

Phil (00:01.51)

Welcome everybody to Wealth and Wisdom 65. I'm your host, Phil Galant, and I'm going to be here with you every Tuesday morning at 10 a.m. here on AM 830 WCRN Radio Central, and I want to welcome you to today's show. Hey, are negative thoughts sabotaging your success? Well, in today's wisdom segment, we'll be talking about how negative thinking can be a huge problem in creating the life you want, and it can impact your financial life as well.

Phil (00:30.706)

Today's material is going to come from three sources and I'm going to show you two of them right now and the third one in a few minutes. But this book is called The Psychology of Money by Morgan Housel. Great book. I've been in the financial services industry for coming up on 45 years and this is absolutely the best book I've ever read about money. I highly, highly recommend it. It's not charts and graphs and numbers. It's the psychology of money and it's very impactful. In fact,

Phil (01:00.752)

This is the book that inspired me to write my own book called Get Me to Zero, which you can get on Amazon or you can get through our website at [WealthAndWisdom65.com](http://WealthAndWisdom65.com). And I want to recommend that you go to [WealthAndWisdom65.com](http://WealthAndWisdom65.com) to see the graphs and numbers that I'm showing during the show today. We will post that on [WealthAndWisdom65](http://WealthAndWisdom65.com) every week. And you can follow along with the radio show by watching it on the podcast.

Phil (01:28.848)

The other book that I'm going to be referencing in our wisdom segment on negative thinking is Don't Believe Everything You Think. And this is a guy named Joseph Nunean, think I'm saying his name correctly, another powerful book. And then we'll have a PDF with a bunch of facts and figures and lots of information about how negative thinking might be a huge problem in your life, especially when it comes to your financial world.

Phil (01:56.988)

Today we're gonna talk about these two topics, one from Hasel's book and the other from Joseph's book. But I wanna just, this is only our second show, so I wanna remind you and tell you a little bit about what our show's about. The purpose of our show is knowing what you know versus what you wish you knew. And if you've ever said to yourself, if only I knew then what I know now, this might be the show for you because we're gonna talk about a lot of financial.

Phil (02:25.446)

decisions that we make moving forward both for retirement and just in life in general and We want to talk about you know Where did we think we would be in terms of our family our health our relationships our financial life wherever you are in life right now and Wealth and wisdom 65 goal is to help us think about money and about life and how they merge together So each week we're going to have a wisdom segment. This is our thought segment

Phil (02:54.434)

And then we'll have our wisdom segment and then we'll go to our action segment every week. And so that format, I hope, is going to help you kind of encapsulate how you marry both your life experience along with your financial world. So each week we're going to start with a financial topic and this week in our thought segment, as I said, we're going to look at some new and old time tested strategies for money and how we think about it.

Phil (03:23.684)

I'm not here so much to give you financial advice, although I am a financial advisor, but I want you to think about money maybe in some different ways and some other food for thought on things you might be concerned about. You know, things like tax planning, family protection strategies, income for retirement, planning for when your health changes, long-term care or disability. What's the scoop behind the financial tools that you might be using like mutual funds?

Phil (03:50.99)

exchange, traded funds, bonds, annuities, life insurance, long-term care, Medicare, Social Security. And we'll have some interesting guests from time to time to share their thoughts as well. Many weeks we'll provide you with a white paper summary on our website, which again is [wealth and wisdom 65.com](http://wealthandwisdom65.com). And you can always go there and listen to the show again and see some of the graphs and numbers that I'm talking about during the show.

Phil (04:20.26)

In our wealth segment today, it's going to be about the first chapter in this wonderful book by Morgan Housel called *The Psychology of Money*. And this was an airplane book for me, but man, I was taking furious notes when I read it. And it got me thinking about money in a whole different way, even though I'm a financial advisor. I never spent a lot of time thinking about the deep psychology that's involved in how we all think about money. And let me tell you, it's different for everybody.

Phil (04:50.0)

This book is available on Amazon. can go to the podcast and we'll put a link there for you to order the book from Amazon. And you're probably going to end up wanting to order more for your family and friends at Christmas. If you order and read it before that, this is a gift book. Believe me, it's a book that helps you think about money and money issues and why we're all different and how we think about money. And then when we get to the wisdom segment in today's show, we're going to be talking about negative thinking.

Phil (05:18.326)

And I'm going to put a link also for Don't Believe Everything You Think, which is also it's a much shorter read, but it's a very powerful book about how we think and why thinking might be getting in the way of our success. So, let's get to our first segment here. you ever hear your parents or your grandparents say stuff like money doesn't grow on trees or maybe save everything you can and never buy what you can't afford?

Phil (05:48.454)

They didn't have credit cards. remember when I worked at John Hancock, I used to be in charge of the sales of long-term care insurance around the country for John Hancock back in the day. This was back in the 80s. And when we traveled back then, we didn't have Visa or MasterCard. We had a diner's club card. That was the first credit card that I really ever used. Now I'm old enough to remember when credit cards were nothing more than layaway.

Phil (06:17.592)

at the local store where you're buying maybe a Christmas gift or a birthday present. You didn't have all the money so you could put a down payment and it would go on layaway. I remember stores like Xav's and Caldor and different places where they would let you pay a little bit each week and once you paid it off, got it sort of like your stuff was in jail. And then when you paid it off, you got to go pick up your presents or whatever you were buying because they were paid off. But you got a little time credit.

Phil (06:46.95)

from those stores. And really the first credit card that I ever remember using was Diners Club. And then of course MasterCard and Visa and Discover have come out and there's all kinds of versions of those cards. But your grandparents and maybe even your parents came from a very different generation. The idea of buying something with a credit card was totally foreign to them. when they watch our generation, my generation, and certainly the generation behind me,

Phil (07:16.92)

use credit, they just don't understand. They were always of the mindset that you saved up for what you wanted. And the reason for that might be because either that your parents or your grandparents probably lived through the depression or if your grandparents lived through the depression like mine did, my parents didn't. were alive during the depression, but they were young enough not to really remember that much about it.

