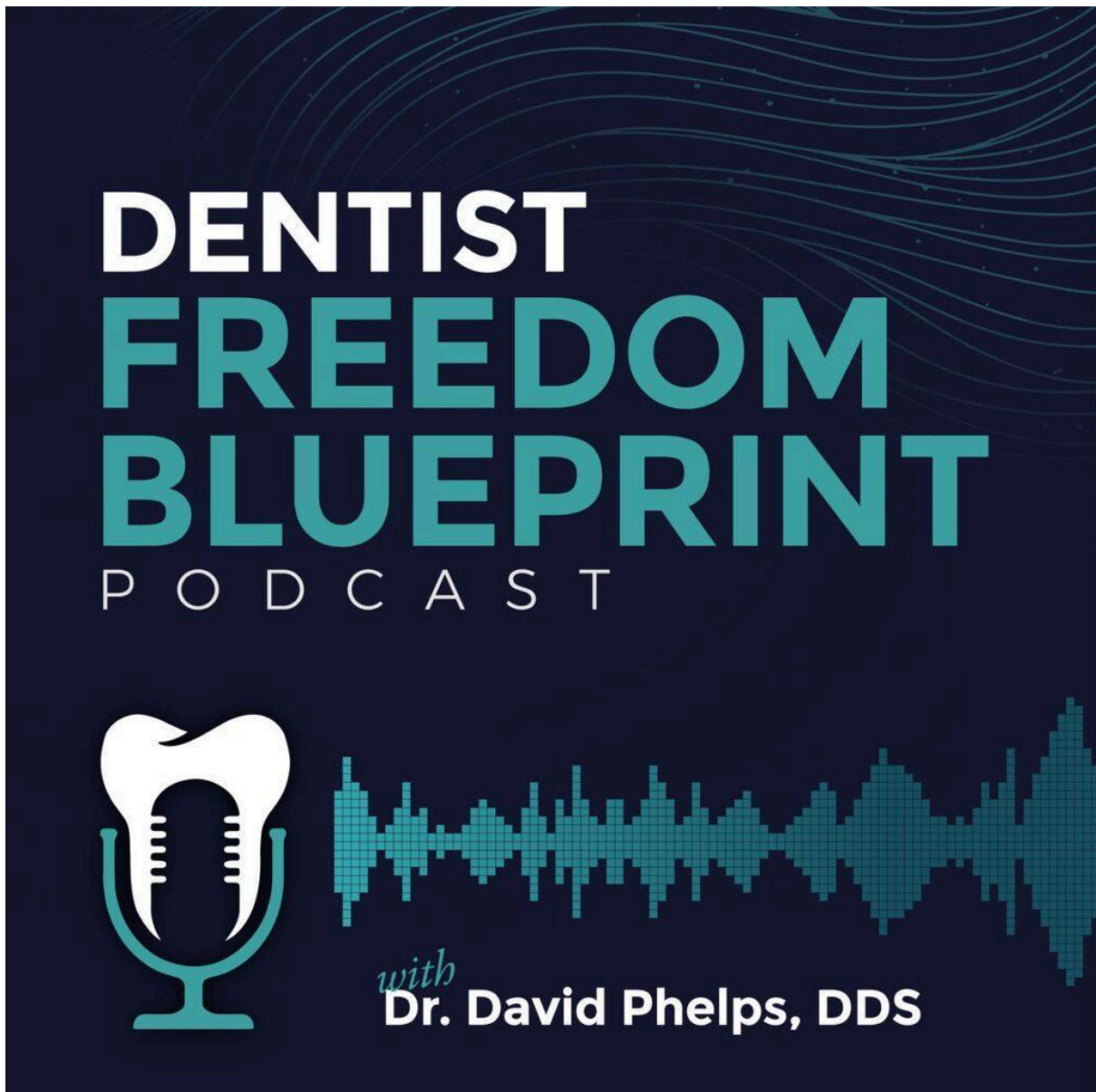


**Starting the Conversation About Wealth and Relationships with the Next Generation - David McAlvan and David Phelps: Ep #494**



**Full Episode Transcript**

**With Your Host**

**Dr. David Phelps**

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**David McAlvany:** There should have been sort of a retribution or a reckoning, a consequence for my actions, and he extended kind of the olive branch to me and forgave me. I was ready for the fight. I wasn't ready for the proverbial peace pipe. And I just reflected on my life and thought this has got to be different. My choices have to align to something else.

