



## Episode 568: Ali Katz on Family Financial Planning + Freedom and Building Generational Wealth

Child: Welcome to my Mommy's podcast.

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This episode is brought to you by Just Thrive Health, one of my top sources for supplements. I've seen first hand how incredible their products are and today I'm sharing the three I use most. The first is their spore-based probiotic. Unlike many probiotics, this one is shelf stable, doesn't have to be refrigerated, and survives all the way through the digestive system so it gets exactly where it needs to go. Because they are heat stable, I can also add these to smoothies, soups and even baked goods for my younger kids and these are the only probiotics I've seen a noticeable difference from using. They also have a product called IGG that helps calm the immune system and that was very helpful to me personally when I was working on recovering from my autoimmune conditions. Lastly, their new Just Calm product has been great when I'm going through some stressful times lately. It contains a proprietary "psychobiotic" strain known as BL 1714™. Psychobiotics are a new class of products with beneficial bacteria that can support your mood, cognition, and emotional health. Check out these and all of their products at [justthrivehealth.com/wellnessmama](http://justthrivehealth.com/wellnessmama) and use the code [wellnessmama15](#) to save 15%.

Katie: Hello, and welcome to the "Wellness Mama Podcast." I'm Katie from [wellnessmama.com](http://wellnessmama.com) and [wellnesse.com](http://wellnesse.com). And today I'm here with my dear friend, Ali Katz, who helped me with some of my own financial planning, and more importantly, the financial planning side related to the kids and guardianship. There's a whole lot that goes into this. And she's here today to talk about family financial planning and freedom, and building generational wealth, which you can do at any income level.

In this, we talk briefly about her building a regenerative community in Costa Rica, how she got her start in a law firm in California that was started by Charlie Munger. And then we go deep on things like the important things to think about from a legal and financial perspective, especially when you have kids when it comes to what happens if something happens to you, important steps to put in place, and figuring out guardianship and financial assets for your kids, what to know about life insurance and who to name as beneficiary, which hint, it's not your kids or their guardian, the importance of revocable living trust for your kids, why not to rely on social security for retirement and what to do instead, what generational wealth is and how to plan for it, her concept of financial liberation, and how to set your family up for success even if you aren't wealthy, you don't need to be, and why to stop the traditional quest for financial freedom as it's typically outlined in society, as well as so much more. She is a tremendous wealth of information and she shares a lot. There's a lot of resources as well in the show notes at [wellnessmama.fm](http://wellnessmama.fm). Make sure to check those out. And let's jump in. Ali, welcome. Thanks for being here.

Ali: Thanks for having me.

Katie: I am excited to chat because we've been friends for years, but haven't gotten to catch up in a while. And I love that we get to record this one to share some of your wisdom with the audience. But before we jump into family finances, which is gonna be an amazing topic with you, I would love to hear a little bit about the community you're building in Costa Rica just because I know this has been a heart project for you for a long time.

Ali: Absolutely. Yes. It's called Alegría Village, and I am actually creating a retreat center within this big community that has about 140 families that will be living there. And the intention of it is to create a regenerative culture. So we don't know yet exactly what that is because regenerative culture is being created as we speak, but we're coming together with the intention to raise children, and to care for elders, and to live close to the land, and grow food.

And really also to regenerate this land that prior to us building there was agricultural and really stripped of its nutrients. So we're giving back to the land, connecting with ourselves, connecting with each other, and ideally creating a regenerative future that can allow as many people as possible to thrive, and create a template for other communities as well.

Katie: I love that. I'm excited to hear how it goes. Definitely, it seems like a very important idea in today's world and I love that you guys are building community. That's been a recurring topic on this podcast, is the importance of creating conscious communities and having people around you.

And one of your many areas of brilliance is in law and in financial law specifically, and I know you've done so much work helping so many different people, and I'm so excited to get to chat with you today in a way we can talk about what will help families. But for a little bit of background and context, can you just talk about your background as an estate lawyer and kind of how you got into this work?

Ali: Absolutely. So I graduated from Georgetown Law School in 1999. And I knew that I wanted to do some type of family law work, but I also wanted to go to a big law firm where I would get a big signing bonus, and where I would get a big paycheck. You know, I was a brand new mom. In fact, my daughter was born the same year that I graduated from law school.

And so I was recruited out to a firm in Los Angeles called Munger, Tolles & Olson. That firm is the firm that was started by Charlie Munger, who's Warren Buffett's personal lawyer. And so I thought, "Okay, this is a great mix. I can go to this law firm and I can be a personal lawyer."

