The Dentist's Financial "Plan B" - Navigating to Freedom Decades Ahead of Retirement (Part 1) - Dustin Burleson: Ep #428

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With Your Host

Dr. David Phelps

Dentist Freedom Blueprint with Dr. David Phelps

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Welcome to the Dentist Freedom Blueprint, a podcast about freedom—freedom from expectations of society and the traditional path to success that has been ingrained in us from our early years, I'm joined by mavericks, renegades, and non-conformers to discuss an anti-traditional path to financial freedom, freedom of time, relationships, health, and ultimately freedom of purpose. My name is Dr. David Phelps. Let's get started.

Dustin Burleson: This changed our life. Like we are going to retire sooner, we are going to be happier, we are going to be less stressed out in the business.

Every dentist listening to this knows what happens if you go skiing and break a leg, literally. What if you get that phone call from your doctor with a horrible diagnosis? What do you do if you're not at the chair?

David Phelps: Welcome to the Dentist Freedom Blueprint, a podcast about freedom: freedom from expectations of society and the traditional path to success that has been ingrained in us from our early years.

I'm joined by mavericks, renegades, and nonconformists to discuss an anti-traditional path to financial freedom; freedom of time, relationships, health, and ultimately, freedom of purpose. My name is Dr. David Phelps, let's get started.

Hi, David here. I recently had a conversation with a good friend of mine, a colleague in our industry in our space, and that's Dr. Dustin Burleson. Dustin has been a thought leader, influencer, coach, mentor in the orthodontic space for well over a dozen years.

He's highly thought of a very thought-provoking individual, and we had a great conversation, really more of a conversation for his tribe, his people, the orthodontists, but I thought it was such a good conversation. I want to give you a share and let you hear part of the conversation.

I'll break it up into two different weeks. We'll do the first half of the conversation this week and the next week we'll follow up with the second half.

During the first conversation, which you'll get to hear today, Dustin will ask me a little bit about how did Freedom Founders come about? What was the catalyst that started Freedom Founders?

We'll talk about the fact that in investing and building up net worth that all roads lead to income. We dug into some of the problems that I see with the traditional 401(k) model, something that if you've read or heard me before, I speak about quite a bit.

But we got into some of the nitty gritty about the 401(k) model and where I think there's problems with it. We talked about the fact that there needs to be a mindset shift about one's finances and orchestrating one's financial future. That finance does not have to be as complicated as people try to make you think.

They try to make you think that way because they want to really extract your wealth from you and make commissions and make money off of your money whether they help you or not. And learning how to do it yourself or orchestrate it more yourself is something that's a key.

How you need to move from active income to that passive income, and what does passive income really mean? What does it take to do that? Having proximity to your investments, I'll leave that there.

But just basically saying that if you are far away from where your money is actually being invested in a person whose person or a company that's operating, it leaves a lot on a table for neglect and abdication.

Who, not how. We tend to be people who want to do everything ourselves because we learn to do it that way in life. But if we can figure out who can better help us with the things we want to get done in life, we can get a lot further down the road.

And lastly, in this session, we talked about how other people can help us fold time, collapse time, get us to speed to goal. These are important concepts and I know you'll enjoy this conversation today. And then we'll finish with the second half next week, talk to you soon.

Dustin Burleson: Alright, welcome everyone, I'm so excited to have Dr. David Phelps with us tonight on Ask the Experts, David, welcome, thanks for being here.

David Phelps: Dustin, always a pleasure.

Dustin Burleson: You've been working with our members for a long time, and I want to give a little bit of a background update for members who are new. You're a dentist like the rest of us, but you took a different path early, I think you started back in dental school. Tell us a little bit about your history.

David Phelps: That's right, Dustin. I was in middle school in Dallas at Baylor. And I'd always had this curiosity about someday when I would have some money, which back then, like everybody had student loan debt. Not as much as they have today, by the way. But I had some student loan debt, but I wanted to learn how to be a better steward investor.

