

MASTERS by Winn Claybaugh, May 2022

Tom Kuhn

Money and Oxygen: You Gotta Have 'Em



Tom Kuhn is the founder and CEO of Qnity and Qnity for Schools, where he has dedicated himself to providing education, coaching, and visual tools to help others create financial prosperity. Interviewed by **Winn Claybaugh**, Tom tells why money ranks close to oxygen when it comes to the important things in life, how money issues keep people from the joys in life, and why addressing your “money why” is the first step toward financial competence. Tom helps people understand the myths and limiting beliefs that stop them from financial wellness.

Winn: Hi everybody, Winn Claybaugh here and welcome to a wonderful issue of MASTERS Podcast. Again, after doing this for, gosh, over 22 years, you can imagine how many guests I’ve had on a variety of topics. And I’m thinking that the topic of finance, the topic of moneymaking, the topic of not becoming a starving artist—which is going to be part of this incredible interview. I don’t think that I’ve addressed this as often as we probably need to. I have a daughter in fourth grade and I think about the topics that—the homework that she comes home with—and I’m oftentimes thinking of myself, mainly because I’m not smarter than a fourth grader, but many times I’m thinking, *Gosh, is she ever going to use this? Like, is this really an important topic that she needs to study and be tested on?* And by the way, where are the topics, where are the subjects related to what we’re going to talk about today? So, I’m sitting here with a good friend who I’ve known for a very, very long time. So, Tom Kuhn, welcome to MASTERS. Finally! Welcome.

Tom: Oh Winn, I’m so glad to be on this. It’s been a long time in coming and I so appreciate all the great work that you’re doing. Twenty-two years, what an amazing run and what an honor to be with you today. So, thank you and hello, listeners.

Winn: Well, thank you. Yeah, long before there was even that term *podcast*, I was sitting down to interview people. And I’ll tell you, this is one of those topics, this is one of those interviews where, gosh, I would do this for selfish reasons. I would want to sit down and buy you lunch and say, “Tom, tell me. Tell me what I need to know,” because thankfully you have a passion for this topic. And let me just give our listeners some information about who Tom is. Tom received a bachelor’s in business administration with highest distinction from the University of Iowa. After passing the CPA exam, prior to graduation, he began his career with PricewaterhouseCoopers and continued as a CPA with a large regional firm as well as his own practice. His 13 years as a CPA business consultant gave him a broad base of experience with a multitude of industries and business models.

Stay with me, you guys, because this is going to be something that you're going to think, *Okay I need to listen to this over and over again. I need to have my husband, my wife, my partner, my spouse, my significant other listen to this as well*, because, Thomas, it's just amazing how many people never seem to get out from underneath the stress of money. And I love that quote from Zig Ziglar: money is not the most important thing in life but it's "reasonably close to oxygen on the gotta-have-it scale." And what I always like to say is that people who say that they don't care about making more money would lie about other things as well. So, we know that this is an important topic and that—by the way, Tom, why do some people say that, or they believe, they think, they live their life as though there is something wrong with wanting to make more money? Like somehow *profit* is a dirty word; that to be spiritual you have to be dirt poor. Why is that, Tom?

Tom: Wow. Well, you know, so many of us inherit negative money stories and money stories really are prevalent, just like all the stories that guide us through life. And just because of how we're designed as humans, the amygdala part of our brain causes us to attach to the negative stories. And many money stories are highly negative, traumatic, family-related that get passed on from generation to generation. And what happens is that there's a very low level of financial literacy in this country, and it's actually a big issue. And that low level of financial literacy causes people to make up stories and make up stories, for example, like the ones that you suggested. And one of the big ones for us is the story of "and, not or." And that is that I can be a great artist or a great creative or great producer, great at my craft OR I can be great with money. And that is a big myth to just shatter is that you should be great at your craft AND you can be great at money. And that's really true joy, when you can actually do your craft without that anxiety and that worrying: the preoccupation that comes from many that have these money stories that hold them back.

Winn: You automatically perked my interest here when you said "negative money story." Can you give us an idea of some other negatives, some examples of negative money stories?

Tom: Money doesn't grow on trees. If I had a nickel, I'd stay up all night and look at it. I had lovely parents. I came from a big family. I supported myself at a very young age and all of that, and my mom was quite funny and I always found these things as funny but when I think of them back right now—and I still find them as funny but this whole thing that if I had a nickel, I'd sit up all night and look at it. And she grew up sort of post Depression, as my dad did, and so, there was very much a scarcity-type mentality. And when you're in a big family, too, that also comes a little more prevalent.

Winn: That scarcity attitude, that scarcity belief system, absolutely holds a lot of people back. I grew up in a big family as well, and I remember at a stage in my career where I was successful enough and I owned my own home and I remember having a conversation about that I needed to have my home painted. And my

father was just adamant that I should do it myself because, as he taught me, that's how we were raised. We were raised with eight kids; we did everything. We did the gardening, we did everything. We knew how to cook, balance our checkbook, do laundry, didn't matter if we were boys or girls, we had to learn how to do everything and so, "I taught you how to paint your own house. Why are you going to hire somebody to do what you yourself could do?" And I'm trying to explain to my dad, "Dad, I make more money in five minutes than it would take me to hire somebody to paint this house." But it was this attitude of scarcity and my father absolutely gave us an incredible work ethic but I think a lot of us did live with that belief system of scarcity.