Phil (07:44.358)

But certainly, my grandparents passed along a lot of the thinking that came along with living through that depression and the unbelievably terrible impact it had on so many Americans. And that has a generational impact on all of us. My grandparents passed down a lot of their thoughts about money right down to my parents who then tried to pass that down to me.

Phil (08:10.076)

But even that generation might not be the only one that was impacted by their life experiences.

Phil (00:00.0)

So, in Haasel's book in chapter one, which is called No One's Crazy, I love that title, No One's Crazy, because we all think we're crazy doing the stuff we do sometimes. He points out some pretty interesting things about how your beliefs are impacted in numerous ways. So for example, a person born in 1950 had an entirely different belief about the stock market than someone who was born in 1970.

Phil (00:31.894)

So if you were born in 1950, the stock market went almost nowhere in your teens and twenties adjusted for inflation. But if you were born in 1970 during your teens and twenties, the market increased almost tenfold adjusted for inflation. Now I'm going to show you in a second. And if you're listening on the radio, you can go to the podcast at Wealth and Wisdom 65 dot com.

Phil (01:00.126)

and watch this as I demonstrate exactly what I mean by this. I love, by the way, to use public websites instead of corporate websites or websites that I might use from one of the firms that I work with. I like public websites because everybody can go there and I'm going to show you how to get to this particular calculator in a second. If you're watching on the podcast, and of course, I'll be walking through the numbers with you.

Phil (01:26.142)

I like public websites in particular because they're unbiased toward any particular point of view to make. if you're on the podcast, let me show you what I mean. So the website that I'm going to take you to, and I'm going to demonstrate what Halsell's talking about here, is called [moneychimp.com](http://moneychimp.com). Now remember, Halsell's talking about adjusted for inflation. So if you can see this, and I hope you can,

Phil (01:54.974)

I'm on the website, MoneyChimp, like [chimpanzee.com](http://chimpanzee.com). Highly recommend this website. Once you get here, you can go over here and click the calculator. And then on the right, there's a little white box where it says return rate slash CAGR. CAGR stands for compound annual growth rate. So if you click on that and then below the box, you'll see return rate formulas, and it says CAGR of the S & P 500.

Phil (02:23.722)

That's where we want to go. And I'll be coming back. You you might want to bookmark this if you're ever using this site or you ever need to do a calculation. This is a really good site for you. So what Hasl said, if you were born in 1950, so we're to put January 1950 in the calculator here. And it said during your teens and 20s, you probably have a different outlook than if you were born in 1970.

Phil (02:52.278)

So I'm going to uncheck the box including dividends and adjusting for inflation. And we're going look at the returns from 1950 to 1980. And if I click include dividends and calculate, this is going to show us stock market returns from the Standard & Poor's index for that period of time. So if you were born 1950 to 1980, the average rate of return in the market was 13.11%. Pretty good.

Phil (03:20.374)

The true growth rate though, which is different than the average, and I'm gonna have a show on average versus compound annual growth rate, but your money actually grew at 11.54 % and you had what's called a standard deviation, meaning that's the risk range of 18.57%. So that's a pretty high, for those of you who think about a risk range of 18.57, that means that your portfolio can fluctuate quite a bit.

Phil (03:49.878)

But down here it says that the dollar grew during that period of time, 1950 to 1980 to \$29.57. Now, that doesn't sound so bad, right? But I'm gonna, it says during your teens and 20s, so I would have been, if you were born in 1950, you would have been 13 in 1963. So we're gonna look at your teens and 20s, and you would have turned 30 in 1980, and I'm gonna adjust for inflation now.

Phil (04:18.546)

And I'm going to calculate again. So remember, we're looking at a return compound annual growth rate of 11.54%. But if we go to our teens and twenties adjusted for inflation, the actual return of your money, the actual compound annual growth rate during that period of time was only 2.28%.

Phil (04:42.934)

And the risk dropped a little bit when you add inflation in, but that dollar that grew to \$29, I think I said a minute ago, your dollar from the time you were 13 till the time you turned 30 in the S & P 500 adjusted for inflation, including dividends only grew to \$1.50. So obviously that's going to impact how you think about money. Now it says if you were born in 1970 and you, know, during your teens and

Phil (05:12.694)

and 20s, it would look a lot different. So let's look at 1970 to 2000. I'm going to undo the inflation button. We'll include dividends. So from 1970 to 2000, wow, market did pretty good. Average rate of return 14.21%. And your compound annual growth rate was 12.96. And a dollar invested in 1970 in the S & P 500

Phil (05:40.438)

by the time you were 30 would have grown to \$43.69. Now I'll adjust it for inflation, but I'm also gonna change the dates because it's your teens and twenties. So if I was born in 1970, I would be turning 13 in 1983. So from 1983 to 2000, let's take a look at what the market did then.

Phil (06:04.694)

And it's not bad. The market from 1983 to 2000 adjusted for inflation grew by 11. I'm sorry. 13.09 % and your dollar, instead of growing to \$2.28 for the folks born in 1950 during their teens and 20s, your dollar would have grown nine times, almost 10 times that rate of return. And when you think about that, that's going to have an incredible impact.

Phil (06:33.526)

on how you think about money. So, Haasel makes this point in the book that nobody's crazy. You can see people born in different time eras will have very differing opinions about the stock market. So, what's been your experience? You know, I was born in 1957, so I turned 13 in 1970. So, I want to go back and I want to show you what that looks like.

