

Narrator: This is Financial Detox, helping you retire with confidence. Featuring Jason Labrum, certified financial planner and founder of IDA Wealth. Intelligence Driven Advisors.

Narrator: For over 20 years, Jason has shown people how to steer clear of toxic advice, achieve financial peace of mind, and manage their wealth for maximum impact. Join Jason and co-host Alex Klingensmith as they simplify the complex. Share industry secrets and, provide proven strategies designed to take you from financial insecurity to financial independence. This is Financial Detox.

Jason Labrum: Welcome to financial detox. I'm Jason Labrum, in studio with, as always, Alex Klingensmith. Hey Alex. How's it going?

Alex K.: It's going great man. How are you?

Jason Labrum: All right, we're on part two. I'm doing well. Thank you, man.

Alex K.: Part two.

Jason Labrum: We had a big, long, refreshing weekend. We're ready to rock and roll. We're recording this show on a Monday, which is kind of early for us for recording a show. Normally we're more like Thursdays, so we should have tons of energy. We should be totally refreshed. And we should just crush it for our audience today, right?

Alex K.: Yeah. Unless you had too much fun over the weekend. I don't know what you did. What'd you do?

Jason Labrum: I didn't. I don't have too much fun. I'm too old to have too much.

Alex K.: Come on. What'd you do over the weekend? People want to hear?

Jason Labrum: No, they don't.

Alex K.: What does Jason Labrum do on the weekend?

Jason Labrum: Well, we did go to Paso Robles last week to the mid state fair and we went to Zack Brown band, which was like the fifth time I've seen Zach bow brown band. Love Him. Great. But we also saw old dominion.

Alex K.: Oh, I've heard of them. Yeah. Are they good?

Jason Labrum: Unbelievable.

Alex K.: There you go.

Jason Labrum: They were five x better than Zach Brown. The show was so much better and the band is absolutely awesome. In fact, we've already bought tickets to another show in December.

Alex K.: Sounds like you had fun, maybe.

Jason Labrum: It was so great.

Alex K.: Okay.

Jason Labrum: You know, I even made a rare post on Instagram about it. Just, you know about, because it followed up to my... I go to daybreak church in Carlsbad and pastor Jason just crushed it this weekend. He always does.

Jason Labrum: But it was about feeding your soul and some of those things that you need to do to feed your soul. One, spend time with God alone or your higher power or your place of peace and do that on a regular basis. Surround yourself with other godly people who have similar beliefs and then also relax and recreate and you know, do things that are fun.

Jason Labrum: And I crushed all three of those this last couple days.

Alex K.: That's awesome, man.

Jason Labrum: It was really fun. You guys did the same, right? Right?

Alex K.: I spent time with my, a lot of times with my brothers. I have three little brothers and so all three of them came down from wherever they live, all over California, and we spent pretty much three days together.

Jason Labrum: A wild Klingensmith clan.

Alex K.: We did a lot of surfing. We may have had a little bit of fun, one of the evenings. But also the rest of the family came down for a barbecue [crosstalk 00:02:42].

Jason Labrum: So you guys got Chilean and started drinking some wine?

Alex K.: It was my birthday. We had tried tip and red wine too. It was great. The whole family came down or almost the whole family and it was fun. It was really fun. That way, all those things you said though tie in really well to this show because it is called, it is part two the Financial Detox advice for multi-generational families and we're calling this one the parents of the younger generation.

Jason Labrum: Right.

Alex K.: We decided there's a pretty big age range.

Jason Labrum: Yes.

Alex K.: That if you're listening to this and you're probably between the ages of even 40 and 60, let's call it 70.

Jason Labrum: [crosstalk 00:03:12].

Alex K.: 40 and 70.

Jason Labrum: Yeah, I would say 40 is probably too young.

Alex K.: Even younger, okay.

Jason Labrum: Maybe too young. I think we're ... but maybe, maybe it's 45.

Alex K.: Yeah.

Jason Labrum: Because I'm 44 and I think I'm bordering too young.

