

## **Financial Five a Day podcast**

*Episode 9 – George Kinder*

### **George Callaghan, George Kinder and Martin Higginson:**

GEORGE CALLAHAN: Hello and welcome to the Financial Five A Day Podcast with me George Callahan, Professor of Economics and Personal Finance at The Open University and Martin Higginson, also at the Open University, a Senior Lecturer in Economics and Personal Finance.

In this podcast series, we'll be using the concept of Financial Five A Day to invite all of us to think more purposefully about improving our financial nutrition.

In much the same way that the fruit and veg five a day campaign shifted habits on healthy eating, we invite you to listen and to learn about the money stories of our guests and be inspired by their tips and guidance.

We would especially like it if these stories encourage you to reflect on your own money habits and perhaps make some changes yourself, helping you to become more conscious and purposeful around money. Although, we must note that we are not offering regulated financial advice.

Today's guest is George Kinder. George is an author, international thought leader, and life planning pioneer who's been at the forefront of the financial services industry in the US and globally for more than 35 years. George, might you tell us about your own money story?

GEORGE KINDER: You know, my family thought of themselves as Scotch-Irish. And you know, they were kind of middle class Protestant values that were present. And I've been around a while. So here I am. [LAUGHS] I'm 75 years old. So I go way back. Some people think I go back a whole century, but not really, not quite that far.

But in any case, I grew up, and I had a great relationship with money. I think, anyway. My family encouraged me to work as a boy. So I mowed lawns. I delivered papers. Throughout high school and college, I also worked. And I enjoyed that tremendously. And I thought of it as-- well, what a thrill to have money to spend.

And that was really great. And then of course, at that age, being an adolescent and a young boy, I thought of it as a game, how to win the game. And so I learned very quickly. I learned lessons about efficiency and integrity in terms of your word and delivering. There are a lot of

good lessons that came out. And then things began to shift as I became an adult and went to college.

And actually, my whole relationship to money changed. And you guys interviewing me that made me think about this and realize it. So it's really cool to think about it. But I questioned. I didn't really want to go to work. And the whole way that money was set up was you were supposed to go to a job. And it was your full time job. And there you were for the rest of your life, pretty much.

Even if you changed professions occasionally, there you were. You were locked in. And what happened in college was I touched on some deeper things that I'd certainly experienced in boyhood and adolescence. But I didn't realize that they were what life's all about. And so when I was nearing-- I was graduating. I went to Harvard.

And as I was nearing graduation and my parents were expecting me to get a job or go get a professional degree or something, I went, I don't know. [LAUGHS] Then I said I want to be a farmer. [LAUGHS]

GEORGE CALLAHAN: [LAUGHS]

GEORGE KINDER: They laughed because the farmers where we grew up, they worked long, long hours. And I was looking for more freedom in my life. So what happened was, my mother had a pretty cool idea that I use my mathematical skills. I was skilled with one of the few skills I had in high school that was strong, my strongest skill probably.

And she said why don't you become an accountant and do returns for a living? Do it part time, and spend the rest of the time doing what you love. And so I started out doing that. And the problem was, all those efficiencies I'd learned early on, [LAUGHS] I was good at it.

GEORGE CALLAHAN: [LAUGHS]

GEORGE KINDER: And so I built a little business. And so there was always this conflict starting then between who is it I really want to be and what is it that money is about? Is it really about being a professional as my parents thought? Is it really about earning a living, paying the mortgage, paying for rent, putting the kids through school?

Or what I began to feel then, I began to feel that the purpose of money was really to deliver me, my personal relationship with the money, into freedom. And that freedom, for me-- it's different for everybody. It's one of the things we learn in life planning is really cool. It's different for everybody. But for me, what freedom meant was that I led a deep life.

And that meant mostly more of a spiritual inclination. I was philosophically inclined, spiritually inclined, meditatively inclined. And the other thing was that I really wanted to be an artist. I don't know. There was a rivalry or an envy of Shakespeare and a few other great, great artists. And I thought, why not? Why not go for that?