Tom: One of the things that has really come very, very clear with me is I have gone past those days that you suggested in my bio, like my first 13 years I spent 26,000 hours as a CPA and then since then I've really specialized in making financial-related skills and knowledge available to many underserved markets, in particular, creative entrepreneurs in creative professions. And 50 percent of Americans say they have some form of math and money anxiety and I have a phrase here: the biggest fan of the spreadsheet is the creator of that particular spreadsheet. So, the barriers to really gaining financial education and financial literacy are huge. You know, the story about your dad, I can relate with that. I remember I was buying a bike once because I had saved up, I had plenty of money, and I bought this cool bike. I was in high school and my dad really was giving me a lot of pushback on it, and I've come to really distinguish between two terms. One is cheap and the other is frugal. And cheap, to me, suggests someone that is always trying to squeeze a nickel out of, in certain cases, someone else. And frugal to me is someone that really values and is very intentional about how they spend their money. So, the story about your dad, for example, I think is a great story about being frugal and hard work and no doubt, Winn, it's one of the reasons you've become the man that you are and you've been so successful is those type of lessons. When I hear you tell that story about your dad, I think that's actually pretty cool because it's like he's given you a choice. You have the money and ultimately it's your choice to do it but there's an option to be frugal; there's a do-it-yourself. And so, wonderful conversation so far Winn.

Winn: Oh, I love these kinds of conversations and I'm thrilled in looking at your bio and the things that you offer, I know our listeners are going to gain some wonderful insight and some skills, some tools that they can grow with based on your passion for this. And by the way, you really do have a passion for this and people—maybe even somebody like me is thinking, *How do you have a passion for money? How do you ever develop a passion, not for money, but for understanding how to manage wealth and money and numbers? How do you develop a passion for that?* And thank God that you did, for people like me.

Tom: It was so accidental and such a weird sort of entre into this because in high school I was a very average student but I just had this thing, I wanted to be an architect. I loved to draw, I loved to work with grids, do house plans and stuff like

that, so in high school I thought I wanted to be an architect. And I worked at a grocery store and I worked every day after school and worked on weekends and these architects that used to come in and I told them I wanted to be an architect and this one guy said something that just changed my life forever. He said, “You know, if you want to be an architect you better get all the math you can in high school. You got calculus?” and I’m like, “Uh, yeah.” “You got trigonometry?” I’m like, “Yeah,” and I immediately shut down, Winn. I was one of those high school kids that just didn’t have a passion for math. I mean, I was okay at math. And I ultimately made a life decision as a junior in high school that I wouldn’t be an architect because of a fear of math [*laughs*]. And so how the heck does someone have a fear of math and then go through everything to get a degree in accounting to become a CPA, to be a CPA, to be a CFO and put myself in a position where I can help other people. And, Winn, I don’t think I’ve told this story to you but I guess the beginning of me really seeing that I could help other people in money goes back to a family story. In fact, it’s a family business. When I was 10 years old—

Winn: Is this the hot dog stand? Is that what you’re going to tell us about; the hot dog stand?

Tom: I’m going to tell you about the hot dog stand.

Winn: I love that you had a hot dog stand in your family. This is awesome.

Tom: So, when we were 10 years old, our family inherited a business from my maternal grandfather and this business was located 750 miles away from our Chicago-area home. It was only open a week a year. It had like no chance of ever making any money. It was wedged between a big cow barn and a big horse barn and it was a far cry from where I grew up in suburban Chicago. We inherited a hot dog stand called Shorty’s Hot Dog Stand and we ran that hot dog stand for—last year was the last year, Winn. It was 2021 was year number 96—

Winn: Wow!

Tom: —that we ran this hot dog stand; it was a *rekhunion*. My last name Kuhn so we called it a rekhunion and my parents actually thought we would learn more in rural South Dakota, middle of nowhere, here in South Dakota, owning and operating this hot dog stand than another week in school, and I gotta tell ya, it was a very rich experience. Anyway, we had chores at the hot dog stand and my mom ran this business; she did not want to run it for money. It was all about experience and she almost intentionally would avoid money matters. There’s times when we would find this bag that had a bunch of bills rolled up in it in the trash and she just threw it out and forgot about it. She assigned me to go pay the sales tax on the state fair grounds. This is the South Dakota State Fair and what she literally would do is she would say, “Tom you’re the one that has to pay the sales tax.” I said, “Mom how much is it?” and she’d give me a number and I’d run off to do it. So, I guess I became an accountant because in the family, I was seen

as the one that was the best one with money. I was a saver and all that kind of stuff, but it had nothing to do with being extraordinary at like math. I mean, I was good with math and all that stuff. And this hot dog stand, I guess, and family business, if you want to call it that, really gave me sort of that confidence that other people would trust me. So, I would say, Winn, getting into the field of finance and money was less really about a passion for money and math but more about I can make an impact, it comes naturally to me, and all that.

Winn: You talk about that people are missing a “money-why.” What do you mean by that?

