

# **THE** MODEL **HEALTH** **SHOW**

**EPISODE 609**

## **Use These Simple Tips To Upgrade Your Financial Fitness**

**With Guest Bret Johnson**

You are now listening to The Model Health Show with Shawn Stevenson. For more, visit [themodelhealthshow.com](http://themodelhealthshow.com).

**SHAWN STEVENSON:** Welcome to The Model Health Show. This is fitness and nutrition expert, Shawn Stevenson, and I'm so grateful for you tuning in with me today. We can have the very best diet program, the best exercise program, sleeping our behind off, but stress can absolutely demolish our health. According to a study published in the Journal of the American Medical Association Internal Medicine, that's JAMA for short, JAMA Internal Medicine, they found that upwards of 80% of all physician visits today are for stress-related illnesses. Stress can break our bodies down from the inside out. Now the question is, what's stressing most people today? What's the stressor? What's going on? My wife used to say to my youngest son, Braden, "What the fussa" when he'd be crying as a baby. But "what the fussa" for all of us, what's stressing us out?

Well, a lot of people don't realize this and you're going to hear this today, but even in a relationship context, when talking about husband and wife, talking about partners working together and creating families, what often creates the fracture in relationships is finances. There can be a myriad of different reasons, but at its core, it's the number one issue. It's the biggest stressor in our world today. It's the sense of uncertainty that we can struggle with. Struggling with money can really tap into our primitive parts of our brain, the amygdala and create an amygdala hijack that's very emotionally driven and start to suppress or depress our logic, and it can become a very quick spiral. So again, it's one of the biggest stressors, yet we don't often connect it to how much this stressor can impact our health and fitness.

With The Model Health Show, our mission is to have health and wellness in every area of our lives, to create a truly healthy, holistic life as a sovereign individual here on this planet, and we have the power and the right to do it, we're just often lacking the education. And so, on this episode, we're going to really be diving into the practical things that we can do to improve our financial fitness. What are the simple day-to-day practices, the mindset behind things, the practices, so that we can actually have an abundant level of financial fitness. Again, this is one of the most important things that's not talked about in the context of having a healthy, radiant, fulfilling life. But today, we're really going to crack the code and look at what can we do to be more financially fit.

Now, just because financial fitness is a critical part of our health and well-being doesn't mean that our nutrition doesn't matter, alright? Now we can get into these particular places where our finances might be really great, but our health is struggling or our health is really great, but our relationships are rocky, right? So, we want to be able to invest a little bit in all these things just to be very simple and practical and stack conditions in our favor. With our nutrition,

obviously today more than ever, people are becoming aware of getting in more micronutrient-dense superfoods, right?

So, these are foods that have a plethora of nutritional factors that aren't found in the typical everyday produce that you might find. So, we're talking about foods like Chlorella and Spirulina, even though they've been utilized for thousands of years, still a lot of folks don't realize just how valuable and impactful they are when it comes to things like, well, just say the chlorophyll density, why does this matter? Well, chlorophyll-rich foods have been found, and this is a study, this was published in 2014 in the peer-reviewed journal, *Appetite*. They found that chlorophyll can aid in weight loss and reduce the urge to eat hyper-palatable foods. We're talking about these ultra-processed foods out here on the streets that's taking everybody out, alright? 60% of the average American diet today is ultra-processed foods, it's out of control. What's one of the things that we can do to help to supplant these urges, these drives towards those things and take back control of our bodies, take back control of our palate is chlorophyll-rich foods. The most dense sources of chlorophyll you're going to find are in Spirulina and Chlorella.

And to take it a step further, a study published in the *Journal of Endocrinology* found that chlorophyll is able to improve the activity and release of Glucagon-like peptide 1, which is found to be a potential trigger in helping our bodies to redistribute, so to release visceral fat and utilize it or redistribute it in a healthier way in our bodies. Really, really cool stuff. Again, Chlorella is about 50% protein by weight, and it gets its name from its chlorophyll content. Spirulina is about 71% protein by weight. So, I'm saying this because it's also, both of these are rich in a variety of bioavailable amino acids. I get both of these combined together in a delicious green juice formula from Organifi.

Head over to [organifi.com/model](http://organifi.com/model) and get 20% off their refreshing green juice formula. That's [O-R-G-A-N-I-F-I.com/model](http://O-R-G-A-N-I-F-I.com/model). Get these superfoods in your body. I'm telling you it's going to take your health to another level, it's real health insurance. Far, far out of the domain of typical "multivitamins." These are coming from bioavailable superfood concentrates. Cold processed to retain the nutrients and also again, it tastes really good. Go to [organifi.com/model](http://organifi.com/model) for 20% off. Now let's get to the Apple Podcasts review of the week.

**ITUNES REVIEW:** Another five-star review titled "truly inspirational" by Efnam Lami. "Shawn, you have a gift, your words inspire. Just binge listening to your podcast and loving it, thank you."

**SHAWN STEVENSON:** Thank you, thank you, thank you so much for leaving that review over on Apple Podcasts, I truly, truly do appreciate it. And on that note, let's get to our special guest and topic of the day. Our guest has such a diverse background, and he's seen success in so

many areas, but there's a specific reason that he is ultra-qualified to talk about this topic in a very practical way for all of us.

Our guest today is Bret Johnson, and he began his career as the star quarterback at UCLA and Michigan State University and later finished his career in the CFL, and also had a stint with the Atlanta Falcons, shout out to everybody in Atlanta. Bret preserved his love and passion for football by coaching his son's championship football team as well. And now he continues to apply his love for coaching to his clients and staff. Bret, the other half of Team Johnson and SmarterLife Incorporated has built several multi-million-dollar lifestyle companies with his wife Chalene Johnson, who's been a multiple-time guest on The Model Health Show and has taught countless others how to do the same.

Bret's money management is their family's number one stream of income above all revenues from their businesses. He manages the day-to-day operations for several of Team Johnson's businesses, including strategy, forecasting, production, agency management, event planning, profitability, logistics, and of course, shoe selection for his wife's outfits. Bret believes money should be working for you so that you have more time and freedom to do the things that bring you happiness, peace, and security. Let's jump into this conversation with the amazing Bret Johnson. Bret Johnson, living legend in the house.

**BRET JOHNSON:** I don't know about that but...

**SHAWN STEVENSON:** How are you doing, man?

**BRET JOHNSON:** I'm doing good. It's good to be here.

**SHAWN STEVENSON:** It's good to have you. Thank you for driving up this long trek to come see me.

**BRET JOHNSON:** Hey, we were talking about earlier with Waze, now, you can just kind of like see the schedule and I didn't hit my brakes, even through LAX, we're good.

**SHAWN STEVENSON:** That's fantastic. That's fantastic. There's this huge aspect of health and wellness that isn't talked about enough because, of course, we got the fitness component, we've got exercise, we've got nutrition, we've got sleep wellness, stress management, but one of the biggest stressors in people's lives is their finances. And I heard you say something really profound. You said that the mindset regarding fitness and health is very similar to the mindset we need to have with finances. So, what do you mean by that?

**BRET JOHNSON:** Well, I think that both industries, financial and also or your finances, however you want to state it, and your fitness, your health and well-being, people have it backwards. Because what happens is, people... And it all has to do with mindset, right? So, what do you hear in January, right after Christmas? People are all like, "Yeah, I'm going to lose some weight and then I'm going to get a gym membership." That's backwards, go get the gym membership, because the gym, by getting that gym membership, it's going to hold you accountable to get your little butt in the gym, so that you can start your fitness journey and your health journey.

But people are always like, "I'm going to wait until this." And all that is, and you know this very well, that's just an excuse. And people do the same thing with money, they're like, "I don't have enough money to start." Or like, they just look at it, and it's too overwhelming for them. So, they just push it aside, it's the same thing, I'm too overweight, or I'm not healthy enough. So, I'm just going to push it aside, and they just let years go by. And it just keeps getting worse because they didn't change any habits and they didn't focus on it, set goals and stuff like that.

