's a lot of follow through, that's a lot of planning and consistency. And a lot of the skills we want to see in them before they're driving a 1000 to 2000-pound vehicle around the road. So that's been kind of our approach. I don't know if that came up at all on your research. But that's kind of how we figured out that we're gonna tackle that with our kids.

Ron: I love that. And then, do they have to actually pay for the entire thing themselves? Or this is just kind of proof of concept in terms of maturity?

Katie: Both. So right now, our plan is that, ideally, they can pay for it themselves, which will also limit how fancy of a car they can get unless they somehow create a ton of value with their first business. Or we're happy to help them finance part of it as a way of teaching them that and explaining how that system works, but through us rather than a bank or something. So we would use that as a teaching experiment. But the idea would be, they can pay for the car entirely on their own and also the insurance. I want them to pay for that because I think that mentally is a level of responsibility that you take it more seriously when that's coming out of your own money versus your parent's money.

Ron: Yeah. And, you know, it's also a great way to actually teach them about insurance where they have skin in the game because, you know, try as we might, it's difficult to dress up. Insurance is, you know anything other than dull. But when it's coming out of their own pockets and, you know, perhaps that's the point at which they start getting interested in how the policy works and whether there's ways to save money and even talking to the insurance agent or speaking to the insurance agent or shopping for the insurance policy, a precondition to having the vehicle as well. So that's really cool that you're doing that.

Katie: Yeah, it seemed like a good way. I've just seen people we've even worked with and tried to hire before just, kids who hit that adult age but they've never really had to wrestle with these things before, and it's tough to have to navigate all of that on your own all of the sudden. And so we really...and you talked about this so well in the book, but tried to find ways that we could teach these lessons in a smaller, safer scenario when they can still fail in their home with us. And we can use that as a learning experience versus like, "Whoa, welcome to real life and now your credit score is at risk. And now your everything else is at risk." But teach those lessons slowly. And I think you make some really, really good points in the book about how to do that in different ways.

This podcast is sponsored by Desert Farms Camel milk. Have you ever heard of camel milk? Or ever tried it? Years ago, I found some fascinating studies about camel milk a few years ago and had to try it. I found Desert Farms, which is the highest quality camel milk source available, and ordered a box. Here's why camel milk is unique- according to the studies, there are some unique immune supporting properties that make it potentially beneficial for those with autoimmune disease and it can often be tolerated by those who don't do well with traditional dairy. I love that Desert Farms raises happy camels in a sustainable way and really cares about the quality of the milk and the health of their camels. Right now, they're offering Wellness Mama listeners 4 free extra bottles for life with any subscription. Check out the link in the shownotes of this episode or go to wellnessmama.com/go/camel-milk/ to grab the free bottles or find out more.

This podcast is brought to you by Four Sigmatic. There's so much I love about this company. For instance, their founder, Tero, foraging and growing local foods is a passion that goes back generations as he is a 13th-generation farmer from Finland, where they do things a little bit differently. He found a way to incorporate highly beneficial superfood mushrooms into everyday beverages like coffee, matcha and super food elixirs so we can all sip them and get the many benefits. For instance, did you know that one serving of chaga mushrooms contains as many antioxidants as 30 pounds of carrots and that chaga mushrooms are considered the most antioxidant rich food on earth gram for gram? Four Sigmatic coffee is my go-to on coffee days since it has beneficial Lions Mane or Cordyceps for an extra brain boost without the jitters, and I consume one of their coffees or elixers every day. I also often end the day with their Reishi elixir which helps promote restful

sleep. Check out their full range of products and grab a 15% discount at foursigmatic.com/wellnessmama with the code wellnessmama.

Katie: I'm curious, are there any things that really surprised you in researching the book that you didn't expect to find and did?

Ron: Well, one of the things to happen right away was, you know, I wasn't sure where I should stop. Like, where on that chronological timeline. You know, I figured the book would just naturally stop at 18 when, you know, the kids would go to college, go to college, and with kids who don't go to college, you know, go off and get a job and try to move out. But what I realized very quickly that I hadn't really reckoned with yet, even though I've written about the topic here and there in "The New York Times," was the whole question of college and what it costs and what it should cost, was looming so large in families' lives.

I mean, if you think about it without really much acknowledging it, you know, in the last couple years we've passed a point in America that it's really just an unbelievable for us parents who went to college and haven't gone through the system in 20 years or so. We reached a point where, you know, the Flagship State University and in most states including room and board for four years but really more often four and a half years or five years for many students if not most at some of the schools, you know, the cost of that if you don't get a discount past \$100,000 all of you. And so, you know, going to the Flagships State University is now a six-figure expense. And if you go to some of the most selective private colleges and universities in America, there's a pretty good chance for your starting today but that will cost you more than \$300,000 by the time it's all over in four years, all right.

And then there's a \$200,000 gap between those two numbers. And so the whole question of...you know, forget about how to save for this, right? The whole question of what to pay, and under what circumstances, and for what kind of kid, and how to navigate that conversation, and that college shopping experience, and kind of figuring out how the system works and how best to beat it, those questions were looming so large in people's minds, that I realized that there was just no way I was gonna be able to scratch the surface there. And I started tossing that into a, you know, sort of a separate Google document. And it eventually got so large that I realized that it was its own book. And so I'm now just getting started on work on a book that it's going to be called, "What to Pay for College: An Entirely New Guide to the Biggest Financial Decision Your Family Will Ever Make." All about these decisions.