## Intro:

*“David was of course a dentist, but he was a very sophisticated real estate investor. He had run with a circle of probably the most sophisticated housebuyer types in the country.”*

*“David is a student of the game.”*

*“I would never say this about most people. I would get in a foxhole with David.”*

*“His knowledge is unreal. I mean, it's off the charts.”*

*“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.”*

*“He speaks truth. He really cares. He's committed to this group like it's a family.”*

*“You can't get higher integrity than David. If I named Top 10 smartest, most informed real estate investors I know, he's in that list.”*

*“The most common message I get, I want to thank you so much for introducing me to Dr. Phelps because my wife and I—we went to Freedom Founders. We're on a path. We're going to be financially free. We are going to retire sooner. We are going to be happier. This changed our life.”*

**David Phelps:** Baby boomers and the silent generation are expected to pass down a combined 84.4 trillion in assets to younger generations over the next two decades. Will the younger generations be ready to receive, steward, maintain, and grow that wealth? Real legacy is so much more than just the financial. It's about passing down values, family identity, and hard-earned wisdom. How does one go about passing down that intangible wealth to the next generation? This week, I want to share with you a conversation with my good friend, David McAlvany. His weekly commentary is

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one of the few podcasts that I religiously listen to as soon as it publishes every Wednesday. He's an expert in precious metals and leads the McAlvany Financial Group as a second-generation visionary.

His father founded and built the business before David took the helm, an interesting legacy case study in and of itself. David has a lot of insight into this idea of passing the torch of not just wealth and how to manage it, but the principles of creating wealth and the incredible lessons learned throughout life.

So enjoy our conversation and on the backside, I'll share a few thoughts on how we can begin to engage and interest the younger generation in these concepts. But for now, sit back and enjoy this latest episode of the Freedom Founders Podcast.

**David McAlvany:** The longer I live, this is a significant year for me. I turned 50 in December. I've got an 18-year-old son who's heading off to college. We've got some significant sort of milestones in the family, 25th anniversary this year for Mary-Catherine and I, you know, it's humbling to have written a book and look back even five, six years ago and say there is a vast difference between theory and practice and there's ideals and then the realities that we face every day and the decisions that we have and the encounters that we have with family members. You know, it's not always easy and it's not as clear cut as it is on the page in real life.

So I'm grateful to be here with you. I would say, as I think I did in the beginning of the book, that I'm a would-be practitioner. There's still a lot that I'm learning and we're in a new phase of life with kids getting ready to launch. And man, I mean, the lessons keep unfolding. I'm a fellow student in this endeavor, don't claim to be an expert. The experience we do have that we've gotten to reflect on is working with 50,000 families, different clients, different stories and seeing different things that have been done right and wrong. And, you know, you can see where sophisticated estate planning and sort of the hard structures have been put into place.

And a lot of times that's not done. So those are probably the easiest to take care of. The stuff that's harder is what we would call soft structures and that's where doing life with other people can get messy. We have our own personalities, we have our own priorities, our own ideals, and kind of melding those together in a family construct, you know, that's where all of a sudden that idea of expanding out [...] we can look and say, "Here's the assets that we have in the bank, in real estate, in precious metals, in stocks and bonds and what have you."

And those are pretty easy to account for. You can see growth, you can measure growth, and you can look at benchmarks, you can measure success. When you expand out the balance sheet to include the intangibles, that's where it can get, you know, you don't have a way of measuring really. All of that is, you know, you can't put it on a spreadsheet.

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How mature are my kids? Do I rate them on a scale of 1 to 10? What are we learning about trust and communication skills and active listening? Rate myself on a scale of one to 10. I mean, that might be a helpful exercise, but it's not, you know, we don't get the monthly statement. We don't get the annual overview.

And I think sometimes that's why it's neglected is because we don't have easy metrics, but it's important nonetheless to look and say, "Okay, if we want to build a legacy, what is this that carries on beyond us?" You know, beyond having a name on the side of a building or having achieved, you know, a million dollar goal, a 10 million dollar goal, a hundred million dollar goal. Whatever it may be. When we think about culture, that's what we're really talking about when we're talking about that intangible balance sheet. How are we cultivating? How are we curating? How are we inspiring? How are we guiding? And how are we learning as we go? Because none of us are experts. We reach out for extra resources, we read lots of books.