**SHAWN STEVENSON:** Mmm. And that's profound. And it's the thing is like it's festering underneath the surface, and it's going to keep popping up here and there, our lack of progress in that department. So today, I really want to get some practical simple things that any of us can do to really improve our financial fitness. And something that was, it changed the dynamic in my relationship and in our household regarding finances. And it was this debate between debit cards and credit cards and what's ideal for us to be using. Talk about that.

**BRET JOHNSON:** I'm a big believer in credit cards and not using debit cards. There's lots of reasons for that. But the number one reason is, is security. Like, when you get your debit card stolen, it's an Act of Congress to get your bank to retrieve that and figure out where it got stolen. And if you're going to get refunded for that. And you have to do a lot of the work yourself. When it's a credit card, you call the credit card company and you're saying, "My credit card got stolen," or whatever and they're like, "We're going to get you a new one tomorrow." "What are the charges?" "We're going to take those off..." It's just like, it's a protection thing, right?

Then the next step is, is because there's competition, all these credit cards have come up with cashback incentives to use their card. Now, we all know why they're doing that. It's because they want you to use their credit card so that you with the hope that you don't pay off the balance at the end of the month, so that you can even accrue more 'cause you might be getting 2% or 3% back on cashback. But if you don't pay the balance, you're paying look at your credit card 16%, 18%, 25% so that math doesn't work out. So, my policy with this is, you got to be disciplined. But there is no reason to use a debit card when you can use a cash back credit card.

Now, people are like, "I don't trust myself with a credit card." But you trust yourself with a debit card? So, if you have \$100 in your account in your debit card, and you're going to go get gas, you know, I can fill up like \$50, and I need to go get some groceries or something like that. Just put the \$50 on your credit card, go home and link your debit card to your credit card and just transfer the funds. It's the same thing. But now you just gotten back whatever 2% or 3% on your \$50 gas price. We're talking about \$50 gas. I don't know what car gets filled up these days with 50 bucks.

**SHAWN STEVENSON:** Right, right, moped. You go get a moped.

**BRET JOHNSON:** Yeah, something. It's all over 100 now, but you see what I'm saying? So, it doesn't make sense because for the person that's always said, "I don't trust myself with a credit card," but you can pay it off every night because of technology now.

**SHAWN STEVENSON:** Right. The game has changed. We've got it right on our phone.

**BRET JOHNSON:** Yeah, we don't have to wait for a statement. I can go transfer, if I made a big payment and I know I have that money in my debit card, I can just go transfer it or if I'm waiting for my paycheck or something to come in and I know I'm going to have it, you just set a reminder I'm going to pay for it. So, it's the game has changed with the apps being on your phone.

**SHAWN STEVENSON:** So, we've got two things: Number one, the security should be a clear winner here, especially again, everything is digital now. And then this cash back phenomenon, because for me, the thing that was making me hesitant was the fact that I know that credit card companies are betting against me, right?

**BRET JOHNSON:** Mm-hmm.

**SHAWN STEVENSON:** And they're upside is huge.

**BRET JOHNSON:** Correct.

**SHAWN STEVENSON:** Versus, I don't know what percentage of people are actually following this simple financial rule which is paying off that balance, and they're just making so much money because people are incurring these charges that, because of the interest, but if we can just have that practice because this takes us back to fitness again.

**BRET JOHNSON:** Yeah. It's all discipline and habits. I'm not going to say anything here today that's like, I'm not a financial advisor. I'm not going to give you any like, crazy schemes, because

guess what? Just like the fitness and health, there is no simple pill. You can't take a pill and look like you with your shirt off, you have to go and put in the work. And if you want financial freedom, you got to put in the work. It's just not, you're not... I can't tell you to go put yourself \$50 in this account and in two years, you're going to be a millionaire. That doesn't, that's not accurate. That doesn't happen. You have to set yourself up for success.

And the only way to do that is to be disciplined with habits. And if you're not, if you can't be disciplined enough to not spend what you don't have, then you might need to figure out where that came from and you might need to do some therapy work because if you're like a self sabotager and whether you're in fitness or finance, there's those people. You know those people. They make so much money, but they always seem like they're in debt or they're like struggling or they go to the gym all the time, but there's not much results because there's something going on.

**SHAWN STEVENSON:** Yeah, we got to circle back and talk about that psychology, because obviously that's the, all of our actions, all of our beliefs, the way that we think about money is based on our psychology, is based on our experiences, is based on our perception of things. So, we definitely got to tackle this, but I also want to ask you about with the debit card, credit card phenomenon, so we're using credit cards, now there was someone that shared with me back in the day that carrying a certain balance helps to build your credit score, right? So, I don't know if there's any truth to that, but what is the ideal method? Is it paying off our entire credit card each month or paying off the balance due, what's the best practice?

**BRET JOHNSON:** For, to improve your credit score?

**SHAWN STEVENSON:** Yeah.

**BRET JOHNSON:** So, I'm not a credit score expert, but the general practice is, is that you can pay it off every single month. That shows the creditors that you can pay it off. Plus, when you pay it off every month, there's an... They will increase it, increase the balance, which helps the score because basically the way you get your credit score is like, how much debt do you have to how much money income you have coming in. There's a percentage. That's why when they look at your house to get a mortgage or anything like that and when they run the credit report, they want to look. That's why they're asking for your W-2s that's why they're asking for your 1099s, how much money are you making 'cause they look, they're like, "Okay, this couple brings in \$150,000, but they're, they have a lease payment on a car, they have credit cards that are \$40,000. Maybe they owe the \$40,000." That's all going against your credit score.

So, it's important to pay them off. That's not going to hurt your credit score, paying off. It just shows that you're... You have a good track record. You do want to make sure you pay your bills.



That's like the number one thing. The worst thing you can do is like be late, it's always good to like all those free services where you can get your credit score, like Experian and those things like that. Those are good to like get on a subscription so that you can get things. So, you get notified 'cause they make mistakes. And all of a sudden, you go to buy a house and you're like, you didn't make five car payments. You're like, I didn't even own that car. They make mistakes and it will hurt your credit score. So, make sure that you understand where you can go and look to see if there's any false, false stuff on your credit report. But the bottom line is, is if you're paying your bills on time and you're not carrying a high balance on those credit cards, your credit score is going to go up.

**SHAWN STEVENSON:** Yeah. It's again, very logical. Very simple. But for somebody like myself, who's coming into this area of life with not just no knowledge but negative knowledge, right? I remember getting my first credit card. I was walking around campus at my university and they're just, they got the tables out. I remember they was giving out free t-shirts, one of them was like a Cartman t-shirt it was like college, it said college on it. Cartman from South Park. And which that should have been a red flag, getting this particular t-shirt, but anyway, so they're just like, they understand that we don't really know, especially being young college kids, if we're not getting this background.

**BRET JOHNSON:** Correct.

**SHAWN STEVENSON:** That we are going to probably, make a decision that we don't really understand. And so, I got a credit card ended up shooting right through that balance quickly and just struggled to pay it off constantly.

**BRET JOHNSON:** All of us did that. We all did that. I mean, I didn't get... My wife and I, Chalene, did not get serious about investing and getting things in order until 2006.

**SHAWN STEVENSON:** Wow.

**BRET JOHNSON:** So, we were married nine years before we got after it. Now, I don't mind telling you, you know the story, I had a huge gambling problem. And that caused... We were making money, but I was also gambling it and putting us in horrible situation. So, we talked about this on the Chalene Show, on Chalene's podcast, we were over \$400,000 in debt. And so, we tell people like, "It can be done." And in 2006, we got out of debt fast, because we put together a plan. Once I went to therapy to solve some of those issues of why I was gambling, interesting thing, I still do all the finances for our family, I still invest. So, I'm still in control of where the money is going. She knows where it's all at, but I just kind of refocused my numbers and my addiction to a healthy addiction in terms of like, "I want to learn everything I can about



investing, saving money, making our business grow faster," and that's what I do. And it's been insane since 2006.

**SHAWN STEVENSON:** This is... Insane is not even the word for it, you guys... This is the reason I wanted you to talk about these specific things, these daily, and weekly, and monthly, day-to-day practices.

