



009: Why You Need 14 Different Bank Accounts with Talaat and Tai McNeely of His and Her Money (Transcript)

PT: Tai and Talaat, welcome to the show.

Talaat: Thanks for having us.

Tai: We're just so excited to be on your show.

PT: Well, I'm excited to have you guys here and to learn a little bit more about your financial back-story. Obviously, I'm familiar with your video channels, your podcast, everything you have going on online but I'm anxious to know more about the back-story. My first question is, what's the one thing you guys do that the others don't, that's been the contributor to your financial success so far?

Tai: We've got 14 bank accounts. *[Laughter]*. Most people don't have that.

PT: For real—14?

Tai: Yeah.

Talaat: Fourteen bank accounts, yes— a game changer.

Tai: It sure has been. We've been married now for about 10 years and in the beginning of our marriage I was doing the majority of the budgeting and things like that. Once my husband finally came on board after kicking and screaming, he says, "You know Tai, I just don't get all of this...We have everything in one or two accounts. I need all this separated." And I said, "No, you're crazy if you think that I'm about to open up multiple accounts because that's just more work for me to do." After really hearing him out, we didn't start off with 14 bank accounts. We started off with maybe 2 or 3 and then we had our three children and they each got an account. Then when we started our car fund, we opened up that account. Then I realized something. I should have listened to him maybe a year prior.

Talaat: Wait. Hang on, did you get that recorded?

Tai: Yeah, that's probably the only time I will say that. But it totally transformed our finances. I feel like we've been able to build more wealth and pay off our debts a whole lot sooner, so yeah,

I tell everybody, “If you can do it, do it.”

Talaat: I would just look at it and when I got in the game I said, “Okay, I'm not going to let you do this on your own,” because that was a big mistake we made at the beginning of our marriage. I was just coming into the knowledge of personal finance and how money should work and I had a bad track record with money and a bunch of debt that I brought into our marriage. She was completely debt-free her whole life until she got married to me. She had a finance degree and was working in the finance industry at one of the premier financial institutions in the world so it made sense (in our minds) to say, “Well, since you know all this stuff about money, you handle the money and just let me know what I got left to work with.” And we went about it that way for a few months and resentment started to build up. She was resentful because she felt like she was doing all this work, putting the numbers together making sure everything gets paid, making sure our debt repayment plan was going well and I would complain, “This is it? This is all I get? I know how much I make a year and I'm comparing that to what you've given me to spend and that does not match up.” So, it was just back and forth. I felt like I was a kid getting handed an allowance and she felt like she was being unappreciative with all the efforts she was making. So we came to conclusion that this was not working. The reason it wasn't working was because we weren't operating as a true team. I was doing nothing and she was doing it all and that's not how teams work. And, neither does it necessarily mean that when you're working as a team, you have to do everything 50/50. We love to give the analogy of the 90s Bulls team—the Chicago Bulls who are well known and famous for their championship run. And, everybody knows who Michael Jordan is but if I say the name B.J. Armstrong very few people would know who that is and he was the other guard while Michael was the two-guard for some of those championships. They became champs because both of them played their roles well and not because both of them had the exact same amount of responsibility but they both were in the game and they both played their role well. They were able to become champions because they both played their roles well and so that's what we do. Once I got in, I just had to say, “Listen, let's separate this thing. Let's organize a little bit more because it's making my head hurt seeing this one account with two million transactions going in and out so that's how we got to having multiple bank accounts.

PT: Real quick, who's Jordan now? I'm just kidding, just kidding. You don't have to answer that, it's a loaded question.

[Laughter].

Talaat: That's a good question. She's still Jordan. I'll take Pippin, how about that? I'll take Pippin.

PT: There you go. So, let's break those down. What those 14 accounts?

Tai: We have a very detailed video and we can send it to you and you can include it in the show notes, but just briefly, we have a household checking account where everything goes into it like payroll and things like that. Then we have—well, we think of the bank account sort of like envelopes the way people keep cash an envelope. We just have bank accounts. One of them is

a car fund because we don't believe in getting a loan for a car. We believe in paying cash. So we have a car fund where we put money every single pay period.

Talaat: And we don't even need a car. But, one day we will.

Tai: Exactly. In 10 years of our marriage we've never had to get a loan on a vehicle so I'm really grateful for that. We have a car fund account. We have accounts for our children. Of course, we have our emergency fund. We have a savings account—

Talaat: Real estate taxes, vacation.

Tai: Right, yes, a vacation account. Oh, we also have one, of course, for our business. A lot of the business transactions go through that.

Talaat: One of our favorite ones is our non-monthly bills account.

Tai: Yes. That's one of our favorites.

Talaat: That's one that people don't think about.

PT: Like insurance.