I just thought that was cool. I always liked making money, but I heard about investing. So, I was reading books about stocks and mutual funds, and I found a few books on real estate. And I thought real estate, this just makes sense.

And I'm 22-years-old and single, so I've got time to be curious about things as we all are. And I thought, "I'm going to be here in dental school for four years and I'm going to sign up here to live in an apartment for now. And well, this throwing rent away just doesn't make sense."

So, wonder if I could own a property. Well, how am I going to do that? I've got no credit, I've got no money. It's like, "Hmm, well, wonder if Dad would jump in with me."

Now, my dad, also a healthcare, a physician, a surgeon never did anything entrepreneurial other than had his own practice, which I guess back in the day, that's pretty entrepreneurial. But real estate would be different in terms of investment.

So, I had to convince him, but fortunately, he agreed and long story short, he actually came to Dallas from Colorado where I grew up. And we spent a couple weekends with a realtor and just used some of the fundamentals I read about in a book, just the fundamentals about location was one of the biggest things, right house, right location, so I got that part down.

The financing part, I just knew that you had to figure out that you had gross rents that would cover expenses and whatever your debt service was. So, pretty simple, even for a guy that didn't know anything about real estate.

And I had no finance courses, and my calculator was not a financial calculator, was a TI calculator, they cost like 1,500 bucks back then for … did basic math. I'm taking you way back now, I think back before your years.

Dustin Burleson: No, I love it because I love the ambition even in dental school. Fast forward to today, you've helped a ton of our members at Burleson seminars, we met years ago.

The epiphany for me was every successful person I knew in my life and all the people I had studied had a significant portion of their net worth in real estate.

And so, we got connected and I thought this is great because people ask me all the time, "What should I invest in and where should I be investing?" And I'm not a financial planner, so I trust experts who have been there and done that.

So, if we fast forward to today, tell us a little bit about Freedom Founders and what you've done, which is pretty remarkable.

David Phelps: So, Freedom Founders started very organically, wasn't even on my vision board, wasn't an idea. It really came about because my daughter, Jenna, went through a lot of health crises early on in life.

So, when she was two and a half, she was diagnosed with high-risk leukemia, that was 1995. She got through that, but it was very painful for her, but painful as a family.

And she had epileptic seizures and between the chemotherapy for the leukemia and the anti-seizure meds for the epilepsy, her liver was shot. She was in end-stage liver failure at age 12. It's 2004, so that's 18 years ago.

And it was that point that it was really … I tell people it was my wake up call. It's like I first thought the leukemia was just going to be just like, “Okay, we'll get through this,” well, she got through it.

Our marriage to her mom didn't, unfortunately, just a lot of stress. It goes along with having a sick child. But I thought, “Okay, she'll be fine now.” And then the liver transplant hits and it was like, “Here we go again.”

And that's when I decided, I need to really take the measure of what I've done in real estate because I took the money that I made from that first house and I parlayed it. It's the story that people hear about, read about.

You parlay a certain amount of capital in real estate, you can compound it, and you can if you do it the right way. And I was disciplined, I learned about it, and I built up enough equity because I was paying these loans off fast on the financing.

That was my goal, take the extra money from my practice that normally would've gotten into a 401(k) or some of other savings, I'm just going to pound down these loans, because I had about 35 houses and I had most of them free and clear by that 2004 point when Jenna was in the hospital recovering from the liver transplant.

And I'm thinking as I'm looking at her in bed all hooked up to all the monitors and I'm thinking, “Okay, do I just go back and keep doing what I've been doing, which is grind? Yeah, we're all grinders, I'll do the work, but really, do I have more opportunities with her? Or maybe she doesn't make it through this.”

I didn't want to be morbid about it, but honestly, I didn't really think, Dustin, what's my life about? So, for the first time I really looked and say, “Well, what am I really netting out of these houses? Most of them free and clear.”

And back then, it was pretty substantial, was substantial enough for me to say, “You know what, I could sell my practice and be okay for a while,” and that's really the key, buying some time back.