**BRET JOHNSON:** And 2006 wasn't long ago.

**SHAWN STEVENSON:** Yeah.

**BRET JOHNSON:** It's 16 years.

**SHAWN STEVENSON:** Yeah.

**BRET JOHNSON:** We got people listening right now that are in their late 20s, early 30s, mid-30s. You could be very successful with a good investment portfolio and get yourself straight by the time you're 50, you still have your whole life in front of you. It was funny you're saying about the credit card, is that one of my credit cards that I had, that I've always had, is American Express, and it says right on the bottom, "Member since 1990."

**SHAWN STEVENSON:** Sheesh! Oh my God!

**BRET JOHNSON:** So, whenever I call them or something like that, like, "Thank you so much for being," and then it's like 1990.

**SHAWN STEVENSON:** Yeah, I was a baby, I was a baby at that time.

**BRET JOHNSON:** Yeah. That was... That's 32 years ago.

**SHAWN STEVENSON:** Oh, yeah, man. You was out charging into the game in 1990, that's amazing.

**BRET JOHNSON:** No, we got the... Interesting story. So American Express was running this deal. If you were in college, and you purchased a flight home, you could get the second flight for half off, through your American Express card. So, when I transferred to Michigan State and met Chalene, we came home for spring break. So, I paid for my flight, and hers was half off, because we got this credit card, and that's why we got the credit card. So back then, we got it because there was a benefit. And American Express is great too because you have to pay it off every month.

**SHAWN STEVENSON:** Yeah. Man. And also, they're really great about balances, increasing your balance.

**BRET JOHNSON:** Yes.

**SHAWN STEVENSON:** I was shocked.

**BRET JOHNSON:** Oh yeah.

**SHAWN STEVENSON:** Shocked how much. "Oh... " They were just like, "Oh, we'll just send... " I was like, "Really?"

**BRET JOHNSON:** Yeah, my other credit card, so we have one for... American Express is for our personal and for our Team Johnson. Now, I don't encourage you, your accountant won't tell you to put your business on your personal card, but we've always done it that way. So, he was like, "As long as you've always done it that way, you don't need to change, because there's a consistency there." And then for our other businesses, we have another Visa card, and it is a cash-back card, Capital One.

**SHAWN STEVENSON:** This speaks to also, just like with fitness and health, the individualization of things and paying attention to works... What works best for you, but there are some consistent holistic practices. And like I said, I wanted you here to talk about this, because you've been through so many different aspects of what finances can look like. Literally we're talking almost half a million dollars in debt to having one of the most successful businesses in marketing and in the fitness space as well, and also doing this while still loving each other and having a family.

**BRET JOHNSON:** Yes. Balance.

**SHAWN STEVENSON:** That's the thing that is so unique about you guys that of course we really resonate with. Because for us, it's a big part of, "My life is my family." I really, really...

**BRET JOHNSON:** You want to be there for everything. You want to be there for games, and you want to not be so attached to your work. And that's why we teach so early multiple streams of income. Working on one stream at a time, not trying to spread yourself too thin. It's the same thing with fitness though, you... I thought driving up here, there's so many correlations. It's like, "Okay, what's... " When you hear people talk about like, "You got to be diversified." Well, this is the same thing in fitness, you can't do the same thing every single day in fitness and get

results. If you just ran every single day, you're not going to develop muscles, you're not going to... It's just a different thing. The best...

The most healthy people are the ones that are diversified, that are doing... If they're lifting, they're lifting their whole body, they're lifting different body parts. They're also doing some cross-training, they're also doing this, they're also getting massages, it's all part of the health game. Same thing with finances, you have to have multiple streams of income. You have to have some real estate, you have to have invested in the stock market, you have to have retirement plan, you have to have all that kind of stuff so that you... So, money's kind of growing even when you're not... That's the ultimate dream as entrepreneurs, is that have your money growing when you're spending time with your family on vacation or at the ball game or whatever it might be.

**SHAWN STEVENSON:** Yeah. And this time in human history has taught us this lesson more than any other. And if you don't get this lesson right now, again, just having that one stream of income, which for a lot of folks it's going to their job, they're exchanging their time for money. And all of a sudden, that job doesn't exist anymore, that job lays you off, that job, you're let go.

**BRET JOHNSON:** Downsized.

**SHAWN STEVENSON:** Or whatever, downsizing. Now what? And so instead of having some other... And again, it could just be a small thing, a small... Maybe you have some merchandise, maybe you have an Amazon store, which by the way, you could... Anything on Amazon, have Amazon's associate program. You could sell anything on their site, and they'll pay you.

**BRET JOHNSON:** Resell, go to garage sales, and like the... Gary Vee was doing and find bargains. One of our customers, one of our marketing impact academy people, they flip, they're market flippers. They literally have a... They travel all around with their family; they buy stuff for 50 bucks that they know that they can flip for 1000 bucks. They've created a great life that way.

**SHAWN STEVENSON:** There's endless possibilities. Especially, again, with technology and our phones, there are people making, maybe it's an extra few hundred dollars a month, a few thousand, millions of dollars by utilizing this technology. Maybe, again, it can just be digital content creation or...

**BRET JOHNSON:** Affiliate marketing.

**SHAWN STEVENSON:** Affiliate marketing.

**BRET JOHNSON:** There's so many different things out there. It's so important to teach, especially our young kids. It's just... It's a shame that they don't teach this in school. They got rid of PE in most elementary schools. So, they're not doing any activity. Wherein we don't want to go there with what our youth looks like right now in terms of weight gain and all that kind of stuff that's going on. And just the fact that just getting out and running around, what that does for your brain. But then we don't teach... I think there's only like... I'm going to be wrong on this, but it's under 15, and I want to say it's only 11 states in the United States that require high school form of finance class that they have to take a semester of to graduate from high school. How is that not required in every single state, and it's taught for not just six months, it's taught for the entire year? You can't... I mean, to throw kids out nowadays at 18 or 19 with no financial well-being is ludicrous.

**SHAWN STEVENSON:** Yeah, I remember having a life skills kind of course. It's kind of like a pivot with the home economics.

**BRET JOHNSON:** Yeah.

**SHAWN STEVENSON:** And so, it was just like they tell you about checking and savings, and then they teach you how to write a check. And I didn't have a check. My mother didn't... My mom's face is probably up at the banks, as the most wanted, because that was my reality, the payday loans, I come from that. And this is... So, I want to ask you about this, this is really the most important thing. Again, we're still talking about tactics here, but it's that inner psychology to getting us to do the tactics. I grew up in a situation where we were constantly behind the ball. Like I moved... I think I counted maybe like 11 times because something happened with my mom paying rent, my mom, and my stepfather, and so we're moving around a lot, again, having issues with checks bouncing, going from one bank to the next to try to get a new account, to being banned from the banks, to doing the payday loans, to just constantly hustling. And so, I would hear these... Number one, I would obviously see it in my environment and living in poverty, which in the United States, I always get is caveat. And poverty in the United States is very different from other places in the world.

**BRET JOHNSON:** Correct.

**SHAWN STEVENSON:** You still got a TV. You know what I mean? I might've gotten the Nintendo like a year later, but you know what I mean?

**BRET JOHNSON:** Yeah, yeah.

**SHAWN STEVENSON:** We still... There's levels to it. But I would hear these things, from my mom use certain phrases like "Do I look like I'm made of money?" "Money doesn't grow on trees."

"I'm broke as a joke." That was my mom. That was like her... That was her motto. Like, "Mom, could I have a dollar?"

**BRET JOHNSON:** And that sets into your brain. That's your mom. And that sets into the child psychology right off the bat. And there's so many people... It's the reason why I've kind of pivoted and started talking about it a little bit more, because my DMs on Instagram are filled with young adults, even older adults that are like, "Please help. I have no idea. I have some money in my savings," which is the worst place to have money, in the savings account, like why? Why would you put your money in the savings account? There's no percent interest. There's other places that you can put your money and it's still liquid and you could get a little bit of percentage. I would rather get 2% than 0%.