Phil (07:03.19)

Again, I'm using moneychimp.com and I want to remind you that if you're listening on the radio, you can go to the podcast at [wealthandwisdom65.com](http://wealthandwisdom65.com) and watch what I'm doing here. So I was born in 1957. So 1957, I turned 30 in 1987. And so from 1957 to 1987, my dollar invested in the market would have grown

Phil (07:32.47)

to \$17.84 and then if I adjust for inflation, my dollar would have been four times more than it was, but I turned 13 in the year 1970. So from 1970 to 1987 when I turned 30, if I look at the same calculation adjusted for inflation, my dollar only grew to \$1.90, it didn't quite double. So no doubt, and I have...

Phil (08:01.258)

definitely have an opinion about the market based on what I saw during my teens and twenties, but not only that, what my folks saw and what my grandparents saw. Now, you gotta remember that most of us were not investors in the market until the late 80s. The 401k was introduced in 1978 as part of the Revenue Act under President Carter.

Phil (08:27.606)

And it was that act that created the 401k. The IRA was created in 1974 when President Ford signed the ERISA law, Employee Retirement Income Security Act, on Labor Day in 1973 or 74, I should say. And that was the act that created the IRA. But the IRA back then, you could only invest \$1,500 and you could only do it if you could prove you didn't have a pension at work.

Phil (08:57.994)

The 401k came about as part of the Revenue Act of 1978 under President Carter. And that's what created the 401k. And when that happened, the 401k was really for higher income people who, when the revenue, revenue is another word for tax increase. So taxes went up dramatically under President Carter and a lot of high income people did not want to pay taxes on all their income. So they put a provision into the law.

Phil (09:25.754)

and Section 401k that said you can defer income that you're earning today and you can delay paying taxes on it. In fact, you can invest it and you can grow that money and we won't tax you until you start to take it out at retirement. Now, there's a whole show here on just that topic, which I'll do at some point. But think about it. You know, they made a deal with you saying, here's what our tax rates are now in the 80s. And remember,

Phil (09:55.328)

President Reagan lowered taxes in his first term dramatically. So if you were saving money in a 401k, what you were doing is not getting a tax deduction. You were getting a deferral of income you were earning now that you wouldn't pay taxes on that deferred income plus all the growth on that money when it was invested. Well, what happened? All the mutual fund companies, all, many mutual fund companies, many investment companies,

Phil (10:23.336)

started to come out with mutual funds that you could invest in in your 401k and they gave them great names. The lifestyle fund and all these great, wonderful names. And so you got to save in the 401k. You probably didn't get a pension anymore. Pensions started to disappear when the 401k came out and we all became novice investors in the stock market, which our grandparents, my grandparents certainly didn't understand that they wouldn't go near the stock market. We became

Phil (10:51.602)

novice investors in the stock market if we started saving in 401ks and we were learning as we went. Now, I talked about standard deviation as you saw on the website and that's for another show, but we had no idea how much risk we were taking. That's a measure of risk in your portfolio. One of the things that I like to do with a new client is to measure their current investments by how much of a risk they're taking. And that's a mathematical function.

Phil (11:20.222)

known as standard deviation. What I love about the MoneyChimp site, and again, you can follow all of this with me on [wealthandwisdom65.com](http://wealthandwisdom65.com). What I love about that site is it does show the standard deviation. The higher the standard deviation, the more risk you're taking. So the point of this is that we're influenced heavily by our family's experiences as well as what's going on while we're growing up. And we all do different things with money. We all do stuff with money.

Phil (11:49.524)

And what Morgan Howsell is saying is that sometimes we're we're pretty critical of ourselves because of the decisions we might be making. But more importantly, how we feel about money, what we think about money, what we think about certain financial instruments, tools. You know, prior to the stock market, you know, my grandparents saved in two places, certainly at the savings bank. And secondly, they bought a lot of whole life insurance. You know, that was a great place for them to save.

Phil (12:18.942)



401k comes out, mutual funds become more popular, and people began investing in the market inside their 401k, which is a tax-deferred savings instrument. And also, they started investing outside the 401k. And a lot of folks who had never been investors before became investors. And if you follow the story, you know, we went through the 70s. The market wasn't so hot, as I showed you. The 80s were okay.

Phil (12:46.518)

And then as we went, started to go through the 90s with President Clinton and we had the dot com boom that busted in 2000, 2001, 2002, all of our opinions about the market were being formed, whether we knew it or not. And these become ingrained in us. So what Hausel's point is in his first chapter of the book that I thought was really an important place to start is teaching us that

Phil (13:13.054)

no matter what we do, how we think about money, it doesn't make us crazy. It just is a reflection of our experience with money. And I hope that makes some sense to you. We'll come back and talk more about that in our final segment. But we're going to go to our wisdom segment in a moment. You're listening to Wealth and Wisdom 65 here on WCRN, Worcester's Radio Central.

Phil (13:38.952)

Have you ever thought about whether or not negative thinking might be impacting your life? When we come back in today's wisdom segment, we're going to discuss what negative thinking is and the top 10 takeaways from the articles and materials that we have that you can download on Wealth and Wisdom 65. You'll want to put a little time and working on these negative thoughts after you read this. We have some great materials for you to download. And I also want to remind you.

Phil (14:05.834)

that some of the information I'll be sharing with you in that next segment comes from this wonderful book called Don't Believe Everything You Think. And that's great advice. We'll be right back.

Phil (00:00.0)

Welcome back to the Wealth and Wisdom 65 show here on WCRN Radio Central. today on our show in our wisdom segment, I want to talk about something that I think is really important, not only for your life, but also for your financial thinking. This PDF that you see if you're watching the podcast is available for download. And if you're on the radio, go to [wealthandwisdom65.com](http://wealthandwisdom65.com) and you'll be able to download this really excellent

Phil (00:36.231)

PDF that has a bunch of information about this really important topic, which is, negative thoughts sabotaging your success? Now, I want to tell a quick story here about negative thinking. So when I was growing up, my mom was a, she owned a little business where she did the books for IGA grocery stores in Rhode Island. My mom did not go to college.