One of the things that I appreciate about you, David, and about Freedom Founders as well is that this is a, it's a group of curious people and lifelong learners. So that's what we're here today to do is just to continue to learn together. And I don't think any of us are here to say, "All right, I got it."

There's always more to learn and there's ways that we can grow. There's some practical things that I wrote into the latter part of the book about mottos and codes of conduct and things like that that might be helpful. Oddly enough, it was a group of dentists in the Pacific Northwest that had this book as a kind of a book club read and the intentional legacy.

And they wrote me and they said, "Have you put together a study guide? Because by the way, we thought it was necessary. So we put one together ourselves." But that's great. Can I see what you've got? And so, you know, we did, I don't know if you're aware of this, David, but about 2017, 2018, basically eight different exercises, a study guide for the intentional legacy, and just some questions to ask and some conversations to have, and it could be a helpful resource in terms of being a conversation starter within the family.

I think, as you mentioned earlier, it's sometimes hard to go to certain places, particularly when you don't feel like you're leading as the expert, but you still have ideals or things that you'd like to see accomplished, but you know that there's more that you don't know than that you do and in having just something as a reference, a jumping off point into conversations can be helpful. That's really what Mary-Catherine and I wanted the intentional legacy to be was conversation starter. You know, a cup of coffee on a Saturday morning and a couple saying, time is short. From this point in our lives to wherever the endpoint is, how do we want to account for the decisions that we're making and have them be as valuable as possible? Can we reverse engineer our highest ideals and expectations, back them up to this point

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in time where all very small and practical things, but they aggregate to our life story from this point forward?

And what does that look like for us? You know, “Here's what McIvany says. What does that mean for us? Yeah, we like this. We don't like that.” It was not meant to be sort of an ABCs of legacy as much as it is, can we jumpstart a conversation?

**David Phelps:** I have one child, a daughter, she's out of the house now. She's in her early thirties. God's grace to see her through her health challenges. I have no young ones at home, but it's never too late. Your legacy, no matter where your generations may sit today, but I know we have a lot, many of our members do have children, as you do, at home, and certainly one ready to launch, some have, some that are relatively young, but interspersed throughout.

I'm interested to hear from you today, particularly with the advent of technology, social media. Oftentimes, we have parents that are busy in separate careers trying to raise a family. How do you bring back traditions, rituals, codes of conduct? “How do you create those times to have those conversations, David, with a family, when everybody is off doing everything and they're on these all the time.” I'm sure you have instituted some codes within your own family. Can you speak to a little bit of that? And what you see is we're losing what I grew up with back in the sixties and seventies. I think we've lost a lot of that. My family got together for meals, breakfast, and dinner when we were off to school, during the school year and it was family time.

Had traditions and rituals on Sunday evening. Maybe it was watching Disney with TV trays. I mean, we had our faith and our church that we had that was built around. I don't know that we have that so much anymore. So what can we do to offset the negativity with technology and culture today that seems to be pulling the family apart?

**David McAlvany:** Something that's very important to our family, and this would be one of those things that is sort of a defining value for us, which is hospitality. Out of that hospitality comes this idea that we set a table and we invite people into something that's beautiful. Last night was guys night and we invited our godson over.

And so he came over and he was like, “Hey, could we make gnocchi?” And I've never made gnocchi before, not from scratch. So we set out on this little mini adventure of creating this beautiful meal that we share together. And it's at the table that we have dynamic conversation, and some of it's catching up, you know, “How's your week, what's going on, you've got finals coming up,” and some of it stretches to the theoretical as we finish dinner and sit around the fire ring last night.

To your point, my 10-year-old comes outside and he carries his computer with him, and I don't know what he's doing on his computer, and I'm like, “We're just gonna



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chat, why don't you leave the computer inside and join us?" And he kind of looks at me like, "But, but..." And it's a fight. It is a fight, whether it's at the dinner table, like, you know, our rule is that technology is not at the table with us. And so cell phones, leave them in the kitchen, leave them in your room, leave them someplace else. But that's a time where just a simple rule of let's connect and let's do that in a way that's honoring to everybody at the table and you've got my full attention. It's 20 minutes. If it's an hour, what have you, if something comes up in a conversation at the table, you know, there's a polite request, "Hey, can I grab my phone and look that up? 'Cause I don't know what you're talking about." "Yeah, sure." But otherwise, that's a little boundary that allows for us to engage and I think setting the table for us, that's a lot of what sort of cultural curation ends up being is creating opportunities for meaningful conversations to occur, for meaningful connection to occur. As our kids leave the house, we're going to have to stretch our imaginations to how do we do that metaphorically. How do we set the table and invite them in, invite their friends in, invite, you know, their families to engage in that way? Is that meeting up a couple of times a year?