**SHAWN STEVENSON:** Like what?

**BRET JOHNSON:** Wealthfront. There's all kinds of... Wealthfront... Wealthfront.com is a... They're at 2% right now. They used to be higher. They do fluctuate with the interest rate. So, when COVID hit, and the interest rates went to zero. Nobody was giving parked money. So, if you had a... So, I teach that you should have an emergency fund. An emergency fund is... I say that it's anywhere between one and six months of income that you need. Well, and I'm talking about income to live, not your Starbucks, not you're going out to dinner, but your food, your shelter, that kind of stuff, insurance. You add those up, and then you start putting aside like what you need to feel comfortable. I say one to six because I say once you hit that one-month mark, let's say your number's \$8000 and you have \$8000 saved up in your emergency fund, I want you to keep adding to the emergency fund, but I want you to add more to your investment. So, there's kind of a balance. Get that first month down because that's security, that feels good.

**SHAWN STEVENSON:** So, would the emergency fund be in a savings account?

**BRET JOHNSON:** Wealthfront. No, it'd be in Wealthfront 'cause it's making interest and it's still liquid.

**SHAWN STEVENSON:** What is Wealthfront?

**BRET JOHNSON:** Wealthfront is... They do all kinds of stuff. It's like a bank, but a bank that you don't walk into so that you can do all kinds of things there. You can have different portfolios there. You can put your retirement, everything. It's just a platform, but what they want to do is they want your money, they're going to give you a little bit more percent than what a bank is going to do. And they're using that money. They're using your money while it's parked there to make more money than 2%, but that's okay. The money is guaranteed. It's safe. It's insured.

But you are making a little bit of extra money. So why would you put your emergency fund in a savings account when you can get access to it from Wealthfront and get 2%?

**SHAWN STEVENSON:** Yeah. And you just said that they're using your money, but I don't think everybody knows that banks are using your money as well.

**BRET JOHNSON:** Everybody's using your money. So, when you put \$200,000 down on a house, and I know your show is worldwide, so when I say \$200,000, that would be 20% down on a \$1 million house which is very... We're sitting here in Southern California which is still not that big of a house, and I understand that, I don't want to demean anybody across the country, but the average house in America is just under \$400,000. I think it's \$395,000 right now. That's the average. So...

I like to work with whole numbers, especially when we're doing a podcast here. So, a million dollars, you put 20% down that's \$200,000. What do you think the bank is doing with that \$200,000? You think they're just letting it sit there? No, they're going to loan it out to other people and making more money off it. Banks make money when they're loaning, that's why the banks right now are a place where people are investing because the interest rates are going up. When the interest rates go up, banks make more money.

**SHAWN STEVENSON:** Alright, so we just dipped into another great... This is super valuable, this simple practice instead of having our money sitting in a general checking account or a savings account, wealthfront.com or something of the like, but I want to ask you... Again, let's kind of drill into, how can we change our psychology, our mindset around money, when again, we've had... We'll just say bad habits or poor habits for so long, how do you actually flip on those switches in your mind to get you to start making better decisions?

**BRET JOHNSON:** First off is you have to identify that you have that mindset.

**SHAWN STEVENSON:** Yeah. Yes.

**BRET JOHNSON:** You have to identify that it's not my fault, but for whatever reason, my parents, my upbringing, whatever, put this mindset in and it's like that money is kind of scary. And it could be gone. And there's all these different... Like you just said, money doesn't grow on trees and that kind of thing, rather than a parent that said, "You want to buy that? Okay, let's sit down and figure out how we can earn money to do that." And putting that mindset in, where there's always a way. We can go sell something, we can go get a job, we could do all those things that have different streams of income to be able to earn the money. And I think once people identify that they have the mindset of scarcity, they have to have little wins in order to... One, if it's a huge problem, I'm a huge proponent, so are you, therapy. There could be

something that's underlying there that you need to resolve and talk about, and why is it so scary to you? What does it mean? Maybe your parents didn't have money, but why is that affecting you so much? Because you're your own person. So, therapy might be an option, but just little wins, just like when we're talking about...

I want to take this back to the health. When you go in and you see results, like you've been lifting for two weeks, and then all of a sudden you go back to do another three sets of 10, and you're like, "I'm stronger." Or all of a sudden you put on a pair of pants and you're like, "I'm a size down," or whatever the goal is, I'm looking in the mirror and things are changing, so those little, small wins start to add up, and it's the same thing with your money. So, you start to save, you put a goal. You're like, "I have \$2000 on my credit card, and I want to get rid of it," and you put yourself in a position to win. Meaning, you set aside money, you decide I'm not going out to dinner until this thing is paid off. You give yourself a job to get that thing down, once you make that win, sometimes that's all you need, it's just that one win, and it triggers, "Oh, I can do this, I can do this over and over and over again."

**SHAWN STEVENSON:** Same thing with fitness.

**BRET JOHNSON:** Same thing with fitness.

**SHAWN STEVENSON:** As soon as you said awareness, it knocked over a series of dominoes for me, because with that awareness and you actually skit face-to-face with you know what, "I have an issue with you. I'm lacking it, I'm lacking understanding in this part of my life, the next part is let me learn about it, let me get educated and learn a little something about it," because what can happen with fitness is we see, "Okay, I've got a problem, I'm pre-diabetic now, struggling with my energy," all these things, if we don't get educated, we can be educated by the marketing machine around us, the next thing you know, we're sipping on these nasty SlimFast shakes trying to get in shape versus let me...

**BRET JOHNSON:** We look for the easy route.

**SHAWN STEVENSON:** Let me invest in education and get plugged into people who actually know and care. And that's again why I'm glad to have you here.

**BRET JOHNSON:** Yeah, and I think too, one thing that I think is very important with finance, where a lot of times in the fitness industry, you might need somebody to push you a little bit, like a trainer or somebody like that to get you started, a lot of knowledge so you don't hurt yourself. With finance, I think it's really important to take those baby steps and get those wins yourself, to prove it to yourself, I can do this, because the fact is, if you have a... Let's say you have \$2000 that you want to get rid of worth of credit card debt, or you just want to get rid



of that \$2000 'cause it's like hanging over your head, right? You're not going to go hire somebody to help you get rid of \$2000, you're going to have to do it yourself, so you have to... And when you do it yourself, it's just like anything else, it's like, it's pen to paper. It's like, figure out your... I tell everybody, the first step I have anybody do when they're trying to figure this out is pull up your debit card, your credit card, and pull all those statements, you're paying statements, and go through one month, every sing...

I'm wealthy right now. We have enough money, and we like to invest, and we like to do nice things. I still to this day, every single month, go through those. Do I have to? No, but I do because I find stuff. I find stuff that... Maybe we decided that... Here's a perfect example. We're going to have a giant Zoom call webinar, over 3,000 people, and for our listeners, Zoom has different levels that you have to pay for, and 3,000 is a marker. So, you can get a Zoom for under 3,000, but to go over 3,000 costs of different amount of money, and it's a monthly service, right? So, we've upgraded for the month. Now, if I don't remember that, then the next month they're going to charge us the same amount and we don't have that type of webinar. So, in order to... There's a lot of things going on in the world and people forget those kinds of things.

**SHAWN STEVENSON:** Absolutely.

**BRET JOHNSON:** And then all of a sudden now you're paying \$4,000 for the next month and you don't have any Zoom scheduled. So, you're out four grand or whatever it might be. So that's one of the reasons why I do it. And I catch that stuff all the time. And subscriptions are huge. You sign up for something thinking that you're going to do it, and then all of a sudden, you're like, maybe there was a trial period or something like that, you missed the trial period and all of a sudden, three months later, it's like 9,959... You're like, "I don't even use this thing anymore." I've had people, in one night, save \$300, but that's not just \$300, that's \$300 times 12.

**SHAWN STEVENSON:** Right, in the year.

**BRET JOHNSON:** For the year. Because if they didn't look at it... So, I always tell people to start with that, like look at your statements and stuff, figure out where you can... Where there's money just flowing out that you don't need to do that anymore, and then all of a sudden you also start seeing your spending habits. My daughter just the other day, she's living on her own and she texted me, both my kids have very good money mindsets, they're both multiple streams of income people and they understand, and they both have investment portfolios with E-Trade, and they understand that stuff. And she texted me, she's like, "Dad, I just deleted my Instacart app." I'm like, "Really?" And she's like, "Yeah, I was looking... I do exactly what you said. I looked at my last two weeks and it was crazy. I doubled my order," because what happens is,

is when you go to Instacart, you're like, maybe I need some chicken or something, or whatever it might be, all of a sudden, next thing you know, you're ordering 15 things. It's like when you go to Costco."