Phil (01:04.639)

And all of her life, my mom kept saying to herself, I'm not as smart as you think, you I don't have a degree. It's almost like The Wizard of Oz, right? Where the scarecrow sings about if I only had a brain, but he was the smartest guy in all the situations that they ran into on the way to Oz. You he figured all the stuff out. And that's the irony of The Wizard of Oz, right? The scarecrow had negative thinking about the fact they didn't have a brain, but all along he did the best thinking.

Phil (01:34.587)

Well, my mom was kind of like that. She said, you know, I don't have a degree, so I'm not that smart. Well, my mom was very smart. She ran a little business where she did all the accounts receivable accounts payable for several IGA supermarkets. And it was kind of like a little business within the business. But that negative thinking about never having a degree plagued my mother until the day she passed away. In fact,

Phil (02:00.647)

She had a conversation with my wife who was a nurse midwife and my wife was a caregiver for my mom, spent quite a bit of time with her. She passed in May of 2021, but she was very close to my wife. And my wife, think, finally talked her out of the fact that the piece of paper isn't what makes you smart. But my mom's negative thinking about not having a degree definitely sabotaged her success because

Phil (02:28.237)

in her mind if she had had that degree she would have been more successful and maybe could have grown that business. Well you know what we're kind of like that it's a silent killer that threatens to rob us

of our hopes and our dreams and it's negative thinking that is rarely reported on the news but the results are deadly. The silent killer to success is negative thinking and there's a lot of people in the world who are imprisoned by that.

Phil (02:55.321)

It includes thoughts that they're not good enough like my mother and just a piece of paper would have made my mother feel so much better about herself and yet she just couldn't get beyond it. So, you we think we're not good enough or the entire world is out there to conspire against us or whatever. Negative thinking can also allow you to blow normal everyday life events way out of proportion.

Phil (03:22.747)

And that includes whenever there's a setback or it includes when you lose a client or you get fired or you get in an argument with your boss. These are all things that cause negative thinking. Well, it's extremely easy to feel overwhelmed and get negative thoughts at times when things seem out of control. And I got to ask you to think about your financial life right now. How in control do you feel about it? And what's the impact? Where's it coming from?

Phil (03:51.431)

You know, society is just brutal in terms of scaring us, right? Scare tactics plug right into our negative, our propensity to think negatively. And that's what really sabotages success. You know, if you grew up with a parent who scolded you about getting in trouble, right, when you were a kid, then it's easy to grow up with the habit of negative thinking. And it's especially true if you always got reprimanded when you did something bad.

Phil (04:21.573)

like getting a bad grade or staying out past dinner time. But you were rarely rewarded when you did stuff right. Maybe that wasn't your experience. Certainly was my experience. And so you can develop this natural thought process that tends to be negative. So my mom suffered from negative thinking because she thought a degree was the most important thing to make her successful when in reality, she was really successful.

Phil (04:50.683)

My dad was even worse. My dad, passed away at the age of 68 back in 2001, he vacillated from selling cars to selling insurance to selling cars to selling insurance. And he was the biggest negative thinker. In fact, I've had a challenge my whole life trying to remember that what my dad's thoughts were should not be what my thoughts were. My dad always compared himself to everybody else.

Phil (05:20.559)

Right? He compared himself to other family members who were doing better. He compared himself to other folks who were doing better in business. And he never had a stick to it attitude so he can get over a negative bump in the road. He'd react negatively and go somewhere new. And then he'd have this big surge of positive thinking until shortly thereafter, his thinking turned negative. He was his own worst enemy. So this topic really kind of hits home for me because

Phil (05:49.571)

I grew up with two parents, my mom, who thought she needed a degree to be successful, and my dad, who compared himself to everybody else. Now, in today's modern society, we don't have to run from saber-toothed tigers or woolly mammoths like our ancestors did. We don't have constant dangers coming at us that could threaten our very lives, yet our brains still wanna keep us safe, which is why we feel fear or have negative thinking.

Phil (06:18.821)

when we want to do something that gets us out of our comfort zone. And our comfort zone with money is making financial decisions, right? If you suffer from negative thinking, you have a difficult time, I'm going to bet, making a major financial decision. Think about it. It's time to maybe upgrade. You want to buy a new house. Maybe you have a house, your family's growing, but you want to buy a new one. And so all the negative thoughts and fears start creeping in. I remember when I bought my first house.

Phil (06:48.007)

in Woonsocket, Rhode Island. I paid \$52,500 for it. And believe it or not, I was living in an apartment where my rent was \$35 a week. \$35 a week. And we had a five-bedroom apartment, two bedrooms, a den, a living room, and a giant dining room. And we had a little galley kitchen for \$35 a week. The house next door came up for sale.

Phil (07:16.519)

And it was 52.5, but mortgage rates back in the early 80s, if you can recall, were extraordinarily high. And our mortgage, first mortgage was at 12 and a half percent on a \$52,500 home. You can't even buy a really nice new car now for \$52,000. We bought our first house in Woonsocket, which is a small cape for 52.5. And I remember my wife being terrified that we couldn't afford it.

Phil (07:46.663)

because our monthly payment went from \$35 a week, so we were paying \$140 a month, roughly, to live in the apartment to \$552. I'll never forget that number. \$552 a month was our mortgage payment. And so she was scared, and I was working on overcoming my negative thinking. I was in the life insurance business at the time. I was on a commission job. I also was a church organist, and I made decent money playing the organ at church.

Phil (08:15.419)

which really kind of covered the mortgage. But you can fall and erupt with negative thinking and it can make you freeze. It can make you not able to make decisions, not only about money, but about everything. So what we got to remember is that your brain can only hold one thought at a time. You can only think about one thing at a time. So as humans, we're able to choose how to react to certain stimuli and we can choose what circumstances, what certain circumstances are going to mean in our lives.