MARK HIGGINSON: And George, just on that point, almost seems to me that there was a kind of light bulb moment here of sort. And I'm just wondering, how would this present to you in terms of challenging yourself around money in that sense? And do you think other people face the same sort of challenges? It seems like there was a sudden light bulb moment for you.

GEORGE KINDER: I don't think everybody wants to be Shakespeare. But I do think that people in general face this kind of challenge. And more often, it has to do with relationships with family, sometimes, with community and service. Certainly, often, there's creativity in the mix, which was what writing represented to me. I think a few other things.

I think these days people are concerned about the environment and how they live and where they live. And I think those are probably the values because money often stinks. You guys know the statistics. 26 billionaires now own as much as 4 billion people. Money stinks in ways, and CEOs earning thousands of times what their basic employee makes.

So you see that. And you get reminded of what was spoken of in Shakespeare, that something's rotten in the State of Denmark and meaning the whole world in a way. And so I think most people feel some of that and feel robbed of who they want to be. And I think, for a lot of people, it's unconscious.

And they don't quite know. They just go, well, my dad said or my mom said you got to earn a living. And so that's the way I'm going to go. And this is who I'm going to be, without really deeply thinking about what it-- this is a rare thing. How often do you get to be born into a life? It's a pretty strange and wondrous thing. But I think most people feel a little gyped and a little taken advantage of in how the money world works.

GEORGE CALLAHAN: And George, if people are on autopilot, if a lot of their response to money is at the unconscious level, how do we, as financial educators, lift the lid and bring the unconscious into the rebel consciousness?

GEORGE KINDER: Yeah, well, the first thing is a strange thing because it's a paradox. And that is that you have to start with what's meaningful. And you have to really go out. And what that really takes is really interesting, George. Yeah, there are great questions. There's philosophical things. There's inquiry and all the rest.

But the thing that works better than anything is great listening, great listening. So if you go to someone who's really good in financial planning and all of that and they're not skilled in listening, they're going to sell your products. They're going to sell you the spreadsheet. You're going to be launched on your career the way your daddy said you were supposed to without ever questioning.

But if you go and you talk with someone who's really been trained in listening skills-- and that's what we do in the life planning business-- you're going to be talking. You're going to find yourself talking within that first hour about things that are really meaningful to you. It's so rare that we have a great listener listen to us. I've experienced this myself with some of the people I've trained.

And I've been just-- I've gotten up, and they've used me as an example or something. And I'm real. And I share what I believe in and all that. And every time I've done it, when it's been a great listener, something shifted inside of me. It's like light goes off, and you feel, wow, I can really be who I want to be. This person believes in me.

And then comes in the money. Once you've got that, then, well, let's get the money, and let's make it happen. And one of the things we say in life planning is you were born to do this. You were born to do this. So to find out what you were really born to do, not what your daddy said you were supposed to or your mama told you had to do, that can be challenging.

That can be challenging for all those psychological reasons that we know. Our family dynamics are very strong.

MARTIN HIGGINSON: It's interesting, George, isn't it? Because often, when we're young, we don't listen actually, especially to parents and everything. And I'm just wondering if you could say something about your younger self or to your younger self. What might you say to your younger self about money?

GEORGE KINDER: Well, I think I was lucky. I thought about this a lot. People ask me this periodically. And I have different answers at different times. But when I reflect on what I actually did, how I managed that period and on into adulthood, I'm impressed. It's so surprising to say, because usually, in adolescence, we really screw up all over the place—

[LAUGHTER]

--places where I could have done better. But in terms of money, if I were looking back at myself, I think I'd say you did good, kid. You did good. You never took your eyes off the prize. Never

took your eyes off the prize. So right from the beginning, I knew that I wanted something bigger, different, weirder, or personal, more profound than culture, civilization was saying I was supposed to do.

And it isn't so subtle now, isn't it, guys? You're in the UK. And you've read Dickens. And you go back, and you read about the workhouses and the kids then and how the money issues then.

And it ain't nothing like that now. It's much subtler and much more unconscious and much more very subtly driven by messages than constrained by the powers.

But the powers are there. The hierarchies of power are there. And they're definitely supporting these messages.

