

Announcer:

The Art of Leadership Network.

Announcer:

Welcome to The Carey Nieuwhof Leadership Podcast. A podcast all about leadership, change and personal growth. The goal? To help you lead like never before, in your church or in your business. And now your host, Carey Nieuwhof.

Carey Nieuwhof:

Well, hey everybody and welcome to episode 487 of the podcast. It's Carey here, and I hope our time together today helps you thrive in life and leadership. Every once in a while, I get a guest where I have a question and I've had this question for years that I've wanted to ask Dave Ramsey and actually got to ask him, it's the first question up. And we have a fascinating conversation today. I think most of you know who Dave is, and it was a thrill to be able to interview him for you on your behalf for this podcast. Today's episode is brought to you by my brand new course, The Art of Online Influence. If you've ever wondered why you don't have more influence online or you want to build your social following or connect with the people you lead better, check out my brand new course, the Art of Online Influence, register today at theartofonlineinfluence.com. And by Pro MediaFire, book your free digital strategy session today at promediafire.com.

Carey Nieuwhof:

Well, Dave Ramsey and I go all kinds of places. We talk about broke thinking in the church, something that has really bothered me for a long time and something that I dealt with. So if you've got a cheap board or that one person who's like, "I can't spend any money," well, you should hear what Dave has to say about that. Also, he and I get into origin stories, I love that. The ups and downs of starting what became Ramsey, his company in 1992 and a very humble start for that. And then on how millionaires think and act differently. I think you're going to find that really fascinating if you're like, "Why are you talking about millionaires? I'll never be a millionaire." Well, that's exactly why you need to listen to this. It's a pretty fascinating conversation.

Carey Nieuwhof:

So Dave Ramsey is an eight time number one national bestselling author, a personal finance expert, and host of The Ramsey Show heard by more than 20 million listeners each week. That's a crazy amount of influence. He has appeared on Good Morning America, CBS Mornings, Today Show, Fox News, CNN, Fox Business, and many more. Since 1992 Davis helped people regain control of their money, build wealth and enhance their lives. And he serves as the CEO for the company Ramsey Solutions. So we do talk about online influence and some of his strategy behind that, but what about you? Are you hoping to grow your online presence this year? And I want you to not just think about it personally, but also think about it organizationally. What about for your business? What about for your church? Well, over the last 15 years, I've learned a lot of lessons about things that work and things that don't work when it comes to building an online presence.

Carey Nieuwhof:

And for the first time ever, I'm actually sharing that with you. I took the time to put it all together into a course. And so whether it's a podcast that you are trying to get off the ground, an email list you're trying

to grow, social media presence, or just simply getting more traffic to your website and figuring out who's on your website. I put all of the foundational principles you need for building an influential online presence into my new course, The Art of Online Influence, which is part of The Art of Leadership Academy that I recently launched. And we can work through the course together if you want, I'm coaching a small group of leaders. If you ever wanted to work directly with me, I've got limited openings for a small group of leaders through the steps and strategies. I'll take you through the course in a six week cohort, I'm going to do weekly calls with just a handful of people to work through application to your platform.

Carey Nieuwhof:

And we'll also set up a private group for ongoing discussion. If you're interested and want to learn more, you can register today at The Art of Online Influence. And if you're interested in the cohort, make sure to choose the cohort plan during the checkout process. Again, that's theartofonlineinfluence.com. I'd love to meet you inside the course, which as all things do these days, happen inside The Art of Leadership Academy that I host. So head on over to theartofonlineinfluence.com. Then also, are you looking to hire a person for your website, social media video or graphic design, completely apart from influence who actually does this stuff right? Well, you've got two financial options when filling your position. You can do this, you can raise your budget and hire an internal staff member that's an expert probably in one or two main areas, or you can reduce your budget cost and hire Pro MediaFire and get an entire team of experts for less than the cost of a staff hire.

Carey Nieuwhof:

With Pro MediaFire, you save on employee taxes and health insurance with internal staff and turnover becomes a thing in the past with a team that handles all your creative and digital needs. Choice is yours, you can hire on your own or get a whole team of professionals. You can book your free digital strategy session today at promediafire.com. Well excited to bring you this conversation with Dave Ramsey. And this was a surprise. I'm always shocked when someone I really respect and admire says, "Hey, and I've been following you for a long time." And apparently Dave's a listener as well. So here you go. My conversation with the one and only Dave Ramsey. Well, Dave, welcome to the podcast. It's a thrill to have you here.

Dave Ramsey:

Well, thank you. I'm honored to be with you. I'm a huge admirer of your work.

Carey Nieuwhof:

Wow, that's very humbling and surprising, but a joy to have you on. I have been literally waiting to ask you this first question for years now. I think I wrote it down a few years ago, hoping to have you as a guest. You have done what you've done since 1992, that's 30 years, which is incredible. And from what I've heard and millions of Americans have heard, it's a lot of the FAQs, the same FAQs every day. "Dave, I got credit card debt, Dave, I got..." The issues haven't really changed in 30 years. Here's what I want to know, how have you not gotten tired of that and how do you approach that with a fresh heart every day? I think it would be so easy to just be like, "You dummy weren't you listening in 1997 when I answered that or didn't I cover that last month?"

Dave Ramsey:

Weren't you born in 1997?

Carey Nieuwhof:

Exactly. You weren't even born in 1997, but how do you have such a fresh attitude and take to that every single day?

Dave Ramsey:

I remember when I discovered biblical finance and common sense and it was all brand new and it was radical and it was so different from what I'd learned in academia. And yet the stuff I discovered it on were tapes that were five years old. And so all I do is I just switch shoes for a second I go, "Hey, that person calling me is 24 years old and they're calling me on YouTube. They weren't born yet when I started. And they just found out about all this stuff yesterday." And so just to remember who's on the other side of the conversation in a non-selfish way is the way you stay fresh. And plus, I am really sure this is what I'm called to do. I get joy out of it, and so it's fun for me.