And so I just figured I could sort of, you know, wave that away in a chapter or something, but I just had no idea how big the numbers were and how large the decision was looming in so many people's lives. Because it has an enormous impact on you if you're gonna go to college. And not just on what happens to you while you're there, but how your family's paying for, how much is debt? You know, the parents or the child of both maybe taking on what sacrifices people are making. It's complicated. So, you know, we're completely naive about my ability to solve for that in "The Opposite of Spoiled" and realize pretty quickly that it was going to require its own book.

Katie: I look forward to that one. But if you're comfortable sharing, I'd love to hear because I know you do talk a little bit about saving for college briefly in "The Opposite of Spoiled." I'm curious how you're going to

navigate it because, full disclosure, we don't have any kids of college age yet, but we thought about this a lot and kind of gotten to the point where we realized we're not going to...like for me, I didn't actually know college was optional till I got there. Like, seriously, it was just a thing you did. And I feel like the tide has shifted where you don't necessarily always need a college education necessarily, if you are self-motivated and have entered an entrepreneurial type arena at first.

So we've really wrestled with how to navigate this with our kids. And part of that is the whole starting a profitable business before they have a car and hoping that will spark some entrepreneurship in them. Also, things like, since we have the luxury of homeschooling, finishing up their formal high school education by about 13, so they'll have completed their subjects, and then we can work with them in kind of an incubator and mentorship to try to start a larger scale business that solves a problem. There's a lot of focus in our family about how can we provide value to the world and help solve problems in the world. And then that's how you can create a successful career, is by solving a big problem.

And to that end, if they do decide to go to college because certainly there are fields that require college no matter what, we've talked about an idea I heard...I believe the Rockefellers maybe did this that, they can come to us rather than getting student loans which there's many implications there, obviously. But they can come to us with a business plan of, why they wanna go to college, how much they need, what they plan to do with their career afterwards, and borrow from the family trust versus from a bank. And then we can work with them in their career and they can pay it back over time through their life too. That way they're not getting a free ride, they still have skin in the game, but that's not as high risk of skin as when you've got student loans. But I'm curious, any strategies that you came across that would be beneficial or the ways we could adapt that?

Ron: Sure. So it's just a couple of reactions to that. So the economic data on what happens to people's earnings over a lifetime, you know, continues to be compelling than in the speed of it. If you go to college, when you're not ready, there's better chance that you won't finish. And then that's a huge waste of money, right? That's a topic for another time, you go to college and you finish. You know, people with bachelor's degrees and above earn, you know, seven figures more over a lifetime in the workforce than people who do not. So that's indisputable.

Now, that's not to say there aren't exceptions. And I think it's entirely possible that there will be, you know, paths to a middle class or an upper middle-class life that we haven't even thought of yet or haven't been invented for people who do not get a traditional college degree. That makes it very difficult to plan. In our household, we've got a 12-year-old and a 2-year-old now. We're trying to save as much as we possibly can because we want our daughters to be able to have the same kinds of choices and options that we did. Now I was a financial aid recipient when I went to college and so I was lucky enough to be on about half scholarship.

But, you know, at the moment, my wife and I are not gonna qualify for financial aid because we earn too much. And if that continues, we're gonna have to have all the money that's necessary for them to have the choices that they'll have. So we are saving aggressively. But one of the smartest financial planners that I know isn't saving much at all for his three kids. And the reason why he isn't is because he feels like these \$300,000 price tags and even the \$100,000 price tags at state universities, he just feels like that's all unsustainable. The system is gonna come crashing in on itself. And something's gonna grow up in the next 10 or 15 years to

replace it and it's going to be universally applicable and acceptable and nobody's gonna have to spend six-figure amounts of money anymore.

So that may feel like a kind of reckless bet not to be saving, the fact of the matter is that he himself while he did go to college, you know, he has a number of businesses that he could potentially sell if he needed to scare off, you know, a couple million dollars to send these girls to college. All right. So, you know, it's easy for him to kind of make that bet. But he really firmly believes that everything's gonna be different 15 years from now in a way that we can possibly predict. And I think it's possible that he's right, but I personally want to be saving and planning as if the world as we know it today, it's not gonna change all that much at least by the time our 12-year-old girl is ready for college. But on the readiness front, you mentioned in the intro of the first book that I wrote with my friend Colin Hall on taking time off and it was about why most 18-year-olds should not go to college.

And anybody who knows they want to go to college, can still hit the pause button because college is wasted on 18-year-olds. And you should go do something else in the world for a year or two. You should start a business, you should serve your country, in some way, shape, or form. You should work and then take the money to travel or do something to support your family or volunteer work, you know, all sorts of things. You should go and get some experience out in the world that you can bring back to bear on your undergraduate education and I hope that everybody out there who's listening, who thinks they have, you know, college-bound kids on their hands, will consider the possibility of a gap year.