You know, I don't need to do divorce law because that's what I thought that I would want to do is, you know, divorce law related to families. But no, I can go do estate planning law. I could go do tax law at this big law firm and that would still be working with families. And so, I did that and started my career at Munger, Tolles & Olson in 2000.

And I was there for just three years, during which time I realized that there was something really broken in the way that lawyers and law firms were serving families. And it really first hit me when my husband and I were out to dinner, our daughter was home with a babysitter. She must have been, you know, 1 or 2 years old at that point.

And I, of course, had created an estate plan. I was an estate planning lawyer and I looked at him across the table and I said, "What actually would happen if we didn't come home tonight?" Our daughter is home with

our babysitter. The babysitter must have been 16 years old. Yes, we have an estate plan, but nobody knows where it is.

And everybody that we've named to take care of her lives 3,000 miles away because we're in California now, and everybody that, you know, we named is in Florida. Something is very wrong here because she would need to be taken out of our home into the care of strangers while the authorities tried to figure out what to do. There's a major hole in this process.

And that was the beginning of me beginning to see, "Whoa, there's a lot of holes in the process of legal planning for families with young children." And so all of that led me to fill those holes. I left that big law firm after just three years, I started my own law practice. And I really invented a whole new way of serving families with young children with estate planning.

And this was, at the time, something that lawyers really didn't focus on at all. They all, you know, really focused on either serving super high-net-worth families or the elderly. People they thought wanted to, you know, pay for estate planning, were closer to death. But I realized that families with children were underserved and not being served properly.

And so that's really, you know, where I took things with my own law practice. And so that was many years ago. Today, my kids are grown. They're both out of the house. My son is 19. My daughter is 22. And they are young adults. And now it's about facing a whole new set of issues with family legal planning with them becoming adults.

And, you know, now I get to integrate them into the conversation and learn how to do that, which is also something that most lawyers and law firms just don't know how to do. So there's, you know, a new level of really invention and creation happening now in that realm.

Katie: Yeah. You hear it said that, you know, parenthood doesn't come with an instruction manual, and certainly the legal and financial aspects of parenthood don't even have very many books you can find as resources. It seems like the Wild West out there.

So to start kind of from a broad perspective since, this might be a new topic, I know it was for me and that's why I turned to you for help. What are some of the basic kind of pillars or pieces of this that families need to be aware of and think of?

Ali: Yeah. So I will say speaking of books, I did write a book on the topic back then in 2008, it's actually in the revision process. So I'm writing the second edition because the world has changed, you know, significantly since 2008. Having said that though, that book is still incredibly relevant. And I do recommend that if you have minor children at home, or really any children at all, whether they're even as adults, it's still relevant.

The book is called "Wear Clean Underwear." And the reason I named it that is because, you know, your mom always told you to wear clean underwear in case you're in an accident. But once you're a parent, wearing clean underwear alone is no longer enough. There's important legal planning steps you need to take. And so I did lay out some of those steps in choose-your-own-adventure format in the book.

So it's really easy to read and fun to read choose-your-own-adventure style, so that you can really get clear on, "What do I need to do when it comes to making sure that my kids would be taken care of if and when something happens to me?"

And step one and the most critical thing for all parents, of course, is to name legal guardians for the children. And it can be really sometimes very difficult to decide, "Whoa, who would I want to take care of my children if I could not take care of them?" We spend so much time thinking about just babysitters, just babysitters. You know, we're gonna be gone for a couple of hours or a day or maybe overnight.

So what about if somebody else had to raise them? Who would you want them raised by? And if it feels too hard to think about that because it can be really hard to think about that, then what I wanna encourage you to do is do a little bit of worst-case scenario thinking, and at least be willing to look at if you did nothing at all, what would happen?

Well, if you did nothing at all, what would happen is that the authorities would come, they'd have to figure something out. So just on a practical level, who would they call? Would your kids be taken into the care of strangers for some period of time? If so, you can do better than that, right? You can do better than that.

Then ultimately, the decision about who would take care of your kids would go to a judge. Who would the judge pick? In my family's situation, if I did nothing at all when my kids were little, two people would've come forward, my sister and my sister-in-law. And on paper, at the time, there's no question in my mind that a judge would've chosen my sister-in-law to raise my kids.

She had kids, she was married. My sister was, at that time, you know, very unstable in her life, traveling around, didn't, you know, have a full-time job. But my sister-in-law is the last person I would ever want to raise my kids. Even though on paper she might have looked to be the more stable choice, I knew the truth of her emotional reality. I saw how she was raising her kids.

And that would've been like the worst-case nightmare for me, would be to have my kids raised by my sister-in-law. But if I did nothing, that's exactly what a judge would choose. And so I want you to do that kind of worst-case scenario planning in your own mind to just look at practically speaking, what would happen, and do you want to do better than that?