Phil (08:44.335)

And the best part is our brain cannot tell if they're real or imagined. Now, I'm sure some of you listening and some of you listening on the podcast are familiar with the book, *The Secret*. And in *The Secret*, it's all about the law of attraction, right? The law of attraction. And I know many people, including me, struggle with the law of attraction because the law of attraction says if you think it, you can manifest it. So, you know.

Phil (09:14.927)

Okay, so you sit in your chair and you say, okay, I'm gonna think about a million dollars and I don't know how long I have to think about it before a bag of money pops into my lap, but that's not how it works. The whole point of that book is that when you think, you send out these vibes, you send out these, there's a book called *The Science Behind the Secret*, which is really fascinating. And it talks about how quantum physics is involved in our thinking. Now I'm probably getting over the top here for many of you, but.

Phil (09:43.439)

I read that book too. The whole point of the book, *The Secret*, is that your thinking can draw attraction, by the law of attraction, can draw good things into your world. If you ever run into someone who always seems happy, you meet them at the store, there's not a scowl on their face, there's a smile. These are people who either are working on

Phil (10:08.283)

their negative thinking or just by their nature, a positive thinkers. And it's very hard to flip the page to go from a negative thought process to a positive thought process. But in fact, there are a couple of techniques and we're to go over the top 10 takeaways from this in a minute. There are a couple of techniques to overcome negative thinking, and one of it is to replace a negative thought with a positive thought. Right. And so.

Phil (10:35.355)

but it's not as easily done as it could be. But overcoming negative thinking can be extremely powerful. There's a classic book out there called Man's Search for Meaning, and that's a guy named Viktor Frankl. And this is a book I highly recommend as well. I read this, I think, when I was in college. I probably need to read it again. But Viktor Frankl was stuck in a concentration camp with no hope whatsoever of survival.

Phil (11:02.501)

And he had to witness everyone else in the concentration camp losing their lives, the suffering, the negative thinking, and many others gave into mental suffering. But what Frankel was able to do was to think about positive thoughts while he was in the concentration camp and what he wanted to do after he got out of the concentration camp. So in his mind, he was getting out. This allowed him to cope with the suffering and find meaning in it and move forward with renewed purpose. In the book that he wrote,

Phil (11:32.059)

Man's Search for Meaning is a classic book, and there's so much to learn if you read that book. Negative thinking isn't exactly suffering like the suffering that happened to Frankel, but it's a testament to the fact that you can choose what you think about and the scenarios. So let's say, for example, you're upset because you got fired from a job. You can react and get mad at your boss, and you can be upset for weeks at a time.

Phil (11:58.483)

Or you can think positive and you can see the firing as an opportunity to learn and to do something you've always wanted to do in life. There lots of people who get fired, but that ends up being a turning point in their lives and it works out for the better. And so one of the things that helps overcome negative thinking is to replace it with maybe this is an opportunity. It's not fun to get fired. If you look at the positives, it might be a benefit because

Phil (12:27.429)

you're going to have to break out of that negative thought, find a new way forward. And when you let your positive thoughts about where you want to go overtake your negative thoughts, you're going to be better off. So here are some things to do to break negative thinking. The first thing is to come up with the word stop in your head. We all know when we're having negative thoughts, right? If you just think about a stop sign, just stop the negative thinking. I wish I could have said

Phil (12:56.505)

in a more positive way to my mom and I did I said many times mom it's okay that you don't have a degree look at what you've accomplished stop thinking that way well that's not so easy but when you realize that you're having negative thoughts if you can stop and think replace it with a positive thought that's going to help you you can change your body language you know you can look at your posture do you slouch when you sit you know who wants to hang around with negative people anyway right so

Phil (13:24.647)

Act as if you're positive even when you're alone. Are you slouching? Do you have a skull on your face? Have you ever practiced smiling when you're driving in your car? Just smile. You ever meet somebody for the first time and throw a smile at them? Walk up to a bank teller who's maybe having a bad day and you start your conversation with a big smile? Everybody changes and you throw out positive vibes and it replaces not only their negative thoughts, it's going to replace your negative thoughts.

Phil (13:55.097)

It also helps to try and empty your mind for a minute, right? Take a few minutes to sit down and clear your mind. And that's because it's hard to stay calm when you're 100 miles an hour. But it's easy to meditate and reset your brain and think about positive things. you know, gratitude for what you have is the you say, well, I can't think of positive stuff. I'll tell you what. I'm recording this on Halloween. So this is going to air.

Phil (14:23.591)

probably in mid-November and it's the day after the Yankees got beat by the Dodgers. And I'm a huge Red Sox fan. So my positive thought is the Yankees lost. I bet you there's a bunch of you now in the car going, yeah, you're right. you know, replacing a negative thought with a positive thought is always a good thing to do. Get back to reality. You know, one of the biggest things that causes negative thoughts is that we start worrying about things we can't control. And you've probably heard, you know,

Phil (14:52.325)

Worrying is a down payment on a negative event that probably never manifests itself. you know, if you accept where you are in the moment at this present time, it'll help you from ruminating about the past or worrying about the future. And that's going to help you with your negative thinking as well. When it comes to your money, negative thinking is very much inherited. You know, when I talk to people about certain strategies, very often they'll come back to me and say, well, my grandfather

Phil (15:20.569)

said X, Y, Z about that. Or my parents said never do X, Y, and Z. And that's because they may have had a negative experience at some point in their lives surrounding whatever it is I'm talking to them about. And that negative thought gets passed down to the next generation. You can direct your thoughts the way you want them to go. You don't have to let your thoughts and your mind ruminate over and over again about the same thing. You can replace that. You can become open.

Phil (15:49.745)

to a new thought that can replace your negative thinking. Gratitude is probably the best way to overcome negative thinking, being grateful for what you have. know, Zig Ziglar, who used to be a sales trainer and self-improvement guru, used to ask attendees at his workshop, if someone offered you a million dollars for your right arm if you're right-handed, would you take it? Well, of course you wouldn't. Most people, I think everybody would say no.

