*Please note: This is a transcription so there may be slight grammatical errors.*

Speaker 1: Hello, and welcome to Revamping Retirement, a podcast brought to you by CAPTRUST, where we explore the opportunities and challenges facing today's retirement plan sponsors and fiduciaries. Our hosts, Jennifer Doss and Scott Matheson, lead the employer-sponsored retirement plan practice at CAPTRUST, one of the largest registered investment advisors in the US, and a thought leader in the retirement plan advisory and consulting space. [00:00:30] We hope you enjoy Revamping Retirement.

Jennifer Doss: Welcome to another episode of Revamping Retirement. I'm joined today by my usual cohost for a change, Scott Matheson, after a few months that he and I were kind of rotating with some guest hosts, I think trying out some new things. We're super-excited because our guest on today's episode that we're back together for is Katie Gatti Tassin. And Katie is the host of the very popular podcast called The Money With Katie Show. And beyond that super-successful podcast, she also has a tremendous following for her blog and YouTube channel. Katie and her work have been featured in Barron's, on Rachael Ray, Dow Jones Market Watch, and many, many more. So thank you so much for joining us, Katie.

Katie Gatti Tas...: Thank you so much for having me. It's a pleasure to be here.

Jennifer Doss: Yeah. So I think before we start off and dig into some of the meat, can you start off by just sharing your story? It's so interesting. How did you get here? What about your personal finance journey that led you here to pursue [00:01:30] a career as an expert in personal finance?

Katie Gatti Tas...: Well, I definitely don't think of myself as an expert. I more so consider myself as a passionate hobbyist who is now on a mission to make other regular people just as obsessed with personal finance best practices and financial health as I am. But my journey began in the same way that most people's journeys begin, which is getting a full-time job, getting a paycheck, and going, "I have no idea what the heck to do with this." And it wasn't until I had been working for I'd say probably about a year when I noticed that, okay, I'm making okay money. And I figured it would be really easy for me to save because at the time, my starting salary of $52,000 was more money than I could comprehend. I thought, "Okay. I'm a Kardashian. I'm going to save [inaudible 00:02:25]. This is going to be no problem."

And then, after about a year, I realized [00:02:30] that's not really how it works. You kind of need a strategy, especially on an income wherein you're not making 250K out the gate. It's not just going to happen on its own. You got to get it locked and loaded. But I didn't really know what to do. And I had this preconception that if you don't study business, accounting, finance, or economics in college, you are up a creek and there is no hope for you. And I went to an SEC school and got a communications degree so I thought I was doomed, effectively.

But then I started [00:03:00] asking questions. I would call my dad every other day and be like, "Hey, what's the deal with this Roth IRA? So-and-so keeps telling me I need one. I'm not really sold. Why does it have a funny name?" I was Googling up a storm, listening to podcasts all the time, scouring YouTube videos, reading books. And over the next couple years, I started to get really, really obsessive about money. And it was through that process that I learned two things. One, you do not need to study this stuff in school to be good [00:03:30] at managing your own money. It's not like they're teaching you the basics of personal finance or how to set up an ideal tax smart investment strategy when you are getting your CPA, necessarily. These are things that you have to learn on your own and seek out.

And number two, it taught me that if you can get this stuff right early enough in life, the trajectory that you are following is going to be completely different. As soon as I started understanding how compounding returns [00:04:00] work and I really started to grasp the principle of time in the market beating timing the market, I was like, "Oh, my gosh." There are so many young women that I know in their 20s that probably could afford to be doing this, but they're just putting money in a savings account and have no idea that they're missing out on the most valuable time in their financial life. And so in 2020, after I had some free time as a childless woman during the pandemic, working from home, suddenly I thought, "I'm just going to create [00:04:30] this website." I checked out moneywithkatie.com and it was available. And I thought, "Okay. That's pretty straightforward. Let's just buy that domain." And I started publishing blog posts about what I was learning and how exciting it was, and all of these things that I was doing and the way that I felt like it was going to change the rest of my life.

And over the course of the next year, the following started to grow. And by the end of the second year is when I was acquired by ... or I should say Money With Katie, the intellectual property, was acquired by Morning Brew. So now I'm [00:05:00] part of ... my franchise is part of Morning Brew. But that's kind of how it came to be.