Katie: Yeah. That was helpful when you took me through that process and we ended up kind of coming up with an actual like a hierarchy because also, hopefully, we don't die and leave our kids when they're still young. And if we did, there could be a lot of things that would change in the lives of the people who might raise them between now and then.

And so it was like, okay, it might go to this set of parents if they're still alive and in good health. And if they didn't or were unable to, then it would go to this, you know, brother and his family if these conditions were met. And then we even put in place something I had never thought about until we talked about it, kind of conditions and separate the money side from the guardianship side a little bit, and kind of put in mechanisms to make sure their education was still gonna continue in the way we wanted.

And that they'd have access to kind of growing entrepreneurship and wealth in the way that we wanted them to. And it was such an enlightening process because I had never thought to do that. Obviously, like you said, it's not a fun process to think about, "What if, you know, something happened and I don't get to see my kids raised?" But it's better to think of it than not think of it.

Ali: Absolutely. And, you know, you touched on some of the mistakes that people make when naming legal guardians for their kids and even lawyers, right? I mean, that's how I came into all of this was I'm at one of the best law firms in the country having come out of one of the best law schools in the country, and my plan had holes in it because we just haven't...you know, many lawyers have not thought of it this way.

And so there are six common mistakes that most people and most lawyers make when thinking about these issues, and you touched on one of them and that is this hierarchy. So never name just one. Never name just one. I like to have at least three. So you have a first choice, a second choice, a third choice.

Then if you are naming a couple to serve, if you're naming a couple to serve, you wanna make sure that you are clear what should happen in the event that something happens to one of the people in that couple, or if that couple gets divorced because you might be naming your brother and your sister-in-law, but if they got divorced or if your brother was not available or in a car accident with you, maybe you don't want your kids raised by your sister-in-law alone. You'd actually want them to go to the next choice. So that's really critical.

I actually have a website that I created. It was my very first website I ever created. And it takes you through this process of naming legal guardians for your kids for free. And so I can either give the URL here or put it in the show notes, which do you prefer?

Katie: Both would be great if you wanna say it and I'll also put the show notes.

Ali: Great. So it's [kidsprotectionplan.com](http://kidsprotectionplan.com). My first foray, gosh, so many years ago now, into really educating people online. And so you can go on that website and you can name legal guardians for free there. And it will actually take you through this process of helping you to choose the right people. Helping you, like, if you do choose a couple, to put the right wording in there on if you choose a couple, how to make sure, you know, they go to the right person.

And then the last piece that you mentioned there is about separating the care of your children from the care of your assets. So that is such a wise idea for most people. First of all, it is your job as a parent to make sure you're leaving behind enough financial resources for the people who are gonna take care of your children. So I wanna make that really clear.

You should not choose the people who are gonna take care of your children based on their financial resources or their access to financial resources. You wanna choose the people that are gonna take care of your children based on their values being aligned with yours, based on how they're gonna educate your children, how they're going to make healthcare decisions for your children, how they are going to impact your children from a parenting style perspective, right? All of those things. That's how you choose your guardians of your children.

But those people may not be the wealthiest people financially. They may not be the people who would make the best financial decisions with your money or educate your children financially in the way that you would want. So you can separate that completely. And that is not something you should be doing on your own.

So, you know, you heard Katie say that we worked on this together for her family, and you want to work with a lawyer on this. There are plenty of places that you can create online legal documents today. I just gave you my website where you can name legal guardians for your kids for free online. And my belief, your legal documents actually should be free.

It is that counseling and guidance to be making the right decisions about these kinds of things that we're talking about here that you want to work with a lawyer on. Ideally, a lawyer who can help you get beneath some of these things that we're talking about. Where all of a sudden, a world opens up to you of realizing, "Oh, wow, there's a lot of consciousness and intention and clarity that can come out of this process, not just for in the event that I die and can't raise my kids, but for how I want to raise my kids."

"How I want to educate them about money and entrepreneurship and education," and all of the things that, I think as parents when we don't consider these issues from a conscious, intentional place, we can kind of go into a default mode and sometimes just end up passing on the values maybe that were passed down to us, you know, for generations that maybe aren't even the values that we want to pass on.

And so this whole process can really bring an intentionality and a consciousness and an awareness to your parenting that isn't just about what happens when you die, but is also really about how are you gonna raise your kids while they're being raised? Because I'll tell you what, it goes by in a blink of an eye and all of a sudden, they're 19 and 22, like my kids are and they're out of the house, and you realize, "Oh, okay, I taught them all of these things may be without even recognizing I was doing it."