Alex K.: Yeah, because the advice-

Jason Labrum: But I also don't have any grandparents so that would put me in that parent gener... So I think it could be 40 to 70.

Alex K.: A lot of the things you said, though, in terms of what you should be doing, how you should be spending your time, I think becomes one of those things where once you get to the point where your children are now adults or young adults... I'm not one of those people, but my parents are, you're thinking to yourself, one of the first questions I wrote here for us to discuss is what are some of the most important things to focus on financially at this stage of life?

Jason Labrum: Yup.

Alex K.: So what are some of those things?

Jason Labrum: Well I think it's good. So again, just to clarify, so... we are talking about this multi-generational planning and what we wanted to do, and this is a great idea you had Alex, is to break down different demographics.

Jason Labrum: So younger kids. Now we're talking about younger parents, or older parents, and we're talking about grandparents. And different things you should be thinking about financially. So it's kind of a three stage.

Jason Labrum: And as we're doing this, we're using this as a precursor to develop and... solidify a full process that we take clients through, to help them create a multi-

generational plan, a family legacy, a wealth plan basically for their family. What does money mean to you? What's your purpose as a family?

Jason Labrum: And help instill that in multiple generations. Because a lot of times it's hard for grandparents to get to grandkids. It's hard for grandparents to talk to their kids.

Jason Labrum: It's hard to host that dialogue and continue it on in a beneficial way for each party. So I think we can serve as that intermediary. Host that conversation and relationship with an outline and an objective and a total purpose. And it can be really neat.

Jason Labrum: So that's what, this will all come out.

Alex K.: Yeah.

Jason Labrum: Stay in touch with this. Check us out of financial detox dot com and you can get some more information on that if you're interested. We'd like to hear if you're interested in this multi-generational or a family legacy, family financial dynamics planning session. We'd love to hear from you.

Jason Labrum: So as we start to build our interest list, we already have several dozen families who are interested in how we're going to do that. And so it'd be fun to add you to that.

Jason Labrum: Check us out of financial detox dot com. You can give us a call at 877-707-8889.

Alex K.: So these people have saved, now you've saved up some money, you've got some wealth.

Jason Labrum: Maybe. Or-

Alex K.: Maybe you're positioning for-

Jason Labrum: But you have kids, grown kids.

Alex K.: You're positioning for retirement now, you're actually starting to think about it because ... a second part of that is, what are the things that we're thinking about? And I broke it into actually a family.

Alex K.: So financially speaking, you've got to think about if you have children, and they're probably young adults or young adults, what are the things going on there that you have to pay attention to and get advice on that? And then also if you have aging parents who may or may not have saved for their own lifetime plan.

Jason Labrum: How many people are we seeing dealing with their parents right now? I mean it seems like almost every other conversation I have, I have a client dealing with their parents and taking care of their parents and oftentimes like the sandwich generation.

Alex K.: That's what this generation is called.

Jason Labrum: Yeah, it's the sandwich... You've got older parents and you also have kids who maybe have boomeranged and are coming back and they're still relying on you financially.

Alex K.: So do you have any advice or are we just freaking people out?

Jason Labrum: So you're really supporting three families.

Jason Labrum: I guess we'll get to advice but we only have a minute or so in this segment and then we're going to take a quick break and come right back and we're going to talk more about this. But you said specifically what are some of the most important things to financially focus on or to focus on financial aid at this stage of life?

Jason Labrum: I think the biggest has to be, Alex, is don't make emotional blunders. Don't make big financial mistakes because you're at a point now where you have some wealth and you can really screw up.

Alex K.: Yeah.

Jason Labrum: And for lack of a more intelligent way to say it, you can make a mistake now that can really cost you and set you back. Whether it's investing in things you don't understand and you don't know. Trusting a friend with some private investment because you just really like him and you think he's got a great idea. And believing that real estate always works or believing that the stock market always goes up.

Jason Labrum: Those are mistakes that can really set you back. So I think eliminating mistakes and going back to basics. What are solid principles of investing, saving, planning for wealth that I can implement to not make mistakes? I think that's gotta be one of the biggest things.