GEORGE CALLAHAN: George, if you were-- if we were to invite you to consider the daily money habits that people-- perhaps, especially, the young Gen Z, 19 to 25-year-olds-- what daily money habits might they utilize that would compound to change and grow their attitude to money?

GEORGE KINDER: The very first thing is what I would just told my young self, never takes your eyes off the prize. Figure out what the prize is, and never take your eyes off it, so that you really know you're going for. and you're going to create and you're going to make that life that you were born for, that you were meant to live, that you feel passionate about, that you want to feel passionate about.

And then having that constantly in front of you-- you might have it as a little note on the refrigerator or you know what people do a lot if coming through the life plan is they keep my three questions out there in front. And then I think it's really-- the basic stuff is really pretty good, which is leave enough time that that vision is alive, that that spirit is alive inside of you.

Leave enough, just enough, at the very least. And then work your tail off. Work efficiently. Work honestly. Work with integrity so you're not violating your values, your ethics. But figure out what is the pathway to get the most money for the least amount of time basically that I can do that is honest and good work and feels good inside of me and feels good in my relationship with others.

So the first thing is work. And in that work, save like crazy. I lived in a rent controlled apartment for years. I didn't have a car for years. I walked everywhere. I saved like crazy. So work hard, live very simply, save. Out of that saving then, with that savings, invest. Learn about what really good investing is.

And this is where-- I think, if you can find someone who will listen to you and also knows investing well, boy, that's the best of both worlds because-- or knows money tricks. Then you've got someone who is like a mentor for you and can hold your hand because it's hard figuring it out. You and I can talk about it. We can read. There are good essays occasionally in the newspapers.

And you can read them. There are certainly good texts on occasion. But people get confused.

I had people-- I would tell them great things. And then they'd go off to the broker. And they think, ha, I've gotten it. George told me. And then they buy something with huge commissions and all the rest. So it helps to have someone. So invest and invest for the long run because you're building a life.

You want your life. So invest safely in a way but long term. You don't mind the volatility. Invest for the long term. And then watch that grow. And as time goes on, find more and more time for who you really are, who you're really meant to be. That's a lot. I'm saying a lot.

MARTIN HIGGINSON: That's great. And one thing you said two or three times is about being efficient with your time and around money. I just wondered if you could maybe unpick that a little bit. I'm just thinking-- I'm thinking of myself here I'm probably pretty inefficient with time.

[LAUGHS] Actually, I'm just wondering what you might say to people about being efficient with their time.

GEORGE KINDER: Great. So I think there are two ways that I think about that. And a time is what you're saying, efficient of time. But I'm talking about money. We're talking about money.

Really, time and money are related. And because you want that freedom, freedom is dependent on time much more than on money. So there's a huge relationship there.

The efficiencies that I would work on from from early manhood, early adulthood, were efficiencies around saving and budgeting and really thinking about what is this worth. Can I afford to eat out? Can I afford to go to a movie? All those things. As I said, I couldn't afford to buy a car because I was saving for what my purpose was.

And I knew I could get free so much faster if I saved on insurance, on gas, on travel, all those things. And that was what my aim was. So saving, just really looking at all the different ways. You've seen the things on the Starbucks. My wife is a devil for Starbucks. And I give her the thing. You spend that much money a day, and that's thousands of dollars, thousands of pounds a year.

And when you're young, it's really important to pay attention to that kind of thing. And I used to chastise my tax clients to save every receipt that they could possibly deduct because it was worth 25% to them or whatever their tax rate was. But then there's the savings around making money. And there, people told me in the early days, they said, why didn't you become a journalist? You like to write.

Or why didn't you become a graphic designer? You could have made money in either of those. And my thought was-- and I'm strange this way. I don't know that I'm the way other people would be. But my thought was why would I ever jeopardize the integrity, the depth, the creativity, my creativity, by doing graphic design for someone who's selling products in a magazine or doing journalism for someone that doesn't know Shakespeare or Dante or whoever the zen poets were or whatever?

So if you are in the money world-- I was self-employed in the early days, which is kind of a cool way to go if you can figure out how to do it because what I would do is I would be good. And the first thing I did was I charged practically nothing. I charged \$9 an hour, \$9 an hour. And I did tax returns for people. I did it for Harvard professors-- \$9 an hour.