And when done right, the estate planning process...I actually call it life and legacy planning. I think estate planning is the wrong name for it. Estate planning is like, what do we do with our money? And really just focuses on, what happens to my money when I die? Life and legacy planning, which is what I think is the right thing that we are doing, is really looking at these sorts of decisions about how do I want to live my life? How do I want to leave the world? And what is that legacy that I'm passing on when I am gone?

Katie: Yeah. And that is such an important piece also to think through, hopefully, it's like that plan so you hopefully never have to actually execute the plan. But it was a thing that until we worked through it, it was in my head and these were values that were very important to me that I was working on instill in my kids, but I had never taken them out of my head and put them on paper, which ended up being a really helpful exercise for me, even still hopefully being here for their whole childhood to now have clarity around it and they can read it if they're interested.

And as they get older, I feel like I have a much better plan of how I'm actually gonna teach them this, even though it was done through the lens of planning in case I'm not there to teach them that. What about things, I know it gets a little bit more complicated, but as far as passing assets to kids and how the finances work. I know trying to not have things go through, probate is a big topic. So I know there's a lot to know in that realm, but can you give us some primer overview?

Ali: Absolutely. Yeah. So as I was saying, the most important thing is for you as a parent to recognize that you are leaving behind enough financial resources so that whoever you choose to raise your kids is not going to be worried about the financial impact of raising them. And number one where that's going to come in for all of you is life insurance. Life insurance is your friend. Life insurance says, "I love you."

And in most cases, this is not all cases, but in most cases, you are going to want to buy as much term life insurance as you can afford. And term life insurance means that it does not build up cash value. If you do not die in the year that you pay that premium, the insurance company won and you won too because you lived, but you did lose that money, right?

So there was no buildup. There's no investment component. But the great part about it is it's very inexpensive. And when your kids are young, you need a lot of insurance because you want to make sure that the people who are raising them are not going to be worried about money. And so you want whatever you're leaving to them to be enough to be able to have the guardians be able to give them the life that you want them to have.

So you wanna think that through, what would that look like? Maybe you want their guardians to be able to quit their jobs and stay home with your kids and homeschool your kids, or take them around the world traveling. Like, this is your opportunity to really think about, "Okay, if I'm not gonna be here, how good could I

make it? How good could I make it for my kids and their guardians?" And you could do that through term life insurance. It's inexpensive.

And some of you would also want whole-life permanent insurance, which means that it builds up cash value. And it has an investment component. We're not gonna talk about that today. That is a decision that you would make with your financial advisor and, and your lawyer. And the reason I emphasize that and, and your lawyer is because financial incentives and insurance commissions can make it really difficult for just your insurance advisor alone to help you make the best decisions on a whole-life insurance policy because the commissions are so big.

So you want your lawyer to be really supporting you as well with that decision because they don't have the same financial incentives on those commissions the way the insurance advisor does. But term insurance, absolutely, you need that. Get as much of it as you can afford and are happy to be paying for to leave behind for your guardians.

Now, under no circumstances should your term insurance be payable to your children, to your estate, or to your guardians. And we see that a lot. "Oh, yeah, I got this term insurance and I named my guardians as the beneficiaries." No, that's not who you name. You don't name your brother. You don't name the guardians. You don't name the children. You don't name your estate. You name a revocable, living trust. Period, end of story.

Like, it's not even a thing for you to think about, you just do. That is just the right answer if you have a lot of life insurance. If you name your estate or if you name your children, well, all of that life insurance basically is going to pay off and then get put right into a court process that a judge is going to oversee. And that's gonna be time-intensive. It's going to be money intensive. It's unnecessary. Don't do that. Don't do that. Don't subject your family to that.

If you name your guardians, well, okay, that money becomes theirs. You don't want it to be theirs. You want it to be available to them to use, but you don't want it to be theirs because if it's theirs, they could do with it whatever they want. They can die and then it gets stuck in their estate. They could get sued and it could get taken away. And then, it's theirs.

So once your kids are teenagers and then, you know, 18 and beyond, like your guardians are not gonna necessarily just hand it right over to them in the way that you would have wanted them to. So you don't do that and you don't name your family, you name a trust. And in the trust, you say how that money should be used. And in the trust, you can even have provisions. And this is so cool. This is what I've done for my kids. Actually, I've received this benefit from my family as well.

In the trust, you say that you want to build...and if you want this option, you wanna build an asset protection for that. So, for example, let's say that you are leaving behind \$1 million of life insurance, and that goes into this trust, or even \$100,000 of life insurance. And that goes into this trust. And then that money is used as you have indicated for your kids through their teen years. And now they're 18. And now that still stays in the trust.