We live in a place that's beautiful, but it's not exactly a place where you would go to start a career. So, I can imagine all four of our kids being spread out all across the country. My hope is that technology actually enables connection. Whereas today, it's something that represents an impediment to connection if we allow it to. We use WhatsApp and Signal to keep in touch with my parents. They live in the Philippines. All of us are on one thread. And every time somebody has a birthday, that's on a family calendar. I'm glad somebody else keeps it because I can hardly remember my own kids' birthdays. I get this ding on the phone and, oh, it's my sister-in-law's birthday, and I get to comment on it and say hello. And it's this reminder, and technology is actually enabling that connection. There's a balance between good and bad. Setting some boundaries is important, but for us, it centers around what our values are and in, you know, for us, being heard and being paid attention to, being honored.

These are things that, it's the way we've determined we're going to relate to each other when we have time together. So the values drive setting the table and the way that we engage at the table and now we're going to have to get creative. What does it look like to metaphorically set the table with our kids out and about, spit across the country, maybe the world?

**David Phelps:** I remember when I was early, early teen and my loving mother always cared about what my thoughts were. I didn't want to tell her anything. Oh, I wasn't hiding anything. I just didn't have time. I didn't care. All my thoughts were in my head. And so for a few years, I think I was probably not very communicable.

I wasn't a bad kid. I wasn't a rebel, but I just wouldn't want to go there. And yet we still had a family that was a strong unit. Where do you start with, because all the kids are different? So how do you kind of bring them together with all their different

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personalities and get them in a common thread where they find some enjoyment and start these meetingable conversations?

Who starts it? Is there an agenda? Do you bring something forward to start a topic or is it just organically we're together here, we do this on a regular basis and someone pipes something out and then you just roll with it? How does that work?

**David McAlvany:** Yeah, I mean, I think it's easier to structure your schedule when kids are younger.

It gets harder as kids get older. So the pattern that we've had is morphing over time, but the pattern that we have had, you know, Tuesday night, Mary-Catherine and I are out, that's our date night. and the kids recognize that as sort of like a monumental event during the week. And I love it that they've come to see that as an expected norm within a married couple's life.

It's important for us to spend time together. We didn't get married with sort of the primary motivation to populate the planet. We got married because we love each other and we wanted to spend time together and it's a priority for us and we set that time aside every week. If there's something that's coming up, like if I'm going to be traveling on a Tuesday, the kids are the first to ask, "When are you going to do date night this week?"

I mean, they're holding onto this with an expectation of, "Well, this is what normal is. If it's not going to happen, that's not normal." And are you guys okay? There's like an expression of our value set in that. That's Tuesday night. So Tuesday night is date night. Wednesday night, if we can, we do games.

Sometimes that's a board game. A lot of times we play cards. Probably every four to six weeks, we sort of interpose a family meeting before playing games. And so if there's things that we need to clear the air on, things we need to talk about, frustrations. Summer's coming up, this week we've got five books for each of the kids to read through the summer months.

We kind of cover that ground with the expectation of, "Hey, you can't wait until the last month to read five books. You're gonna need to read for an hour or two per day. Make sure that happens before you do this, this and this." So, we kind of have our family meeting on occasion, but game night is an opportunity for us to enjoy doing something together.

What we're trying to pattern is we enjoy time together. If it's a Christmas gathering 20 years from now, what are we going to do in the downtime? We're going to play cards, we're going to play a game, we're going to do things that we've been doing for decades because we've learned this is how we enjoy spending time together.

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Yes, we love to ski. Yes, we love to do other things like that. But if we're just sitting around the dinner table, what does that look like? Sometimes it's conversational. Sometimes it's highly competitive and dangerous. So that's Wednesdays. Thursday, I mean, I think of it as guys night, Mary-Catherine, it's girls night with their daughter, Tess.