Alex K.: Yeah, that's good. I like that one.

Jason Labrum: Okay. So we have a bunch more ideas and thoughts coming up as we continue this conversation. Again, talking about financial advice and financial detox for multi-generational. So it's not pegged to just one generation, but how does that transcend across the different generations? And maybe you hear something that makes sense for you.

Jason Labrum: And again, we're forming an interest list for this intergenerational wealth planning strategy session. We will take families through, that I think will be just amazing to show people and help people communicate about that. So give us a call if you want to hear about that. 877-707-8889, and we'll put a tab on our website in the next couple of days that says interest list for that and we'll start maybe giving people a way to sign up for that.

Alex K.: That's a good idea.

Jason Labrum: That'd be helpful.

Alex K.: Yeah, give it a couple of days and then it'll be on there.

Jason Labrum: Got a couple segments to go, some great information. We're going to continue this conversation on multi-generational planning for families and how to be financially detoxified. This is Jason, your host. We'll be right back. Stay with us.

Jason Labrum: Oh hi, welcome back. It's Financial Detox. I was just telling Alex about my big contest I have going on this summer over break.

Jason Labrum: We were talking about a client of ours who's a great dude and he's a lot of fun. Well, we have an ab contest. We're having a contest that commences, and ends, starts and finishes on August 25th for the best abs.

Alex K.: You already started?

Jason Labrum: Well, this is all the buildup time. This is the prep time and then the contest is one day.

Alex K.: Oh, one day.

Jason Labrum: August 25th.

Alex K.: What are you going to do? Just a bunch of [crosstalk 00:00:09:08].

Jason Labrum: We have to wear those European short shorts, like wrestler shorts. You know like a Jujitsu guy wears?

Alex K.: You've painted the picture, yeah.

Jason Labrum: Yeah, we have to wear those. They really short, really super tight in front of both of our wives and we have to model.

Alex K.: That sounds weird man.

Jason Labrum: Really Creepy, huh?

Alex K.: How's that the contest? There's no strings. [crosstalk 00:09:28].

Jason Labrum: No. You've got to see who has the better abs?

Alex K.: Are you gonna spray paint them on and stuff?

Jason Labrum: I'm going to have to do something at the rate I'm gone because it's not working out.

Alex K.: You had a burrito for lunch today, man.

Jason Labrum: Did I? No, I made a sandwich, a chicken sandwich.

Alex K.: It was a wrap.

Jason Labrum: Gluten-free wrap.

Alex K.: Which is basically a burrito.

Jason Labrum: Isn't that healthy?

Alex K.: I don't know. If you wanted to have abs, you're just supposed to stop eating I think, but.

Jason Labrum: Oh you do.

Alex K.: You have to stop. My son has a six pack because he has like 2% body fat. He's also pretty strong, but anyways, listen, we're coming back to you with what are the most important things to focus on financially at the stage of life where you are the sandwich generation? You've got kids, you've got aging parents, you've got yourself trying to retire. So which one comes first?

Jason Labrum: What a heavy burden. Think about how stressful that can be.

Alex K.: My parents are going through it right now.

Jason Labrum: Right?

Alex K.: Legitimately, I have younger brothers that are boomerang brothers.

Jason Labrum: How old are your parents?

Alex K.: 64

Jason Labrum: Okay, mine are 72-ish. Three-ish. So about 10 years, which makes sense. I'm about 10 years older than you.

Alex K.: So my brothers, or my youngest brother is 22, and then 27 and then 31, and then me 38 now. And then three of my four grandparents are still alive, and one set has saved plenty and doesn't need help financially.

Alex K.: The other set is going to need it soon, dementia is setting in and whatnot.

Alex K.: So I'm living this right now as as the youngest generation and I see my parents having to juggle and balance these things and, so that's the advice that I would want someone like us to be able to say, look, here's what you should focus on first, second and third.

Alex K.: Right? And then obviously that needs to be expanded on quite a bit.

Jason Labrum: Right.