And then you've indicated, you know, how you want that used for their education, or their starting a business, or their gap year, or their traveling around the world. But all of the money that stays in there and is invested through there is protected. So now if they get into a car accident, or they get married and get divorced, or any other thing, those assets are protected. They can use them. They can even become a trustee of their own trust at certain age.

They start to learn how to use the assets wisely, how to invest them, and they stay protected. They stay protected. And that is critically important is that you want them to both stay protected and for your children and to be able to start to learn how to take care of them. And if they just distribute outright, like a lot of trusts will say, "Oh, just give them a 1/3 when they're 25, and a 1/3 when they're 30, and the rest at 35."

Okay, well, then at 35, everything's distributed out. Now they get married. They're divorced at 40. They've just intermingled their inheritance. Half of it's gone in the divorce, no protection, no protection. They didn't learn how to use those resources wisely. In contrast, if they stayed in the trust, they are taught to use those assets wisely. They're taught how to invest those resources wisely. And they're taught how to keep those assets protected so that they can continue to grow from one generation to the next.

Katie: And I know like you said, you have other resources on this and I'll make sure we link to some of the ones you have in the show notes so people can...because this is a big topic and it's not... I don't think most people think to create a living trust or at least it's not common practice, but like you said, there are so many benefits to this and I found it helpful just for me and actually planning finances.

And you talk about a term financial liberation, which I love. Can you explain what that means and how that relates to families?

Ali: Absolutely. Yes. So I will say before I do that, that I have a lot of resources for you on living trusts and when to use them, why to use them. It's really important...you know, I wanna keep reiterating this about working with a lawyer who can help you to do this because there's a lot of ways to create living trusts and things for yourself online now. And I've tried them all because if there was a great one, I'd be sending you to do it.

Like, documents should be free. I mean, come on, in this day and age, we can create documents for free. But it's the decisions that go into them. And I have not yet found a service, an online service that will really support you to make these decisions eyes wide open, as I call it, eyes wide open. And these decisions are just too important.

So I really, you know, wanna encourage you to work with an advisor, not a CPA, not a financial advisor, not an insurance professional. Yes, you should have those people on your team, but the decisions that go into what goes into your trust and how it's structured happens with a lawyer. And ideally, with a personal family lawyer, a lawyer that's actually been trained by me in these methodologies. So that's number one.

And then number two, you asked about this financial liberation piece. So I think one of the biggest problems that exists in our financial services industry is that we have an industry that is built around this idea of financial freedom. That one day you are going to have the right amount of money to be free, and then you will retire, and then you will live the rest of your life, I don't know, on the beach? I think that's the dream, right?

You're gonna be on the beach or you're gonna be traveling the world. And that is an old story. It is an old story that really worked when people worked at the same job for 50 years and they put away money and they got a pension and they really didn't like their job anyway. And they were just counting down the days. And by the way, people died right after that. We lived to be like 65, and social security kicks in at 62. It could be 62 or 65.

When that was created, when social security was actually created, it was created on a life expectancy model that is very different than today. See, the government didn't actually think that people were gonna get social security for the most part because our life expectancy was only 65. And so now we are in a reality, we're in a

whole new reality. We live into our 80s and 90s, and I'm sure it's soon going to become our 100s, the whole longevity movement.

And we don't work at the same jobs for 50 years and we don't put money in pensions. And so the entire reality of our economic choices has changed. And this idea of financial freedom, where you are going to magically save up the perfect amount of money that you can then invest in the stock market, and ensure, it's going to generate enough returns for you to live on the rest of your life is no longer a reality, especially as we're recording this podcast today, we are on the verge of massive inflation.

I mean, the numbers are all just changing right now, right? So people are saying 7% inflation, 15% inflation, and yet there is nowhere that we can earn safely 7% or 15% on our money. So how does it make sense that we would be able to save up enough and invest it in some magical thing that would generate enough to outpace inflation even at current reality? So this whole quest for financial freedom that actually keeps us trapped has to stop.

And instead, I believe that there is a new way, a new model that I have been personally living for the past, really, I would say 10 years, and working through discovering and understanding that I call a journey to financial liberation. And it's a journey, right? So, you know, this idea of financial freedom, there's like an endpoint. You're gonna get there and it's gonna be done, which isn't true.

Whereas this journey to financial liberation is a journey that you're always on and you're gonna be on it for actually the rest of your life. And then your family is gonna take over on that journey after you're gone, and you don't have to wait to be financially liberated. In fact, you could be financially liberated right now today, even if you only have \$1 to your name because being financially liberated doesn't mean that you that you've saved up some certain amount of money.