Tom: You know, money in and of itself is meaningless and there has to be a reason to motivate you to really care about making money changes in your life. And everybody has a different money-why, and employers often miss this. They just assume that everybody just wants to make more money when, in many cases, going back to the Zig Ziglar quote, it’s really not the most important thing. The most important thing to them is family and creativity and that kind of stuff. So, anyway, an example of a money-why would be being able to put your kids through school. It would be to get out of debt. It would be to move into a home. It would be creative expression, travel, security, peace of mind. And until you really tap into that money-why, which is different for every person—we listed, there’s like eight money-why’s. I don’t actually have them all memorized right now off the top of my head but they’re very different for everybody. And in many cases, someone’s biggest money-why has nothing to do with them but has to do with something other than themselves. And, Winn, as a father, I’m sure a big money-why for you would be your daughter. And when we talk about your daughter, I’m sure you light up like a Christmas tree as I do with my two kids. So, if you talk to me about a money-why of being able to buy a nicer car or something like that, I’m actually not a very material guy, Winn. To me, money-whys relate with like travel and experiences and all that kind of stuff. Everybody’s different and when you tap into that and you get to hear other people’s stories about how they made transformations based upon their money-why, it becomes contagious, exciting. And so, for me, the subject of money and being a money educator and advisor and a content creator has all to do with impact. I mean, I figured out that when you have a lane and when you’re focused, you can make a bigger impact. And for me, for Tom Kuhn, that’s just me. I mean, I figured out that’s just the lane that I think I can make the biggest difference. And especially with creative professionals, many of which just have this disinterest, and a lot of time the disinterest in money has more to do with fear and anxiety than anything else.

Winn: So, is that one of the first steps that you walk people through, is in helping them understand their money-why? Because I’ve heard you say that it pains you to see areas of angst that could go away with a bit more education and I sort of relate that to something that I’ve been going through physically. I, for the first time in my life—and I’m 63 years old almost—experienced sciatica, which, you know, is like—it’s so funny, I could be at the gym five days a week just fine lifting weights and then I hurt myself putting on my socks in the morning and I have this

terrible pain. But what it's done for me is it occupies—like pain, physical pain—occupies so much energy and thought and worry. And I relate that to money. I think back in the times in my life when, because I was not aligned with money matters, with my money-why, it just occupied so much thought and energy and worry, which valuable, valuable resources and time that could go into something much more productive. I don't even know if I had a question in that but I love rambling.

Tom: Well, no, I mean I want to use that analogy because it's an excellent analogy. So, with the money-why, I had a major discovery. And the discovery really was, when it comes to someone's money-why it's better if they show you rather than tell you.

Winn: What does that mean?

Tom: Well, if I ask you what your money-why is and you tell me verbally, that's great. But one of the things that really fueled me in my business was the creation of grid-based tools that are specially well-designed for visual learners. So, what we found is the best way to find someone's money-why is to have them show you and show you specifically with images. So, we created this simple little grid-based coaching tool where we furnish images and people choose an image that help them visually describe what their money-why is. For example, a picture of a house, a picture of someone holding a baby, or little baby feet or a car or something like that or a picture of the Eiffel Tower. So, we found huge breakthroughs when it goes beyond saying, "Hey, I want to have a nice home, I want to be able to travel to Paris," whatever. When they can actually put it on, I guess you'd call it a mini vision board, and then they have access to that frequently, what happens is their money-why starts to become something very visual for them. And that's been a cause of major breakthroughs with creative professionals that we work with and they totally get into the exercise of being able to show you their money-why.

Winn: That is actually a great lead-in to let's start getting into some of these steps. You have created what you call Nine Grid. Is that where you want to take us right now, in explaining some of these steps? Because you're going to give our listeners some tools that they can implement now but what you're doing is you're opening up their minds. You're opening up their hearts and you're giving them hope and I love that. Anytime that somebody can talk to another person and when you leave that person's presence you feel more hopeful, oh my gosh, that's a great, great exchange.

Tom: I don't share this with many people but I had this insecurity, Winn, late in my career. I hate stereotypes. I hate stereotypes of accountants and I hate stereotypes of hairdressers and stereotypes in general. And I always felt that people had stereotyped me as being an accountant. And here I worked with creative people for like 25 years and I had a bit of a hiatus in my career. I sold some ownership in a business and this was not by plan. I just organically found myself becoming an artist. I found myself learning photography and I created a