They'll paint their nails and they'll watch a show and they've gone through a bunch of series and it's what they share together, and it's an anchor for their relationship. One of the series that they watched together was the Gilmore Girls. And as silly or as trite as it may be to watch a show together, they had the opportunity earlier this year, travel out to California.

Tess was getting fitted for pointe shoes. Mary-Catherine had a doctor's appointment. And they got to go to the set where they recorded the Gilmore Girls. And so it was a meaningful experience for them, but it tied to a shared history. And there's these little vignette, these little conversation points as they go where it wasn't like planning on the big conversation about X, Y, and Z.

It's just picking up little bits and pieces as we do life together. Family nights, and again, I want to stress, it's a lot easier to orchestrate a lot of this and pull it off when kids are young. As they get older, they have other interests and friends and stuff like that. Friday night is, you know, we watch a movie and have root beer floats and pizza and we make the best pizza in town.

So the nice thing about family night at the McAlvan's is on Fridays, it's, "Could we come over?" Because we're making pizza from scratch and it's awesome. It's absolutely awesome. You won't find a better slice of pizza in Durango. But it's just, again, it's fun.

And when you think about what we're trying to create, like the subtext is we want there to be so much sentimentality tied to having been a McAlvan that as they grow up, they're like, "I see all that the world has to offer. And I just know that this is goodness. I just know that this is joy. I know that this is celebration. I know that this is laughter." And you know, the reality is family life is also conflicted and there's moments of tension and there's argumentation and there's, with boys, it can even be like full-on brawling. How do you balance out those things where hearts are connected even though the stuff in life, which is not easy, could just blow it to pieces?

And that's what we want is to embed as much in, you know, as we can, sort of the sentimentality of, "I don't always get along with my brother, but I sure do love him. I've got an allowance for him being a knucklehead. He offended me beyond imagination. And yet, gosh, he's a good guy. You know, we still enjoy spending time together. Ah, we can move forward." So that's what we're after. Weekends are a



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free-for-all. We don't have anything planned on weekends. We do church on Sunday evenings with about 10 different families and a small gathering and so there's a little bit there at the tail end of the week as we launch into Mondays.

That's sort of recalibrating. That's kind of our week in a nutshell. And we are dealing with some of the things that were easier to pull off. They're getting harder, but there are aspects like guy's night, you know, the fact that we play poker. Our 10-year-old is probably the best at the table.

And he always wants to play poker because he thinks he's always going to win. We've had other families join us for guy's night because they're like, "Hey, are you guys doing poker on Thursdays?" There's some draw there, which also means that it's actually easier to still orchestrate those things, even though there would be natural pulls away as kids are differentiating themselves and kind of becoming their own people and want to do their own things and have other obligations.

**David Phelps:** Curious about the books for the summer. Five books, all the same books for all four, or different books?

**David McAlvany:** All different.

**David Phelps:** Who chooses them? Are they chosen by you and Mary-Catherine or do you choose them with each of the kids? Give them some options. Are there categories? I'm just curious of what type of topics and subjects you might lay out for them to consider for the summer.

**David McAlvany:** Yeah. Everybody's books are different. And it's Mary-Catherine and I putting our heads together to say, you know, what's in different categories. If it's literature, if it's economics or sort of cultural analysis, if it's, you know, so I'll just, I'll give you a couple of examples.

Our oldest is 18 and there's—I have to look at this picture. One of the books we want him to read is titled Radical Hospitality. it's about Benedict. The subtitle is Benedict's Way of Love. And it just frames what hospitality can be within culture, not just within family. But it's with a focus on appreciating the needs of those around us and inviting them into our lives. What he's experienced, we'd like in our family, we'd like in that sort of value of hospitality. We want him to see it more in theory and begin to think about how he can cultivate his own life and his own practice outside of our family life. Another one is Dr. Henry Cloud's Changes That Heal.

Powerful book. A really powerful book. It covers setting boundaries and in engaging in relationship and dealing with conflict and looking back and taking a look at your own life and saying, "In what ways have I been wounded?" And this is the reality is he's going to move into his twenties.

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There's going to be all levels of critique of things that we've done, shouldn't have. And things that we left undone. And so the gaps that are there in terms of our parenting and family life, he's going to have to take account for that and figure out how to kind of deal with the good, the bad, and the ugly.