What it means is that you know that you can earn what you need, when you need it, on-demand, in full alignment with your values. Now, you might not know that right now. You might not know that you can earn what you need, when need it, on-demand, in full alignment with your values. Heck, you might not even know what you need. Most of us don't. Most of us have not been taught to identify what we need.

So that's gonna be step one for you if you don't know that. It is going to be to identify what you need, and you probably need a lot less than you think and want a lot more than you think. That is a big place that we all get really confused. We need a lot less than we think, and we want a lot more than we think. So we wanna separate those two things out. Get clear on what you need, get clear on what you have.

And I don't just mean money you have. I mean, resources, personal resources. And then also get clear on your values. Like, how do you earn money in alignment with your values? And so even if you are just on the path of getting this clarity to be able to generate what you need, when you need it, on-demand, in alignment with your values, you are on the journey to financial liberation. You're learning, you're growing, you're evolving. You're figuring it out.

And that is a perfectly great place to be because there is no other place to be, right? This is just what we do. This is why we're alive. We're alive to learn and grow and evolve. So get on that journey with learning to generate what you need, when you need it, on-demand, in alignment with your values. Now it might be that you are already generating what you need, when you need it, on-demand, in alignment with your values, and so then your next step there is to learn to steward what you have. Learn to take care of what you have.

But again, nobody teaches us this, right? They tell us to, like, hire a financial advisor, who's gonna really only be incentivized to invest our money in the stock market. So I am being...okay, I gotta invest. I gotta work really hard at a job I don't like to put my money in other people's companies that I probably don't even believe in what they're doing because they're ruining the planet because that's what my financial advisor said I should do, but I don't really understand any of it. And the financial advisor's incentivized not really in my best interest. So we have to learn how to steward, take care of what we have. Eyes wide open, I call it.

And then the next step in your journey to financial liberation or through financial liberation is going to be to actually detach. Once you get clear on what you need and you're stewarding what you have really well, then there becomes this level of detachment where you begin to let go of what you thought you needed. And you begin to recognize that, "Oh, money is infinite when I know how to earn it, when I know how to use it, when I know how to access it, but my time, energy, and attention, whoa, those are not infinite."

That is what's not renewable. And so now I wanna start to look at how can I use money to buy back my time, energy, and attention by hiring other people and by becoming a creator of the economy around me. This is how we start to really take back our power and come together to create these kind of micro-economies, both online and offline, locally and globally where, oh, we are exchanging our resources in a way that frees up time, energy, and attention. And recirculates the wealth that we're creating, which then creates this financial liberation.

And now you're just on this next layer of the spiral. Now, actually, you have capacity, a greater capacity to hold more. And that means you're gonna make more money. And then when you're making more money, you're gonna have more resources to steward and you're gonna have to expand your capacity there and learn more. Because when you're stewarding more resources, you realize, "Oh my gosh, there's a lot to think about."

The more I'm stewarding, the more there is to think about. More there is to learn. More there is to understand. And then you're gonna detach again, and another level of liberation. And it's just this continuing ideally upwards spiral. Sometimes a downward spiral too. And that's okay because you can turn the spiral at any moment. You don't have to wait to like, you're there. You're there right now. You're here.

Katie: Yeah. I think that reframe is super helpful. And you're right, I don't think most of us have separated...like truly separated wants from needs. And at least in America, there's a lot of talk about us living in our kind of want economy versus what we actually need. And as the financial system gets less stable, I think it's a really important conversation to have.

And you also talk about the idea of creating generational wealth, which I love. And this is like kind of an additional thing, like you wanna figure out these other foundational pieces first. But I love this concept of generational wealth and also getting kids involved from a young age in understanding family finances and having a financial plan for their future. So can you just kind of walk us through the idea of generational wealth?

Ali: Yeah. So, you know, I think many of us can actually be repelled by the idea of generational wealth because maybe we didn't grow up with it. Whereas maybe if we did, maybe we have shame about it. So we wanna break through both of those things and recognize that generational wealth is actually critically important.

And so whether you are an inheritor of wealth, or if you are somebody who did not inherit wealth, we want to begin to recognize that the inheritance you received, whatever that is, is a critical part of your life purpose, and your life path, and why you are here. I mean, it kind of just makes sense from an evolutionary standpoint,

right? You were born into a very specific family unit dynamic set of ancestral patterns. So, first of all, you acknowledging and understanding what that means for you, and why you were born and here on this planet at this time is critically important through my eyes because it wasn't a mistake.