Tai: Right. We set up that account because there are a lot of bills you pay on a yearly basis or on a semi-annual basis such as car insurance, homeowner's insurance and things like that. Every single time the bill would come due you're looking at dropping about \$1,000 or \$1,100 depending on your coverage. We thought, "Okay, there has to be a better way." Now, we just take the dollar amount, divide it by 12 months and that's the monthly payment that we send over to this non-monthly bill account that we absolutely love. Yes, it's really transformed our finances. It really has. And we try to tell everybody, "Don't knock it unless you try it." Trust me, I would be like, "Oh, that girl is crazy. She has 14 accounts! But once people finally find out the system they're like, "Wow, this really does work," and they give it a try themselves. They're emailing us all the time saying we're right.

Talaat: We taught that two years ago and people are still emailing us saying, "Wow, this is changing my life."

PT: Yeah, I do a similar thing with Capital One 360. It used to be ING Direct. With their savings accounts they allow me to open up multiple accounts so I have six or seven real estate taxes, insurance and vacation. I think I don't have the car one yet. And that's the one I need because we are not saving for our next car yet. We're like you guys, we don't want to car payment. But, for the future we really haven't started thinking about that.

Tai: Get yourself a monthly car payment (account). That's what we do every single month and our monthly payment is so small, it's just \$100 every two weeks. That's it. We don't buy brand new. We buy used, reputable, reliable vehicles. So my husband here did the math and said, "Okay Tai. We usually get a car at the 8 to 10 year mark and this is how much we usually

spend.” We just looked at our finances and saw we were able to cut back a little bit and save \$100 every paycheck. That's only \$200 a month. You don't even think about it.

PT: Yeah. And sometimes I feel like, just being in the act of saving—even the small amounts, just creates that habit that perpetuates for future saving.

Tai: Absolutely.

PT: So, is the checking account been sort of free rein because you're kind of paying yourself first by putting all this stuff into these other accounts first. Doesn't the checking account become, “Alright, just spend whatever's in there that's spendable?”

Tai: Well, no. That checking account is just simply the account where everything has a home. So when the paycheck comes in, all of that money gets disbursed within the 14 bank accounts.

PT: Oh, so there is a specific bank account that you are spending out of. Okay.

Tai: We have it on automatic, right? So, every 15th of the month—we usually do it around the 17th of the month because—we usually do it about 2 days after we get paid. So the 17th of the month and the end of the month. The money just goes like clockwork into all the different accounts. That's how we stay organized. We don't see a lot of debit-card transactions... Oh, we didn't talk about another favorite account we have, our dining account. We find that a lot of budget-busters come in the area of food.

PT: Yeah, same here.

Tai: There are a lot of times when sometimes I'm at home and I might say, “You know what, Talaat? You might as well just go grab something to eat for the family.” He carries a debit card around for that particular account because more than likely, he's the one that goes out and grabs the food. So we have a checking account and we definitely recommend getting a checking account (opposed to a savings account) for your dining. And get a debit card attached to it. Every single month we take a certain dollar amount out and put that into the dining account and that's it. It gives us permission to be able to splurge when we want to, but it also helps us look at the big picture and say, “Okay, we're nearing toward the end of the month and we only probably have \$20 left. Let's make that work.” I highly recommend a dining account.

PT: I might have to implement that.

Tai: Oh, you'll love it.

PT: What bank are you using to do all this?

Tai: Well, we did a lot of research in regards to banks because lot of banks charge certain fees, and we don't believe in paying fees for our accounts.

PT: Yeah, “Here, hold my money and then charge me money to hold it.”

Tai: Yes, exactly. So, we recommend that people go to the bank they have their mortgage with because a lot of times they give you “relationship” banking. Because you have a certain dollar amount with the bank, you can have just about as many accounts as you want without having a fee because now they have your mortgage.

PT: Okay.

Tai: We recommend that as well as online bank accounts like your Capital One 360. A lot of online banks do alleviate having the fee and things like that. We don't believe in paying for fees.

Talaat: You might have to shop around to find the right bank but there are plenty of banks that will not charge you for these accounts. Don't think that you have to pay a fee to have these accounts.

Tai: Right. And, a lot of banks will waive your fee if you set up direct deposit. I know you're probably saying you already have your paycheck going into a certain account as a direct deposit. But, go to your H.R. department. A lot of times they will allow you to do separate allotments with your check. That way you're able to say, “Okay, \$20 goes to this account and \$50 automatically goes over to this account.” Therefore, the bank will waive your fee for you.

PT: Are you guys with an institution that other people can check out?

Tai: No.

Talaat: Our bank is local, here.

Tai: And that's another tip. We highly recommend going small and going local because a lot of your large banks will all nickel-and-dime you. Small, local, family banks, ones that have been around for 30-plus years— your grandparents' bank... A lot of times they don't have the fees.

PT: Right.

Talaat: Try to find a bank that doesn't have a commercial on T.V.

Tai: Yes.

PT: Fair enough. Fair enough. So is there any desire with these different accounts, because you're building up—especially with real state taxes account. Here, in Texas, that would be \$7,000 or \$8,000 at the end of the year. Are you able to earn interest on the cash at all?