That one, if you wanted to put it in the category of self-help or whatever, he's also reading Jordan Peterson's Twelve Rules of Life. He's reading Moonwalking with Einstein by Joshua Fore. That's a fabulous book. And he's also got The Mirror of the Sea, which is a Joseph Conrad novel.

And then there's a book I told him I was going to pull from my shelf. I couldn't remember the title. Friday mornings, I get together with a couple of high school boys and we do a Bible study. And one of the comments from this morning kind of tied in where Corinth was geographically and some of the changes that have happened in and around that part of the world.

And it was really kind of fun because he was bringing in these insights and it was geography meets sort of cultural development and whatnot. And there's a book that I want him to read on that. Yes, it's one more book. So you've got six. You shouldn't open your mouth. Now you've got six.

And he said, "Well, does that substitute for the biography that I have to read? Or am I actually at seven?" 'Cause they all have a biography to read. My younger son, Discipline is Destiny by Ryan Holiday, Crazy Love by Francis Chan, Darwin on Trial by Philip Johnson, Dream Big by Bob Goff. So very different.

And, you know, then for the younger kids, they're age appropriate but, yeah, so it's different and we'll see if they actually read the books.

**David Phelps:** Well, yeah. So is there a time when you'll get together with them individually at different points in time to talk about the book they're reading or will this be end of the summer discussion? How will you bring this together?

**David McAlvany:** Yeah. I mean, I sat with our 16-year-old on Wednesday and we had probably a 30-minute conversation about a book he just finished, Resilience. He finished school a little early this year and it's written by a Navy SEAL. He outlines basically there's a lot of difficulties and challenges in life and he's just underscoring in a series of letters that he's written to friends the importance of resilience. So we started that conversation and he's my least verbal communicator. So yeah, it was 30 grueling minutes of me kind of like trying to draw things out and it's super challenging. So we still have some work to do on that, but we'll do that periodically through the summer, touch base with them, and where are you at kind of accountability and what are you learning? Ask them some questions as they go.

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**David Phelps:** Let's talk a little bit about redemption. That's a big piece of your book. Spoke about your father being a very entrepreneurial businessman. He traveled 75% of the time. So you were without your father for much of that time growing up, resentment grew within you, and you really had some tough times there until you had that really kind of moment of truth at the Waffle House. We all have relationships in our life, whether they're with our immediate family or maybe, second tiers of family or just maybe it was a friend that we, something broke apart.

Let's talk about that because that's so important. I know so many of all of us, and I know many of our members are dealing with situations right now that are working on relationships that have fallen apart for different reasons. Give some context there, David, because I know this is a very personal part of your story.

**David McAlvany:** Cat Stevens's song, Cats in the Cradle resonates with me because, you know, you grow up with telling yourself, "I'll never be like this. I'm never going to do that." And the next thing you know, that's exactly what you are. That's exactly what you're doing. And my dad's travel was something that was very formative or deformative perhaps for our family. We had a lot of dysfunction that came from that. But out of that also came the fact that we're a second-generation business, and there's different latitude. I've started two other businesses that are complementary to the first. The risk profile of being an entrepreneur in the second generation is very different than the risk profile of being a first-generation creator.

Hopefully, I've taken the baton and run with it, but I also recognize that it has cost me less. It's cost my family less for me to start those new businesses based on the sacrifice that my dad made. But there was a price to pay. The story for me came together in my early teens as I got into some trouble and there should have been a retribution or a reckoning, a consequence for my actions.

And it was perfectly timed. He extended kind of the olive branch to me and forgave me. I was ready for the fight. I wasn't ready for the proverbial peace pipe. And I just reflected on my life and thought this has got to be different. My choices have to align to something else. So a very pivotal moment for me.

What took place from that point forward was just a start for me to recognize that I needed to move in a different path, was probably my first recognition of intentionality and goal setting and sort of that reverse engineering. It's not language I would have used at the time, but that was really when it dawned on me that my life can look very different depending on my choices.

The healing process and relationship took place over the next decade. I mean, it's not an overnight thing. You don't realize all the different scratches on the record and sometimes they don't appear, they don't resurface until you come full cycle and you

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hit them again. And then, oh yeah, there is another scratch there that needs to be looked at, needs to be talked about.

And that's not easy stuff. That's hard work. And in a busy life, it takes a dedication and a commitment to working through some of those things. So to do it, I think you're talking about a set of values and commitments that you make to patience, to humility, to listening, and trying to process from another person's perspective.