Scott Matheson: That's a pretty cool story and resonates with me in particular, particularly the part where you talked about CPAs not learning how to do tax strategies. Being a CPA myself, I outsource my own taxes so I can completely relate to that [inaudible 00:05:19]. And just for what it's worth, I was a communications major in college, well, for half of a semester, anyway.

Katie Gatti Tas...: My comrade, my communications [00:05:30] comrade.

Scott Matheson: It was my second of five before I landed on [inaudible 00:05:36]. And only because my now-wife was studying business, and I was thinking, "Hey, I can just go study with her and spend more time with her."

Katie Gatti Tas...: I love it.

Scott Matheson: So it worked out, I guess. But I think that first of all, congratulations.

Katie Gatti Tas...: Thank you.

Scott Matheson: Continued incredible success and in no time flat whatsoever. I love all the sayings you have and the way that you're trying to outreach and really kind of lower the bar in terms of [00:06:00] what you need to know, and also make it really accessible for people and not ... I think the danger in our industry is that people kind of get dismayed and overwhelmed. And you've done a really nice job. I've listened to a lot of your stuff and read a lot of it at this point to know that you really make it attainable for people, so well done there.

Katie Gatti Tas...: Thank you.

Scott Matheson: I'm going to ask you a question here, but I have to make a confession before I ask this question. So I'm a Gen Xer.

Katie Gatti Tas...: Love it.

Scott Matheson: One who kind of wants to be a millennial, or maybe the [inaudible 00:06:27] in me thinks that I'm still a millennial. Whatever.

Katie Gatti Tas...: We'll claim [00:06:30] you.

Scott Matheson: But the good news is you're not just talking to some old guy. Jennifer's actually a millennial. What kind of millennial did you say you were?

Jennifer Doss: Yeah. It's called geriatric millennial, I think.

Katie Gatti Tas...: You're an elder millennial.

Jennifer Doss: I'm elder, yes. Actually, that sounds a lot nicer. Elder is a wise person, someone that you go to for advice. Geriatric is just put me in a corner.

Scott Matheson: I just wanted you to say geriatric millennial. So, speaking of millennials, and Jennifer knows this about me, I can't stand the classification aspect of this [00:07:00] because if you rewound the clock to the mid-‘90s when my generation was kind of coming about, the same things that end up getting said about millennials are the same things that were said about Xers, and I'm sure boomers before that. But I'm going to put the label on it so we're clear, and I know that when I log on to your website, it says millennials at the top, so you're not running from it. But speaking of millennials, where do you see the most confusion around finance in your generation and the younger part of Jennifer's?

Katie Gatti Tas...: I think the thing that millennials are [00:07:30] up against that is the most top of mind is certainly housing, for one thing, because I think millennials are in an interesting spot in that they were sold a certain bill of goods that if they went to college and did all the right things and graduated and got a job, that they'd be able to achieve a certain type of lifestyle. And so many of us, myself fortunately not included, [00:08:00] back to that SEC school comment, I did go where I could get a full ride, but took out student loans to do that. And some of us took out a lot of student loans to do that. So we graduate, we have a lot of debt, and although the previous generations also had a lot of debt early in life, that debt was more traditionally associated with an asset that was offsetting it, which was your home. So people were taking out a lot of debt early in their 20s, but it was for a primary residence, [00:08:30] not for a degree.

So I think many of us started out already a little bit behind. I think when I look at the unaffordability of housing more broadly as well, that is the other really major factor that's impacting millennials. And so I think while all of those things are absolutely true, and I think you can look at wage data, too, to see that while some millennials, I've done a piece on this that there is the top [00:09:00] 1% to 5% of millennials that are actually way further ahead than baby boomers and Gen X were when they were this age. They are lapping them. They're very wealthy and they're doing incredibly. They have certain things in common, which are probably not hard to guess, but the majority, the median millennial is kind of falling behind.

I think that general feeling of it's not even worth trying because everything is so difficult right now because I have student [00:09:30] loans, and rent's expensive, and everything that I thought was going to be true about my life is not actually coming to pass as expected or as promised. I think that's a huge psychological hurdle to have to get over. And it's the one thing I hear the most from my generation. And so I think when you're in that mindset, it can feel as though making steps toward investing in a 401(k), or a Roth IRA, or opening a taxable brokerage account and doing the simple thing like buying [00:10:00] index funds or just trying to increase your save rate by 1% per year, the overall sense is, well, it doesn't matter. It's not going to work. It's not going to be enough.