Dave Ramsey:

And so in that sense, it's a kid in a candy store and I just light it up. There are days I don't do well with it. Usually when I'm tired or something like that, I've been going too hard, travel time or whatever, that kind of stuff. And then I become short and I'm eye roll or whatever, but most of the time, I just remember that young couple or even that retiree in New York city that's 70 years old, they just found me yesterday. They just found out about all this wonderful information and they're beginning to understand it and they need some clarification and it's just meet them where they are.

Carey Nieuwhof:

I think that's such a great insight because a lot of us who listen to this have been doing this for years, maybe not 30 years, but five years. And there is a certain sense in which I think it was Seth Godin, who said, and you've had him on EntLeadership numerous times, but he said, "Even if you've sold a million copies of your book, 99.9% of the planet has never heard of you." And you probably discovered that as well. As ubiquitous as Ramsey is, a lot of people are like, "Who's this guy? What do you mean he can help me get out of this credit card debt?" Do you find that with an audience? Because I think a lot of us struggle with haven't they heard this before?

Dave Ramsey:

Yeah. And it's not a classroom where there's a fixed number of students that have been in the room for the entire time. There's a constant dynamic to the population of the audience. And so we have people that move on and we have brand new ones that come in every single day. And you've had this happen and I've had this happen and someone will come up to you quoting some of the information that some of us have put out that was helping them transform something in their lives. And they say, "I know you heard these kinds of stories all the time, but..." And I'm always looking at them I go, "I haven't heard your story. Your story's unique to you. It may have some of the same components most stories do, but I haven't heard your story."

Carey Nieuwhof:

So how old are the baby steps now? Does that go right back to the early days 1992, the seven baby steps? How old are they now?

Dave Ramsey:

They would be 20 anyway. Yeah.

Carey Nieuwhof:

Yeah. They've been around for a while.

Dave Ramsey:

Or maybe a little more.

Carey Nieuwhof:

And the reason is it's communicating those, but I imagine that you're constantly changing a few things. Tweaking this here or there, but there's certain core elements of your message that really haven't changed in decades. How do you decide what to keep and what to change?

Dave Ramsey:

Well, what's Dave and what's God? If it's me, then it might not be right and we might need to change it. And the silly example of that is I had some really funny jokes that worked only in the '90s. And my young crew is like, "What is that? I don't even know what that means." Because it was culturally a relevant joke, and it really worked beautifully, but you can't use that now, because nobody knows what you're talking about.

Carey Nieuwhof:

Right. Some of the movies-

Dave Ramsey:

It's some boomer telling a joke it's awful. And that's a weird example, but the bottom line is, is this a principle that is timeless and true? In my case I believe it to be biblical, and so is this the law of gravity? Is this something that has always been true will always be true. And so that's usually a biblical pillar of some kind that we found a truth in scripture that you're not arguing with me, you're arguing with God when you're doing this stuff. But the application of that might change. When I started there was no internet, when I started there was no digital anything. Certainly no Bitcoin, certainly no, I don't know. So the way people do stupid things or the way they do smart things, the process, the application of the principle changes all the time and has changed a lot over the years. But the truth is the borrower is still slave to the lender. The rich will still rule over the poor and he who hastens to be rich will not go unpunished, is still true.

Carey Nieuwhof:

So one of the things that amazes me is stories of scale and we've had all kinds of guests on the show who have scaled things from startup. And the origin story for what has become the Ramsey Show is pretty humble and really surprising. Give us a little synopsis of how you got started 30 years ago. And then I'd love to glean from you some lessons about taking it from basically you as a solo operation, to a massive organization of over 1,000 people today, employees. Can you talk about the humble origins and then the principles of scale you've learned along the way, good and bad?

Dave Ramsey:

Right, sure. It was obviously a God ordained set of coincidences, which aren't really coincidences then are they. And so we had gone broke and lost everything in the real estate business. And I was a baby Christian. I met God on the way up, but I got to know Him on the way down is the saying we use around here all the time and it's true. So I started studying Larry Burkett, Ron Blue, where they were teaching what the Bible says about money. And I'm listening to James Dobson, because that's what the Bible says about marriage. And I was listening to parenting stuff, because I didn't know anything. I was a baby Christian and I didn't know how to be married, I didn't know how to be a dad, I didn't know how to be a man.

Dave Ramsey:

So I remember learning these things in my mid to late twenties and got the opportunity to start over financially applying these biblical principles. So first it was just sharing me doing it. And then we started coaching or counseling people at our church, pastor called and said, "Hey, got a guy in my office that's in foreclosure. Can you help him?" And I went, "Yeah. I used to buy foreclosures and then I was one, I could help him out." And so that was probably the first counseling session. And it became a ministry at the church and then a Sunday school at the church and then started with 30 people and then there's 300. And then some guy actually paid me to sit down and help him with his budget and with his debts that he was behind on. Most of it started with people in deep distress financially. And along that time I wrote this little book and was carrying it around the trunk of my car.

Dave Ramsey:

And a guy called me a friend of mine and said, "Hey, the guy out the local talk radio, just quit. It's in bankruptcy, irony of ironies, you want to go down and do this show?" And I went, "No, I don't want to go do radio. I'm broke, my kids are skinny and radio people are big egos and no money. I can't do this. I don't have any time for this." So he said, "Well, you might even sell some of that stupid little book you wrote." I went, "Well, okay. You do it a couple days a week, I'll do it a couple days a week, one hour a day." It's almost like a ministry, it's a hobby. And so we went on the air, we were awful. We were Darrell and his other brother Darrell on the radio, it was country fried hillbilly radio, man. It was bad. I've still got a great Southern accent, but I've cut a bunch of it out with some training over the years to where people in Boston actually can believe I have a brain.

Dave Ramsey:

And so anyway, that's how it all started and it just grew. From day one, people would call in, they didn't care about our hillbilly accent. They just wanted the information and it rang true with them and they were scared and they needed help. And we've never had a day that we didn't have phone calls coming into the radio show. That was called The Money Game, that station got bought out of bankruptcy. We started syndicating it. We lost money on the radio show for the first 10 years that we did it. But it became the way we sold books, the way we got people to an event, the way they would come to what became known as Financial Peace University. And so it became our megaphone of sorts back in the day. Again, long before there was an internet and talk radio was in its infancy and was exploding. Rush Limbaugh started three years before I did.