photographic collection, actually published a book and exhibited some photos, because I really have always relished the idea of being something like a double threat: someone that was strong, not just in finance in my particular case, but also was creative. And what happened is that this completely changed me as a human. I certainly have my finance skills, my accounting skills, but I learned to be an artist. I learned the vulnerability of it. I learned photo composition. I learned design, and my company was actually started in a graphic design studio. In fact, as I sit today, my home office used to be a professional graphic design studio. So, we're really in the business of design, finance, education. We're sort of like fin, tech, education, and design. Anyway, so I started to develop a unique level of confidence as it related to design. The very, very first person that I got involved with in my company is an award-winning graphic designer and so put a stake at the very beginning that used design to align people; used design to go from text to visual-based communication. Long story to get to the Nine Grid. That led us to creating a suite of grid-based visual thinking tools. And a grid is just a space where you can put a thought, an idea, a picture, whatever. And the Nine Grid is probably our most popular visual grid-based thinking tool. It's very simple. It's one page, it has nine equal-sized, two-inch grids and this tool has been responsible for more transformations than I possibly can describe because it's a visual thinking tool that's a combination of a mind map, storyboard, or a visual step by step. And people have used it to put in the center of this grid—just imagine nine grids, okay, and they put in the center, for example, “What's my money-why?” And then almost from a stream of consciousness, they fill in the other boxes what it is or they list like, “I'm getting out of debt,” and using the outer boxes to describe why. So, what the Nine Grid is, it's a way for people to have structure around visual thinking to help solve a problem, create a breakthrough, or whatever. So, this is one of our tools. And the Nine Grid, we've found to be a great teaching school because it's very easy to teach people the Nine Grid. We've had little boys go their mom with a Nine Grid, showing them why the mom should get the son a dog. And we've had people in their 80s and 90s use a Nine Grid to get some outcome. We've brought Nine Grids all over the world. I've got stories of people sharing their Nine Grids with me with a translator, with women from Asia. And I could go on all day about the Nine Grid and some of these other visual thinking tools but I don't think you want me to *[laughs]*.

Winn: But we absolutely do want to hear some of the steps because we want our listeners not only wanting more by the time you and I finish this interview and they're going to seek you out, but we also want them to end this interview with some clear ideas: this is my next step, this is what I need to do.

Tom: Well, so, one of the things that, when it relates to personal finance, is we're realizing the impact on employers as it relates to financial wellness of their team. And if you have employees stressed out about work, living paycheck to paycheck, there's absenteeism that goes up, there's lower productivity, there's lower creativity, etc. and so—

Winn: Yeah, people aren't engaged. Again, if they're dealing with any kind of stress, whether that's physical or financial, whatever, of course people aren't fully engaged. They show up. They're engaged with their time. They've got to get that paycheck but they're not engaged with their hearts, with their minds, with their creativity, with their passion. Because again, as we keep on saying, all of this stress really occupies a lot of our energy.

Tom: There's five money metrics—keeping it simple, very simple—and if you can increase your financial confidence, then there's this ripple effect of positive change and there's five specific money metrics that we look at in personal finance. Three we want to go up and three we want to have go down. We want debt to go down, spending to go down, savings to go up, earnings to go up, and credit score to go up. And these are three tangible, measurable outcomes and all of those are behavior-based money metrics. Now, there's three other money metrics that are subjective that we also like to measure and that's financial confidence, peace of mind, and financial literacy. And what happens is that if we can get someone to have some small wins about any of those money metrics, it opens up the door for further change. And one of the things that we know is I'm a big believer in education. I am an educator. I know of your passion for education. You're in the education business. And one of the things that we've learned is that education, in and of itself, is not enough. There has to be other things but we're really talking about people making fundamental behavior shifts in what they do and how they think about money. And when you can have people create a small win—I mean, if someone can see their credit score move the right direction, if someone can pay off one credit card, if someone could take advantage of an employee benefit that they're not taking advantage of at work to increase their money in, what happens is you start to build momentum.

Winn: Right.

Tom: And when you start to build momentum, now we're starting to see some incredible transformations.

Winn: Okay, so tell us what direction you want to take us in for us to have this financial confidence that you keep on referring to. And I'm not assuming, because I know you, this message is not just for people who have X amount of money in the bank ready to go. This is a message for people who are just about to receive their first paycheck. This is a message for somebody who has been working their whole lives and still living with that stress, that anxiety, because of money only. And also, as we get into this, I like the fact that you brought up that employers have this opportunity to help their team members increase the productivity and creativity of their workforce by providing for them overall health when it comes to financial matters, correct?

Tom: Yes, and there's actually articles on—I have one in my hand right here. It's "Improving Health Outcomes through Financial Wellness." Financial wellness is becoming the new form of wellness that's offered by employers and financial

wellness–type programs. Really, they’re out there but not many people are taking advantage of them. So, we’re seeing a lot more financial wellness–type programs that employers are offering. And financial wellness helps by providing financial literacy. It helps by providing employee challenges to make the marked outcome on one of their money metrics. So, what is financial wellness? Well, it’s a state of being where you can meet your current and future financial obligations. You can feel secure in your financial future and make choices that let you enjoy life. So, it’s really about reducing preoccupation with money needs and improving your mental and physical well-being. My wife is in the health field and I’ve been in the finance field. Winn, I’ve never taken a biology class and I have, like, very low health confidence when it comes from a knowledge standpoint but I have good health habits and it’s the same thing with finance. You don’t need to be an accountant, you don’t need to really be particularly great at math or anything, to have just great financial habits. And we have several of them. One is something called, like, a weekly transfer. So, every single week, instead of putting money aside once a month on an automatic debit, or whatever, into your bank account, do it weekly. We have different spending tips. There’s eight different spending categories to look at with benchmarks. So, I really believe it starts with a money-why, then it leads to dispelling some of the myths that might have held you back, looking at what a new story could look like, and then getting some education. Because a lot of time, financial literacy just comes down to word choice. Words do matter and there’s financial terms that many people don’t know or they don’t understand and they find themselves getting into situations they shouldn’t be in and they—for example, investing in high risk investments with your very first savings dollars instead of setting up an emergency fund. So, it doesn’t have to be rocket science.