And for some people, that might be true. Some people might have situations wherein saving 5% to 10% isn't going to make a huge difference or it's going to be very, very difficult for them to do that. But what I've found to be true is that the majority of people that I'm talking to, they could. They're making 80K, 90K. [00:10:30] They are either married, or , or could maybe downsize the apartment they're living in. It's not that it'd be easy, but it's also not I think as unattainable as it might feel in the rhetoric and in the I would say kind of collective disillusionment of what being a quote, unquote adult, or adulting was supposed to be like. So I recognize that's a little fuzzier than, oh, they're really confused about their traditional contributions to the ... but I do think that is a larger tenor [00:11:00] of the generation's relationship with money.

Jennifer Doss: So I guess just to maybe clarify, do you think it's that the financial literacy is not there for the millennial generation, like they just don't know what they should be doing? Or do you think it's maybe what you were just saying, is more that they just don't believe? They don't believe that what people are telling them to do is the right thing, or is maybe a little bit of both. I don't know.

Katie Gatti Tas...: That's a good question. I'm tempted to say that I think financial literacy, at least when I look at the last 50 years, [00:11:30] you didn't really have personal finance experts or personal finance content that was readily available until the late '90s, early 2000s. Prior to that, most financial content was directed at people who were already rich. And it wasn't really until you had a Dave Ramsey, Suze Orman-type character that the lower, or working, or middle classes were the target audience for financial wellness content. And so [00:12:00] I tend to think that we millennials and Gen Z probably have far more access to financial information and a far lower barrier to entry to invest in the stock market.

Think about if your grandparent wanted to invest in stocks and the process that would've taken them. They'd have to find a broker. They'd have to call them. They'd be paying fees. Right? Now you can download an app, press three buttons and you own the S&P 500 [00:12:30] with $5. So I do think that I'm hesitant to say that it's an education problem. I would lean more into the economics of the situation and that I think it's both a belief that it's not going to matter and the things that I'm learning aren't going to work for me, or the more I'd say the bleaker reality of for some people it is that difficult because they truly are just not making enough money to live [00:13:00] and still save in the area that they live, so I think it probably goes both ways.

Scott Matheson: The rule book changed, basically.

Katie Gatti Tas...: Yeah, exactly.

Jennifer Doss: Well, I guess that would lead to the natural question. We're in the retirement business and we think a lot about that. So if you are saying that this generation is different, that the playbook is different, the rule book is different, how do you see I think retirement changing as those younger generations are entering the workforce? I mean, is their idea of retirement vastly different than [00:13:30] other generations’? How does that work for them like it worked for other generations?

Katie Gatti Tas...: Yeah. I think the main, at least when we look structurally, I think the main difference that I would point to is that shift between the defined benefit plan to defined contribution plans. My dad is one of the older Gen X members, and my mom is a baby boomer. And he mentioned that he was one of the [00:14:00] last people in his company to get a pension. And that pension is a huge source of their income in retirement. They also contributed the maximum to their 401(k)s and IRAs, but they kind of got the best of both worlds because people before him only had the pensions. There were not these tax-advantaged accounts, and people after him are pretty much only going to have defined contribution plans and are not going to have the benefit of pensions. So I do think that the structural landscape is different now.

But when I talk [00:14:30] to other people my age about retirement, there's one conversation that really sticks out to me as illustrative of the broad view I think, which is my friend and I were chatting, and she was asking me, "Do you think I can afford to save more?" And I said, "Well, how much you making? How much you spending? Tell me how much you're contributing to these accounts right now. Let's talk about it. I'll give you an honest perspective on whether or not I think you could do more." And so she tells me, and I said, "Yeah, I honestly think you could afford [00:15:00] to do more. I think you're probably overspending a little bit. You could probably taper back and it would be fine."

And I have this little tool I made in Excel, financial independence planner, and it's very simple. It's not using a Monte Carlo or any sort of historical return. It's just an average annualized rate of return, inflation, a save rate, et cetera. And it basically looks at: What have you invested already? What are you earning? And [00:15:30] basically, what are you spending right now? And through those inputs, can project a trajectory and say, "Well, based on those inputs, you are scheduled to reach financial independence wherein your invested assets could produce between 3% and 4% annually. That would cover your inflation-adjusted spending in X number of years." And so I plugged hers in and I said, "Yeah. I mean, if you increase to X, then you could retire in 19 years." And she was blown away. She was [00:16:00] like, "Wait. What? Retirement to me has always seemed like an if, not a when. I never thought I'd be able to retire."