And I built up a business within a year that was so much that I could-- every year, I was raising my rates 20%, 20%. Then I raised them 50% one year just because the business was coming in. And talk about efficiencies. Well, that's efficient.

You've built your audience now and charge what it's worth. And then eventually, I had employees that would be doing it for me, and I'd make efficiencies happen that way. So just be clever with how you can make more money in the amount of time that you're doing it, as long as it's got integrity to it, as long as it's touching your values.

MARTIN HIGGINSON: Really, really interesting.

GEORGE CALLAHAN: George, it would be-- I think it would be a real shame if we had you on the show and didn't ask you to briefly describe your three questions that is kind of at the heart of a lot of your work.

GEORGE KINDER: OK.

GEORGE CALLAHAN: Could you give us a kind of executive summary?

GEORGE KINDER: And these are questions that the people I've trained all over the globe. It's in 30 different countries. And all of them will ask you these questions. And the first one's just about money. It's like if you just win the lottery.

And it's meant to just be a warm up question because it's hard to ask if you're an advisor and people don't you and people assume that you're like all the other financial advisors out there and you're going to take advantage of them. You're going to sell them product. You're not going to do real stuff.

So the first question you ask is if you had-- if you woke up one morning and you discovered you had all the money that you need for the rest of your life-- so the question is what will you do with your money? So that kind of loosens you up, and it figures out where would I spend it? What would I do? Yeah, like a bigger house or whatever, or a house to begin with.

So loosens you up . Second question goes deeper. Here, you go to the doctor. She tells you-- she says I've been doing tests. And I got bad news. You've got a very rare ailment. And I you feel perfectly fine now, and you will. You'll feel perfectly fine for the rest of your life.

But the trick of this thing is that you're going to pass away without you're knowing it sometime between your fifth year and your 10th year from now. You get 5 to 10 years left to live. So now what would you do with your life? You don't have all the money. And you're limited in time. And there you get more poignant. And here's where relationships do come up more. And family becomes very important.

You get more reflective. It's really valuable to do that. The third question is the most reflective of all. And sometimes people misinterpret this in all our cultures. And they think they'll go off to a pub they say. You have 24 hours left to live. The doctor tells you they misdiagnosed. You're done. You got 24 hours. But the question isn't what would you do?

It's reflecting on your life, reflecting on what you'd anticipated, what you'd longed to do, what you thought you would do. And now look. And you go, what did I miss? I only have 24 hours. What did I not get to do? And perhaps, most profound of all, who did I not get to be?

And it's those questions we-- in life planning, we ask-- there's at least three sets of exercises we give. That's the one that's most famous because it's very punchy. And it's important that we confront those deepest questions because we only have one life. And here I am. I'm 75 years old. And I almost blew it a couple of years ago, I got COVID.

And at that point, they didn't know what it was. So I was misdiagnosed. And I got over what they thought was the disease. But I got long COVID. So I ended up having tremendous fatigue,



which I still feel quite a bit these days. So I reflected. This is like the third question. I don't know how much longer I have. This is really strange.

Life is strange. I don't know how much longer I have. What am I going to do with this. And I thought, I'd been pursuing these books of poetry and photography. It's a mindfulness practice in nature, exploring it largely through poetry. And it's inspiring, I think. And I was doing it so every day of the year was covered with 1 to 5 poems, with 1 to 5 photographs.

So what I did was, two years ago, I put them all together. And I've come out. Now, I've done five books in two years. All the time, I'm not prone for relaxing from the fatigue. I'm powering through. I'm making sure my life has meaning. And that's what I've done. So anyway, this is probably the off topic for you guys.

MARTIN HIGGINSON: Absolutely not, George. This is so inspiring in the sense of mixing your ideas around creativity. These powerful questions, which, I think, anybody listening, if they haven't already, should ask themselves these questions. And to contextualize it in your own experience as well having long COVID, I'm finding it inspiring.

Have you changed your mind recently about money? I know you talked earlier. And I'm just thinking of the experiences you've just talked about. Or are you still-- got the same principles you think that you've lived throughout your life around this?