Alex K.: But, who comes first, right?

Jason Labrum: Well, I think first of all, you've got to take care of yourself, right? Because if you cannot put on your own oxygen mask before helping others.

Alex K.: I was just going to go with the same thing.

Jason Labrum: If you can't breathe, then you can't keep anybody else alive. So if you're not financially stable, you can't. And I've seen multiple clients go through phases where they are giving away entirely too much money to their kids at their own demise.

Jason Labrum: They are literally going to end up being dependent upon their children because they have enabled those kids and the kids who be totally dependent upon the parents. So I think the next question, which we bullet-pointed here, which is, I'm going to rephrase it just a little bit, but is when do you, when do you kick them out?

Alex K.: How do you know when to tell your kid that? I can't help you.

Jason Labrum: Yeah, I can't help you anymore. It's, financially, you're on your own and how do you do that? And you know what? I don't think I'm qualified to answer that question. I can give you thoughts, but I think we should bring somebody in who is qualified to answer that question in a subsequent show and have a guest on the show to talk about that because you know.

Alex K.: You haven't done it yet.

Jason Labrum: To try and pretend that I could, it's tough. And actually we're with a client, not too long ago where ... I mean they're giving a lot of financial support. Okay, they're paying the rent of a fully grown, mature 30-

Alex K.: College educated, college graduated.

Jason Labrum: 47 year old daughter.

Alex K.: Oh. The child is 47.

Jason Labrum: And having rent paid for with their significant other. Rent's free, Mom's paying for rent, Mom's buying cars, Mom's paying for the kids' cars, who are 20. This is a full on the Dole kind of system.

Alex K.: That's really sad because you think about what it's going to do to the whole generation. The whole legacy is going to be...

Jason Labrum: That's exactly what I said to her!

Alex K.: It's sad, is what it is.

Jason Labrum: And by the way, the daughter's beautiful and very nice. I mean, great person.

Alex K.: You can be a nice person, but still have bad habits.

Jason Labrum: But I said, it's going to permeate a lack of responsibility and it's going to create a dependent, maybe generations to come. Wealth that was created by the hard working generation that worked hard and busted it out and figured it out. That generation, it's going to die in the multi-generation. I mean, in the subsequent generations it's going to be more apathetic. Dependent. And that's the problem with socialism.

Jason Labrum: Not to go too political here, but if you give somebody money and you support them, they become apathetic.

Alex K.: So for some people it happens faster than others. We understand that especially if you have multiple children, they all go at different paces and have different things that happen to them. But that's always gonna be the expectation. There's never an expectation, ever said then, that I will support you forever or even for very long after you graduate from college.

Alex K.: You know that's a bare minimum expectation.

Jason Labrum: It should be done that way. So let's say that-

Alex K.: That family, there's no way that conversation has happened.

Jason Labrum: That's for the young families. We're talking about right now, 40 year olds to 70 year olds, this is a big demographic. So for me, 44 year olds with the eight and a 10 year old, I can say to them, this is what's going to happen.

Jason Labrum: And I am saying that, I think I've said [crosstalk 00:14:09].

Jason Labrum: And I believe I will follow through on that. Now, only time will tell, but I am not going to allow these children to be dependent upon me financially. I don't care where they have to move in the country, what kind of job they have to get, but they have to pay their own way, post-college.

Jason Labrum: My dad did it to me.

Alex K.: Post-college.

Jason Labrum: In fact, day of driving to college graduation. It was a Saturday, I remember. We had had so much fun the night before. I literally, this is embarrassing, but I was sick, right? And I as hung over,, and we had had so much fun the night before college graduation and my dad's goes, hey man, this is a great day.

Jason Labrum: Yeah, yeah, it is a great day. Graduation. Yeah. And he goes, well no, it's a great day for me.

Jason Labrum: And I said why is it a great day for you? He's all, because you're done buddy. I know I've been telling you, I know you know it, but it's over.

Alex K.: And that wasn't a surprise to you.

Jason Labrum: No more financial support. It wasn't. And he did it, and he followed through, which I knew he was going to. So therefore I just worked my butt off.