Winn: Okay, tell us how you want to navigate this. I’m a very much “tell me what to do,” so when I go to my doctor he can talk and talk and talk and I’m like, “Yeah, yeah, yeah, okay. What am I supposed to do when I walk out of your office? Well, what am I supposed to change in my wellness, my health routine? What am I supposed to do with that? What am I supposed to add?” So, that’s what I think that we’re looking for. Maybe before we do that, I love stories. Storytelling to me comes from people who are brilliant, brilliant leaders and teachers and mentors. And I’m kind of asking for a heartbreaking story. I know you have a lot of success stories but I bet you have some heartbreaking stories as well.

Tom: You know, this one doesn’t completely shatter the heart but I think it’s indicative. It’s the first one that comes to mind. It’s with a family member who was overseas and went to take a job overseas and really pretty much was very dismissive when it came to money matters. And it was time to come home from overseas during the pandemic. And meanwhile there were student loans and the student loans just basically got ignored in spite of some nudges by their family members. And then it’s time to come home and of course the credit score is terrible. So, come home and need a job and need a car. Well, can’t get a car because credit score is so low. And so as a result, finally was able to get a car loan but it’s probably 30 percent higher payment and 30 percent higher rate than if the credit

score would have been better. So, it's not really a heartbreaking story but it's just a reality of how this affects people's quality of life and how just paying attention to small details will help serve you in life.

Winn: Can I ask you how old this person is?

Tom: Twenty; mid 20s.

Winn: Okay.

Tom: Yeah, mid 20s. And I guess another heartbreaking story is, just recently, working with an individual, and she just never believed that she could retire and just had this whole dismissive attitude that she's going to be working until her death. And there was a stigma about her profession that you couldn't make a lot of money in it when in fact this person was making plenty of money. And it's just heartbreaking to think, to me, that someone that is in a field that requires the use of their body and hands and what have you, didn't have the financial confidence and wasn't able to inspire her offspring into a different outcome.

Winn: Wow. Okay, so how do you want to take us? How do you want to lead us? Is it through the five money metrics? How do you want to guide us here?

Tom: Well, I think that there's a few bodies of knowledge that really serve as a foundation to financial literacy. It's basically money in, it's money out, it's money borrowed, it's money saved, and it's money taxed. And then in addition to that, it's how money actually relates to your relationships. So, I don't want to plug our company. This is not an opportunity for me to increase my business—

Winn: Well, unless you're a scam you better be plugging your company. I want you to plug your company. People need resources here [*laughs*].

Tom: So, go to Qnityinc.com and we actually have some free downloads of Nine Grids. We have what we call gray papers, which is a white paper but our neutral color is gray so we call them gray papers. So, we've got some gray papers that people can download on how to use a Nine Grid. We've also got all sorts of different tools on understanding your money-why. We have examples of different tools you can use to create these money outcomes so, certainly Qnityinc.com. And then as it relates to students and to those that are in career colleges, Qnityforschools.com. And there's an opportunity also to have some free resources on how you can create better money outcomes.

Winn: So, Tom, when it comes to financial wellness, guide us through this opportunity that employers have to create a workforce that is productive and creative because of resources that have been provided to them when it comes to money management.

Tom: So, financial wellness as an employee benefit offered by employers, particularly employers that want to be an employer of choice, is a huge trend right now. And

many are saying financial wellness is the new physical wellness that's offered as a benefit by employers.

Winn: So, what you were saying, it doesn't matter what you're selling. You're selling pizzas, you're a hair salon, it doesn't matter what it is that you're selling—for an employer to listen up, take notice of this, bring your people together and you're going to have training. You're going to have classes, you're going to pay them to sit and listen to information that may have nothing to do with the product or the service that you offer but has everything to do with increasing productivity by giving them that peace of mind. Did I say it well?

Tom: That's exactly right, except for one of the things that we realized is that money is a household matter and in many cases there is, just like someone would file a tax return, either filing single or filing jointly, we realized that employers, this benefit should extend over to employee plus one. So, now what happens is you have an employee, for example, working as a hairstylist or a spa technician or a server at a restaurant or whatever, a fitness trainer. And they're offered this benefit and they come home and they say, "My employer has offered this opportunity to me." It's less about necessarily having classes inside the walls of the business but offering education that's portable, digestible, and can be done at home. And then the team, the company, offer voluntary challenges to see what a team can collectively do in terms of paying off debt, increasing their credit score. And so, what we've found is it's becoming a huge employee retention and recruitment point of difference when people feel valued. And this type of benefit demonstrates that the employer cares because the employer cares enough about the employee that they're willing to offer a benefit by this. Certainly there's metrics that help the employer but the employee actually sees being paid attention to and by offering types of resources like this it's very, very powerful and I'm super excited about getting more into this space. It's a relatively new space for us, Winn, to really have something that helps employers bring in a digestible way to make money matters more positive in their employees' lives.

Winn: So, give our listeners an idea of what that looks like. So, is it one hour-long course that employees participate in? Is it once a month for 12 months? I mean, give us an idea of what that looks like.