Tai: Yes, absolutely. That's another tip. Accounts like your emergency fund and possibly your savings—maybe you have a small savings account, and when I say small, I mean not as large as your emergency fund, but a little bit smaller, as well as your real estate taxes, you want to shop around and try to get some money for that. Now, we do have a nice interest, I would say. Our bank gives us a nice interest off of that particular account because of the amount of money that we keep in it. Plus, some banks do require you to do certain transactions such as maybe you have to make 10 small debit-card transactions. Or, you have to have a bill pay come out.

So, sit down and have a look at your budget to see, “Okay, what can we have come out of this particular account so we can maximize and receive the interest?” As for our property taxes, we don't believe in paying P.M.I. We believe in paying for your home if you can. If not, you definitely want to put at least 20 percent down. That alleviates P.M.I. Therefore, we like to escrow our own taxes. We don't believe in the bank making money off of us, right?

PT: Right.

Tai: That's another thing. We look at our property taxes and we divide it by 12 months and decide how much money should go on this account now. Thank God we just found out that we don't have to pay property taxes now, but when we were paying property taxes for about nine and a half years, that's what we did. We just put money aside into that special account.

PT: Well, why don't you have to pay now?

Talaat: Because I am a service connected veteran and some injuries I had from my 12-year career in the army, here in the state of Illinois, if you are 70 percent disabled (or higher) they waive your primary residence properties taxes.

Tai: And that was just passed. Our Governor passed it.

Talaat: Yeah, a brand new law.

Tai: We didn't even know about it.

Talaat: We found out by accident.

Tai: Yeah, we found out by accident. At first we thought it was a joke. Then we said, “Is this for real? We don't have to pay?”

PT: That's significant.

Tai: It is significant. It really, really is because in the Chicago area, the taxes are—

Talaat: Ridiculous.

Tai: Yeah, they're just crazy.

PT: Well, thanks for your service, man.

Talaat: Thank you. I appreciate that.

PT: I'm glad you're able to take advantage of that. The 14 accounts— that's only the stuff that's in your bank, are you automating some retirement savings as well?

Talaat: Yeah, absolutely. We have 403B. We have IRAs. We have Roth IRAs all on auto-pilot because we just... You know, one of the first books that we read back in the day was, *The Automatic Millionaire*, and we still use some of those principles today because, from a

psychology standpoint, when you don't have to think about it you get accustomed to it and when you don't have to make a decision like, "How how much am I going to put away in my retirement account this month?" it takes away you negotiating with yourself. "Should I put it into retirement savings or get a new purse— retirement savings or a night on the town?" When you just put it on autopilot and it comes out before it even comes to your bank account, then what does make it to your bank account becomes your new "normal" and you begin to formulate your lifestyle around that. You get used to this other money building for your long-term future. So, we would definitely recommend people putting that on auto-pilot. And don't be afraid to push yourself in that area because you're going to have to retire. You're going to have to retire. So, if you can get up to 15 or 20 percent, don't be afraid to push the envelope because you will become accustomed to not having that money. The first couple months of might be a little bit of a blow but by month 3 you'll be used to not having it, and you're building for your future at the same time.

PT: Man, you guys are on top of it.

Tai: Yeah.

Talaat: Well, this is the money master show!

PT: That's right and you guys are crushing it. I love it. Let's go back a bit. You sort of touched on when you first got married. Was that kind of the moment you decided to become a master of your money, or was it before that, earlier in your life? Give us some context of when you decided to take charge here.

Talaat: My wife was a money master from the womb. I had to go get my money master degree from the "school of hard knocks." I had to fall on my face, hard. I made a bunch of mistakes in my early 20's especially early in my career in the military. There were so many things—so many traps set up for you to blow your money on. I did that and ended up with over \$30,000 worth of debt and nothing good to show for it. I didn't have real estate. I didn't have a degree. I just had a bunch of dumb stuff and I got into this cycle where I was getting to the end of the month just upset and frustrated at where my money went. I had a good paying job in a military. The deposits were there on the 1st and the 15th, but I was blowing it and I just didn't have a clue what I was doing. I just got to the point where I was just crazy, frustrated and hated the way I felt having to go up to the gas pump and saying a little prayer before I put a debit card in the machine just so it would go through and get me enough gas to get home. Mind you, I'm fully employed, fully employed. And I have to say a little prayer that the transaction goes through so I can put gas in my car. That just showed me I was completely and utterly out of control. It just got to a place where I said, "I'm tired of this." And so it started with me trying to educate myself. I said, "I don't know what I'm doing and I need to figure this money thing out." I think the first thing I read was, *Rich Dad, Poor Dad*.

PT: What year was that?

Talaat: I would say 2003, 2004. It wasn't like I just snapped my finger and I had it figured out.