Phil (16:18.031)

So, know, Zig used to say, well, be be thankful for the fact that you still have your arm, right? Replace negative thoughts with positive thoughts. You should remember that if you have a roof over your head and you have transportation and you have a job, you're in the top 3 % of people in the whole world who are not as fortunate as you. So if you stop focusing on yourself and stay away from negative influences, you can overcome negative thinking. The book,

Phil (16:48.835)

Don't believe everything you think has some some really good things. I just want to share a couple of them with you Thinking is the root cause of our suffering you you can't I mean obviously if you're physically injured, that's that's not true, but Your thoughts are we really what gets you in trouble and there's no other answer as to why we feel negative emotions other than That is from our own thinking everything could be traced back to our own thinking

Phil (17:15.419)



which makes problem solving very simple. Once we realize that our thinking is causing how we feel, we can let go of it and return to our natural state of peace, love, and joy. We don't live in reality. We live in a perception of reality, which is created by our thinking, right? We live in a perception that's created by our thinking. Thinking is not an effect of our experiences, but it actually can cause it. And, you know, when you...

Phil (17:43.975)

dwell on negative thoughts. father used to do this all the time. He would always think about if you propose something new to him, he'd give you the 10 reasons why it's not going to work. I personally have a huge aversion when I'm dreaming because I'm a dreamer. I'm an entrepreneur, I'm a business owner, and I'm a dreamer. And I like to dream big and think about big things. And I remember when I was younger doing that, my father was the biggest wet blanket to my dreams.

Phil (18:12.005)

because he never experienced that and it's because he had negative thoughts all the time. So our top 10 takeaways, negative thinking can rob you of your energy and potential. So it's so commonplace in today's society. It's important to be aware of that. The good news is you can easily cancel out negative thoughts with more positive ones. And that's because the brain can't think two thoughts at the same time. Negative thinking is common because your brain wants to protect you. That's why you experience fear and anxiety.

Phil (18:41.223)

when you want to get out of your comfort zone. you do something new, you get out of your comfort zone. There are a lot of guys, you know, I told you last week, I love to play golf, right? I have friends who play golf who will not play with strangers because they're afraid that they're going to get laughed at if they're not as good. And I don't know if you're a golfer, but, you know, if you go play golf alone or you show up with a twosome and they pair you with another foursome, what's your biggest fear? That they're way better than you.

Phil (19:08.975)

And so, you know, I always let them tee off first. And if they hit a clunker, all my negative thinking goes away because I know I can do that too. But you know what? I generally if the if the people I just met hit bad shots, I tend to hit a really good one. And that's just kind of the way we're wired. A helpful thing to do when you have negative thoughts, thoughts is to do a pattern interrupt to stop them. As I said, just stop those negative thoughts from from happening.

Phil (19:35.931)

You can break negative thinking is to ask, give yourself a pep talk. Think about all the things that could go right. Consider this to be your personal commercial that sells you on yourself. An anecdote to thinking negatively is to experience gratitude. Think about all the good things you have. And as I said, your mind can't think the two thoughts at the same time. Replace a negative thought with gratitude for what you have. Body language, pay attention to your body language. Smile when you meet somebody.

Phil (20:05.595)

But believe me, if you smile when you meet someone, they're going to smile back and your day is going to get a little bit brighter and it's going to replace your negative thoughts for a short period of time with positive thoughts. The ability to empty your mind of negative thoughts is a powerful way to change your state and relax also helps to walk away from negative influences. A great deal of negative thinking comes from focusing only on yourself versus helping other people. You know, when you help someone else,

Phil (20:34.073)

You get positive vibes from that. They get positive vibes from that. I love helping other people do stuff except moving. Don't ever call me to help you move. I'm going to tell you right away I can't. Unless you're my kid, then I'm have to do it. But the latter is going to get you focused on helping people and thinking more positively. And negative thinking can be overcome, but it takes patience and persistence to make thinking negatively a bad habit. And so

Phil (21:03.003)

you know, I hope that this has been helpful for you to understand that we can control what our thinking pattern is and we can make ourselves aware of our negative thinking, especially when it comes to money and approach it in a more positive way and that's really gonna help. And so when we come back, we're gonna continue with Nobody's Crazy from Morgan Housel's book. You're listening to the Wealth and Wisdom 65 show here on

Phil (21:33.073)

WCRN, Radio Central in Massachusetts, and we will be right back.

Phil (00:01.473)

Welcome back to Wealth and Wisdom 65. I'm your host, Phil Galant here on WCRN Radio Central. And this show is every Tuesday morning at 10 o'clock. Hope you'll join us. If you want to hear the show again or to see what I'm demonstrating from time to time, you can go to [wealthandwisdom65.com](http://wealthandwisdom65.com). on [wealthandwisdom65.com](http://wealthandwisdom65.com), can download the material on what I just talked about regarding

negative thinking and you can see the earlier we went over the returns in the stock market during our teens and 20s and how that impacts our thought process and today we're really talking about no one's crazy from the book, *The Psychology of Money* and I'm just going to hold this up so you can see this on the podcast. Highly recommend this book by Morgan Housel, H-O-U-S-E-L, Morgan Housel, *The Psychology of Money*, best book about money I've ever read.