It wasn't a mistake, and it really can inform such important decisions that you'll make in your lifetime because a lot of what you were born into needs to be healed. As you probably know, we are in an unsustainable reality currently. The decisions that were made by our ancestors got us here. And we have to be really thankful for that because they got us here and we're here now, but those decisions were made based on a survival reality, right?

And when I talk about a survival reality, what do I mean? Well, not so long ago, I mean, our leaders cut off people's heads and that was like acceptable behavior. We just accepted that that's how it was. So those imprints live inside of us. And so whether we were the head-cutter-off-ers, meaning our ancestors, or if we were the people who were subject to that, all of that lives inside of us, right?

And so now we have landed here and we've landed here no longer needing to be in a survival reality, but the products of that. And so if we are going to change that for the future, which we know we have to because that actually cannot thrive into the future, as a result of the decisions made through that, we're running out of resources on the planet, right? We're facing a lot of challenges as a humanity.

And so because of where we are today with technology and the number of people on the planet, obviously, we have to make some changes. And the cool part is that we don't have to make those changes from this place of survival anymore. We are actually the first generation of people who have the resources, the time, energy, attention, and money to do the healing work that is necessary to both heal the past and create a new thriving future reality.

And so our generational wealth is not just about passing on money, although that is important, of course, to consider because wouldn't it be better to give our children more ease when it comes to money, and to not have to make all of their decisions from this survival-based perspective of, "Oh, God, I'm gonna run out of money, oh, God, I'm gonna run out of money, oh, God, I'm gonna run out of money." But instead, for them to be able to make their choices about what they do for their livelihood and for their lifetimes from this place of, "What do I wanna create in the world?"

And that takes a complete mental paradigm shift because most of us, I think, do have this imprinting around, "If I don't make my children struggle, they will be ne'er-do-wells who just, you know, waste resources." Well, they will be that if you don't pass on your values. If you don't do the healing work to heal whatever was passed on to you, and you just leave them a pile of money. You're right, that is true. They will become that.

So generational wealth means that you are not just passing on a pile of money, but that you are also doing the healing work that is necessary to pass on your children's ability to live in and create a thriving future. And that takes intention. That takes intention, not just for what does your trust say or what does your will say, but actually for what are you doing today to heal the generational traumas that you were passed on.

What are you doing to really look at the inheritance you got, whether that was financial inheritance or not financial inheritance, and transmute and alchemize that so that what you're passing on is intentional and conscious, and truly can create a thriving future reality? As some people, as our native relatives, the indigenous people that were here before us say seven generations into the future, what we do today can impact and will impact seven generations into the future, whether we do it knowingly or not.

Katie: I love that that concept is becoming more thought of in the mainstream, and people are looking at this from a trauma perspective and from a family dynamic perspective, and also now from a financial perspective. It's exciting to see, I think moms, especially at this generation kind of stepping in and saying, "No, these dysfunctional patterns stop with me. They stop with my family. They're not continuing."

Ali: It's our job. It's our work to do. You know, to me, I think so many people spend their lives looking for their life purpose. This is it. First and foremost, we collectively share this life purpose. And yes, the mothers, you know, life comes through us. And so it does get to begin with our own healing. And I've seen such beautiful stories with women that I work with.

There's a woman that I work very closely with, and she is part of an inheritance of a very orthodox Jewish tradition. And she is healing generations of patriarchy, and misogyny, and control, and power dynamics through her own one little human self, through how she's handling a divorce, through how she is learning to make financial decisions, through how she is learning to parent her children in a new way. And that is generational wealth. That is generational wealth.

Katie: Yeah. Such an important point. It's those core things that are the actual generational wealth. The money is just one way that that exhibits, but it's not the focus when we talk about this.

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This episode is brought to you by Just Thrive Health, one of my top sources for supplements. I've seen first hand how incredible their products are and today I'm sharing the three I use most. The first is their spore-based probiotic. Unlike many probiotics, this one is shelf stable, doesn't have to be refrigerated, and survives all the way through the digestive system so it gets exactly where it needs to go. Because they are heat stable, I can also add these to smoothies, soups and even baked goods for my younger kids and these are the only probiotics I've seen a noticeable difference from using. They also have a product called IGG that helps calm the immune system and that was very helpful to me personally when I was working on recovering from my autoimmune conditions. Lastly, their new Just Calm product has been great when I'm going through some stressful times lately. It contains a proprietary "psychobiotic" strain known as BL 1714™. Psychobiotics are a new class of products with beneficial bacteria that can support your mood, cognition, and emotional health. Check out these and all of their products at [justthrivehealth.com/wellnessmama](http://justthrivehealth.com/wellnessmama) and use the code [wellnessmama15](#) to save 15%.