Even after that I was still making mistakes, I was still stumbling. I wasn't stumbling as bad but I was still stumbling and even when I tried to do the right thing, I ended up doing it the wrong way. I went and opened up a mutual fund but I kept looking at the statement and realized this was not working and I wanted my money back. I might have lasted 3 months. That's just not how you're going to build wealth. But, I didn't give up. I didn't give up. I kept taking my licking and taking my licking. Then, as I was learning and growing, this is when my beautiful wife and I reconnected. We initially met in high school. This is when we started to get serious, started talking about marriage. The problem was, I was a negative money master. I had a bunch of debt and I didn't know how to tell her so I didn't tell her. I concealed it. I lied and did the absolute wrong thing. I said, "I've got to figure out how to get rid of this debt before we get married." So, I got extra jobs and I was trying to do it on my own, but you can't build anything good on a lie. You can't build a relationship that's going to last forever on a lie. It got to the point that just weeks before we were supposed to get married, the truth came out and I had to confess and let her know what was going on. I just thought she would run the other way and want nothing to do with me but it was quite the opposite. We had to do a lot of praying because I was being deceitful and that's just not a good look for somebody that you're about to pledge your love to, forever. We had to do a whole lot of praying, and we came to the conclusion that we were meant to be together and, because God had brought us together, we were going to figure this out together. So, it's really at the conception of our engagement and our subsequent marriage that I really got ratcheted up for me and I really was learning and beginning to apply it. It was going from an idea and ideology to actionable steps that were manifesting in my life. I was beginning to walk things out. Even to this day I'm still I'm still learning. I've got books on my desk about personal finance. We are big on educating and always growing. Always seeking more knowledge and always learning. From that day to this day we're still on the hunt to become even more of a master with our money.

PT: Yeah, I love it. Good for you, confessing before you got married. It could have been worse; you could have waited until afterward, right?

Talaat: That would've been really bad.

PT: When you got married, was there a goal you set for yourself financially right out of the gate, a big goal that you achieved?

Talaat: Yeah, debt freedom. I came in with all this mountain of debt that I just plopped into our marriage. Over \$30,000, so goal number one was to buckle down and do what we've got to do to get out of debt. We did that within the first year of our marriage.

PT: Oh, wow! Tai, why didn't you just say, "That's yours, you own that. Why don't you get rid of that and we'll meet up when you're back to zero?" Why did you participate in that too?

Tai: Trust me, at first I did want to run in the opposite direction. I really did. I thought, "Oh, my Gosh! I'm about to marry this man and he was not being truthful." But then I was able to take a step back and look at the larger picture realizing this is why he was working the second job. I thought he was just working the second job to save money. I didn't know why he was working

so hard. Then I started to notice he doesn't want to be the same person with his finances. He wants to do better. I started seeing qualities in him and actions that he was taking which were attractive to me. I thought, "Okay, if you're willing to work hard to knock out this debt, I'm willing to work with you." That's what we did, it became our debt. It was the first time in my entire life that I had debt.

Talaat: Yeah, sorry about that.

PT: But it only took a year to clear. That's impressive for a \$30,000 debt. What did that feel like? I'm assuming at that point you guys were debt-free?

Tai: Yeah.

Talaat: For me, I remember just dreaming, wondering what it would feel like to not have to worry about checking in the mail, to not have to worry about screening calls, to not have this payment and that payment and this payment and that payment. Once it hit, it was surreal. It was like, "Really? Really? We don't have to pay all these people anymore?" When you accomplish something like that, no matter what size your debt is, because debt is just so emotional and so depressing for a lot of people—when you overcome an obstacle like that you feel like, "Wow! What else can I do? If we can do this, man, we're unstoppable. There isn't anything we can't do." That's what it felt like. When you first conceptualize it in your mind, to start a plan to get out of debt, you're hyped, "Yeah, let's do this!" You start to get into it and sometimes you're up and sometimes you're down because it's a tough journey from an emotional standpoint—from every standpoint. There are some highs and some lows but when you get to the other side of that, it's so empowering. It makes you just feel like there's nothing that can hold you back whenever an obstacle comes. You just decide, it's just a thing and you'll get through it. That's the type of feeling that's birthing you when you go through such an amazing journey. You just feel like whatever obstacle pops up, you are going to get through it. It brought us closer together. It showed us—because we started our marriage with this thing so we had to learn how to be married. We had to learn about personal finance and learn how to put all that together. And, it brought us together. It showed us that when we come together and work as a team, we're unstoppable.

PT: I love that. Give us a picture. At the time when you guys were searching for your first home, tell me— I'm assuming you didn't have cars at that point either, just kind of give us the full picture there.

Talaat: We had a townhouse at that time that we had purchased. Part of the debt was paying off my vehicle because hers had been paid off because she has been a money master since the womb. It was just incredible. Like, with the car—wow, this doesn't belong to them anymore. It belongs to me. You get title in the mail and everything. Man, I've never seen a title before. My name is on it and her name is on it. And wow, it means that we really own it.

PT: Yeah.