Katie: Yeah, that's a great point. And to your friend's point, I'm also curious, I think eventually somehow the college system as it exists will have to change based on what you said, about how much it's gone up in price and I'm curious what that will look like. And you're right, we can't really predict it until happens, but I think it will be interesting to see what that does look like. And I know for those of us, at least, who homeschool or have very curious kids, many of the top schools actually open source a lot of their course material online for free. I know MIT does and there are some from other Ivy League schools as well where kids even in high school can sit through those courses and learn from them. And I think that's a great way to kind of gauge interests for those parents who have kids about to approach college age and trying to figure out what they wanna do.

And I think there's so much wisdom in your approach of that gap year as well because certainly, I know at 18 I was a completely different person than I was even at 20 and you learn so much in those immediate years of being an adult and I think there's a lot of wisdom there. I'll make sure I link to that book as well on the show notes. For any parents who may be resonating with a lot of this but haven't really been proactive in talking to their kids about money or implementing these strategies, do you have any practical tips for starting out and how to start implementing these into your family?

Ron: Sure. So, you know, parents often think that if they don't encounter any of these ideas, or they haven't started their child or their children who are 10 or 12 or 14 or 16, that it's too late, it's never too late. It's never too late to put yourself on a budget. It's never too late to set new limits or change the rules, you know, for the kids that are living with you. You know, parents worry about seeming inconsistent but, you know, that's no great shakes to go to your child or children and say, "Look, we're instituting a new system here. I, the parent,

we, the parents in the household feel like we have not done a good job so far of, you know, setting limits and, you know, putting in controls and guardrails and we want you to learn to, you know, spend this money yourself and, you know, sort of bear the consequences of whatever your mistakes are. And so, you know, these are the changes that we're putting into place."

I mean, we ought to be comfortable or get ourselves comfortable with admitting to our kids that, you know, "Maybe we've been doing it wrong," and that you can change that and you can, you know, admit the error of your ways and put a new system in place. And I think, you know, quite often for parents and I think this myself, you know, sometimes the lack of desire or maybe even more often than not the lack of desire to make change or put a new system into place is just, you know, we don't wanna deal with the hassle ourselves. We don't wanna like manage the process. We don't want to more oversight when we already feel like we're drowning in oversight and to-do lists. But, you know, we chose to be parents in most cases, right? And it's the most important job that we have, right? So, you know, a little more oversight, I think, is probably a good thing.

Katie: Yeah, and I think it's not just okay, I think it's an awesome thing to be able...and a good example for our kids to be able to say, "Look, I've learned something new. And therefore, we're adapting because that's what we should do when we learn new information." And that's a great example and another important adult skill to be able to teach them is that, when you learn something new and you know something better, then you adapt and you become better. So I love that. I think it's so good. And like I said, I'm gonna make sure that both your books are linked in the show notes because they're so good, as well as, I came across some great articles that you've written for The Times when I was researching this, so I'll make sure those are linked there as well. Is there anywhere else online people can find you?

Ron: Sure. So, you can find me on my personal website ronlieber.com. So, there's information there on the books and also the speaking that I do. I also moderate a pretty active Facebook community, it's facebook.com/ronlieberauthor. And if you hit the like button there you will, you know, hopefully see some of what I post and there's all sorts of people there who are super into the question of, you know, how we raise financially-responsible kids and use, you know, the years that we have and to help use money to imprint the values that, you know, we want them to stand for. And, you know, I've learned a ton from that community. And I actually lean on it pretty heavily for my reporting and, you know, when I'm struggling with concepts or want to test ideas so.

Katie: I will link to that as well. And then finally a self-serving question that I love to ask because I'm always trying to add to my own reading list, other than your own, I would love to know if there are any book or books that had a profound impact on your life or that you would highly recommend.

Ron: Sure. I'd say the one that has had the most impact in the last 10 years comes from a guy named Carl Richards who just showed up in my email box one day in 2008. And he sent me these sketches that he had made with Sharpie pens on card stock, although he just easily could have made them, you know, on napkins or something else. And Carl's specialty, he's a certified financial planner, but the thing that he's actually really good at in the world, is taking really, what feel like really complex financial questions and boiling them down to a simple sketch or an equation or a thought level that you can quote on something that's the size of an index card or a napkin. And this stuff was so good and so revelatory that I brought him into New York Times

and we gave him a column. And a couple of years after that, he put out his first book which was called "The Behavior Gap,"

Katie: I love that and that's a new one for me. I'll have to check it out and I appreciate the recommendation and I appreciate your time. I'm sure that you are incredibly busy as an author and a writer for The Times. And I appreciate you taking the time to be here and to share. It really means a lot.

Ron: Thanks for having me. I appreciate your interest, and I hope we can do it again.

Katie: Absolutely, of course. And thanks to all of you for listening, and I hope to see you again next time on The Wellness Mama Podcast.

If you're enjoying these interviews, would you please take two minutes to leave a rating or review on iTunes for me? Doing this helps more people to find the podcast, which means even more moms and families could benefit from the information. I really appreciate your time, and thanks as always for listening.