So, I made that decision, and I sold the practice, took that equity and put it in more real estate because I knew what I was doing at that point, and I had a nice cash flow. It's never 100% passive, but that's okay because I still have the time.

The flexibility is what I needed in my life. I didn't need to be anchored down to a busy schedule, which we all sort of love, but then we also hate because you're tied down.

I didn't need that in my life then, so I was just going to buy myself time for a year, 18 months, and then I go back to start another practice. Who knows, I had the options open at that point. And that’s the key I think, is having options in your life that don’t tie you down one particular path.

So, as I had this freedom, which the major part of it was to focus on her, whether she was in the hospital back and forth or when she was well. I mean, gosh, why not spend time with your kids when they're well, not just when they're sick, what a thought.

And so, then I had some friends – I mean, this is a handful, Dustin. Dentists and some physicians, they understood why I sold my practice. But the question was, well, yeah, but how did you do that? You're in your forties, it's usually not when you exit your practice.

And oh, by the way, I didn't have a big multiple from a DSO, that wasn't happening back then. So, I got about the two times EBITDA back then. But you know what, the key thing, Dustin, it was enough because I knew how to take that equity and put it in a tangible asset that I knew would generate predictable sustainable income.

No big high fives, I knew what it would produce, and that was the key for me. Certainty, some level of certainty so I can make these decisions, which most people don't have today, they don't have that certainty.

So, Freedom Founders evolved very organically. A few docs said, “Hey, could you teach me how you did it?” I said, “Well, certainly, I could take you back, 20 years ago when I was young, I had no family, no obligations. That's not you today, probably that's not going to work in your family dynamics. Probably your chair time is worth a little bit more than being out there beating the streets and looking for real estate.”

So, I said, “Why don't you just tag onto some of my deals, piggyback. In other words, just invest some money with me, I'll work out a simple joint venture structure and you can do that ,and you can come with me and look at the houses if you want to. But you'll have no responsibilities other than just your money's going to be invested."

And that was coming out of the 2000 — really, a lot of that was out of the 2008 recession where we were just buying property, hand over fist at discounts. So, that private capital was generating big returns for both the passive investor and for me. In fact, I doubled my net worth coming out 2008 because it was so easy and I had the time.

So, I took that small handful of initial investors, probably invested overall, maybe 5 million or more with me over two or three years. So, we had a lot of equity, a lot of equities, we bought at discounts, solid runs, great returns.

We rode that up, we started exiting those probably in 2017, 18, 19. I thought we were probably at the top of the market. Who knew COVID was going to come and then push everything up a little bit more. But it doesn't matter. It doesn't matter, it's the key thing.

And so, more doctors were coming because I got referrals and said, "Well, hey, could you help me too? Could you help me too?" I thought, okay, my current great wife, you know Candace, she's so discerning.

She goes, "Okay, be careful what you build buddy because I've seen this movie before. You get excited about something. You go, yeah, I could go be a real estate operator too. Well, I could, but that's not my forte."

I thought, well, why can't I collaborate with people that I know because I've been in this industry real estate for a lot of years. Why can't I collaborate and really connect the dots?

In other words, I know what they need. They need private capital to get in the deals, then they long-term refinance out with banks. But initially, private capital is what juices the acquisition opportunities to make these deals happen.

And so, I'll connect the dots, I'll bring the operators a handful and a handful of these docs who want to learn. And I'm talking about, it was a small room in a hotel venue, it's where we all started out. And I'll just connect the dots, I'll be the translator. And that's where it started.

And today, we're way over 100 members and we're probably running well over 150 million of capital that I don't touch, by the way, I don't have a Freedom Founder's Fund, it doesn't go through me.

It specifically goes into specific operators through which we've curated, underwritten, organic relationships. There's no pitching, no selling, and that's what we're doing today.

And now, we're navigating the marketplace because people say, “Well, how do you do it when things are bumpy, volatile?” And that's another discussion we can go into. But that's my shortest script I can give you on how Freedom Founders evolved.