Carey Nieuwhof:

Wow. So on that note, because I learned that in some of my research radio did not make you money, as you just said for the first decade you saw it as a lost leader. A lot of leaders find themselves in that position and would say, "Well, listen, if it's not turning a profit, I'm not going to do it." I'd love to know

why you kept doing it and how that became beneficial to you. And then also how did you turn a money loser into a money maker?

Dave Ramsey:

Well, the reason we kept doing it was it was free advertising, basically. It was sweat equity advertising. And so we got to go on the air for one hour and then later two hours and then later three hours every single day and talk to people. And in the midst of that, we sold a lot of books. And so in our minds it was not a profit and loss center, although we did keep up with it and we knew we were losing money, but in a sense, we looked at whatever money we lost as the cost of our advertising or marketing. In those days that's how we viewed it.

Dave Ramsey:

And the way it transferred over was we got better at managing the operational side of it and buying the satellite time. Satellites finally went digital and believe it or not, they became cheaper when we did that for our satellite time. And we bought a 24 hour channel for the first time with ABC. And we've been with them ever since when digital was a big deal, when HD came out and all that stuff and it dropped our costs on that. And then just the more eyeballs we got, the other ads that we can run on the network to sell to someone else became very valuable. And it's a huge revenue producer today.

Carey Nieuwhof:

Every leader makes mistakes. What are some mistakes you've made along the way as Ramsey went from that infancy to where you are today? When you look back you're like, "Ooh, wish I could give that one back."

Dave Ramsey:

Man, that would be a series of volumes, it wouldn't be one book. This is how bad it is, Carey, I'm convinced that everything that is Ramsey today and all the people we've been able to help, all the brand penetration, the product scale, the payroll that we cover, all of that stuff probably exists on about 10% of our ideas. The other 90% of our ideas sucked. And it's like to answer that question would take days it feels like. We would just try stuff off of our gut, this gut instinct. And we actually did an exercise in one of our strategic operations offsite about five years ago, where we went back and found the milestones in the trajectory changes in the company's history and, negative and positive.

Dave Ramsey:

And the weird thing was that a lot of the things we do today came from positive cannon balls to use Jim Collins stuff from Great By Choice, his latest book, where he talks about you should use a musket ball, a little small test to calibrating a gauge before you launch huge bandwidth and huge money into a project. But we would just go, that kind of feels like that's God. And God got blamed for a lot of stupidity and it obviously wasn't Him. And so we would just fire cannon ball and lose our shirt on something. It was never big enough that it put us out of business, but I was convinced that we were supposed to help folks in the Hispanic community, Spanish speaking people. So the first dumb thing I did was we over dubbed a bunch of my videos with me poorly speaking Spanish, looked like a bad Kung Fu video.

Dave Ramsey:

And we couldn't get anybody in the Hispanic community to pay attention. We knew there was a tremendous need, they looked at us like we had one eye in the center of our head. And finally, a guy in the Hispanic community goes, "Listen, if a guy sent wonderful teaching on leadership by a Chinese guy over dubbed with bad English, would you watch it?" And I went, "No." And he goes, "Well, that's what you're trying to get people to do. It's dumb." And so we finally brought in a Hispanic guy that was bilingual and wonderful guy, Andres Gutierrez. And we spent about a million and a half more dollars trying to get him out there as the, he called himself the Mexican Dave. But again, take these Larry Burkett business and leadership and money principles to that community with someone that they could relate to.

Dave Ramsey:

And we launched a radio show on about 37 Spanish speaking stations. And he was doing the show every day and we just lost our shirt on it. We never could make the connection. And he finally came in one day and he goes, "Hey, I want to go out on my own." And I went, "Yeah. Okay." And we helped him start. We financed his new startup and we still sent all of our Spanish stuff to him. But we just knew it would work and we completely just kept shooting cannon balls at it. Instead of figuring out a way and then iterating off of something that was actually working, we never had anything there that really worked.

Carey Nieuwhof:

Any other principles that helped you get to where you are today? And thanks for sharing that, by the way. When you look at inflection points, when you look at scale, starting from here and getting to where you are today, what were a couple of decisions that you would say, man, I'm so glad we did that. That was a wise one looking back at it.

Dave Ramsey:

Well, I fought against it hard. We were doing Financial Peace University in a ballroom of a Holiday Inn, and it was 300 and something people. And we would rent all the sleeping rooms on the first floor and flip the beds up against the ball and do small group discussions in those, after I taught a lesson for an hour. And one of my guys that was running that at the time and I was the teacher - we're doing it every night. It was like 16 hour days. And one of the guy, he said, "We've got to put this on video. We could expand it and lots of people could teach it in churches and they could teach it everywhere." And I just said, "No, man. The reason this works is we're in person, it's person to person, kneecap to kneecap and the jokes won't work on video.

Dave Ramsey:

We can't bring the tears on video, we can't get our hands around their heart and help them transform on video. It's just too plastic watching it on a TV or something, and that'll never work." And he just kept on me. And we finally spent \$7,196. That was a lot of money, in two Saturdays to put those lessons with a bad suit, oh man, the suit was awful, on video. And we put those VHS tapes out there. And we went from 300 people a night to hundreds of thousands of people taking Financial Peace University at tens of thousands of churches with these VHS tapes in just a matter of a couple of years, it just exploded off of that one decision. And of course then we went to DVD and of course now it's all delivered online. But those are all just further iterations of that original idea that gave scale to something that was logistically roadblock, meaning me. And so all of a sudden I'm everywhere, even when I'm not.