And I've been in the financial services industry for 45 years. So highly recommend it. You'll probably give it out as a Christmas present. So the first chapter, again, is entitled No One's Crazy. And trust me, I could do 40 shows just about the first chapter of the book. I'll use concepts from it as a backbone to our wealth and wisdom message on an ongoing basis. But let's get to a couple of examples from the book, but not verbatim. Do you buy lottery tickets? If you do,

You are more patient with the guy in front of you at the convenience store making bets like he's at the track. You we have I live in New York, upstate New York. have an office at 71 Elm Street in Worcester where I see clients in Massachusetts and Central Mass, but our main office is just south of Saratoga Springs in New York. And in this area, we have these variety stores called Stewart's fabulous variety stores. Brilliant company, well run, but they they

have a lottery machine and every once in a while I'll go in there to buy something and I'm standing behind somebody who's at the register like he's at a bookie's window and he's buying you know combinations of this and box this and you know straight that and give me five of those tickets and I feel like I'm at the track which is right up the road well you know I don't generally play lottery tickets but you know it drives me nuts when I'm standing there and they're doing that now if you do it I'm sorry if I'm standing behind you I'll

Phil (02:29.271)

I've got patience and I'll let you finish. But maybe you could play his numbers if you see somebody who looks like they know what they're doing. But are you crazy? Not for playing his numbers, but for buying lottery tickets in the first place. Here's a couple of facts from Haussle's book. Americans spend more on lottery tickets than movies, video games, music, sporting events, and books combined. Who buys them?

mostly poor people. Now, the lowest income households spend \$412 a year on lottery tickets for a one in a million chance of hitting it big. Now, it's the same group that can't come up with \$400 in an emergency. They're literally gambling their financial future away. But are they crazy? Not if they believe it's the only way of ever hitting it rich. And by the way,

Does negative thinking potentially stop these same people from believing that they could go out and make it on their own with hard work and initiative? Where does one begin and the other one ends? That's really the question. So I want to tell you a story about one of my clients. This guy came and his wife came to one of my workshops. I used to do a lot of workshops in the Worcester area on Social Security. This is way before COVID.

So he comes to the workshop and he signs up to come in for a consultation at 71 Elm Street in Worcester where our office is to see clients there. wonderful guy, great guy. He's now in South Carolina, but I know he's gonna listen to this podcast. Obviously I'm not gonna mention his name, but he sat down across from me at the table and with a big sigh said, I want you to know I've never saved more than \$5,000 in my life. And he starts to chuckle.

And they also had a 401k balance in his wife's account. So I'm looking at him, I'm going, well, what are you doing here? Right? And I could tell I liked the guy immediately. He was a great guy. And that's part of the fun of doing what I do. I get to meet awesome people most of the time. And that's, by the way, that's my first criteria. I've got to like you to work with you. But this guy was hilarious. And he's looking at me, staring at me. And I'm kind of laughing. I'm going, OK, so keep going.

Phil (04:52.067)

So he says, all right, so I have this habit of buying scratch off lottery tickets. And his wife's chuckling and looking at him. And he points to her and he goes, she's never been happy about it. She kept telling me it's a waste of money. Why are you doing this? Why are you buying these tickets? It's driving me nuts. So he says, one day he comes out of the store and his habit, I guess, was to come out of the store like many people do. And sometimes the...

the guy in front of you buying the ticket stands there and scratches them. And that's kind of my limit. That's when I say, hey, can I, can I pay for my milk? But anyway, he would go in his car to scratch the ticket off. And so this is a mass lottery scratch off, I guess. He wins a million dollars on a scratch off ticket. So he starts smiling as he's telling me the story and he decided they decided to take the lump sum. So they took the lump sum and

they go out and they pay cash for a house. They got, I don't know, high fours, like 490 or something. So he bought a house, cash, he paid off some bills, and he bought a pontoon boat. And I could tell you what lake the house was on, but I'm not gonna do that, might give it away. And he buys a pontoon boat and...

He just starts living this great life and he had a little bit money left from the lottery winnings, but it completely flipped his life around because this was way before COVID and before interest rates on mortgages went down. Well, he ended up selling that house and he made some money on it. He moved south. He's living in another state down south now and bought another house. And he's just living life. One of the happiest, most positive people I ever met.

And he walks in and he tells me the first thing he tells me when he sits down is I never saved more than \$5,000. And yet this stroke of luck, he wins on a million dollar scratch off. Right. Still a very good friend today. We text each other. He sends me jokes. He was a stand up comedian and he is hilarious. I wonder if his positive thinking and he wasn't poor. was, you know, most people that buy lottery tickets are the

Phil (07:09.923)

the lower income folks, he wasn't a lower income guy, but he just liked buying scratch offs like some of us do. So this was a big turnaround for him. And by the way, next week's show actually is gonna be on chapter two of Haussle's book, The Psychology of Money, which is luck versus risk. So I probably should tell this story next week again, but it's a great story. So.

There might be somebody listening today or watching the podcast thinking, that's That's my way to wealth. I'm going to start buying scratch offs. Well, obviously that's not the way to do it. But what that is for all of us, when you hear a story like that, what are you experiencing? Fear of missing out. FOMO, right? Feel like you're missing out if someone tells you their investments did X percent higher than yours and yours didn't. Did you feel like you're missing out on that?

or your friend has a membership in a country club you can't afford, you feel like you're missing out, your brother moves into a nicer house than yours, you feel like you're missing out, FOMO, even worse, somebody you really don't like always seems to be doing better than you, and you wonder why. That's part of the negative thinking part of our lives, but it's also fear of missing out, and you wonder how they got there and what you're doing different. Well, no one's crazy, remember that, right?

Whether or not we want to admit it, these negative thoughts have a huge impact on our decisions. And as I said in an upcoming show, we're going to talk about another really important topic. This is not the luck versus risk, but it's the concept of having enough. If we have enough and we know we have enough, it's important to know that. And then wanting more ends up being tied to nothing more than our ego. A good example of this is cars. So your friend comes over with a brand new car.

Does that make you want one? Do you feel like you're missing out? Does it impact a financial decision you're thinking? Do you want one too, right? Personally, I'm a drive it till you can't drive it type of guy. I wasn't always this way. I just want a reliable, nice car, but doesn't have to be new. That's going to last me at least 10 years. I like to put at least 200,000 miles on my cars. Now the money I spend on cars goes into maintenance. I buy

Phil (09:33.175)

Non ethanol gas here in New York, I can get it at Stewart's. So I think ethanol is not great for the engine. My car's run great. I make sure I have good tires. have it have the oil changed every four thousand five thousand miles. I make sure it's aligned once a year. All of both my wife's car and mine. I drive a 2015 Lexus RX 350, not brand new. It's going to be 10 years old next year. It's got about hundred and thirty eight thousand on it. I think I got another five, at least five years in that car. I'm not a car guy.