Talaat: It's almost difficult to put that feeling into words. We were in our mid 20's and it was like, "Yeah, we're grown now. We are adults. We own this. It belongs to us," and just to be able to unite on such a goal, because 19 years ago it wasn't "in bold" to get out of debt. It wasn't like a cliché type of thing to me. Dave Ramsey was out, but he wasn't at the height that he is now. He wasn't the household name that he is now. And so it was an odd thing for us to be trying to do it. And so to do it, to achieve it, was just incredible.

PT: And the townhome purchase, when did it come along?

Tai: We purchased our home prior to getting married. It was maybe 4 or 5 months prior to getting married. I lived in the home until we got married and then he came in. So we were in the home for about 7 years. And, we just purchased a single family home about three years ago.

PT: Okay.

Tai: Yes, so our goal right now, currently, is paying off this mortgage.

Talaat: And we're close.

Tai: Yeah, we're close. In 3 years we've paid off over 60 percent already, so, yeah, we believe in God that it's going to be paid off real soon.

PT: So what did you do with the old place, just sell it?

Tai: Yes, yes.

Talaat: When the third baby came we said, "Well, time to go!"

Tai: Yeah.

PT: We ran out of space in our old townhome too. I get it.

Tai: Yeah, and I loved that townhouse.

PT: Oh, yeah?

Talaat: It was our first and it was spacious.

Tai: It was.

Talaat: Yep, that third one was a game changer.

Tai: Yeah.

PT: Did you guys make some money on the sale?

Tai: Well, you see—

Talaat: It's complicated.

Tai: Yeah, but we were in a good position because during that time was when the market was really bad so a lot of people weren't able to sell their homes. They were upside-down. But, because we were already on this financial journey and trying to pay off this mortgage as aggressively as we could, we did lose a little bit. We definitely did. We didn't make what we purchased it for, but we were able to get our dream home at a great price because of the timing. So it worked out for us.

PT: Something I'm always curious about is people going on a real aggressive push to pay off a debt like you guys did early on in your marriage, how are you balancing that with saving for retirement as well?

Tai: We didn't stop. We were able to do both.

Talaat: Yeah.

PT: Okay.

Tai: And one of the reasons why was because we never lived off of both of our incomes from day one.

PT: Okay. What did you guys do?

Talaat: I was in education at the time—

Tai: And I was in the finance industry.

Talaat: One of the early books that we read also, was called, *The Two Income Trap*, by Elizabeth Warren. We were so glad and thankful that we came across that book. It taught us that many couples are in the "two income trap" where they build their life and their lifestyle based on both spouses income and then things occur like a layoff or a spouse decides to come home and be at home full-time, but they can't because they're trapped by house payment that's built on two incomes, two car notes, or their kids are in private school based on both their incomes. You have this lifestyle that's dependent on both of you are working and that's a game changer because you lessen the options that you have with your life. So from day one, we only lived on one income and that allowed us to make these moves with paying off our debt in the first year, paying off aggressively on our mortgage and investing for retirement and even some entrepreneurship endeavors. We were able to be flexible because we made the sacrifice up front.

PT: Yeah. I didn't realize— she's Senator Warren now, right?

Talaat: Yes, now. But she was a professor back then.

PT: So she wrote a personal finance book? I'll have to check that out.

Talaat: She wrote a couple, yes, with her daughter.

Tai: Yes.

PT: Very cool. I'll have to check that out. Well, that's good, *The Two Income Trap*. So you guys were living off the one income and making big leaps forward with the other. Were you using any tools or services during these early years to manage your money? Budgeting tools or get-out-of-debt tools?

Talaat: We were using Dave Ramsey's—back then he had like a CD ROM budgeting thing that we had on our computer to help us keep our budget organized.

Tai: But I would probably say the first few years it was pen and paper and highlighter. We didn't use anything fancy. We just broke it down, wrote down all of our expenses. But one thing we also did was write down goals. Every single year we would get together (as well as every quarter) and write out personal goals as well as goals we wanted to accomplish together. We still have a journal to this very day.

PT: Awesome.

Tai: That's something that we do still, to this very day. That had helped us. That was one tool that we used because it was very encouraging and very inspirational to look at this journal and see how far we had come, see some of the things that we were able to accomplish as well as see some of our goals that seemed so far-fetched, but also see that we were on our way to reaching them. So, I would definitely say that that journal probably did it for me.

Talaat: Absolutely.

Tai: Yes, it was a big tool for me.

PT: What's one area of your personal finances that you guys just aren't good at yet?

Talaat: Good one.

Tai: One area of our finances that we're not good at yet?

Talaat: I don't know. We're masters!

Tai: If I had to say, I'd probably say we take more calculated risks with our money. Maybe because years ago we invested in the market when the market was really tanked—

Talaat: But we went in right before the market tanked and tried to invest in real estate.

Tai: Right.

Talaat: And to flip like they do on T.V.

Tai: Right.

Talaat: And we got flipped.

[*Laughter*].

Tai: And so that's probably something I'd say we're not good at right now, is taking that risk with investments. I mean—we'll take it with our index funds...

Talaat: Yeah, index funds and stuff like.

Tai: But I would say, the real estate thing, yeah.