GEORGE KINDER: Yeah, I bet there is some way. I've been reflecting on that. And I can think of things that have changed from when I was a kid. I no longer think a candy bar is worth the money you pay for it.

[LAUGHTER]

But I don't know. I'm thinking now, I did well enough that I could relax around money. And that relaxation set in as I downsized my business and everything. And that was 25, 30 years ago, I still work. I work because I'm passionate. And largely, about the kind of stuff you guys are doing. I'm passionate around the money stuff, around that aspect of work.

I want to make sure that people live as virtual life as they can. But has my relationship to it-- my two daughters-- I'm a late parent. My two daughters are in college right now. And I certainly have more thought about making sure they're OK around money. But I don't think otherwise, Martin. I can't think.

MARTIN HIGGINSON: Yeah, that's absolutely fine. And children and thinking about them is-- I'm in the same boat. So yeah.

GEORGE KINDER: Yeah, yeah.

GEORGE CALLAHAN: George, many, many thanks for your time this evening. Wonderful. Thank you.

GEORGE KINDER: Good.

GEORGE CALLAHAN: Well, Martin, another wonderful interview just to maybe just compare notes-- firstly, his enthusiasm for life and all that it has to offer, his deep knowledge about money and on that question of depth, just kept digging, didn't he? He didn't just go for the shallow approach to money. He really goes deep.

MARTIN HIGGINSON: Absolutely. And one of the words he said a few times is around integrity and reflection. And it was so different to a lot of the other people we've interviewed, actually, George. And the sense of it was a philosophical level, wasn't it, often as well?

GEORGE CALLAHAN: Yeah, but what he did add-- and I think this is what makes him such a special contributor in this space-- is he talked about integrity, reflection. But then he got into some of the practical stuff. He said save. And in fact, he kind of saved like a person obsessed when he was younger. And he didn't leave those savings sitting in a low interest account.

He invested them. And that's something that a few of our contributors have actually spoken about, is the distinction-- well, first of all, the importance of saving, but then distinguish savings from investing. And then he actually went on and said, look, it's investing for the long run, another crucially important point because we know that the equity market and the bond market can go up and down.

But over time, the human ingenuity has tended to mean that, actually, the things get better. The stocks improve.

MARTIN HIGGINSON: Yeah, that long-run message came through really strongly. I think the other thing which he stressed, which I thought was-- well, it is very important-- is this idea of listening. He said it's really important to listen to people, whether it's listening to an advisor, whether it's listening to your parents. Doesn't necessarily mean you have to agree.

But what he was saying is listen carefully. And then you can start unpicking what they're saying and make your financial decisions. But listen carefully, so one, you might not be scammed, for example. But also, you might find something out, which is really, really useful.

And I thought that was a really important point about the listening, which if you're into coaching and areas like that, that is so important in relation to money.

GEORGE CALLAHAN: And it might help point the UK's financial services industry into a more coaching mindset. And of course, there'll be advisors and planners out there who do listen. But there is a feeling that these people are selling product as opposed to really genuinely listening to the client and to the customer.

So maybe that's one practical takeaway for the industry, is perhaps to buy George's books, perhaps go on some of his courses, and dig a little bit deeper.

MARTIN HIGGINSON: And I think we can all learn so much from those three questions, starting from the quite broad, easy question and getting deeper and deeper in what would you do, how would you change in the last 24 hours? You remember those three questions he said. And that challenged me.

As he was saying them, I was thinking, I'm going to look at that afterwards. Actually, I'm going to think about those questions. It was really, really powerful.

GEORGE CALLAHAN: And clearly, he's a person who walks the talk because he had that powerful anecdote about COVID and long COVID. And then he actually found himself in the position of that third question. And he's come out of that, if anything, stronger, more energized, and more determined to live his best life.

MARTIN HIGGINSON: Absolutely. And the other thing, which I absolutely loved, was how many times-- probably zero, so far-- have we heard Dante and Shakespeare bringing in all the literature and stuff. That was fantastic. I think personal finance through the lens of Shakespeare and Dante, that is fantastic stuff, isn't it?

GEORGE CALLAHAN: Wonderful. Great. Thanks, Martin.