Carey Nieuwhof:

You mentioned it here, I've heard you talk about it in other places, Dave, you have a big personality. A lot of leaders have big personalities and sometimes that can lead people to the place where everyone's afraid to approach them. It's like, well, if Dave doesn't want to go video, we're not going to go video. Okay everybody be quiet and you end up ruling the roost to your detriment. How have you or how do you work against your big personality and your ideas because you also have strong ideas so, strong opinions, so that people feel safe to come and challenge an idea or challenge you? How do you navigate that?

Dave Ramsey:

Well, I brought on other people that are smarter than me and that care as deeply as I care and then they will fight you. And then once I get personally close enough to folks in our leadership team and spend time with them to where they realize it's not really about me, I'm really fighting to win. And if you can show me that we're going to win in a way I didn't agree with before, but let's try it. Okay, I will try the way that I didn't like. And one of the sayings inside the company and our culture is one of their favorite things to do is go cause something to be hugely successful that I didn't like at first, so they can rub my nose in it for the next five years.

Dave Ramsey:

So they'll bring it up like your wife will bring up something that you did five years ago. But all of my forcefulness is all about helping people and it's all about bringing excellence into the marketplace. It's not about my personal agenda. And so if I think that my way of taking something to the market is better than your way we'll argue about it. But that's a really healthy conflict that drives to marketplace excellence internally. But if you're super meek or withdrawn or whatever, you're probably not going to lead in our organization. You don't have to be a big loud mouth like me, but you've got to care and you've got to have this intensity to push through and argue about something.

Dave Ramsey:

I respect someone who will put an idea forward that's perpendicular to something I believe and argue it through and we'll keep talking about it until one of us says, "Okay, I think you're right." Or I'll have guys bring in something that's non fatal and I'll go, "I don't think that'll work. And I think here's your problems. I think here's the holes in the idea." But they're all souped up about it and I'll go, "Okay, go try it. I might be wrong and you'll love it if I'm wrong." But shore up these three things, don't let it be fatal, don't let it be an embarrassment to us, but let's launch the thing and then we'll iterate on it. And we may just laugh about how dumb it was later or how dumb I was later. Either one's fine.

Carey Nieuwhof:

I love your book, *Baby Steps Millionaires*, and devoured it. Sometimes you skim read for interviews like this, but this one was a deep dive for me. And I was telling you, I really love the white paper in the appendix at the end, which is the largest study, I guess, in American history. Where you surveyed millionaires and how did they get there and tell a lot of Ramsey stories as well. So I want to drill down on that, but before we get there and talk about money, we have a lot of church leaders listening here. We have a lot of poorly paid church leaders listening here.

Carey Nieuwhof:

And I think when we start talking about millionaires, a lot of people are going to check out and go, "Okay, I love the first part of the interview, Dave, that was great. Nice hearing about the old days, but

I'm out on this millionaire stuff, because it'll never happen to me." And a lot of pastors have had friends say kind of have broke thinking, my church has no money, I have no money. I hear that on a regular basis. I want you to talk to that group because I know you have a heart for the church, I know you have a heart for church leaders. Talk to them, the person making \$30,000 a year who's like, "Listen, I just got to take a pass on this one. It's never going to work out for me I'll always be broke."

Dave Ramsey:

Well, my heart goes out because pastors by and large are underpaid. There's a few examples of some people who might be overpaid out there that would fall in the category of pastor. And worse than pastors is youth pastors and worse than them is worship leaders. Oh my goodness, that's welfare. And so 50,000 churches have now taught Financial Peace University. So we interface and talked to pastors every week and have for a long time. And I've become great friends with lots of pastors of all sizes and all denominations and all ilks all across America. So I've seen what you're talking about a lot. What I always encourage anyone in any career is to say, okay, you're making \$30,000 now, but here's the thing I really wouldn't say that you are successful at anything if your size of your church and your income never changes. Something's wrong, because something's either growing or it's dying. Inside of our marriage, inside of our parenting, inside of our personal growth, we're either growing or we're dying.

Dave Ramsey:

So this is a snapshot. It's not a film strip and your life is a film strip. But the snapshot today, if you extrapolate \$30,000 for the next 30 years, that's not a very good film strip. And so what are we going to do to grow personally, to grow the level of service that we have to the community and the level then of size of the church and the level of budget of the church then, but I'm not going to accept \$30,000 for 30 years as a mandate if I'm the guy or gal sitting in that seat. I wouldn't in anything, pastor is no different. And so you don't have to become the biggest church in America, you don't have to do that. This is not a competition and it's not that, but it's a matter of internal pride and dignity - I'm getting better.

Dave Ramsey:

And every time I get better, there's going to be some change of the skill and the scale, both. And so that's what I would tell people to do is don't get stuck on where you are today. Develop a growth plan, develop a game plan that this is who I'm going to become over time. And then the other thing is, how do you build wealth? Well, as you said, the largest study of millionaires ever done, we studied over 10,167 of them in detail, airtight research. The vast majority, well up into the 80 percentile, which is beyond statistically significant, it's just like this becomes a truth at that point, did not become wealthy quickly. It was gradual. They were the tortoise in the fable, not the hare. And so they didn't get rich quick, they weren't flashy.

Dave Ramsey:

It was kind of boring actually. It's just incremental, just thing upon thing, upon thing, upon thing. So if you make \$30,000 a year and then you go to 40 and then you go to 50 and then you go to 60, \$10,000 a decade or \$10,000 every five years, because your personal growth has some reasonableness to it. And every time you're putting 15% of your income into Roth IRAs or 403Bs, which you'd have at your church maybe in good growth stock mutual funds, and you do it every single month, you will have a substantial nest egg. And it might even approach a million dollars mathematically over a long period of time. Now, if you're 64 years old and making \$30,000, that's not what we're talking about. But if you're listening to us and are watching this, and you're 34 years old, that is what we're talking about.

Dave Ramsey:

And here's the proof of that. The top five professions that became millionaires were, number one was engineer, number two was accountant, number three was teacher. Number four was mid-level executive and number five was lawyer. Doctors, MDs didn't even make the top five, they were in the top six. And so this is not about income production. One third of the people who became millionaires never had a household income larger than \$100,000 at any time in their working life. And so this is not a bunch of people making \$400,000 a year that you ought to be a millionaire if you make that my goodness, but that's not who it is. As a matter of fact, the other thing you can observe among those top five professions is they're all people who are systems people, engineers, accountants, teachers, lawyers, and mid-level managers. These are all systems people, they're process people. And they believe in marathons, not sprints.