And she noticed that, she deleted it, she just texts me back two weeks after that and she goes, "Dad, it's down 50%." And she's like, "That's money I didn't need to be spending." And so, getting in that habit, it's just a habit for her now. It's not rocket scientist. Anybody can check their stuff, download their bank account. There's absolutely no reason why you can't do what I just said, there's none, unless you just decide, I don't want to do it. Sunday afternoon, do it.

**SHAWN STEVENSON:** So, do you do it on a certain day each month?

**BRET JOHNSON:** Yeah, I usually pick a Sunday when it's just like... It's like casual, it's easy for me. During football season, it might be like at that Sunday night football game, and I just download it right on my... I just look on my laptop, I just put them up, I just scroll down. I know what I'm looking for and I catch a lot of things. I catch a lot of things with our business in terms of credit card processing. At the beginning when we were down, when we were in debt, \$400,000, we used to... Like you said, we had a fitness company and we used to do DVDS, and I figured out like, "Oh, wait a second." We are ordering these DVDS at 10,000 every quarter, so that's 40,000 for the year. So, I just went to the company, I was like, "What if I buy 50,000 of them upfront?" The price got cut in half. So instead of paying for that, I think they were like a dollar a piece, so instead of paying... No, actually they were \$2 when I was paying them for 10,000 at a time, and then when I went to 50,000, they were only \$1.

That's \$50,000 savings. So, you do that, and that's the business and stuff like that, but you can do that in your household stuff too, you can do that with the insurance, you can do with lots of things.

**SHAWN STEVENSON:** Wow, this is awesome. I would encourage people, especially again, if they don't have this habit, creating structures that make it real. So, for example, maybe it's Money Mondays, so you got the first Monday of each month, put on your calendar, put on your calendar to just focus on checking in on your finances. And of course, having a business, you can maybe have somebody onboard or an accountant or somebody who's looking into this stuff with you as a teammate. However, again, with money... It's kind of like same thing, no one else can do your push-ups for you.

**BRET JOHNSON:** Correct.

**SHAWN STEVENSON:** With your finances, you still want to keep your finger on the pulse of it.

**BRET JOHNSON:** 100%.

**SHAWN STEVENSON:** Because there's been many stories where an accountant or somebody else is missing something or not doing what they're supposed to do and you're left out of the loop, and again, that stuff can go on for months.

**BRET JOHNSON:** Yeah.

**SHAWN STEVENSON:** And so, I want to ask you about this, you said the word insurance earlier. So, I want to ask you about... What about investing in things like life insurance?

**BRET JOHNSON:** Okay, so life insurance is one that I've been kind of studying right now. And here is our philosophy with insurance, with life insurance. So, at the beginning when the kids were young, we had a term policy where you just... We were both... Chalene and I were young, we were in our 20s, we took a physical, our insurance was so low, but it could pay off the houses, it could pay... It'd just make things comfortable if something were to happen to one of us or both of us, right?

And then about five years ago, I was like, "This seems kind of a waste," because we have more money than we have things out there, so if something were to happen to Chalene or I, there's enough money that things would be paid off, the equity in the house... " It's just not there. But insurance, I think, is really important. Like life insurance is important, especially for the young couple that married and if something were to happen, major death or something like that. But... So, I've been researching this a little bit, and there's this program called MPI. MPI is a program that a gentleman by the name of Curtis Ray took loopholes in the insurance space that was only granted to people with extreme wealth.

So, what happened was, is there was before he invented MPI, you could only qualify for this type of insurance if you had \$5 million liquid or more. So how many people do you know that have \$5 million liquid? There's not a lot of people around there who are just sitting around, I got \$5 million liquid. So, he spent three years with an insurance company that's been around for over 100 years, Triple A... Everything is... Everything that he does is on the up and up. People should... I encourage people to go look at MPI, Curtis Ray. I have no affiliation, I don't get anything from it, but I've been... Because what I've wanted to help people or young kids, young adults, people in their 20s, just starting out and entrepreneurs, those are kind of our two sweet spots that we work with a lot, having two young kids, and then also just our business, we're working with entrepreneurs all the time. And this insurance policy, it is a life insurance policy, but it's also an investment platform where you're investing money, it's compounding over time and it's growing, and at a certain point, you can actually take money against it, so you can borrow against the plan.

It's an amazing platform to look at. I encourage anybody that doesn't have life insurance already, looking for new life insurance, somebody that doesn't have any investment portfolio, somebody that's just listening to this right now and like, "I don't invest money in anything, and I don't have insurance, and I don't have a retirement," I would look into this. There's millions of YouTubes and he's all over social media and it's a good platform. Now, just like with anything else, with investing, you have to have time. So, the more time you have, the more lucrative it's going to be, obviously. So, if somebody goes into a plan like this where they're investing every single month a portion of their salary or their income and they're in their 20s versus us who are in our late 40s, early 50s, obviously the advantage goes to the younger person. So, it's one of those things that it takes time, there's no get rich quick schemes, and he'll tell you that it takes time. And then the other portion of this plan is, it is life insurance, so you have to pass a physical. So those are the two aspects. But it is a good compounding vehicle, and if you don't have insurance or you don't have some kind of retirement plan, it's a good program to look into.

**SHAWN STEVENSON:** Awesome, awesome. We've got a quick break coming up, we'll be right back.

Few people know that regularly drinking coffee has been shown to help prevent cognitive decline and reduce the risk of developing Alzheimer's and Parkinson's disease. This attribute referenced in the Journal of Practical Neurology is yet another reason why intelligent coffee consumption makes the list of best neuro-nutritious beverages. Another study featured in the Journal Psychopharmacology uncovered that drinking coffee has some remarkable benefits on mental performance. The researchers found that intelligent coffee intake leads to improvements in alertness, improved reaction times and enhanced performance on cognitive vigilance tasks and tasks that involve deep concentration. Now, why am I stressing intelligent coffee intake? This means acknowledging the true U-shape curve of benefits and not going ham on caffeine.

The data clearly shows that some coffee, a cup or two a day, and the accompanied caffeine is a great adjunct for improved mental performance but going too far starts to lead to diminishing returns. So, we want to make sure that we're getting an optimal intake of coffee, and again, not going overboard. But also, coffee is best if it's not coming along with pesticides, herbicides, rodenticides, fungicides. These chemical elements are clinically proven to destroy our microbiome terrain, so destroying the very microbiome that helps to regulate our metabolism, regulate our immune system, the list goes on and on. Obviously, you want to make sure that those things are not coming along with a high-quality coffee that we're trying to get these benefits from.

And also, what if we can up-level the longevity and neurological benefits of the coffee by combining it with another clinically proven nutrient source? Well, that's what I do every day when I have the organic coffee combined with the dual extracted medicinal mushrooms from Four Sigmatic. And if we're talking about optimal cognitive performance and the health of our brain, the protection of our brain, there are a few nutrient sources like lion's mane medicinal mushroom that pack these kinds of benefits. Researchers at the University of Malaya found that lion's mane has neuroprotective effects, literally being able to help to defend the brain against even traumatic brain injuries. It just makes the brain more healthy and robust.

So again, this combination of medicinal mushrooms plus organic high-quality coffee is a match made in nutrient heaven. Go to [foursigmatic.com/model](https://foursigmatic.com/model). That's F-O-U-R-S-I-G-M-A-T-I-C.com/model. You get 10% off their incredible mushroom elixirs, mushroom hot cocoas, and mushroom coffees. Again, that's [foursigmatic.com/model](https://foursigmatic.com/model). And now back to the show.

I love that you're being... Again, it's just honest, if you're starting earlier, absolutely better, but if you didn't start earlier, the second-best time to start is now.

**BRET JOHNSON:** Yes.

**SHAWN STEVENSON:** And with that said, another keyword you said is investing, and that's a heavy word. It can mean so many things. There's so many different variations on what that can mean...