It was just out of me having adversity in my life that caused me to slow down, take a look at what I'm doing and say, “Is there another way to have my cake and eat it too. Particularly have time back at an early point in my life and not feel guilty because I'm not working, grinding it out and trying to put more money in the 401(k).”

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Dustin Burleson: I'm going to talk about 401(k)s, but I just wanted new members who may be meeting Dr. Phelps for the first time to hear his backstory because it's significant.

And I wanted to say thank you to David and I don't think he knows this, but of all the mail I get, I get a lot of mail, handwritten notes of thanks. I know David does as well, emails and just messages through our office.

The most common message when I get the message that says, “Hey Dustin, I just want to thank you so much for introducing us to … and then fill in the blank.” That blank is always Freedom Founders that, “I want to thank you so much for introducing me to Dr. Phelps because that has changed our life,” that's frequent.

And we just had a member I met with in Orlando, they came up to me on the break and I met with him a couple times in coaching sessions. He said, “I just want to thank you. My wife and I, we went to Freedom Founders; we're on a path, we're going to be financially free, thank you for introducing me to Dr. Phelps.”

That's why we do this. When a member does that, I know that my job here, bringing resources to Burleson seminars doctors is worth all the effort because it's not just, “Oh, that was a neat tool we plugged into our website, or that was a really smart way to do a better crown prep, or to straighten teeth faster.”

It was like, “This changed our life, we are going to retire sooner. We are going to be happier, we are going to be less stressed out in the business.”

Every dentist listening to this knows what happens if you go skiing and break a leg literally? What if you get that phone call from your doctor with a horrible diagnosis? What do you do if you're not at the chair?

So, I just want to highlight that and say thanks to David, and I wanted new members to hear his story because this is not some person in front of you going, "Yeah, just give me your money and I'm going to invest it in real estate." It's way more elevated than that, and it changes the lives of our members, so we do appreciate it.

I do want to talk about 401(k)s. I saw on CNBC or something, I'm just as guilty as the next person. I know I'm not supposed to be watching that. I know I'm not supposed to, but I heard someone go, "Oh, new IRS rules are going to drastically change how much you can contribute to your 401(k)."

I was like, "Oh, cool, they're going to let us start putting a million bucks a year into our 401(k)s." I think they upped it by, you probably know the number for sure. I was like, "Oh, $2,000, that's it, like you're going to give us an extra 2,000? Oh, thanks so much for the inflation boost."

David Phelps: It's a game changer for sure.

Dustin Burleson: Let's talk about why most dentists who think they're going to just squirrel away a little portion of their net income are going to be probably sorely disappointed. I think the statistic is an overwhelming, like a super majority, probably two-thirds or 80, 85%, I think the last time I read it.

Dentists and orthodontists are going to retire with less retirement income than they had in practice, because they have not figured out you can't take a small portion of your net income and score all of it away and live the same lifestyle. Can we talk about 401(k)s and what's wrong with that model?

David Phelps: Yeah, it's sold, it's marketed to us. When it came out in the late seventies when we went from the defined benefit plans, pension plans that totally don't work today, except in the public sector where taxpayers fund those of course. But in the private sector, they don't work.

Dustin Burleson: If you get trillions of dollars, you can.

David Phelps: Exactly. So, in ‘78, they started changing the model to take the liability off of the company and put it on the shoulder back of the employee.

And they've made it sound like this is a great thing because now, you get control, you get to contribute. Well, and here’s how much you can contribute and of course, it's sold on the compound effect of tax deferral.

And I mean, those numbers do work from that standpoint, yes, if you can mitigate taxes and let something grow without knocking out the taxes every year, yes, in theory, whatever you start with and whatever your return is, it's going to grow faster. So, got it, perfect, got it there.

The problem with it is that as capitalists, as entrepreneurs, as business owners, which we all are, you're taking hard-earned money and you're putting it in this tax deferral mechanism and feeling good about it. I called it lockbox because you can't take it out or do anything with it until you're 59 and a half without paying massive penalty and the tax.