And I was like, "Dude, you're making 100K. You're 27. And you really, if you locked it in, if you got really dialed in with this strategy, you could be an early retiree. You're going to be in your late 40s and you'd have the option." So I do think that there is an element of assuming that you're not going to be able to, but I really like to plug in numbers [00:16:30] for people and be like, "No, no, no." Look at, assuming nothing catastrophic happens, but we're not using crazy estimates. We're assuming a 7% rate of return, 4% inflation, 3% inflation. So you're really talking a 3% to 4% average annualized return. It's pretty conservative. But I think that it's just establishing that connection for people between save rate and time to retirement and how increasing by 5% if you're going through 10%, a 15%, [00:17:00] that is going to shave literal years off your working timeline. And I just don't think that's an intuitive lever for people.

Jennifer Doss: Yeah. Well, it's an interesting shift, like you said. For one, moving away from your employer planning some of the stuff for you, taking on some of that risk and then the rest shift that we've had to the individual. Now yes, to your point, they have a lot more financial I guess material or education available to them. It's not necessarily something we push in schools a lot, I would say, [00:17:30] but it is readily available. Right? But you do have to want it. You do have to seek it out, and so the onus is more on the individual. And if they're not a financially inclined individual, then it gets just exponentially harder, so totally get that.

Scott Matheson: I was listening to your last podcast, the one with Hanna on it, talking [inaudible 00:17:49], following back up on the 401(k) contributions. We deal with that every single day, so we have a huge participant advice business, in which a client is exactly [00:18:00] what you're talking about is that you show them the projection. And once you realize the power of that one incremental, or the incremental next year, and things of that nature, kind of harnessing behavioral heuristics and things of that nature to get them to push it into the future and agree to it now. We find huge changes happen. Back to your podcast, you were talking about just push the button. If you just push the button while you're there, you have the catalyst for the change and you make the change and it happens [00:18:30] repeatedly. So it was a really cool podcast, cool follow-up with your friend.

Katie Gatti Tas...: Thank you. Yeah. And I would just reiterate that the main thing that I think really got her to do it was the realization that this is not permanent. Try it. It's just a trial. And if after a couple months, it's not working, or after one month, it's not working and you realize you actually need that money, you just un-press the button. Right? Just dial it back down. But you're not going to know until you try, so I think that's the reversibility of [00:19:00] the decision I think is key.

Scott Matheson: Right.

Jennifer Doss: Yeah. I remember when I started out, I started out higher obviously because I'm in the retirement business, but I never knew any difference. What I took home was what I always took home because I started out from the beginning, so that was my budget was whatever I made after that. But I realized-

Katie Gatti Tas...: Funny how that works. Right? You'll make it work, and you have less, you'll spend less. That's typically-

Jennifer Doss: You adjust. Yes.

Katie Gatti Tas...: You adjust.

Jennifer Doss: People are malleable. Okay. Well, hold all that thought. We do need to toss it over to Mike Webb [00:19:30] for our Minute With Mike series. Mike's going to continue his secure 2.0 focus series and talk about this month, the mandate of auto enrollment and auto escalation for newly established retirement plans, which is actually really timely with what we were just talking about because we're pushing people, in the future anyway, for new plans, we're really pushing people to say, "Look, we're going to auto increase you. And if you don't like it, you can opt out. But otherwise, we're going to do these things because we're going to put you on the right path from the beginning." So stay tuned, we'll be right back. [00:20:00] Take it away, Mike.

Mike Webb: Mike Webb here with another Minute With Mike. In this month's minute, we'll continue our special Secure 2.0 [inaudible 00:20:05] series with a discussion of the very first mandate of automatic enrollment in retirement plans. For the unfamiliar, automatic enrollment is a retirement plan design feature where participants, unless they elect otherwise, automatically make an elective deferral to their retirement plan of 3% to 6% of pay typically. Historically, automatic enrollment has been an optional plan feature. However, beginning in 2025, it will [00:20:30] be mandatory for many new plans established in that year or later. However, churches, governments, employers with 10 employees or less, and employers who were in existence for less than three years are exempt. Also, employers who qualify for a simple plan can establish that plan if they wish to avoid the mandatory automatic enrollment requirement.