That doesn't make you a bad person if you are a car guy and love beautiful cars. You know, I saw a picture of a 1959 Cadillac Coupe De Ville the other day. And I'm not a car guy, but man, that was a cool car. Anyway, I have made stupid purchases back in my life when it was all about my ego and I wanted to be driving the nicest car. Well, you get on the highway with that nice new car and you look to your right and somebody driving a nicer one. So.

You can never get ahead, right? All I want to do now is get to my destination safely and let my friends buy the fancy new cars and hey, nice car. Hope you enjoy it. But I don't really give a flip about what kind of car it is as long as I'm driving a safe, reliable, nice car. But it doesn't have to be new and I don't have to trade every three years. My grandfather traded cars every three years. I just, made a lot of bad decisions about cars and it cost me a lot of money.

But I'll admit it, I get a good dose of FOMO, fear of missing out, when the Powerball hits some ridiculous number. And yep, I buy a ticket. In fact, I have the app Jackpocket on my phone so I can buy lottery tickets. I'm one of those silly people. know, people say, did you buy a Powerball ticket? And I said, nah, it was only 38 million. It was only 38 million, so I didn't buy one. That's insane, right?

But I buy one when it gets up to, you know, it's close to 500 million. now it's worth spending a dollar or two on a Powerball ticket. You know what? I'm not crazy. You're not crazy. If you buy a lottery ticket here and there, or you only buy them like I do in the jackpot, it's crazy. It doesn't make any sense, but we are people. Here's another example. So I have a water delivery service, and they probably shouldn't. I hope they're not listening. We use Crystal Rock.

Phil (11:57.079)

spring water at our home and it comes in five gallon jugs right so I took one of those five gallon jugs after it was empty put it up in my in my bedroom and it's in the corner and guess what I'm doing I'm throwing spare change in it it's not even an eighth full it's already really hard to lift and every time I put some change in it I think when am I ever gonna spend this money I've no idea how much is in there I don't have any plans for that cash but am I crazy for doing it

Probably not. I had a client who used to save \$5 bills. Now, the generation I worked with was around my age, right? So she was in her 60s when I first met her. And she said, I never spend a five. I save all my fives. Wouldn't spend a five under any circumstance. When she spent cash, she always asked for at least one five, if possible. And she wouldn't spend five. Now, was she crazy? Well,

Guess what? She saved enough \$5 bills to pay for a trip to Hawaii for two people round trip. I don't know how long she was saving those fives, but she paid cash because she put \$5 bills in an envelope somewhere. Was she crazy? Hell no. Is it an investment strategy? No. But we're not crazy because we're influenced by things we learned from our parents and grandparents and friends. And so whatever you're doing with your money,

Don't let anybody tell you you're crazy because it's not about being crazy. It's about having these influences in your life. It would be great if some of you could email us and let us know if you save your loose change and what you think you might want to do it. What do you save it in? Why do you do it? Most importantly, when do you plan to spend it? If you can send us an email about that, I'd love to read them and I'll read a couple of them. I won't mention your name, but I'll read a couple of them next week or maybe in a couple of weeks.

at the beginning of the show, do you save money in a jar? Is that a remnant of your grandparents or your great grandparents habits that got passed down? That's not a retirement saving strategy. It's not an investment strategy. It's just something that we do. it's not I don't know when I'm going to spend that change in that five gallon water container. I really have no plans for it. Probably going to give it to my grandchildren someday. And I don't know. We'll probably need a dolly to get it out of my house because five gallons of change is going to be pretty heavy.

Phil (14:23.117)

But if you'd like to send us an email, you can go to [wealth and wisdom sixty five dot com](http://wealthandwisdomsixtyfivedotcom) and you can you can contact us there. It'll bring up info at [wealth and wisdom sixty five dot com](http://wealthandwisdomsixtyfivedotcom) and just say, hey, Phil, this is this is a crazy thing I do with spare change or this is my crazy thing I do with with money and it's worked for me or it hasn't worked for me or maybe this is how my negative thinking got me to do this

or that. It'd be great to share some of your experiences. Again, go to [wealth and wisdom sixty five dot com](http://wealthandwisdom65.com). Click on contact us.

And if you're so inclined, email us with what you do with your money. Let us know if we can use at least your first name if we choose your email to read it on the air. And I'll call it the spare change challenge. So I'm putting the spare change challenge out there. Go to [wealth and wisdom sixty five dot com](http://wealthandwisdom65.com). Contact us and tell me your spare change story. Maybe you're a risk taker. Maybe you believe in funding your lifestyle with debt. Maybe you're a penny pincher.

We all have our own thoughts about debt and money. I'll do a show in the future called Debt Free for Life. It'll be a pretty good show and I hope you join us. It's really important to have this conversation with your family. The habits that you have around money, especially with your spouse or your intended spouse before you get married and try and understand where you might be coming from and just as importantly, where your spouse might be coming from as well.

Obviously, there's a lot more we could talk about on this topic. And so all I can say is this, I'd like you to join us every Tuesday morning at 10 o'clock here on Radio Central WCRN for the Wealth and Wisdom 65 show or go to [wealthwisdom65.com](http://wealthwisdom65.com) to watch the podcast as well as listen again. You can watch the demonstration and see the visuals that I've used on here. Want to thank you for joining us. Next week's show is going to discuss the difference between luck.

and risk and how you might be making important decisions focusing on one versus the other and what to think about it, what to think about when considering financial decisions. In our wisdom segment, we'll be talking about the problems surrounding living in fear and what you can do about it. Thanks for listening to the Wealth and Wisdom 65 show. Have a great week and we'll see you then.