Dave Ramsey:

And so if you're practicing law in the court, litigation is a process. It's a very detailed. People think it's Perry Mason or Matlock, but it's not, it's unbelievably detailed process driven. There's a set of rules, you follow the rule of law through the litigation. Otherwise, if you try to be Perry Mason, the judge will knock you into next week. And so teachers lay out lessons plans, it's a system. Obviously engineers do, obviously accountants do, and so... And pastors, guess what? You prep a sermon every week, you have a rhythm to your spiritual walk, you have a rhythm to the coaching and counseling and pastoring you do of your congregation. You're marrying them, you're burying them, you're baptizing them. You're doing the whole thing here and you're a systems person. And if you're going to grow your church, by the way, it's going to have systems and process. I think there's a guy named Carey that can tell you about that. And that's the beauty of this. So for me, the people we're talking to, it should give you great hope.

Carey Nieuwhof:

Yeah, it does give me great hope. I started, and this was the '90s at \$19,000 a year and a housing allowance. So I'm familiar with being not particularly well paid. And that was after leaving law where there was a lot more money on the table. But regardless of that, one of the obstacles, because I think every leader listening to this is like, "Yes, Dave, I'm with you." And one of the things I'm really excited among many in 20 years of ministry is as the church grew, we moved toward living wages. I said to the elders, "Hey, we got to pay a living wage. We don't want to overpay people, we don't want to be ridiculous. We're not talking about wealth or anything here. We're just talking about, let's pay people fairly, let's give them a living wage so that maybe they can live on one income and two people don't have to work if they don't choose to."

Carey Nieuwhof:

And we got there and the budget grew, I don't know what it was as a multiplier, but we ended up, I think we're two and a half million today at our church. So it's a good size budget and people are paid fairly for what they do. But as you know, you always have that broke thinking board member, the board member who thinks church members should be poor or church staff should be poor. Or just has that very fixed mindset. One of the characteristics of millionaires was I believe if I remember this right, an open mindset, a growth mindset, rather than a fixed mindset. If you were in that meeting with that stingy elder, how would you approach him or her? What would you say? What would your tactic be? Because I think you got the leaders on board, now we got to get the board on board.

Dave Ramsey:

Yeah. It's really sad that in Christianity, somehow some of those types of people have decided that substandard everything is okay under the cross. It should be just the opposite. And so if we're going to hire a programmer to run our programming for internal systems and for website, public facing items on the internet, and you hire somebody that doesn't know what they're doing and it's clunky and it's broken all the time. And then the user experience from someone who might have visited and might have met Jesus and might have come doesn't come because you underpaid and got a substandard programmer who did substandard work. And we call that Christian excellence, come on. That's unbelievable and completely unacceptable.

Dave Ramsey:

And yet that has been pervasive in entire sections of Christianity to where when you put Christian on the outside of it means, "Oh, well, it's not a really good film, but it's a Christian film." What? Come on. Oh, it's not really good music, but it's Christian music they said, Jesus. Oh no, come on. I tell our people, if you're going to put a cross on it, drive it right. If you're going to put a cross in the back window of your car, drive it with excellence. We're not going to walk around and telling people we're Christians unless we are the best in the market because we're a bad witness for Jesus when we're substandard. And underpaying people is a sure way to get some substandard work done.

Carey Nieuwhof:

All right. I think you should just take that to your next board meeting leaders and just play Dave and say, "We asked Dave Ramsey what he thought and he told us." That's fantastic. So the mindset piece between millionaires and non millionaires, I thought was fascinating. I found the whole study was surprising. Correct me if I'm wrong, entrepreneurs, CEOs, not in the top five millionaires. You would think that they would be, because everyone's like, "Well, I'm going to start my own thing one day and then I'll be a millionaire." And they don't even show up, but you got accountants and teachers there and the whole deal. But another big surprise that got me is the average millionaire in that study had a smaller house than the average American. Only by 60 square feet, but it's like you're not in some palace with Drake serving you champagne, you haven't got that. You're in a 2,600 square foot house somewhere in America in this study. What were the things that really surprised you Dave, between either mindset or the lifestyle of millionaires that you surveyed?

Dave Ramsey:

Well, you kind of thought maybe it would be this way and your hypothesis was that this is the way it should... You're not trying to skew the research, but you're thinking, okay, what's really going on here. And we all know, "If you think you can or you think you can't you're right." Henry Fords quote. And so if you don't believe you can be a millionaire, then you won't take the steps to save money and get out of debt to become a millionaire. So there has to be a belief factor in there, but it was mind blowing 98% of the millionaires when asked the question, do you believe that people can become a millionaire, and did you believe that you could become a millionaire? 98% said yes. When we surveyed the general public, only 69% believe that.

Dave Ramsey:

And that difference is whether you're going to be that or not. And it's not some kind of, I don't know, fluffy positive thinking that if I'm really positive, eventually I will grow hair. I'm not going to, that's ridiculous. But if you believe, if you're really sure that you're never going to amount to anything you pretty much are never going to amount to anything. You know what I mean? If you're pretty sure that I

was put on this planet to do something, to be something you're going to always be scratching around trying to figure out a way to do something, to be something. And the interesting part about that is that's where our faith comes into the intersection with our faithfulness.

Dave Ramsey:

The old St. Ambrose's quote that's questionably from him is, "Work like it all depends on you, pray like it all depends on God." And faithfulness works matched with faith. And so if you want corn, probably you're going to have to actually plant the corn. Praying over the dirt is just going to get mud. And so you have a part to play in this with your faithfulness and what does a farmer believe? He believes that if I plant corn and I fertilize it and I keep the weeds out of it, I'm going to get corn most of the time, pretty good ratio on that. And that's what we found with these millionaires. Their belief was very high that if I save in my 401k and invest in my Roth IRA in good growth stock mutual funds.