These new auto enroll plans must have a default deferral rate of between 3% and 10% and are also allowed a 90-day unwind feature. Also, the [00:21:00] deferral rate must increase by 1% each year to a maximum of no less than 10%, but no greater than 15%. [inaudible 00:21:07] again, unless the participant elects otherwise. Automatic enrollment has been a popular plan feature in recent years, the new requirement will make it a truly dominant plan provision within the next decade or so. For Revamping Retirement, I'm Mike Webb, and this has been your Minute with Mike.

Scott Matheson: All right. Thanks, as always, Mike. Now Katie, as you know, our podcast listeners, as we were talking about before the break, are primarily individuals [00:21:30] at companies who are responsible for those companies' retirement plans, 401(k) plan, a surprising number of defined benefit plans, but not many, to your point earlier, accepting new entrants in. These people we call plan sponsors around here, as we know from the work, we do with about 3000 of them these days, sponsor these retirement plans, they're always looking for ways to engage prospective and current employees. And given your experience, wondering where you think [00:22:00] employers should be focusing their efforts to really attract the best talent that they can or retain current employees who are in these younger generations.

Katie Gatti Tas...: When you say attract employees, do you mean for the businesses for which they are plan sponsors?

Scott Matheson: Yeah. So how are they going out into the marketplace and trying to make new hires, and then making sure they hold onto the talent that they have in place?

Katie Gatti Tas...: Yeah. Well, at risk of giving the obvious answer, I think competitive compensation [00:22:30] is typically the most important thing, just because it is difficult to find a job that pays well. And I think competitive compensation is probably the number one thing. And I do think that when it comes to perks and some of the ancillary things, things like unlimited PTO and we do summer Fridays, I mean, I think those things are nice, but generally speaking, I think while I'm sure [00:23:00] there are plenty of millennials that do value work-life balance over a steady paycheck, I think more millennials than you'd probably think are most interested in: How can I further my career? How can I get the experience that I need to earn more? How can I level up? So assuming those are the types of people you want to hire, I do think that is the solution.

Jennifer Doss: As you know, as we mentioned, we're focused on retirement here, and Scott just mentioned it in passing just a minute ago, but we do [00:23:30] a lot of individual financial wellness, advice with our individual 401(k) participants. And I know we have noticed a big shift over time from participants calling us for advice on: What fund should I use? Or how should I allocate? Or how much international? More investment-focused questions, to really things that are more broad like: How do I pay down debt, and what should I pay down first? How do I prioritize savings, saving for kids' college, buying a home, all these things we've said? So much more broad topics I think [00:24:00] than just investing, and that's really where we find that we add the most value for individuals.

And then sometimes just having a person to talk about your finances with because some of the stress sometimes we find is just not knowing what you don't know. You cover all these topics. Right? You're not just retirement. You cover all these topics, too, with your consumers and your viewers. But you're not necessarily always talking to an individual. Right? You're talking to more of a broad group or you're generalizing. Right? So how do you talk generally to your audience [00:24:30] about the prioritization of savings, and maybe specifically saving for retirement versus maybe saving for other things?

Katie Gatti Tas...: That's a great question because it is hard to generalize. What is going to make sense for one person is by definition probably not going to make sense for somebody else. But what I like to do is think in general frameworks where presenting best practices or unique ways to think about something and then emphasizing the way that those levers can be pulled. So for example, [00:25:00] maybe I'm making a post or an episode about housing. And I say, "Rule of thumb, you don't want it to be above around 28% of your income. Anything above that, you're going to feel squeezed, or it's going to be a little bit sketchy." And I personally think net income, the fact that you can borrow 28% of your gross income and then have that be 40% of net, I mean, just is nuts to me. I'm like, "I would not be sleeping if that were the case." But regardless, [00:25:30] that's a tangent.

But I think that in an episode like that, you have to make those qualifiers. Well, maybe you live in Manhattan. And well, in that case, you probably are going to be spending more, but I bet you don't own a vehicle. And so-and-so's probably spending 10% of their take-home pay on car payment, car insurance, gas, parking. So I think that there are ways that I like to always try to encourage people to think about these questions for themselves and make tweaks [00:26:00] where necessary. When it comes to things like that order of operations, or the prioritization of things like saving for the short term, the medium term, and the long term, I think that there are a few key best practices that I try to really drill down on that are mostly applicable across the board, which is if you're saving for something in the short term, please don't put that money in the stock market. If you're going to need that six months from now, you probably don't want to gamble with [00:26:30] it. And within a six-month time span, that is a gamble.