**BRET JOHNSON:** Yeah.

**SHAWN STEVENSON:** But I just want to, again, look at simplicity. What is the simplest, most obvious on-ramp for people? Because again, versus just your money sitting in an account and essentially, I guess depreciating at this point, versus your money being able to make money for you just by putting it in a different account, what about that simple S&P 500 on-ramp? What do you think of that?

**BRET JOHNSON:** It's best. It's... For new investors, it's the only thing you should do. You should literally just get an index fund of the S&P 500. Vanguard has one. I'll give you the ticker symbol: It's VOO. If you Google VOO, you'll see Vanguard S&P 500. Go ahead and Google the stats on that for the last 20 years. The average is 10.75%. Great. Some years like right now, it might be down 8%. Good. Don't look at it.

**SHAWN STEVENSON:** Isn't that even better to invest now?

**BRET JOHNSON:** It's better to invest now. I mean...

**SHAWN STEVENSON:** Because things are down, so...

**BRET JOHNSON:** People got scared though. I know people that took all their money out in this year, in March, April, and this last month in July, stock market went up over 10%. You just lost. When you take the money out, you've lost. As long as you keep the money in, it's just a paper loss. So, if my portfolio is down \$100,000 and I don't sell, and then all of a sudden, the next month, it goes back up. I'm back to where I started at. As soon as you sell, now you're seeing in a lot of those people that sold, they're like, "I'm going to get back in the market when it starts... When it gets better." Oh yeah, really? You can time the market? That doesn't exist. Warren Buffet laughs at people like that. You can't time the market. He's literally said on record, at 90-something years old, "I don't think I've ever bought the bottom of a stock, and I don't think I've ever sold at the top of the stock." And he's the greatest investor of all time. He gets \$500 million in dividends from Coca-Cola alone a year.

So, I mean, it's time. It's just like, how much time can you spend and to get started? But you are 100% right, you can just... You can literally put your money in every single month. You can allocate a certain amount of money every single month to the S&P 500.

**SHAWN STEVENSON:** Can you explain what the S&P 500 is?

**BRET JOHNSON:** S&P 500 is an index of 500 stocks and it's basically all US stocks. So, it's a compilation of all these different stocks in every different industry. So, you're completely diverse. So, you'll have bank stocks, and you'll have airlines, and you'll have technology, and you'll have... Everybody, if you turn on the news right now, you hear about semi-conductors, like chips and stuff, there's a shortage, all that kind of stuff. But you have all those. You have consumer brands. You'll have Nike. You'll own all these stocks in one fund. So basically, when an industry starts to tank and another one goes up, like let's say for instance, let's say the financial industry is not doing very well, but oil and gas is doing great, they kind of offset this, offset themselves. Now, you're not putting all your eggs in one basket, so you're not like, "I'm just going to buy all Apple, and hope Apple goes up and up and up."

But if something happened where Apple didn't, you could lose a lot of money. And in the S&P 500, that's probably not going to happen because there's other stocks to offset it. So, it's very consistent. Now, you're not going to get the giant huge return, but it's going to be consistent and that's what matters. I mean, who can... The average is 10% over 20 years. It's a lot of money compounding for every year, you put \$100,000 and you make 10%, now you have \$110,000. So, the next year you make 10% on the 110. So, it just goes up and up and up. And when you really start benefiting from it is when you get to the mindset of a percentage that you're going

to allocate to your investing every single year. I say that 5% to 15% is really good, between 5% and 15% of your income going into your investment portfolio.

And that might also be your like a real estate. It doesn't all always have to be like stocks and stuff like that. Once you get a little bit more sophisticated, you can get into real estate or that kind of thing.

**SHAWN STEVENSON:** You just said another huge keyword. I'm just pulling out these keywords that you're saying. You said consistent. That's another tie back to health and fitness. It's not that big, again, flash in the pan thing, which can happen from time to time, you might find something that really clicks, but it's really the things that you're doing consistently. And also, again, with finance, we're stuck in conditions so that these things are happening consistently. So, I want to ask you about, with the S&P 500, is this something that we can do ourselves? Is this something we can do through an app?

**BRET JOHNSON:** We could set up the account right now. Yeah. We could set up the account right now. I did write down three names. You could do it with E-Trade, it's all free. E-Trade, Ameritrade, or Charles Schwab. I think we might even be in a Charles Schwab building. I saw it outside somewhere. But anyway, those three have all platforms. There's other platforms. People always ask me, "What about this one? What about this one?" I like the big ones. They ain't going anywhere.

So, and you could sign up for the account, you link it to your bank account. You can transfer the money in. You can... You could buy the symbol for the Vanguard fund is called VEU. You could literally, right now you could sign up for an E-Trade account. You could put money in the E-Trade account. You could look at how much VEU is trading for, maybe it's \$300 a share or whatever, and you could buy a share, and all this could be done within a couple days. I think they might, I think they might, when they transfer the money, it might be 48-hour things for new accounts or something like, but you could be in starting investing right now. And then there's all these apps have you could, you could set it up where it's like automatically every single month on a certain date, it just buys shares because you don't want to try to time the market. So, it's better just to put it in once a month or once a quarter, like 'cause some months you'll be up and some months you like, if you did, if you did it this year, right every quarter. So, the first two quarters you're putting money in the market's down. Now you just put in money and the market's up. So now it just, it balances itself out.

**SHAWN STEVENSON:** This is fascinating. And, and again, I love the ease, you know, having that on ramp again, we could do this stuff on our phone now, today, which is such a huge advantage. So, what about... You mentioned, this is part of a plan again, like the best way to get results with fitness is to have a plan, you know, having some modicum of a plan and you mentioned



five to 15% of our income going towards investing and really looking out again for our future, for our kids' future five to 15%, should we automate this somehow?

**BRET JOHNSON:** You can i.e., you can go through the apps and automate that, or you could put it, you know, you could also, I mean, it's just like your phone, like you have the, like you've already set let's, let's put a reminder in for money Monday. Let's put in another reminder every Friday that we're going to pay off our credit card by using our debit card so we can get that 2% back. So, let's do another one where like on the first of every quarter, I have to put my allocated money into the account. So, we just put in three reminders, and we don't have to remember it. It's just like, "Okay, I'm putting in five to 15% of my income." So, I make a \$100,000. So, I'm going to put in, I'm just going to do 10%. So, I'm going to put in \$10,000, 10,000 divided by four is what? 2,500 bucks.

So, you're putting 2,500 bucks in every quarter, done. And you set that and it's, it becomes a habit. And then what happens is, is you start to see after five or six years, you're like, "Wait a second, this is pretty good." And people that were doing 10 will go, "Man, I wish I was doing 15." And there's been years where Chalene and I do well over 15, 'cause there's been years where we don't need the extra money. So, we put in, I might put in, if I have an extra amount of money, it's not going into a savings account. It's either going into our business, that's going to make us more money or it's going into real estate portfolio type thing, or it's going into our investments because at this point of our careers, our investment portfolio makes us more money than anything else. Anything else we have.

**SHAWN STEVENSON:** This was one of the, again, good intention things that I did. And it has a purpose, but learning from you, I see where I could have done far more and far better, which was, I made a decision. We'll just say maybe it was 10 years ago to automatically have a certain amount. Maybe it's a \$100 a month or \$200 a month of my income going into another account, right? But it was going into a savings account. I think it was maybe a 1% savings account somewhere. But again, this was a while ago and I just, I honestly forgot about it. Like it just starts happening you forget about it, and then one day my wife told me, did you know there was like, just say like \$3,000 in this particular account. I'm just like, "Damn, really?" Like I had no, I didn't, because it was on automation it never touched me. Like then you just...

**BRET JOHNSON:** Imagine if that was going into an S&P 500 account every single 10%, 10%, 10%. It probably been like nine or \$10,000. It's great. I mean, but it's good too, to like always be aware of where your money is going and what's the best use of it. I can already see people on this show, like listening to this show and will go, "Five to 10%, but what if I have debt?" And here's, here's where I differ from other people. 'Cause I want you to get the habit, 'cause I think once people get habits and they get success, they get fired up. I coach football for years and practice, practice sucks, but winning is great. And they, but if you practice over and over again

and it becomes a habit, that's what makes the win. It's the same thing with everything else. When you practice that habit of fitness, then you get the win. When you practice the habit of finances, then you get the win. So here is my controversial, but this is the way I think we're down four... Remember we are \$400,000 in debt. We paid off those credit cards. We paid off all the debt. But while I was paying off that debt, we started to invest a little bit. I talk about like how you can pay off credit card debt and we can go into that if you want.