Tom: You know, it's an annual fee so that anybody in the company can take an eight-module education course. It's all video based. It has activities. It's turnkey so the employer doesn't have to worry about hours being taken up during the day. So, it includes education. It includes community. It includes virtual coaching. It includes tracking. So, it's a holistic really way for an employer to help make money success more digestible. So, it's an annual subscription. It depends on the size of the business, the number of locations. It's super affordable and what happens is the employer finds that productivity goes up, creativity goes up, absenteeism goes down, and they become more loyal to the company.

Winn: That's perfect. That's awesome. When an employer takes into consideration the physical, spiritual, the financial well-being of their team members—boy, especially nowadays when we talk about that mass exodus. How do we find good quality people who want to work? This is the stuff that is going to speak to creating that loyalty.

Tom: So, let me give this to you. This is a study by PWC and it's an annual employee financial wellness survey; it was just last year. When it comes to personal finances, 87 percent want help. So, employees want help and they want help from their employers. And 72 percent say they would be attracted to another company that cares more about financial well-being than their current company. So, in a human-capital crisis, maybe I'd call it—or labor shortage, I don't know whatever terms you want to use—employers are looking for a point of difference. So, it's an awesome point of difference and it's also the right thing to do.

Winn: I love that. It's the right thing to do. Our audience here, even though I started MASTERS 20 years ago, specific to the beauty industry, it has expanded well beyond the beauty industry and I'm fortunate to have listeners across all kinds of different industries and all over the world. Like, I think we counted like 10 different countries so, it's pretty exciting. So, it's not just the salon industry but I love people who have a story to tell and your background has been in the salon industry. So, you were actually a salon owner, correct?

Tom: Yeah, I was a salon owner for six years and I've also done other things in the professional beauty industry. But to your point about other industries, our biggest client, two years ago—actually it was 2019—our biggest client was Bank of America Merrill and my partner Erin, who is also my daughter, did multiple programs through a year, actually teaching financial professionals how to work more with creative professionals and how to bring a little bit more heart into financial services. So, how cool was it to be able to bring certain things I learned from a very high-touch industry such as the professional beauty industry and able to bring them a very low-touch industry and very much an industry that's very, very driven by metrics and it was so exciting. We also did programs for JP Morgan Chase and so I love the cross-section of multiple industries and what you're doing and how relevant it is for so many different industries.

Winn: Maybe this isn't an easy question or a fair question but how do you feel the salons have changed since from when you owned salons yourself?

Tom: Well, I think they've changed in a handful of areas. Certainly, the workforce. The workforce has changed dramatically: what the workforce is looking for, time being the most precious commodity. Specialization and fragmentation in terms of instead of every business being completely full service, we're starting to see fragmented, specialized different models, such as specialized waxing, color, etc. Also, obviously the lack of barriers to entry for someone to go independent and solo or to start their own business. And then also, of course, online shopping and

how big of an impact that's made for businesses such as salons and spas and fitness studios, etc.

Winn: So, lots and lots of changes and all of them require some incredible guidance, skillset, education, and coaching from someone who understands what you understand.

Tom: I like to think so, yes.

Winn: So, talk to me as though I am brand new, entering the workforce. Doesn't matter the industry that I have chosen, but I'm 19, early 20s, just now entering the workforce and maybe I have student loan debt. Maybe I went to a four-year university and so I've got some student loans to pay off. Tell me what I should be looking at from your perspective because, of course, at that age a lot of us felt that we were invincible. Really, I've got to worry about my credit score? Come on, I don't need to worry about that yet.

Tom: Love your craft. Love and be passionate about your craft, whatever it is. Be a great technician. Be as great as you possibly can but don't fall into that trap of "or" and instead be about "and." Be great at your craft, love your craft, be a great artist, be whatever you love to do, and have great money skills because we've seen again and again how the most—many very talented professionals at their craft, whatever it is, just lack the quality of life that they were looking for because they had this mentality of, "I can't be good at my craft and be good at money skills." So, be passionate about what you do but also understand that for you to really have a long and prosperous career at the craft that you love, bring money skills into it. Don't suffer from that trap that many subscribe to that you'll be bad at your craft if you also think about money skills. And start small. There's just such basic things that you can do as it relates to student loans. You know, payback of student loans, as it relates to decisions about taking on further loans; spending habits. And so, we're really about very, very small steps. I'd rather have someone save five dollars a week than try to wait to the end of the month to see if they have any money to save and to think they're going to save a larger amount. So, to me, it's all about small practices that add up to a very prosperous life.

Winn: That's what you mean by start small?

Tom: Yes. Yep.

Winn: You've actually brought that up a couple of times now: that you would rather see people save weekly rather than waiting till the end of the month. Obviously, you have some heartbreaking stories when it comes to that as well, right?

Tom: And just you do the math of compounding interest, too, and the more frequent you make deposits and if you leave it there it just starts to grow incredibly. Did you know that—I want to make sure I have this fact right, but I believe it's a third of all millionaires have never made over a \$100,000 in their career and the vast

majority of millionaires, people that become millionaires, do so in a very surprising way. Because I think the number is something like, if you save \$300 a month when you're 20 years old, I believe you become a millionaire at the age of 40, I think is what it is. I mean, it's ridiculous how these small things really add up. So, that's another reason why frequency is important.