These are life skills that, again, go onto that balance sheet that we're trying to create and grow, the intangible balance sheet. How are we cultivating being active listeners? How are we cultivating being fair in our communications and not working out of hyperbole? "You always do this. You never do that." Those kinds of things create real tension as you're trying to resolve bigger issues if you haven't set some ground rules for communication. If you haven't established that we're going to be respectful and we're going to be kind and we're, you know, that's where all of a sudden the intangibles inform what you can do to rebuild, and what you can do to find healing. These are the things that we want. We want to develop within our families, trust and communication and the skills of conflict resolution takes time. It takes emotional energy, does take the space. And as kids get older, I can see how very easily, you know, somebody moves to New York city and we're in Colorado and we've got another one on the West Coast.

And how do you even take the time? That's been tough for me. We're in a better place today, but my brother and I had some significant conflict four or five years ago. And we just looked at it and we're like, "Nah, we're not in the same place. We don't live in the same town. The amount of time it would take to fix this, forget it."

And we still have some reparative work to do. But at the last family gathering, we kind of buried the hatchet at least. The animosity that we were dealing with that's behind us, but we still have reparative work. Right. Well, they're coming in July. Are we going to be intentional about going rock climbing again?

It's just like, I don't want to sit down for five hours and try to dig up the past and then figure out, "Okay, actually the hatchet's not buried. You did this, you said that I—" You know, we need some things that are fun for us to do. So we probably will, probably go on some long hikes.

And that's the equivalent of setting the table. It's the venue where a conversation might occur that would bring some healing. And that's what I'm hopeful for. But we have to continually set the table metaphorically so that those meaningful conversations can happen. Sometimes it's the fun conversations and it's the laughter. And in this case, we've got some work to do.

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**David Phelps:** *David brought so many great insights into our conversation. And one of the things that I love about David is that he is always eager, not only to discuss these topics with the older generations, but also with young people. At Freedom Founders, we have a thriving next-generation group made up of the adult children of our members.*

*They focus on developing their financial acumen and building a strong foundation for successful, meaningful lives. David recently came and shared with our next-gen group. He brought so much value and wisdom into their lives. He really connects with the young people. They respect him and his message resonates with them.*

*I want to give you a sneak peek into what that looks like and how David engages the next generation in some of these conversations. This next segment is an excerpt from David McIlwain's recent conversation with our Freedom Founders next-gen tribe.*

**David McAlvany:** The world has always had challenges and we certainly will have our own version of challenges.

You know, how you understand them and navigate them. If you can navigate them skillfully may be the difference between one version of success or failure. And I think that there are issues that you'll have to face that maybe your parents didn't have to. You also have advantages, on your side that your parents are sort of playing catch up on. We've hired a couple of young people, one guy straight out of high school, and he's one of the most brilliant computer coders that I've ever met.

He's studying computer science, but he's already writing algorithms for us that automate trading. What advantages he brings to us and he has that an earlier generation, it might've been one in 10 million. You guys are of a generation that is much more fluid with technology. Yes, there's challenges ahead.

I think a part of understanding a challenge is, or dealing with challenges is understanding what it is and figuring out how to navigate it. My boys just did their first Spartan race two weeks ago. You're familiar with that. It's like an obstacle course over a 10k. So they're running six miles and they've got like 30 different obstacles.

Some of the obstacles were really hard, and they weren't ready for them. And now, they look back and they say, "Oh, well, this is how you do it." Climbing a rope. There's a particular technique. There's a couple of things that if you dismantle the challenge, it's all manageable. You just have to sort of embrace it, move on through it.

I think if you approach it that way, instead of being sort of a victim to circumstance or a victim to those challenges, they can be opportunities because there will be other

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people that just say, "I can't do this. I got to quit." And your opportunity is based in character. Never give up. Be resilient. Be creative. Collaborate. These are all things that allow you to face head-on the challenges that are in the world today and face them boldly. I don't see anything on the horizon that taking us back to the Middle Ages or back to a form of serfdom where the best you can do in life is maybe feed your family, but survival past the age of 35 is going to be a rarity.

Now look at the world we live in. The average lifespan has improved. If we talk about wealth and the possibility of wealth creation, this is a period of time where it's kind of unprecedented in all of world history. I think you've got plenty of opportunity and the challenge is you just have to understand them.