Dave Ramsey:

If I stay out of debt so that I've got money to invest and to be generous with, and I even work to get my home paid off, that I'm going to have a comfortable life when I reach retirement years. And then some of them were a bit surprised that they actually had as much as they had, they end up with a couple million dollars, \$600,000 or \$700,000 paid for house and like \$1.2 million in their 401k and maybe another \$200,000 in Roth IRA. And didn't inherit a dime by the way, 79% did not inherit a dime. And so they were a little bit surprised, but then when they look back on it, they did say we believed. I believed that I would be okay if I did these things, so they did them.

Carey Nieuwhof:

One of the lines I wrote this down, so I'm going to quote it. I think it's a leadership principle, it's also a financial principle, Dave says, and this is from the book, Baby Steps Millionaires, "Millionaires tend to focus more on elements within an individual's control while non-millionaires believe financial independence depends on elements outside of an individual's control." Can you elaborate on that a little bit? Why and how does that attitude matter? To me, that is such a big thing, because I'm like, "Oh, well the economy. Oh, COVID. Oh, the stock market. Oh, this." I hear leaders complain all the time about why their church isn't growing or why their business isn't growing. And it's because of Amazon or it's because of a nice day or a bad day or whatever. But you're discovering millionaires are like, "Hey, I can't control the stock market. I can't control this, but I can't control this. This is what I'm going to focus on." And they reach a goal. Why is that so important and how does that impact our financial decisions?

Dave Ramsey:

Well, psychologists call it locus of control, obviously. It is what do I believe is running my life? Am I running my life or is someone else running my life or are outside variables running my life? You could go over into a social discussion and you could call it a victim mentality or a victor mentality. One of the two, you got one or the other. You can go over into just the whole personal responsibility discussion. Are you going to be a grown up and be personally responsible for your outcomes? And so I've just got a bad marriage. Well, maybe you are a jerk of a husband, maybe there's some stuff you're doing that's causing that, hello. And when you get down into that victim mentality and we all do a little bit of whining from time to time and some people more than others. But that's just all it is, it's just whining. It's like, oh, can't do any. It's like Eeyore is your spirit animal. Oh, it's never going to be okay.

Dave Ramsey:

We all do that a little bit, but when we're doing that, there's nothing productive happening. Nothing. I can't win because Donald Trump is president, I can't win because Joe Biden is president. It's absurd. I've won under both types of administrations, I've won under the best presidents, the worst presidents. Some of the best presidents did stuff that actually damaged my business. And so that's just ridiculous, but there are things that come at you that are real, that are outside your control, but you can't do anything about those. And you spend all your energy ringing your hands on those and that locus of control there wasn't an arrogance about it that I control the world and I can do anything and false positive thinking. It wasn't that with these millionaires. But what they said was I can control that; I can't control that. And so I'm going to work on the things I can control and it wasn't whining, and again, it goes back to almost processes or systems mentality of one more step, one more step, one more step. Oh, wait, we're at the top of the mountain, look at that.

Carey Nieuwhof:

And it's funny a millionaire, it is a, I don't know, an icon in our culture still, and yet a million dollars doesn't quite buy you what it used to buy you. And you contrast, you spend I think a couple chapters and I found them really helpful, millionaire lifestyle versus billionaire lifestyle. And I think for people who are starting out, you think you're going to get to the millionaire lifestyle and you are going to be Drake or you are going to be Justin Bieber. And there's a big difference between millionaire and billionaire. Can you elucidate on that a little bit?

Dave Ramsey:

Yeah. Millionaire, the reason it's got this iconic sizzle to it was really everyone began to really look at that in the twenties, the GoGo Roaring Twenties. And if you were a millionaire in the twenties, you were a big deal, that was probably close to a billion today give or take. And so those were the richest of the rich. And if you became a millionaire, monopoly the board game is from that era and millionaire and free parking and all this stuff. And so it's just all of that. That's where it comes from. But today, what a millionaire looks like, as you said, is they live in a home that's basically a middle class home. They have two cars, they might have a beach house, maybe a condo on the beach somewhere, or something like that, but they don't have five homes, they don't have seven cars and they don't have a jet.

Dave Ramsey:

Those are billionaire things. And I think sometimes when someone is looking at, okay, can I build wealth? They're looking at billionaire lifestyles and going, I can never get there. And it's so intimidating that it causes them to never start the process to simply become a millionaire. But a millionaire, it's fairly boring. The first one to 10 million, one to 5 million is almost always retirement funds and a paid for house and maybe a little bit of other stuff, and they didn't inherit their money. And again, it was just over a period of years, be the tortoise, don't be the hare. So that's way different than that will not ever cause you to be a billionaire. A billion is a thousand million.

Dave Ramsey:

So you're not going to be a billionaire with your 401k. It's mathematically impossible for you to become a billionaire with your 401k. It cannot be done. And so you're going to start some huge business that goes public, or that somehow you monetize at the Chick-fil-A level or the Hobby Lobby level or the Oprah level, or of course the most famous Amazon, Bezos or Microsoft. These are billionaires, all of the top 400 wealthiest on the Forbes list are all billionaires. And that's not what we're teaching people to do with Baby Steps Millionaires, it's not the discussion. And so don't be intimidated by the fact you will

never get there because you might never get there. But I can show you how to get to one 1000th of that.

Carey Nieuwhof:

That's a good word. What does the average American retire with in net worth these days? Do you have any idea roughly-

Dave Ramsey:

The average is such a misnomer because the spectrum is so wide.

Carey Nieuwhof:

Right. You have a couple of billionaires in the mix and it-

Dave Ramsey:

Yeah. Even if you said millionaires, there's 15 million millionaires. And so there's not that many compared to the population and you do have a whole segment of the population that retires 100% broke living on social insecurity and just have no money. And their life it's a tragedy and a nightmare, every day is a strain for food and shelter and it's a real mess. But I guess the majority of the "middle class" or lower middle class, it's not unusual for us to find a few hundred thousand dollars in their retirement plan. And maybe they've got 50% equity in their house and got their house paid off and they probably still got a stupid car payment. And they're hovering down there in that land of mediocre, and they never got excellence, but they really aren't over here at tragedy either. And they're going to be okay, we have the richest poor people on the planet in America. And so-

Carey Nieuwhof:

There's truth to that.