Now if you want something, this money, in 20 years from now, please don't put it in a savings account because it's going to dwindle. So I think that getting people to draw those associations between: What is appropriate to invest for? What is appropriate to save for in cash, or a CD, or some other cash equivalent. I think those types of structures can be very helpful when someone's like, "Man, I just have no idea." And I think in somebody's [00:27:00] case to case, day to day life of what is going to be most preferable when it comes to things like paying down debt and what order that should happen in, I like to provide that background of, hey, if you're trying to make a decision based purely on numbers, you should probably just be looking at that interest rate. Do I think you should pay down your 2% mortgage fast? No, not particularly. But if you can't sleep at night because you have a mortgage, then I guess that's your prerogative.

So you [00:27:30] explain the thought process behind it, but then ultimately leave it to their decision and kind of show, present all the facts and be like, "This is what happens if you take this path, this is what happens if you take that one." Psychologically, you have to be cool with whatever path you choose, but I tend to really focus people on prioritizing long-term investing, particularly when they're young because even though that might sound counterintuitive, what if they want to buy a house? What if they want to do this? Because they're so young and they have so many decades [00:28:00] ahead of them, I really like to emphasize that the money you're putting into the market now is going to be working the hardest for you. You're going to get the biggest ROI on the money that you're putting in now, so if that means delaying a home purchase until you're a little bit older, if that means waiting to start that 529, there are no student loans for retirement, so you probably should prioritize your own retirement over the former. Right? So that's kind of how I think about it.

But yeah, I'm not a huge fan of the saying, "Personal [00:28:30] finance is personal," because I think it's sometimes used as a Band-Aid to excuse objectively bad decisions. But I do think that I am totally comfortable with someone making a decision that's right for them that the numbers maybe don't support, as long as they know that the numbers don't support it. Maybe to use our earlier example of the mortgage with the 2% interest rate, much like you really made the deal of your lifetime if that's you, then if you know what [00:29:00] you're giving up an opportunity costs by putting more money into the principle on your mortgage and what that could have been if you had invested it somewhere else, and you're still okay with it, go for it. But I think where I want people to kind of hit pause is just making decisions because they are supported by conventional wisdom, like all debt is bad.

Well, it's not. Call it leverage, and then someone's going to look at you a little bit different. Oh, you're using [00:29:30] leverage. Totally different. Same thing, but totally different connotation. But I do tend to I'd say skew more toward prioritizing the long term.

Scott Matheson: I love the bucket. You were talking about bucket and compartmentalizing, which is so akin to how people think about things. And we use it with our clients all the time, be them individuals or the individual employees in these plans, just having them think about that. I'm reminded of my grandmother when I was a kid used to keep envelopes [00:30:00] stuffed in drawers. And each envelope had something written on it. And it was Scotty's birthday, and then there was ...

Katie Gatti Tas...: That's adorable.

Scott Matheson: She would put it [inaudible 00:30:08].

Jennifer Doss: That's adorable.

Katie Gatti Tas...: That is adorable.

Scott Matheson: Because she was from Boston. So it's just the same kind of mentality, but with interest bearing, not something that could get destroyed in a fire, as my grandmother was doing.

Katie Gatti Tas...: Yeah. Well, you know what's weird about that is that one strange psychological bucketing thing I've noticed with people is that the way someone asks [00:30:30] a question reveals a lot. And one question I hear all the time is, "Should I invest in my 401(k) or in the stock market?" And I'm like, "Interesting mental delineation you have there." It's like saying, "Should I eat fruit or an apple?" It's like, "Well," so I think paying attention to the language that's being used, and you can pick up on how that person is kind of mentally distinguishing these things, and it can provide some clues [00:31:00] insofar as where you want to take the conversation next of, "Oh, well, did you know that when you're investing in the 401(k), you're investing in the stock market? Let's talk about that. And maybe we need to get clearer on what your 401(k) actually is, what an investment vehicle is, as opposed to the investments themselves."

Jennifer Doss: Yeah. Well, Katie, we appreciate your time so much, but we have the hardest question that we do last, so I'm really sorry about that. It's also personal, and [00:31:30] hopefully in your journey and all of this, since 2020, you've had a lot of time to give thought to your own personal finances. It sounds like you have. And retirement is a big part of that. So our question is: What does retirement look like for you, Katie?