The other side of it is the tax and 401(k)s, traditional IRAs, they're all taxed on the exit, when you do start taking distributions out. And there's a point where you have to, whether you want to or not, the government wants their money, they gave up while the taxes during the compounding deferral period, they want their money back out.

So, you pay tax at your ordinary income tax rates. So, I'll just put a proposal out there at home. You can take this survey yourself. Do you think taxes will be lower or higher when you retire in X, Y, Z years? Okay, I think we have …

Dustin Burleson: Blind stab at it, I'm going with higher.

David Phelps: So, that being the case, let's see … the other thing that you lose, several key aspects for the 401(k) that people don't find out until they get there — besides the fact that you're going to be paying ordinary income tax rates, there's no offsets, there's no depreciation, there's no long-term capital gains, you lose all that.

Anything that has growth in it that would normally have a lower long-term capital gains rate gets converted back to ordinary income even though you had the growth. The worst part of it is most of us understand that in estate planning assets, that could be stocks, bonds, real estate, commercial building, your home.

When you or I, when we pass away, our benefactors, our heirs are who we deem to take those assets that we've owned through the will or through trust, whatever — they receive those at what's called a stepped-up basis.

Short form is the day they receive those, they receive them at a basis of whatever the market value is. We might have had a basis of, call it $20,000 and the asset's now worth $100,000.

If we sold it while we're alive, we're going to pay tax on that $80,000 gain, heirs don't pay it. That’s outside the 401(k) world. Inside the 401(k), sorry, you lose all that. So, it's not at all a good generational wealth transfer mechanism, but everybody plays it up like it's the golden goose that you've got to do.

So, the fact that you don't have control of your money — here's a quick story and this happens often, but just this week, a periodontist, 54-years-old was ready to exit his practice to a DSO and he got the diagnosis none of us want. He's got cancer, now hopefully, he'll get through it.

He's still very positive, he's going to start treatment and he'll have to have some surgery. Hopefully, they're cashing in early, that would be the best thing. But downside is, he lost the sale of the practice. He was ready to exit, take a nice multiple, so that's off the table now.

So, now, he has to dig back into the practice. But the worst thing is Dustin, he played the 401(k) game, and he played it well. He's got several million dollars at age 54 stuck in a 401(k), stuck.

He can get it, but he'd have to pay all the taxes and the penalty on it and wouldn’t let down. So, it doesn't always happen to people that way, but for most people, that 401(k) is never going to be that great asset that you're going to “retire on.” It’s probably more your practical sale.

But then again, what do you do with that equity if you haven't learned how to turn the accumulated equity, the net worth you have if you don't know how to turn into cash flow? That's what the financial markets can't do.

You build it up, you accumulate wherever you put it, and it's like, “Okay, you're going to retire now? We better bring you back to safety.” “Well, what do you mean?” “Well, we're going to take you out of the stock market, we're going to put you in bonds and treasuries.”

“Oh, great, exciting, what's that going to pay?” “Well, it's actually paying a little bit more today because of inflation, but still, the contrast between we're going to play the equity game while you're actively working because you can always make that up. But now that you're not going to work anymore, we're going to have put you in something really safe.”

“Well, what's that going to produce for me?” “Well, we don't really look at it that way, doc. What we look at is you have this money and it's like the golden goose. Instead of having produce the eggs, we're going to start just chopping the goose down over the next 25 years and hopefully, the goose will not be totally gone by the time you die.” “Huh, hmm, that doesn't sound great for me.

Dustin Burleson: Doesn’t sound exciting for my kids and grandkids.

David Phelps: Yeah, and so that whole construct really only works when the markets are going up and everybody feels good. And the wealth effect of my practice is worth a lot and my 401(k)s worth a lot and I feel good, but just wait till the next market cycle because we always have them.

Normally, every 16 years, we have a cycle … this one's just been delayed by artificial means. The Fed and Congress kicking the can down the road and making probably the correction of this cycle, probably much worse than it should have been. But I'll leave that for further discussions.

Dustin Burleson: I think what I've taken away from this and hanging around you and other smart people in your group, is it really requires a mindset shift.