Winn: What's the youngest student that you've had in your courses?

Tom: Well, the youngest student we have in our courses would be in their late teens, I'm going to imagine. I don't know what the youngest one actually is but—

Winn: Okay.

Tom: They'd be in their teens, yes. And we do eventually see ourselves moving into high schools because high schools certainly is also an underserved market.

Winn: So, you really are going into high schools, and high schools are welcoming you and saying, "Hey, we need this information to share with our high school students"?

Tom: Yeah. Let me be clear on our first priority. Our first priority is career colleges. Not major universities, but career colleges that help in a trade, whether the trade is in culinary arts, whether it's in cosmetology, whether it's in fitness. These career colleges are really our first and primary focus. High schools will come next. We'll probably partner with others that will bring us to high schools but, first of all, we really want to make a big difference in the career colleges. We think they're very underserved. We think these are great professions and we think that if they get money training while they're still in a career college, they'll come out and they'll be on fire.

Winn: That's incredible. Okay, so now talk to me, give me your best advice, pitfalls, what I should look out for, what I need to focus on. I'm in my late 20s, maybe early 30s; I'm planning to get married, I'm planning to settle down, so to speak. I'm planning to start a family, buy a house, getting a little established in my career or hopefully I'm not jumping around. Or maybe I am jumping around from job to job, I don't know. So, tell me your advice. How would you sit down and hit me over the head with that one?

Tom: I would say get education. Get education, get financial literacy training, and do it in a way that's approachable for you. Of course, we think we offer great financial literacy training. There's other places to get training like that. And out of that comes a series of just very small, simple behavior things that you can do, related with savings, spending, credit score; all of that kind of stuff. So, I think it starts with education and it starts with your money-why.

Winn: Is there a time when you see, like okay, this is a critical age. This is a critical point and this is where, if you don't pay attention right now, you're going to pay the price for a very long time. Is there an age that that rings true for you?

Tom: I really think that under 30 is so formative and I know that—I know people and I have relatives that really just had no money consciousness until it was time when a big money-why was coming up, like I want to have a wedding, I want to buy a house, I want to have kids. And so it's really at that formative time when, if people can get the right training and make the best decisions, they're really going to be set up for a great life, not only for themselves but for their partners, for families, their coworkers, their team, their community.

Winn: I mean, you had mentioned that if someone in their early 20s or late teens started saving \$300 a month, then they would be a millionaire by a certain date, but at what point do we need to be really, really serious, planning for life's big expenses or even some sort of retirement? And I don't like to say it that way because, I mean, that could come at the age of 40, that could come at the age of 70, that could never come because some of us just want to keep working because it's what we love to do.

Tom: There's a word that I love and it's called fund. F-U-N-D. And fund is a verb and it's a noun. You fund something. You fund a dream, you fund your retirement, you fund a down payment on a home, you fund a trip. And when you think of funds, you think of segregating money from money-why. And we naturally think of funds but we're not necessarily conscious about it. "Oh, I'm not going to go to this education course because I don't have the funds for it." Well, if you really want to do the education course, create a fund, create a separate bank account, set aside a little bit each week. If you have some incremental earnings, for example—maybe you're an industry that has tips. Take those tips, don't touch them, put them in a fund. You fund your dream. So, like I said, it's a verb and it's also a noun. You have a fund for this and you fund your money-why. And so, to me, when you think of things like retirement, there's different milestones we have in life and certainly retirement funds are awesome and there're so many people that don't take advantage of retirement funds that are offered by their employers and the tax advantages are amazing. So, that's one thing to think about funds. Here's another one for ya. The amount of wasted employee benefits is staggering.

Winn: What do you mean? Tell us.

Tom: People will join a company and they'll find out a little bit about an employee benefit and they may not take advantage of it. For example, health savings accounts, which are offered by not all employers but many employers offer them and many employees just don't even know about them and they don't take advantage of them. And a health spending account has enormous tax benefits and savings in taxes, in many cases, fund a good part of some of your medical bills. I just had a dentist appointment today and I pulled out my card and my wife works for a company that has that kind of benefit and it's awesome because I paid for my dental visit with pre-tax dollars. It basically meant that I saved 30 percent on my dentist bill. And a lot of these type of benefits go wasted. And in many cases, employers provide performance-based compensation and many

people control their own income but they may resist coaching offered by the employer or they may just be apathetic when just a little bit of extra work makes a huge difference in your money in, and that money in can then be used to create funds to fund your dreams.

Winn: Awesome. So, Tom as we start to wrap things up, so you're working with your daughter now. How has that worked out?

Tom: I never had an intention to have a family business. It happened very accidentally and organically. In her 20s, she was laid off from a job that went through a merger and she started to, quote, help me out for a little bit in her early 20s and kept working while she went to college. And then she left and she took a job in, we'll call it corporate America, and found a very unique skill and that has to do with sales. And then also she just has a very high degree of executive presence. So, we're from very different generations. We look at things differently. She's absolutely a driver; we're both drivers but we're drivers in different ways and it's pretty cool. In one respect, Winn, it's pretty cool to have a daughter as a business partner and a president, but it's also very cool, regardless of the fact whether she's a daughter or not, it's just wonderful to have an extremely talented young woman that really complements me and my point of view and she has a huge passion for money issues and a lot of it—she's got a story. She's got an eviction story. And her money—why was to never get an eviction notice slapped against her door in a Chicago apartment. It was a major wakeup call for her and you should hear her tell the story. She should be a guest on here one of these days.