Alex K.: I don't think Rick bluffs about anything.

Jason Labrum: No.

Alex K.: Rick is not a bluffer. He's the real deal.

Jason Labrum: And, but literally, so the Monday post-college graduation, I was at a job in a suit and tie at 6 AM at Merrill Lynch in Escondido, California. And I was told if I was five minutes late, I'd be fired on the first day. So be there and be early.

Jason Labrum: But now that's not happening. So I think that maybe the words of wisdom we can share, if you can call it wisdom at our young age, is that you really do have to set those boundaries.

Jason Labrum: And even if your kid's on the Dole right now, so to speak, or you've been supporting them too long.

Alex K.: They'll come around.

Jason Labrum: Give them a 12 month timeframe. Say, look, here's what's happening.

Alex K.: Set a plan.

Jason Labrum: You've got 12 months. This is what's going to happen. You should be interviewing, you know, five times a day you should have a job. You should start looking for places to live. You should figure it out because in 12 months, the clock, it's over. You know?

Jason Labrum: And I personally think that's what people should do because they are gonna create multi-generational apathy.

Jason Labrum: - Financial Detox. Here we are multi-generational planning for families. It's such an interesting topic, Alex. I love that you did this. I really do think we need to have multi-generational planning revisited. Not only are we creating this class, or this planning session for families, where multiple generations can come together and have financial discussions, which we're going to have an interest list on our website here in the next day or so.

Jason Labrum: So you can go to financial detox dot com and get that. But ... I kinda hedge this because, being a little bit younger, we're on the younger side of this generation we're talking to, it's going to be very interesting next show when we talk to the elderly generation. I think we do it with respect.

Jason Labrum: We aren't meaning to lecture. We aren't meaning to be condescending or boastful in any way, shape or form. We aren't. This comes from a position of humility, but it does also come from a position of experience in that this is what we do for living. And for 21 years I've been helping families and people build financial plans and invest their money and make a better financial life for themselves.

Jason Labrum: So I think we do have some-

Alex K.: Well, we do.

Jason Labrum: - collateral experience that we can put to work here.

Alex K.: I also don't think it's so much about, the advice oftentimes can actually comes, originates from the people, the families themselves. We simply find a way to, I think, organize it and disseminate the information and catch all the stressful stuff that would stress out... imagine organizing a multi-generational estate amongst three or four generations.

Alex K.: That sounds overwhelming to me and this is what I do. Imagine someone who was a doctor or a lawyer or a business owner.

Jason Labrum: It seems impossible.

Alex K.: I think just alleviating the stress of how it all fits together. The advice doesn't even always need to come from us, because we're simply helping you communicate what you already want. Because we don't know what you want. It's your goals.

Alex K.: The other side of the thing that people are facing right now, that we haven't gotten to yet, which we should, is that if you're in your 50s and 60s, 70s even, maybe, if you're lucky. You have parents that are aging and if they didn't save for themselves, you know, by now because they're coming, something's happening and you see it happening.

Alex K.: And then you also want the best care for them, if they can't care for themselves. And if there's siblings are you going to take care of Mom or Dad? Are you, or the siblings, or maybe we're going to put them in a home? These are the kind of conversations people have.

Jason Labrum: It's tough. It's stressful, man.

Alex K.: I think you have to have them because you can't just wait until the day they fall down in the hospital to be like, oh, well what do we do now? You know? Before it happens is the first piece of advice. In advance, think about a plan.

Jason Labrum: Right. Well, so, what does it all come back to? I mean in the end it comes back to planning. And if you're doing appropriate planning, and this is what financial planning is about. If you get with somebody who, number one has to be a fiduciary, not trying to go into a sales pitch here.

Alex K.: Full time fiduciary.

Jason Labrum: A full time, all the time fiduciary. Meaning they cannot and do not operate under broker dealer protocols where they can accept commission for products. And if they have an old broker dealer license that they take some reoccurring revenue on, that's fine. As long as they're not doing any new business under that and haven't for years, but a full time all the time, currently acting fiduciary.