Dave Ramsey:

So most of the time, they're not literally going to be hungry, but there's a real tightness to it that has a level of anxiety that is a mental wellness issue really.

Carey Nieuwhof:

Yeah. So a lot of it, I think this will increasing be true, a lot of wealth, we have this in Canada right now where the real estate market has gone bonkers in the last two years. I live about an hour north of Toronto. And five years ago, you could have bought a very nice house for \$400,000 or \$500,000. Now the average selling price is a million dollars. I don't know what's going to happen with that. My vote is it's a house of cards and it's all going to come down because people are into debt up to their eyeballs, they're outstretching their ability to pay for things.

Carey Nieuwhof:

And then gas has gone through the roof and the whole deal. But if you're what I would call a real estate millionaire, in other words, "Hey, we bought this house for \$300,000, now it's worth \$1.1 million." Is that real wealth? I guess it is if you're cashing out and you're 90 years old, you can sell it. But what is the challenge with putting all the eggs in one basket like real estate, particularly, and even in America you've seen a huge spike in real estate prices in the last couple years. Thoughts on that?

Dave Ramsey:

Well, it's one of the reasons that the Baby Steps are arranged the way they are is because that's a danger. Baby step six is pay off your house, baby step two is pay off everything else. And so we didn't want you to the exclusion of saving, no savings for retirement and concentrating on getting a paid for house. Because you got a paid for personal residence and no money, you got problems. You're going to be digging up the bushes to find something to eat. Because it is an asset, but it's not an income producing asset. The only thing a paid for house does is it saves you, you don't have a house payment.

Dave Ramsey:

That's all it does, but it doesn't produce an income versus your mutual funds or whatever in your retirement accounts that actually produces money and throws money to you to pay the light bill, to go traveling, to enjoy your retirement years. And so you don't want all that and a big debt on the house because they counterbalance each other with a risk, but you don't want to be sitting there with a million dollar paid for house and no money because that's really dangerous. So we tell people, baby step four is save 15% of your income towards retirement, five is kids college. And while you're doing that, then begin to pay off the house in baby step six. So you get a paid for house and a nest egg because a paid for house with no nest egg is dangerous place to be.

Carey Nieuwhof:

You also talk a lot about generosity. I know that's really close to your heart and you got a section in the book about that as well. The end goal of this is not to die with a big mountain of money. Talk about the role of generosity because the other surprise for a lot of people. I was shocked, I remember when I first got some level of financial disclosure, I just assumed, again, the guy making \$19,000 a year when he started assumed that if you made \$100,000 a year we people at our church, you are able to give a boatload of money away. And what I saw when I looked at the giving data for 20 years is that often the richer people were the less generous they became, and that was a real surprise. So talk about the end game here, the barriers to generosity. And maybe because we have so many young leaders listening, when does generosity start, Dave? For someone with student loan debt and credit card debt, when does generosity start and how does it end?

Dave Ramsey:

Well, generosity is not only giving money. Generosity is a character quality. The generous person holds the door for someone else. The generous person runs around the grocery store parking lot, picking up the cans, because your bag broke and are rolling all over the place. The generous person actually smiles, the generous person has a moment to be kind and think about other people not themselves. You can do that no matter how broke you are. And then with that, you're going to start learning to live with an open hand with the money piece. And what happens is if people don't reach a level of contentment on their lifestyle, as they make more money, lifestyle creep eats all the money. Little better car, little better house, little better vacation. And it starts to feel like these are necessities, but you're doing a lot more at \$100,000 income than you were when you were making \$50,000, but it crept up on you.

Dave Ramsey:

But in your mind you said, "Oh, when I get to do that, then I'll do that," instead of starting now. So that's why I believe in tithing and I believe it's scriptural, but I'm not mad about it. I don't think God's mad about it, I don't think he's waiting to bless you until you tithe. But my heavenly Father, who's absolutely crazy about me says, "My son, the best way to live your life, where you will have the most fulfillment

and the most joy is to be a cheerful giver." God loves a cheerful giver. And the baseline for me is to start giving a 10th of my income to my local church, a tithe. And we can argue theologically about the details of that, that's not the point. The point is there's a rhythm throughout your life of steadily giving and there's the occasional firework giving on the end. But if you just wait for the fireworks and you don't have the rhythm, the fireworks never happen.

Dave Ramsey:

And so you're never going to give a million dollars until you've given a whole lot of millions of dollars a little bit at a time over time. But it is the mo... And the irony is a consumption driven culture, a culture that makes more money than any culture in the history of the world and consumes all of it more than any culture in the history of the world. What we spend on our pets would run Egypt for a year. It's unbelievable what we consume. And I'm not against pets, I have pets, I love my doggies, but that's not the point. But we're crazy. We're not even looking at this and then to say we don't, I have a \$6,000 dog, but I can't be generous.

Dave Ramsey:

What? It doesn't make sense at all. And I've got friends that do that, they're just... So the bottom line is you need to start now and start with at least a 10th or 5% or 2% or something, start a rhythm in your life, get to 10 as quick as you can. And then you'll start looking for, oh, this is more fun than consumption because generosity is more fun. You have more fun with it. You are wired. Our DNA were made in God's image and he gave his only son he's the ultimate end giver. He's the ultimate and outrageous generosity and we're made like him. And so when we give it unleashes stuff inside our chemistry, inside of our brains, inside of our spirits, inside of our relationships that is never unleashed with any other technique in money. Only generosity unleashes these things.