Talaat: And the opportunity is there but we haven't gone after yet. We will, but not at the moment. We could be better—

PT: It's a little risk-averse at this point.

Talaat: Right.

PT: Explain the investment that was bad though, was it separate from your townhome?

Tai: Yes, we were able to do it because we were living off one income.

Talaat: We were early money masters in the making.

Tai: Yes.

Talaat: And, we got out of debt.

PT: What year was this?

Talaat: It was 2007.

PT: All right, so as the crash was happening.

Talaat: Yeah, but we didn't know that though.

PT: Yeah, that's when we bought our first home too.

Talaat: Yeah, it was all the rage. On HGTV you see all these shows about flipping. Even people in our lives were making thousands of dollars flipping and they were doing it as a fulltime thing.

Tai: Yeah.

Talaat: So here we were, out of debt now so we need to figure out ways to make our money, make money so we gravitated towards investing in real estate. We tried our hand at it. We did our research. We didn't jump in and do just anything, we did what we thought was good enough research and we went and got a house. Bought it, low, rehabbed it and put it on the market right

when the market was crashing and we ended up holding on to that property for another year. So, now we had two mortgages, two tax bills, two utility bills, two everything for a whole extra year and—

Tai: We walked away with nothing. We didn't make anything off it.

Talaat: That left some scars.

PT: Well, at least you didn't lose money.

Tai: We lost a little bit because we didn't make any money off of it. I'd probably say, after we put all the money into it—

Talaat: It could have been a lot worse.

Tai: And holding on to it for a year. Yeah, we didn't make anything.

Talaat: Yeah, and carrying costs and all that, it was rough.

Tai: But, we didn't lose any sleep because, again, we were living on one income so we—

Talaat: We never put our livelihood in jeopardy.

Tai: We had our emergency fund so we did not go about it blindly. We had our emergency fund in place and we were still investing in our retirement and things like that. Our personal lives were not necessarily—

PT: Separate from it.

Tai: Yeah, exactly. So that made it a little bit easier.

PT: Interesting. I could see how that would affect you going forward.

Tai: It did, big time. It's really affected me.

Talaat: I'm over it.

Tai: Yeah, he's over it but I'm ready to jump in saying, "We're paying off this mortgage first."

PT: It does sort of feel like we're at another bubble, right?

Tai: That's what it feels like.

Talaat: It's getting there.

PT: This is good stuff. You guys are still doing teaching in finance, the same kind of careers?

Tai: Yes.

PT: And the same kind of retirement funds and you're still maxing out those every year, I'm assuming?

Tai: I have now come. I am now a stay-at-home, work-at-home, mom taking care of my 3 children.

Talaat: And she teaches finances online now.

Tai: Yeah, I'm not full-time outside of the home anymore. And that's another thing in our lifestyle because we were handling our finances in a proper way, putting money away and things like that and I've been able to come home. I've been home now for about 6 years.

PT: Wow, okay. So for a certain amount of time, you haven't had that second income to rely on?

Tai: Exactly.

PT: Has that grown with your online empire?

Tai: Yeah, it definitely has. We definitely do make money from our online empire. Not as much yet as what I was making outside of home, because—

Talaat: She was the rock star.

Tai: Yeah, I was the one making—I made more than he did. That's another thing too. That's something else that we teach. Although I made more money than he did, I never treated him any less. Our money was always together—it was a joint venture. We definitely have not been able to replace my income yet, but we're definitely on the way, that's for sure.

PT: What about kids, have they affected your finances?

Talaat: No. If anything, I think they have made us more committed to doing the right things and more committed to setting up a legacy they can just grab onto. I think it might have just lit the fire even more. I think a lot of people say kids cost this, and kids cost that, but they bring so much that it outweighs whatever the cost may be. We are very prudent and wise with even the way we spend money on them. We don't blow money in that way either. And they've learned a lot of lessons too. They have savings accounts and we take them to the bank and they deposit money into their own accounts—their birthday money or money from grandma or pop. Whether is coin or bills, they know they get to put it in their bank or their piggy bank or use it on this or that. We love the fact that we get to teach them and that we get to build this legacy for them.

Tai: I agree.

Talaat: I think it only fortifies our efforts.

Tai: I definitely agree.

PT: I love that. How old are they?

Talaat: The oldest is about to be 7, then 5 and 3.

PT: Oh my goodness! That's right where we're at too.

Tai: Really?

PT: Yeah. Well, (the oldest is) about to be 8, then 6 and 3.

Talaat: Wow, that's almost identical.

PT: Yeah, we've got a similar situation going on. You guys been married for how long?

Tai: Ten and a half years.

PT: Same here. When was your anniversary?

Talaat: June 3rd.

PT: We're June 10th, a week later.

Tai: In 2006?

PT: Yeah.

Talaat: This is crazy.

PT: You guys are a mirror of our situation. That's crazy.

Tai: Yeah, wow! That's crazy.

Talaat: But you live where I want to live.

Tai: Yeah, he wants to live in Texas.