So, the doctor who says, “Listen, I'm making a million dollars a year net income or more, or $750,000 in net income.” They've got every expense they'd ever want in their life covered, they're taking nice vacations — they're good at making money.

They're pretty bad at translating it into generational wealth and or they rely — it's a somewhat devastating story and I hope that doctor gets through it.

But maybe you think like, “Well, I'm going to exit to a DSO at a seven times multiple” and then that falls apart, that doesn't happen.

Let's talk about that mindset shift. What do you see with your members who come in to Freedom Founders and how do they get out of the high-net-income into high-net-worth mindset?

David Phelps: I think the first thing is just to get over the fact that finance doesn't have to be that complicated, it does not. We're just told that. We're told to focus on what you do. And it's a lot to focus on what we do in keeping up with technology and managing a practice.

I get it, but it's not so hard that you can't learn some of the basic concepts so that you can at least be your own best financial advocate. Again, I don't purport that people go out and do everything themselves. I don't do real estate by myself.

But that talks about relationships, building a network and a team. That part does take work. I started when I was really young, and I had the time. I understand the benefit of relationships in all aspects of business.

I mean, it's what you do. You bring resources and other people to the table, you curate for people. I do the same thing in real estate. So, you don't have to go out on your own and do it.

So, the mindset shift is really twofold. It's one, is understanding that yes, you can understand this and understand finances and how it works, you'll be a lot better for it. Your skill sets in understanding finance will even help you if you're still in business or practice because the same skills, negotiation, formulas, they’re across the board.

The second part is just understanding that there are assets, and your business is one of those where you work in it, you work on it, so it's very close to the vest. That's your most predictable income. Why? Because you're right on it. You're on it, you're working it.

Now, at some point you want to pull back. So, maybe you bring on associates or you sell out a partnership or whatever, some point you want to do that. Well, that's what I did in real estate.

First, I was in it, I was really in it, I was dealing with tenants and contractors, and I learned that stuff ground up. Nothing wrong with that, but I don't want to do that today.

So, I'm a step removed, but that still means what I've got is the same predictability or ability to control what kind of returns I want for the cashflow, that's the key.

So, when people come to Freedom Founders, they learn that they can have predictability of income. Not pie in the sky, not we're going to hope for we hit some big high returns.

No, no, no, what's conventionally easy to hit when the markets up, sideways, or going down, everything else is icing on the cake. When you have that certainty, then you can reverse engineer.

Okay, if I need this much regular monthly passive income, after tax, then what I need before tax. And then you say, “Well, how much of assets do I need?”

Okay, now which assets, which of the capital stack? Meaning should I be in debt lending, like being the bank, very safe place to be today, actually, or do I want to be in equities when the equity market is moving and growing, or I can do hybrid.

And you can understand that you can actually position your capital this way through a curated group of operators and be on the forefront of doing what your financial advisor was supposed to be doing for you all these years who probably just had to go with the whims of the market. And real estate is nothing guaranteed, nothing’s perfect.

But my 40 plus years of doing this, I've got way more control over keeping my fingers closer to my assets and knowing the operators who do manage my assets for me, but I know them, I sit down with them, I can talk to them, I have them speed dial on my phone. I can go visit and understand what their culture is. I can't do that on Wall Street.

I just have to try to read the technical reports and I don't know what that's telling me. It's a lot of fun too, and that's why I see people, they enjoy understanding their finances as much as they've enjoyed building a practice and understanding how to do that.

Dustin Burleson: I'm curious your take on this, because I see this with orthodontists and dentists and dental specialists and that you've been in school for a long time. You just get a pie chart of the entire population and then how much education they've received — that dental, medical, that's such a small sliver.

You've received more education … I mean a lot of people don't get through even high school and then college or an associate's degree and then professional school and then residency.

So, you've put yourself in this position through your whole life if you're listening to this where you've always been able to come up with the answer to something, often you figure, you were taught as a kid some really bad advice.