But I'm always about the win and the feeling, but I wanted to start investing because I wanted to create that habit, I needed to create that habit. I was coming off as addicted to gambling, I need to create a different habit for me. And so, most people would say, "Get all your debt rid of before you start investing," but then what happens is, you get all rid of all that debt, now you got to create a new habit of investing, do them both. Get rid of the debt and start investing. Not a lot, just a little bit, it doesn't take a lot. Everybody thinks you need thousands and thousands of dollars to start investing. No, you don't. You don't need thousands and thousands of dollars. It's what you can do now. You can buy fractional shares. People are like, what's fractional shares? You literally... If Amazon... Before... We're getting a little technical. But let's say two months ago, Amazon was a \$3000 stock, right? People are like, I want to buy Amazon, but I don't have \$3000... You know, I don't want to by just one share of Amazon, right? So, you could buy fractions of it, you could buy 10% of a share or whatever, and so, \$300 bucks or whatever. So, there's no really excuse, because you can buy fractional shares, you can start... The S&P 500 is such a great way to start. It's just... You don't even have to do anything else.

**SHAWN STEVENSON:** So, man, I've never done this this frequently, but you said another catch word here, you said real estate, alright? Now, there's so much to this, and again, this would be placed for a whole other conversation.

**BRET JOHNSON:** Yes.

**SHAWN STEVENSON:** But since you said it, I want to just ask you a general kind of question about it. Because when it comes to real estate, there are two main domains with this is, it's you working in real estate and the purchasing and flipping and all the things that can come with real estate, you getting property...

**BRET JOHNSON:** Like a business.

**SHAWN STEVENSON:** And versus the other side, which is the home that you live in, in the framing, that your house is an investment that was put into our culture. Like, where did that idea come from with... Because it's the American dream. Let's talk about that.

**BRET JOHNSON:** Now you're talking about like the 1950s. So, the banks needed a place to put... They wanted money, they wanted to figure out like, "Okay, all these homes, let's build the residential homes, and then we will convince through marketing that the American dream is to own your own home." But who wins when you purchase a home? The bank wins, because they're getting the money upfront, they're getting interest on the payments, they're getting all that kind of stuff. I have a theory on... And your... The way you explain it is exactly right, there's two aspects, there is real estate investing, flipping homes, buying apartments, doing syndicated deal with apartments, and the syndicated deal with apartments means like you put a group together, you buy apartment, right? And then you share all that stuff, maybe you give it to a management company and you just... You collect it off the rent, right? That's not what I'm talking about. That's different. I'm talking about the place that you live in, right? I don't think it's an investment, I don't think you... Where you live and where you raise your family is considered an investment, and this is the reason why. It's because for the most part, you're not going to make money on your house, no matter how long you live. Because what happens is there's so many different payments that you have to make.

You have property tax. You have insurance, you have upkeep, you have the down payment. What else do you have? Your wife comes home and says, 'Let's redo the kitchen. Let's redo the master bathroom, let's put in a pool,' so you have all these expenses and people forget to add all those up when they go and sell their house, they literally... They'll buy their house for \$500,000, sell their house for \$650,000, 10 years later, and they'll go, "I made \$150,000 on the house." No, you didn't. [laughter] No, you didn't. Because you got to go add up all that stuff, you got to add up 10 years of property taxes, you have to of... Insurance for your house, the upkeep. I mean, the upkeep on the houses, right? So, if you want to buy a house, go ahead, and buy a house that's... Just go into it knowing that most of the time you're not going to make money off the house. I mean, I live here in Southern California, and I'm in my fourth home right now, and I've only made money on one of them, lost money on the other two, because the other thing is, you don't know when that housing market's going to be good or bad.

You have to move. You have to move. And two months ago, if you had to move, it was probably a pretty good time. But six months from now, I don't know, and nobody else does. So, I encourage people to look at buying a home, 'cause to put 20% down, and I know everybody... Your real estate listeners will come for me, your realtors will come for me, now they'll be like, 'Oh, there's other plans, you don't have to put 20% down. You can put 3% down.' Yeah, well, that's what happened in 2008. People were in way over their heads, and if you don't put 20% down on your house, then the chances are you're in a big mortgage. You're in way over your head and you're just getting in your... Getting in there. And the real estate agent doesn't care if you put 3% or 20% down 'cause they're gone, they already got their commission. So, they don't really care. But I always say, you should be able to put 20% down in your house if you want to buy it. That's a lot of money. So let me ask you a question.

So, if you had... Let's say we're just going to deal with a... Let's go with a \$500,000 house, 'cause the median price is \$400,000. So, 20% down on that is what? \$100K, right? So, what if you put that \$100,000 that you were going to put down, 'cause it's gone, and you put it in the S&P 500? And then every single year, not the five to 15% that's separate, but every single year you took what that house would've cost in terms of property taxes, upkeep, insurance, and you took that amount of money. And you also added that to the S... Every single year and at the end of 10 years, with a 10% return on that investment and you're adding to it every single year, where do you think you're better off? You think you're better off buying and selling that home or renting and investing that money? And it's different for everybody because there's not too many people out there discipline enough to do that. 'Cause most people that I know that rent house that rent their house, they use all their extra money, and they go do stuff with it. They go do on vacations and they go do stuff that they probably shouldn't be doing.

But if you could invest all that money, I think for the most part, you're going to come out ahead renting versus buying. But if you're not going to invest, and this is where, this is where I get my message confused to people, I'm telling you right now, go buy your house if you won't invest, it only works if, renting only works, if you're going to invest the difference. If you're not, if you're like, "Oh hell no, I'm not, I'm not going to invest it. I'm going to Mykonos for the summer. I'm going to spend that 20 grand going..."

**SHAWN STEVENSON:** Breaking plates.

**BRET JOHNSON:** Yeah. Breaking plates, going to Europe, then don't, then buy a house because that's just like... It's like, you're putting money in. Maybe you get lucky, and you'll sell it some day for more than you purchased it for. And you can think that you made \$150,000 when you put a pool in, and a new kitchen, and a new master and you forget about all that stuff.

**SHAWN STEVENSON:** Right. We just framed stuff the way that we want to see it.

**BRET JOHNSON:** Correct.

**SHAWN STEVENSON:** You know, like again, you just gave it a very, very clear example of what happens over the course of that 10 years, like I made 150K. Negating the fact that you invested an extra 200,000 into the house, not to mention the interest that the bank got and all these other things.

**BRET JOHNSON:** All the little things.

**SHAWN STEVENSON:** So, it's the framing in our minds. So, it's the stories we tell ourselves and getting back to a place of logic. So, I love this. And I want to ask you about one more buying/leasing thing. I remember when I first came to you guys' house, maybe it's about six years ago I think, so Sleep Smarter was coming out and I came to hang out with you guys, and I hadn't really been out to LA period. And I'm just like, "Man, you guys, this is a dope house, a dope experience, a dope vibe." And you know, I saw Sierra, she's jumping out, jumping out of that new car, new, new car smell. And I'm just like, "Man, they have nice cars. "And but the thing is on the surface, what tends to happen is people get into these extremes of they're spending money they don't have to have those kind of things. Or they're like living the meek lifestyle. And like you don't see Warren Buffet wearing Air Jordans or whatever you've got these two extremes, but then there are these people who show it's a both end world. You can have nice things and you can also be smart with your money. And so, part of that, seeing the cars, I'm curious about buying or leasing a car and does this depend on whether or not maybe you have a business or something like that?"