And I feel like we'll probably get some follow-up questions, and so maybe we can do around two one day. But as we get close to the end of our time, a few just more rapid-fire questions.

The first being, if these are new concepts for people listening and they want to continue to learn, where would you point them in your work online or your...we mentioned your book, I'll link to that, but where they can start learning and start figuring out a way to plan this for their families?

Ali: Yes. So I would go to couple of places. Personal Family Lawyer, [personalfamilylawyer.com](http://personalfamilylawyer.com), is really the place that all of my resources will be gathered. We are in the middle of a massive uplevel in terms of my online presence and my ability to share these resources in one place. There are some videos that I have created at [familywealthmatters.com](http://familywealthmatters.com). I think that's going to go away once the [personalfamilylawyer.com](http://personalfamilylawyer.com) ecosystem is more fully built out, which will happen this summer.

So you're catching me right in the middle of a few things. The rewrite of the "Wear Clean Underwear" book, the second edition, as well as the upgrade of the [personalfamilylawyer.com](http://personalfamilylawyer.com) website, and probably [familywealthmatters.com](http://familywealthmatters.com) also going away and being incorporated into that. Most of this is available through my personal website, [thealikatz.com](http://thealikatz.com). And I'm sure you'll link to that.

And then at [eyeswideopenlife.com](http://eyeswideopenlife.com), I do have a minicourse that begins to touch on some of these issues as well from the financial standpoint. So less from the guardianship and the legal perspective, but from the financial perspective if you wanna come at it from that angle.

Katie: I will make sure those are all linked as well. Your work is so prolific, I'm so impressed with everything you've created. And I know your part to really help families is so strong and that you're still always creating more. A couple of other last questions. The first being, is there a book or a number of books that have profoundly impacted your life? And if so, what are they and why?

Ali: Oh my goodness, yes. Well, one of them is a children's book. It's called "The Little Soul and the Sun." "The Little Soul and the Sun," it's written by Neale Donald Walsch. And I just encourage you to pick it up and see if it resonates for you.

It changed my perspective on really why we're here and how we all interact with each other, and forgiveness, and how important every single person is that comes into my life that it seems like is doing something to me. How very important they are and what gifts they are to me. So "The Little Soul and the Sun" is a really big one for me. Really so many of his books, "Conversations with God," massive, you know, game-changer for me on many levels.

And yeah, I'm a huge reader. So there've been so many more over the years. I would say another one if you haven't read it, it's called "The Fifth Sacred Thing" by Starhawk. It's kind of intense. It's a novel that in some ways foreshadows some of what's happening now. And I read it maybe 10 years ago and it was just, "Whoa, oh my gosh, something like this could happen." And then now it's kind of what's happening now in the world. So only read it if, you know, your nervous system won't get too thrown off by something like that.

Katie: Those are new recommendations. I'll link to those as well. And lastly, any parting advice for the audience today? Could be related to everything we've talked about or entirely unrelated.

Ali: Well, first of all, name legal guardians for your kids. If you have not named guardians for your kids or if you've potentially made one of, you know, the mistakes that I spoke about, go on the website, name legal guardians for your kids. It's really, really important to just have that written down, not godparents, but like written down guardian nominations. So that would be number one.

And then number two, you know, I think that the more reminders we can get of this, the better. And my guess is that, you know, if you follow, Katie, you already get this to some degree, but I just wanna reinforce it, which

is to remember just how powerful you are, remember how powerful you are. You are actually the creator of your reality. And yes, spirit is the creator in my worldview, but spirit's acting through you. You're the human being that is animating life on this planet.

And you're very likely a mom if you're watching this. And so you're really animating life on this planet. And, of course, it's this huge responsibility, but that just means that you have the ability to respond. And your life is not a mistake. You are here to create the thriving future, and every single choice that you make is creating our future. And so I just wanna invite you into remembering that today.

And if remembering that has you feel shame or guilt or any sort of collapse energy or burden energy, just breathe into that and know that that might be some trauma patterns there that are here to be healed. And that's part of it too, and you can do it, and we need you to do it. And get the support that you need to keep standing up, to keep standing up and knowing that whatever is happening right now that might seem like it's happening to you is happening for you. It is happening for you. And there are teachers out there that can support you to stand up and be that creator. Be that creator.

Katie: I love that. I think a perfect place to put a pin in it for today and hopefully a round two eventually. I know how busy you are and how much good you do in the world. Thank you for being here today.

Ali: Thank you, Katie. Thank you so much.

Katie: And thanks, as always, to all of you for listening and sharing your most valuable resources, your time, your energy, and your attention with us today. We're both so grateful that you did. And I hope that you will join me again on the next episode of "The Wellness Mama Podcast."

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