Jason Labrum: That's really critical. Because they're going to come at the financial planning from a perspective of one that is truly designed to be in your best interest. But you're sandwiched between these two generations, right? You've got maybe aging parents, you've got kids who have boomeranged and still living off you. How do you do it?

Jason Labrum: Number one, if you're set financially and you're okay and you know your financial plan is in good shape, then you add in the other components of taking care. The other costs, the other expense.

Alex K.: Do a financial plan for your parents.

Jason Labrum: Exactly.

Alex K.: And figure out where you stand.

Jason Labrum: And then it's so simple, right? It is simple.

Alex K.: We do plans for parents, pro bono ones. All the time because we want to help our client, number one. But then, we know it's a risk. It's risk mitigation, but then what a piece of mind that comes over them being like, oh actually mom and dad did save enough.

Alex K.: Thank goodness I don't have to go down that conversation. Get in a fight with your siblings or something you don't have to.

Jason Labrum: But if you plan early too, I'm sorry, I didn't mean to cut you off.

Alex K.: No, no, that's okay.

Jason Labrum: But if you plan early and you plan appropriate, then you're not caught on the proverbial train track. With that light coming at you.

Alex K.: But it's taboo though. Because, think about it, my mom and dad. Are they ever going to come to me?

Alex K.: Maybe because I'm in the business, but if I wasn't, would they ever come to me and be like, "Hey, can we look at and talk about when we can take care of our- " It's not a conversation that comes up naturally, I don't think.

Alex K.: Usually it comes up because someone gets really sick and it starts. Because mom and dad don't want to come to the kids for advice or help, usually. Maybe it's awkward, it's awkward.

Jason Labrum: I mean it depends. For some people it's less awkward. My family's always been really open about it. But again, we've been in the business so, I think it's awkward for some. And for some it's not. So our tangible advice, right? Because we only have a couple more minutes and we want to give you tangible advice. And I would say without being self promoting, you need to find a fiduciary advisor and get a plan.

Jason Labrum: Or you have to put together a plan. You have to look at your own personal finances and know what is your capability to support yourself and those around you. Because that's going to help you answer the questions of when can I retire? Given all of the financial responsibilities I have?

Jason Labrum: And then you can model out, what if Mom and Dad, who need my help live to be 103? You can model out of what if, what if I kick my kid out and tell him to go get a job, but he just can't do it. And then he comes back and I can't tell him no.

Jason Labrum: So I'm helping him a year of extra expenses. Right. So you gotta model out these scenarios and we can make that very easy for you. We can sit down in a session and make that easy.

Jason Labrum: And then I think going further is to do the multi-generational planning and get the experience-

Alex K.: Oh, let's call it the experience. The multi-generational experience by Financial Detox.

Jason Labrum: Ba-boom. There you go. So that's it.

Alex K.: That's what we're going to call it.

Jason Labrum: That's what we're calling it. But anyway, we'll put a sign up there so you can get on that interest list, and we're going to set up the pricing structure and the whole structure of that course slash session. Doesn't have to be everybody in one place. We can use Zoom and other technology, but if we all are in one place that's even better. We'll come to you. You can come to us.

Jason Labrum: But, so this is the multi-generational Financial Detox show. I think we've talked about a lot of concepts. I don't know that we've given real specific answers, but I don't think we can because every one of your situations is so different that we invite you to call us, invite you to check us out and again, get get on our interest list.

Alex K.: Oh, part three. What's part three going to be about?

Jason Labrum: Part three, we're talking about more of the grandparents, right? T leading generation so to speak and how they can instill values and I think it's going to be really good as we dovetail that into the experience and multi-generational Financial Detox experience that we do.

Jason Labrum: So we appreciate you listening. Always you can get ahold of us at 877-707-8889. That's 877-707-8889, it's financial detox and it's the Financial Detox show. Check us out to financial detox dot com. I'm Jason and.

Alex K.: This is Alex.

Jason Labrum: Thanks for listening. We'll catch you next week.

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