So to me, education is a huge part of that, to understand how the world works, to understand what would headwinds look like. I think one of the best things that you can do personally is stir your curiosity. And if you can develop sort of a voracious desire to know, to understand, you know, when you think about investing, you can invest in real estate, you can invest in stocks and bonds, I'd say the first investment and the most important investment you can make is in yourself.

Investing in yourself means reading voraciously. It means learning from everyone. You've got parents who are willing to invest in you, invest in your future. They have friends, you have a community, you have professors, teachers, coworkers to pay attention. Learn from everyone and appreciate that part of that learning process includes making mistakes and that is absolutely okay. I look at mistakes as a form of tuition payment. It's going to cost you something. Making a mistake, it's never fun. But get used to paying that tuition and learn from your mistakes. Learn from your failures. When it comes to investing, I have a journal, and the times that I have thought that X, Y, and Z was going to make sense and it didn't work, I have to then go back and say, "What was wrong with my assumptions? What was wrong with the environment? Was it a good investment, but not the right time? What did I miss?" And if I'm able to identify what I did miss, I don't have to make the same mistake twice. Right? So, but that's investing in myself, in my knowledge. You start with investing in yourself.

**David Phelps:** *Most of us start out in life with more time, energy, and optimism than money. That's what is so exciting about working with next-gen. The world is brimming with possibilities. If you learn how to invest in yourself early on, learn to provide value to the world, and to create freedom sooner, the compound effect on your life and those around you can be enormous. David McAlvany, he shared a cautionary tale with our next gen of what it looks like to miss this opportunity to grow and invest in yourself.*

**David McAlvany:** I know a guy, we'll just say his name is Howard. It's not his real name. He was a really bright guy. His mom was very wealthy. She was from a Texas oil family. I mean, you know, wealthy enough. I'm not talking about hundreds of

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millions of dollars, but millions and millions. And Howard knew that as the only child, he was going to receive this inheritance and Howard kind of delayed his development.

He didn't make critical life choices about his career because he knew that in the end he'd be taken care of. So I knew Howard for about 40 years, 30 years. Yeah, 30 years. So I knew him when he was in his 40s. I knew him when he was in his seventies and when his health started to fail. And you know what?

His mom was still alive when he was 72 years old and he still had not sort of gotten on with life. He had never made something of himself. He had never really dug into gifts and talents that God had given him and I saw this as sort of a tragedy. He knew that he was going to receive something, and because of that, it was actually debilitating to his own development professionally, right?

Very intellectually curious, you know, definitely grew in that area. But as a professional, he could have made such an impact on people's lives through, again, the skill sets, the natural talents that he had. And yet his life is kind of like a non-event in history. He's a nobody. Again, how do we remember Howard?

Nobody does. He didn't impact lives, and a part of that was because he was just on hold waiting, right? So, his mom's in her 90s, she lives to almost 100 years old, and he finally receives these millions of dollars in his mid-seventies and he's dead at 82. I look at that and I think receiving wealth can be debilitating.

Understand that your parents have the best of intentions when they think we want to do something for you. If we can, we'll pay for college. If we can, we'll leave you something at the end of our lives. Just be aware that you have gifts and talents and this world needs you. Like your opportunity to impact lives, to be a major contributor, to change things.

It depends on your level of engagement. And I'm just telling you, I see much less willingness to cultivate self and to just do the hard work with people who know they've got something coming, right? And I can think of a dozen different instances of trust fund kids who, yeah, they went to college, but they never really had a job.

They didn't have to work. Yeah, they were 18 and they had a couple million in the bank and they knew that when they turned 30, there was a couple million more. And some of them are really interesting people because they had the time to travel and do this and do that. They never cultivated themselves, and so even though they have all the money they'd ever need, receiving wealth was debilitating.

So, I would look at what you may receive as sort of icing on the cake. You're responsible for baking the cake. Go bake it. Figure out the right ingredients, figure

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out the best recipe, make the best damn cake you can. And if there's anything to put on top, great, it's just icing on the cake, right? But you're responsible for baking the cake.

*If you enjoyed this episode, be sure to like and subscribe wherever you're listening. And if you're interested in more concepts for younger adults and the next generation, you can check out my book, *The Apprentice Model*. I created this book as a guide for young adults to pass on some of the lessons and wisdom I've learned over the years and offer a non-traditional roadmap to success and freedom in life.*

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*I'll see you next time.*