PT: Oh, really?

Talaat: I was there for 5 years during my military time and I miss it.

PT: Where were you stationed?

Talaat: Fort Hood, Killeen, Texas. Right in central, Texas.

PT: Yeah, it's certainly still a little warmer down here than it probably is for you guys right now.

Talaat: Yeah, well, it's probably about 10 degrees outside right now.

PT: Yeah, yeah. So with kids, things like insurance and college savings usually pops up. Could you talk about those two things? How are you doing life insurance and college savings?

Tai: We have both, for our children. The college account was something that we set up as soon

as we were able to get their Social Security numbers.

Talaat: As soon as we got their numbers!

Tai: Yeah, then their college accounts were opened and their bank accounts were opened. Right now we do put money inside of their account every single month but we do make sure that we're taken care of first. So, our accounts are first priority before our children. I was able to pay my way through college completely debt-free. I worked through college. So we do expect our children to be able to pick up some of the bill, that's for sure. But, we are definitely saving for them for college in 529 accounts. In regards to insurance, our children do have a life insurance. That was something that we were able to get because of a rider on top of our life insurance, so it very, very reasonable. I want to say, for all three of our kids it was something like \$40 or something like that, up to 10 children.

PT: Okay.

Tai: So our children were able to get life insurance, \$10,000 each.

PT: Is that a whole-life policy or a term policy?

Talaat: Term.

Tai: Yeah, we just do term.

Talaat: We're term people.

PT: What about you guys and your life insurance? How do you do that? How did you purchase that before you had kids?

Talaat: Yeah, yeah.

Tai: We sure did.

PT: Just to protect each other, I guess?

Tai: Yes, exactly. We took Dave Ramsay's the advice when he said to do 7 to 10 times your annual salary. We went through Financial Peace University even though we were debt-free at the time. One thing that we love to do is learn. Education is big, and knowledge is the key so we decided to take Financial Peace University. That was something that he talked about but we were not doing at the time. We only had life insure through our job.

Talaat: It wasn't exactly—

Tai: It wasn't a lot.

Talaat: And I think that's a huge lesson because we found out about Dave Ramsay after we got out of debt but we didn't take the approach like, "Oh, I'm already out of debt and I know everything." No, we were still watching him thinking there was probably some stuff we could still

learn. We went to the class and you know what, we learned a lot!

Tai: Yes.

Talaat: We learned a lot, so always keep learning.

PT: Yeah, all of us.

Tai: So we had insurance life insurance with our companies but then we learned the importance of having life insurance outside of that—

Talaat: Independent.

Tai: Independently, exactly. So we did that, 7 to 10 times our salary. And even though I'm not working now, we still make sure that I was taken care of in regards to insurance.

Talaat: Yes, for sure. If something happens to you I'm going to need a chef—

Tai: You'll need an accountant, a housekeeper... Exactly.

Talaat: Yeah, I'm going to need help. So, make sure we're covered!

PT: Yeah. *[Laughs]*. I love that. So the importance of having it outside your work is, obviously, if you were to ever leave that job, there goes your insurance, right?

Tai: Right, exactly, because some people are not insurable because of a sickness or something like that. So you want to make sure that you get the stuff in place ahead of time because anything can happen.

Talaat: Yeah.

PT: And I'm a big fan of term. We have a term policy as well. We haven't chosen to get life insurance on the kids yet so I'm curious as to what led you guys to that decision? Why get it for the kids?

Tai: Well, at first going into it, that was something that we weren't shopping around for because if something were to happen to our children we could cover the cost of a funeral and things like that. But our agent did the math and said, "Tai, it's something like \$25 to \$40 for up to 10 children." We knew we weren't having anymore kids, we already had 3, so for each one of them to have \$10,000, it was a rider we were able to put onto the account. We did the math it was practically pennies, so we said, why not?

Talaat: Yeah.

Tai: Now each one of our children had \$10,000—

Talaat: It's just a rider that's added onto our account. We didn't open up new policies for each

one of them. So it was just a really— mathematically it was a no-brainer.

Tai: It was just one time, not a once-a-year thing.

PT: Wait, what do you mean, \$40 one time?

Tai: No, that's what it was. I don't know if it was something special or whatnot, but it was a \$40 fee at the time and now we don't we don't pay it but they're on our account. They're on your (Talaat's) insurance, actually.

Talaat: Yep.

Tai: It was just on one of them so I don't know if it was his, and, I don't know if it was a special or something with that particular company, but it's not something that we pay yearly. It was a one-time thing. I think it was because we did it at the time of buying the insurance or something but we said to sign us up.

Talaat: Ask your agent about riders for your children and see what they come up with.

PT: Yeah. Cool, that's cool. Let's talk about future goals. You hit on that a little bit by paying off the mortgage on the house you're in. How are you doing that? How are you going to knock that out?