Carey Nieuwhof:

So Dave got a lot of young listeners listening, young leaders listening. A lot of them are struggling with money. That's just the story in America, story in the church, story in startup, story with entrepreneurs. In the last minute or two, just speak from your heart and give them some advice. It's like if there was one thing or two things they could do today, or a mental shift that they had to make, what would you say to them? If they're in a place going, "Ah, this is really good. I just got to get started," what would you tell them to do?

Dave Ramsey:

Well, it's like so many things in our spiritual world. You don't want to be normal, don't be conformed to this world, but be transformed. How? By the renewing of my mind. I've got to put something new in my brain that wasn't there before, and then act on it if I want a different result. Continuing to watch Tiger King reruns is not getting me there. So I've got to put... Watching Fox News or CNN all day long is just going to cause my head to melt down and there's going to be nothing left in there that works. It's all going to be short circuited. But what if we start saying, okay, I really believe, as an act of faith, that the scripture has some things to say about marriage and I'm going to run my marriage that way.

Dave Ramsey:

I really believe as an act of faith, the scripture has some things to say about relationships or leadership or parenting, and I'm going to live my life that way. I really believe the scripture has some things to say about money. And you'll quickly discover as you just look at biblical finance, it sounds suspiciously like

grandma's common sense and you're going to get on a budget. Jesus said, "Don't build a tower without first counting the cost." I've often asked people, if you had someone working for you and their job was to run the budget and they ran it the way you run yours, would you fire them?

Dave Ramsey:

And then we pray and say, "God send me money." And he answers he says, "No, you're a bad steward. You're an unfaithful steward. You're the one that buried it in the backyard. I'm going to take it from you and give it to the one that did a good job managing it." And the good news is anyone can just decide today to sit down with their spouse, or if they're single and get a yellow pad out or jump online and use every dollar, our app it's free and lay out a budget. And guess what, when you lay out a budget, you start doing money on purpose. People who do things on purpose, that means they're going to immediately start going, "I want to get out debt, because I want to keep some of this money and send it all to the bank."

Dave Ramsey:

I want to save money so that when the air conditioner breaks, it's not a crisis. I want to put some money aside in this budget to begin this generosity walk. And so when you start doing things on purpose, it's going to immediately lead you to start doing other biblical things. The house of the wise are stores of choice, food and oil. Save money, get out of debt, the borrower is slave to the lender. Just follow this thing through and you're going to get this sense of power. You're controlling the things you can control your locus of control and hope is going to come alive. Hope deferred makes the heart sick. But when desire comes, it is the tree of life.

Carey Nieuwhof:

Well, Dave, I'm so thankful for the time that you invested in our leaders today. Thank you so much. The book, by the way, if you're watching, it's called Baby Steps Millionaires: How Ordinary People Built Extraordinary Wealth and How You Can Too. It's a really great book. Dave, so grateful for your legacy as a leader and as somebody who's spoken to my life, my wife Tony's life and really thankful for you. Thank you so much for being with us today.

Dave Ramsey:

Well, thank you. It's an honor, I'm honored to be here. Thank you.

Carey Nieuwhof:

That was a fun conversation, and I hope that you will play back that section if you've got a broke thinking board member or staff member and just say, "This is what Dave says." And if you want more, we got show notes for you. You can find them at careynieuwhof.com/episode487. There's also transcripts available from this episode if you want to drill down. I'm going to tell you who I've got coming up soon. We have an all star cast. I am so pumped about the interviews that we are bringing you. In the meantime, if you're new to the podcast and many of you are, it just keeps growing month by month, please subscribe. And if you enjoyed this episode, tell a friend, maybe text them the link or post it on social, whatever you want, and tag me.

Carey Nieuwhof:

I'm Carey Nieuwhof on Instagram, CNieuwhof on most other platforms. We try to share when you share and thank you for leaving ratings and reviews. I so appreciate it. Today's episode is brought to you by The Art of Online Influence, my brand new course that will teach you how to grow your online influence. You can register today at theartofonlineinfluence.com. And if you're interested, choose the cohort option and we will work together directly on growing your online influence and by Pro MediaFire. If you're looking for staffing solutions, book your free digital strategy session today at promediafire.com, that's promediafire.com. Next episode, Scott Miller. He is a podcaster, a bestselling author, and he works with Franklin R Covey. And here's an excerpt from the next episode.

Scott Miller:

So I think I was the recipient of a lot of courageous conversations. Like the one, "Scott, you're standing at a gas station and you're holding a match." That was a metaphor for, "Scott, if you do that again, you're fired." And so I do believe I've been the recipient of a lot of leaders that moved outside their comfort zone and they had radically candored conversation with me around my blind spots, around my self image, around the way that I was being received by people. Scott, you can't do that. Scott, you can't say that. Scott, when you do this, here's how it's interpreted. Scott, that's genius, but that's a thought you keep in your head and you should not ever share again.

Carey Nieuwhof:

And if you subscribe, you get that automatically. Also coming up some fascinating conversations with Shauna Niequist, Dave Adamson, Andy Stanley, who else have we got? We've got Ramit Sethi, Vanessa Van Edwards, Tripp Crosby, Daniel Pink, and a whole lot more. It's a pretty all star cast for 2022 and I'm very excited to bring this to you. Thanks for the privilege of being able to do this with you day in and day out. I'm getting to know hundreds of new leaders in the Art of Leadership Academy and they often message me and say, "Hey, I've been listening to your podcast for years. It's great to personally connect." And I am so thrilled to do that.

Carey Nieuwhof:

By the way, if you want more beyond this podcast, head on over to The Art of Leadership Academy, that's where you'll get my Art of Online Influence course, all my courses, but also we can start chatting over there. I'm in the academy on an almost daily basis, and you've got a lot of mentors other than me. So you'll get on-demand courses, monthly live coaching that me and a host of guests will do. Also some team training for your team every single month and a community of top tier leaders. And that happens at theartofleadershipacademy.com. So thanks so much for listening everybody. We'll catch you next time on the podcast and hope our time together today has helped you thrive in life and leadership.

Announcer:

You've been listening to The Carey Nieuwhof Leadership Podcast. Join us next time for more insights on leadership, change and personal growth, to help you lead like never before.