**BRET JOHNSON:** When it comes to buying and leasing things, I defer to an accountant every single time, CPA. So, whoever's your CPA, I think that you need to talk to them because, first of all, it changes in every state. So, I could give you advice from a California point of view, but it might be different in Texas or Florida or New York or something like that. So, I don't like to give advice. Now, through a business, I'd lease the cars, because there's a portion of it that you can write off. So that's why we lease the cars. Now, getting back to your point where some people live outside their means or they have that common balance like Chalene and I do, if you can't buy it twice, I don't think you should buy it. That's my rule. So, then I do that with the houses too. I was like, "You got... You want to buy \$1 million house; it's going to cost you \$200,000 to get in it. You have 400,000 bucks?" They're like, "No, I have \$200,000." I go, "Okay, so now you're house-poor." No emergency fund, there's no... Now all your money's sitting in a house. So, I always say like, "Can you do it twice? Can you buy it twice?" And then yeah, then you can afford it.

**SHAWN STEVENSON:** That's powerful, Bret. Literally, this is the mindset that I grew up with, is you hustle to get the amount needed, and you get the thing, and then that's... Then you got to deal with all the other stuff, like for example...

**BRET JOHNSON:** Then it's just a thing.

**SHAWN STEVENSON:** Exactly, exactly.

**BRET JOHNSON:** It's just a piece of... It's a thing.

**SHAWN STEVENSON:** It's just not that important, but we have this sense of urgency. So, I'm thinking about when I was trying to get a car, and you get that amount, and then what about the... Getting the license plates and the registration and all these things, and also thinking about gas and thinking about all these other pieces.

**BRET JOHNSON:** Tinting the windows or new... Whatever... New tires, new rims, whatever it might be.

**SHAWN STEVENSON:** But I love this principle of, if you can't buy it twice, then you can't afford it. Just starting to take on that mantle. So not to say that you can't, again, go after those things that you enjoy or nice things, but just keeping in mind, it's just a healthier money mindset to know that "I can get this... I can pay for this thing twice," right? And so now I have more of a permission, I've got myself to a level, I've trained myself to a place, again, going back to fitness, to where I'm qualified to do that exercise of purchasing that thing.

**BRET JOHNSON:** 100%. And going back to the real estate thing, I love real estate. I'm a syndicated partner in an apartment complex in Florida and one out here in California. And the one in California, I think we got into it three and a half years ago. It's crazy how much equity it's got in it, right? And it's... So, I love real estate and I love realtors, and I love the real estate business. I'm just saying that there's always an opportunity to look through a different lens other than what banks decided to tell you the American Dream was to own your own house. That was a campaign by banks. So, when something's like... When somebody's campaign... I mean, the smoking industry used to say that smoking was good for you. But just because somebody tells you that it's good for you and it's an investment doesn't mean that it necessarily is true.

And all I want to encourage people is to kind of like look at a different alternative than what is the status quo. And if you're willing to do that, the sky is the limit in terms of investing. And it's just like anything else. When you start seeing results in the gym and with your fitness and with your health and the way you're eating, and it makes you feel better and it makes you sleep better and you feel like a million bucks, the same thing happens with finances. All of a sudden, you start investing and you're like, "Wow, I just made myself 1,000 bucks this... I want to do more." And then you do more, and then you do more. And then 16 years later, 15 years later, you're like, you feel good. And not to mention that, if you're... If we're talking to spouses here, talking about partners in finance, it's the number one reason for divorce...

**SHAWN STEVENSON:** Right, number one.

**BRET JOHNSON:** Is money issues. Not infidelity or anything like that, it's money. It's... They have the... They have different relationships with money and money's always an issue. So...

**SHAWN STEVENSON:** Yeah. It's not weird fetishes.

**BRET JOHNSON:** No, it's...

**SHAWN STEVENSON:** People that's like super into feet or...

**BRET JOHNSON:** No, it's money.

**SHAWN STEVENSON:** Pokemon...

**BRET JOHNSON:** Yeah.

**SHAWN STEVENSON:** It's money.

**BRET JOHNSON:** Yeah, it's money.

**SHAWN STEVENSON:** It's what's splitting people up. And this is something, again, most of us, the vast majority of us, have no education on it and...

**BRET JOHNSON:** It's not your fault. If you're listening to this right now and you're like, "God, I... " And you're... And this is getting you down, don't let it get you down, make it be the motivation to get started. Take one or two things that we talked about today and start doing them right now, whether it's paying down a little bit more of that credit card, going and getting the cash. I get DMs all the time, it's like, "I was doing a debit card. I just got a cashback card, and I got 50 bucks back from this card." You just... 50 bucks, people are... You don't know... That changes people's mindset.

**SHAWN STEVENSON:** Yeah. Yeah. Man, thank you again. You came up to see me, and you just give, and that was the mindset that you were coming in with. I don't think you know, but I know that you have a course...

**BRET JOHNSON:** Yes.

**SHAWN STEVENSON:** On this. And I went and started looking into some of these stories. It's not just the parents. It's not just men and women. It's kids who are... Like some of these parents are listening to the programs that you put together with their kids and their kids are getting results.



**BRET JOHNSON:** It's what I wanted. It's all audio. I don't want any distractions. You just listen to my voice, and I give action steps and what to do. And I... Getting DMs of people like "I'm on my walk with my kids, we're listening to it. I'm starting to..." I got three homeschool parents that have bought the course and they're going to teach their kids. Part of their curriculum is going to be the course and stuff.

**SHAWN STEVENSON:** Incredible.

**BRET JOHNSON:** Because I'm not talking over anybody's... Just like this right now. I'm not putting any fancy words and all that kind of stuff like that 'cause it doesn't need to be that way. It just needs to be baseline stuff and just get it started, 'cause there's so many people out there, like we were just talking about, that are like listening to this and they're saying, "I don't have anything," and they're going to tune out, they really are. They're going to tune this out and they'll be like, "La, la, la, numbers, investing, blah, blah, blah." But it's so simple to start, and it's going to make you feel so good that you're doing something for yourself and your family, and it could even lead to their families.

**SHAWN STEVENSON:** Yeah, it could change the course of your family's history.

**BRET JOHNSON:** Legacy, yeah.

**SHAWN STEVENSON:** Yeah. So where can people get the course?

**BRET JOHNSON:** We'll probably put in the show notes, but it's just [chalene.com/moneymatters](http://chalene.com/moneymatters).

**SHAWN STEVENSON:** Okay. So chalene...

**BRET JOHNSON:** Dot com/moneymatters. I'm not big time enough to get my own domain, I guess.

**SHAWN STEVENSON:** Hey, listen, Chalene, obviously she's an icon, but you guys are a powerful, powerful team, just remarkable. And what we really admire about you guys is that you're also just about your family. You guys love your kids. You show up... You've really shown me that it's a both-end world. And because the idea in the sphere of building your own empire, your own business, is that you have to sacrifice your family in many ways. And of course, there are going to be seasons for things when you're grinding and going hard, but we can create systems in our lives to where we're doing the things that matter most, which for most of us, a lot of times, we're trying to make money so that we can take care of our family. But our families need us...

**BRET JOHNSON:** Correct.

**SHAWN STEVENSON:** More than anything. So, what if we found a way to do both? So that's chalene.com/moneymatters. That's C-H-A-L-E-N-E.com/moneymatters. We'll put that for you everybody in the show notes. Bret Johnson, you're the man. Thank you...

**BRET JOHNSON:** Thank you.

**SHAWN STEVENSON:** Again, for coming to hang out with me.

**BRET JOHNSON:** I appreciate it, 'cause I know this can help people.

**SHAWN STEVENSON:** Yeah, absolutely. It's an important part of the equation. So yeah, I just appreciate it so much.

**BRET JOHNSON:** Yep. Thank you.

**SHAWN STEVENSON:** Awesome. Bret Johnson, everybody. Thank you so much for tuning into the show today. I hope you got a lot of value out of this. It's such an important part of our health conversation and also just overall mental wellness to be able to properly and healthfully manage this area of our lives, our financial fitness matters. So, I truly, truly do hope that you got a lot of value out of this. This is one to share up with your friends and family. You could send it directly from the podcast app that you're listening on. And of course, you could take a screenshot of this episode and share it on Instagram and Facebook and all those other great platforms. Tag me, I'm @shawnmodel, and tag Bret as well. Tag Bret Johnson and let him know what you thought about this episode.

We've got some powerful master classes and epic guests coming up for you very, very soon, so make sure to stay tuned. Take care, have an amazing day. I'll talk with you soon.

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