Katie Gatti Tas...: When I started doing this, the irony is that I was trying to help others and also document my journey to financial independence, retire early, [00:32:00] end point of I want to retire at 35, I'm going to get off the grid. I'm going to travel the world, yada, yada, yada. And then the paradoxical outcome of that decision was that the method through which I was documenting it then became my full-time employment. And I love doing this, so my perspective on wanting to retire early and not work anymore has completely shifted. However, [00:32:30] I do think that when I think about retirement for me, our quote, unquote freedom number, the amount that we would need to be able to support our lifestyle and never have to generate income again outside of investments is around $3 million, give or take, I'd say probably between three and four. And so when we hit that number, I think there's going to be a tremendous amount of psychological pressure that is relieved in the sense [00:33:00] that now I can continue to do what I want with the business, but I don't have to make decisions with revenue being the number one concern.

We can publish less. I can take time off. We can take sabbaticals. Someone else can kind of steer the ship for a little bit, whereas right now, the business also ... we have other full-time employees. Right? And so I think for me right now, a lot of the decisions that are being made are not about Katie's work-life balance, or what I want to be doing all the time, or if I'm [00:33:30] going to work on a weekend or not. Everything is what is going to be best for the business. And I think when my financial situation is such that I no longer need income from it, I do think that'll change the way I approach it.

But to me, retirement is not about leaving work. I don't think that I will do that for a long time because I've come to find that when you find work you enjoy, you're not actually in that big of a rush to exit the labor force, which I think is why we tell young people who think they [00:34:00] want to retire early, it's like, "You may think you want to do that, but you actually might just want to find something that you really like doing, and try that first, and then see if that changes your opinion about whether or not you exit paid labor at 35."

Jennifer Doss: That works.

Scott Matheson: It's funny how that works. It's also, let's revisit when you get to that number and see if you decided on a new number at that point.

Katie Gatti Tas...: I'm sure I'll be like, "Well, now I need $8 million."

Scott Matheson: Well, I've changed my mind.

Jennifer Doss: My lifestyle's different now.

Katie Gatti Tas...: You know what, [inaudible 00:34:28].

Scott Matheson: Grid with full solar and that costs 50 [00:34:30] grand.

Katie Gatti Tas...: That finish line keeps moving. It already has shifted back a little bit, so I would not be surprised if we got there and we're like, "You know what, let's shoot for six."

Scott Matheson: But you are right. You are right that there's a point at which you're like, "Okay. For what?" And you start shifting away from just success and accumulation and to thinking about more about significance and impact.

Katie Gatti Tas...: Yeah.

Scott Matheson: And what can you do if you earn more to give back? So that is fun. So Katie, thanks for joining us today. It was a real treat. I've got to be honest with you. I was super-nervous [00:35:00] about this because you're a professional.

Katie Gatti Tas...: Oh, my gosh.

Scott Matheson: My mom listens to this. That's the only one I know about.

Jennifer Doss: I don't know about you, but I'm a professional podcaster.

Katie Gatti Tas...: You guys are professionals. Look at you in your studio. You look more professional than I do. You have a blazer on.

Scott Matheson: Yes. Thank you for calling me out on that. It was a little chilly in here earlier, Katie. I was hoping to come in and just look like the total finance bro for you. [inaudible 00:35:24].

Katie Gatti Tas...: You would've needed a Patagonia vest for that. But no, you both look very professional in your studio, so thank [00:35:30] you for having me. It was a pleasure and it was really fun to get to talk about these things with you.

Scott Matheson: Well, congrats on your success. And we love what you're doing, and it is important.

Katie Gatti Tas...: Thank you.

Scott Matheson: So here's wishing you many more years of continued success and even greater influence.

Katie Gatti Tas...: Thank you.

Scott Matheson: Everybody else tuning in, you've done it again, listeners. You made it to the end of another episode of Revamping Retirement. Check out the show notes for today's episode. We'll link Katie's podcast and website where you can check out her blog, links to her YouTube, and subscribe to her newsletter if you're so inclined. As always, don't forget to [00:36:00] like and subscribe to wherever you get your podcasts, leave us feedback if you have any. Thanks for tuning in. We'll talk to you again next month.

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