If you want it done right, you've got to do it yourself, which is the worst advice our parents ever taught us. I think it's Benjamin Hardy, I know he's got a PhD, I know he's in Dan Sullivan.

David Phelps: Dan Sullivan.

Dustin Burleson: A strategic coach, he's got a book, the title is *Who Not How*. And you don't even have to read the book, just sit the book somewhere and look at it every now and then: Who Not Now.

David Phelps: Exactly.

Dustin Burleson: That's great advice. We had a call from a member's office managers. "Yeah, we've got a call with such and so, he wants to talk to Market Hardware," who Jimmy Nicholas, founded that company and sold to Market Hardware.

He said he had to consult with them and it's so expensive and he's just going to do the website himself. So, this dentist who should be at the chair doing $1,000 an hour procedures is now going to learn SEO, HTML, CSS and website building. And I know he can, he's a very smart person.

But the question is why, and so the answer to Who Not How, and what I'm trying to get to with this very long question and I want your thoughts on doctors who say, "You know what, I'm just going to figure this out on my own."

They want to go back in time to like you and dental school and figure it out on their own. So, what's the pro in doing it yourself? What's the danger in doing it yourself, and what's the power of a network which you've built, I guess is my question?

David Phelps: Well, the danger of figuring out yourself is the time component. Yeah, you can do it and you're certainly smart enough to do it, but there's a slow curve before you hit the hockey stick in anything where it ramps up.

Just go back to our own education. Yeah, we got the license, we got the degrees, we went to work, but how good and efficient were we? Not.

And so, it takes a while and then you hit an inflection point where things just start to come into place, and your diagnostic skills and your hand eye coordination and your ability to actually perform just really ramps up. Well, same thing here.

So, first thing is do you have that kind of time, and do you want to sacrifice that time that could be spent probably where you, your kids, your family, wherever you are in that timeline, probably is more valued.

Secondly, is where are we in the market cycle? Now, if we just got through a big crash like we did in 2008, 09 and 10, almost anybody could stumble out their front door and probably say, “I'll buy that house and probably” do okay, that’s the way it was.

And so, there could be opportunities for someone who wants to go out and have their local realtors say, “Hey, let's go buy some stuff because I was smart and I saved up a bunch of money,” which also usually, doesn't happen in a correction because everybody's just trying to get as much liquidity as they can because things are not good.

But yes, so right now, bad bad time to be trying to figure this out yourself because you're not going to have the discernment to understand, what's a “good deal” or a good value add deal versus something someone's just flogging off because everybody thinks the market goes up and up forever.

Where do you position yourself? There's so many ways to slice the onion in terms of alternative assets. Dustin, real estate, everybody thinks well, you need to go own something, and that's typically how you do it. And that's equity and that's growth. And that comes with a lot of benefits, certainly that's how I built mine.

But there's times in the market where the growth is not going to be there. We have asset deflation right now, we have consumer price inflation, we have asset deflation. It's a weird time right now because the market is overbought.

The financial markets are overbought, we're seeing correction there. Real estate, yes, but the thing about real estate that makes it better is that you can predict that cash flow and that's what I care about.

Okay, that concludes the first half of the conversation I had with Dr. Dustin Burleson. Next week, we'll complete the second half. That week, we'll talk about how you can expedite your learning curve in all aspects. We'll talk about the state of the market that we see today, the economic market, the real estate market, the stock market.

We'll talk about a concept that I call reversion to the mean, and what that means to us. Paying the price for the COVID pandemic stimulus, the benefits of the inefficiencies in real estate, orchestrating versus abdicating your financial future, done for you versus done with you, dangers of late cycle, how to determine how much is enough.

A question that so many doctors, hardworking professionals have (how much is enough). Income versus accumulation, the difference between the two. How Freedom Founders works, and one of the new books that we just published called *Getting the Band Back Together*.

That and more coming up next week, stay tuned and I'll see you there.

The Dentist's Financial "Plan B" - Navigating to Freedom Decades Ahead of Retirement (Part 1) - Dustin Burleson: Ep #428

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