Talaat: The formula is still the same. We live on less than we make and we squeeze every dollar and we give that dollar the job of getting rid of this mortgage. We do side hustles. Our expenses are maintained at a place that, even though we've had several raises over the year, we've never increased our lifestyle. We got our lifestyle—our expenses, even for the fun stuff that we like to do, at a certain level so that when job raises come, it would go towards the mortgage. When money comes in from this or that, that money goes to the mortgage. We just dedicated ourselves to eliminate it because we want to show everybody that this is a reality. You don't have to have a house payment for 15 or 30 years. You can get rid of it. We're making ourselves the guinea pig to show the world. The same way that people saw us get out of debt within the first year of our marriage, we'll let that speak for itself. We want this to be a lesson speaking to people, as well, to show them a new way of thinking—a new way of understanding money. I know the culture says that this is what you should do—you have a payment until you're a grandparent and then you get your grandkids to come over to your paid-off house. But we want to show people that it doesn't have to be that way. You can be in your youth, you can be strong. You can be debt-free.

PT: How much do you have left to pay if you don't mind sharing?

Tai: Well, that's something that we have not shared yet because we haven't even shared it with our audience. We may do the big reveal when we do our, "We're Debt-Free" type thing. But, we can say that we have paid over 60 percent off of our mortgage so far. Yeah, it was a pretty high amount.

Talaat: Yeah, it was.

PT: You've been in this house 6 years now?

Tai: Three years.

PT: Oh, just 3 years?

Tai: Yes, just 3 years. And I'm amazed when I look at the dollar amount. I'm like, "Okay, how did we do that?" One thing we teach is that you do it, one step at a time. We don't wait until the bill comes due. If we see \$20, we're throwing \$20 towards that principal. Every little penny literally adds up.

Talaat: Tax returns, rebates, side hustle income. Everything gets thrown at the mortgage. And you look up and say, "Wow!"

PT: What kind of side hustles?

Talaat: Mystery shopping—

Tai: Flipping furniture from the thrift store.

Talaat: Yeah, we would get something from the thrift store that might need a little bit of wood work and we'd fix it up. My in-laws taught me how to do a little bit of woodworking. We'd fix it up, make it look all shiny and new and we sell it for a profit. Selling stuff on Craig's List... There's just so many opportunities out there.

Tai: EBooks. Our eBook, garages sales—everything.

Talaat: If you just go for it there's money to be made. We just decided that this isn't "fun money." We are so laser-focused on getting rid of this mortgage that with everything we do, we've got that in mind. It helps us stay motivated.

PT: Just tying it back to the beginning and the 14 accounts, is there an account dedicated toward like chunking this debt? Is that one of the accounts?

Talaat: Yes, it's called the wealth building account.

PT: Okay.

Talaat: So, whatever money comes into the house, we'll put it in there and then make payments from there (as we see fit) to the mortgage.

Tai: The benefit of having the wealth building account too is that any money that we make goes into that account, but we also use that account to purchase other things that maybe can make more money so we don't affect our household account. We look at this wealth building account and say, "Okay, we have this amount in there so we can go purchase this piece of furniture and go turn around and flip it." We can take a risk with that money and not our main household

money.

PT: Smart. Very good. If you were to look back on all these years, the ups and the downs, the highs the lows, how do you feel about it all now?

Talaat: I think it's been an amazing journey, and amazing race. I think we learned. I mean, we never lost. Even things like the house investment we went for, we never look at it as a loss. We we look at it like a John Maxwell's famous quote, "*Sometimes you win and sometimes you learn.*" We've just taken the highs and lows and learned from them both. And, we've always been willing to make adjustments. We don't get stuck in our ways. We are always analyzing to see if we are maximizing this right? Are we doing our best here? Can we adjust here to make our efforts go a little bit further? We are always willing to learn, always willing to make the changes necessary to win because we have this goal in mind. We're so focused on this goal that no matter what, no obstacles—or if we learned something, we might listen to a podcast like Money Masters and have someone maybe give us a tip. We should think about that. We are never going to get to a place where we know it all. We're always willing to learn. One thing about knowledge is that it's only powerful when you apply it. So, when we hear something that might be powerful enough to project us forward, we apply it. That's going to be huge for everyone listening. Take the lessons learned from this show and put them into action. That's how you're going to start to win.

PT: I love it. You definitely brought the knowledge today. Where can folks continue to follow your journey, your story, and just keep up with all the knowledge you guys have to share?

Tai: Well, they can find us over at, hisandhermoney.com. We're on every social media platform—

Talaat: Everywhere!

Tai: Instagram, Facebook, Periscope, Pinterest, just everywhere. So they can stay up-to-date with everything we offer over there. We do have a podcast as well too called, His and Her Money Show over on iTunes and Stitcher radio.

Talaat: We have an incredible YouTube channel with over 200 lessons that we've taught. You definitely want to plug into us at youtube.com/hisandhermoney. We provide a wealth of knowledge, all to get you on the road to financial freedom.

PT: Yeah, I love it. I love it. Well, thank you guys so much for being on the show.

Tai: Thank you.

Talaat: Thank you for having us.