Winn: That's a great story. I mean, those stories of when we fell down.

Tom: Yes.

Winn: How we screwed up.

Tom: And so she's completely debt free. She's very passionate about personal finance, so I'm very proud of her. I'm very proud of our team right now. When I created this company, it was more going to be a lifestyle company for me. I didn't want to have a high head count and all that stuff, but ultimately at the end of the day, Winn, it's about impact. And I'm at a stage in my life where that's what matters the most and I feel like we can and do make a great impact. And it's really why I'm in the lane of money because I feel like, me personally, it's where I can help the most people.

Winn: That's awesome. Well, I know that giving back, making a difference, whether it's in your for-profit world or being a part of the nonprofit world, and I happen to know personally that you are a board member for Beauty Changes Lives and I'm sure that you contribute to not only that organization but many others as well, so congratulations on that. Again, you have a skillset that many of us need and as we wrap this up, here's what I'm thinking is going on right now for people

listening to this. People are thinking, *I have no idea what he's talking about but I better find out.* But the fact that we're talking about this, I think it's just going to give people permission, like, *Okay, I'm going to talk to my roommate, I'm going to talk to my spouse about this. It's opening the door; it's giving me permission.* It's like when we talk about other topics that some people might think are taboo. It's like, *Ooh, they talked about it, they mentioned that, and now I have permission to talk about it as well.* And I'm thinking that that's going to happen as well. I don't believe that money can buy you happiness but it can buy you a better form of misery.

Tom: Hmm.

Winn: So if you're the type that chooses to be miserable, you might as well be rich. Just take the edge off a little bit. But I'm a firm believer that money gives you power; power in a good way, if that's what you choose. Power in a good way. Think of the good things that you can do on this planet. First of all, as Tom keeps on saying, it buys you peace of mind. It buys you energy and creativity. It frees that up where you don't have that worry. But actually having money in your pocket, in your bank account, that you can turn around and help other people who are in need, that's a powerful, powerful position and who would not want to have that power?

Tom: Mm. Very well put.

Winn: Tom, do you have a final message for our listeners?

Tom: I have certain quotes that I come back to frequently and one of em is by Will Rogers and that is, "Everybody's ignorant, only on different subjects," and I believe that that could be rephrased a little bit and that is, I think everybody's intelligent, only in different ways. And I have such great respect for all the creative people I work with, and many of the people I work with have an angst and anxiety or insecurity about money and math and all that stuff. And meanwhile, I'm looking at them with like this massive respect and saying, "Man, you have such amazing talents, you have such great skills, and so give yourself permission to be ignorant on subjects." I'm unapologetically ignorant about all the things I don't know and so certainly just give yourself permission to forgive any mistakes that you've made and start a new beginning and understand that if the money part of your life is at peace, then that means peace in so many other ways for you. And that's what I wish for you, Winn, for all of your listeners, and for most everybody I come into contact with.

Winn: That is great and I love how you say that we can be unapologetic that I don't know and guess what? I don't need to know. What I need to do is surround myself with people who are smarter than I am. I love the fact that I am not the smartest person in a room. That used to give me high anxiety, as you say, that why am I not smarter than that person over there? Because if I'm not smarter than they are, that means that I'm going to be held back in many ways, including

financial, including prestige, including my own self-worth, if I'm not smarter than that person. And I bless the day when I was able to learn and move beyond that, that I don't have to be the smartest person but I absolutely do need to know who are my mentors and who are my heroes and who are my teachers in all areas of life. Especially in money, in finances. So, Tom, I can't thank you enough and I can't wait to see what people do with this information. I can't wait to see what they do, to not only reach out to you, but to start having these very, very open conversations and to give themselves permission to say, "I don't know. I really don't know but I'm going to find out."

Tom: Winn, thank you so much for allowing me to be a guest and for inspiring me in so many different ways. I mean, I have so much respect for you and the work that you do and your work ethic and I could go on and on about you. I'd like to interview you at this point but I think we're coming to a close here so—

Winn: *[Laughs]*

Tom: I just am so honored to be a part of this with a long list of people that you've had prior to me. And I'm honored and thrilled and I want to thank you.

Winn: Do you know that when I started MASTERS, again, over 22 years ago, it came out on cassette tapes. So, these interviews came out on cassette tapes which I mailed to my subscribers all over the world, which meant there was a side A and there was a side B. So, hopefully people will know what I'm talking about here. My very, very first issue, side A, was Vidal Sassoon; side B was Zig Ziglar.

Tom: Oh man.

Winn: Isn't that great?

Tom: Wow, yeah! That is amazing.

Winn: I love the history that I have so, thank you so much. I appreciate you, Tom.

Tom: Winn, thanks for having me as a guest.

Winn: Thanks, everybody.

Tom: And goodbye, listeners.