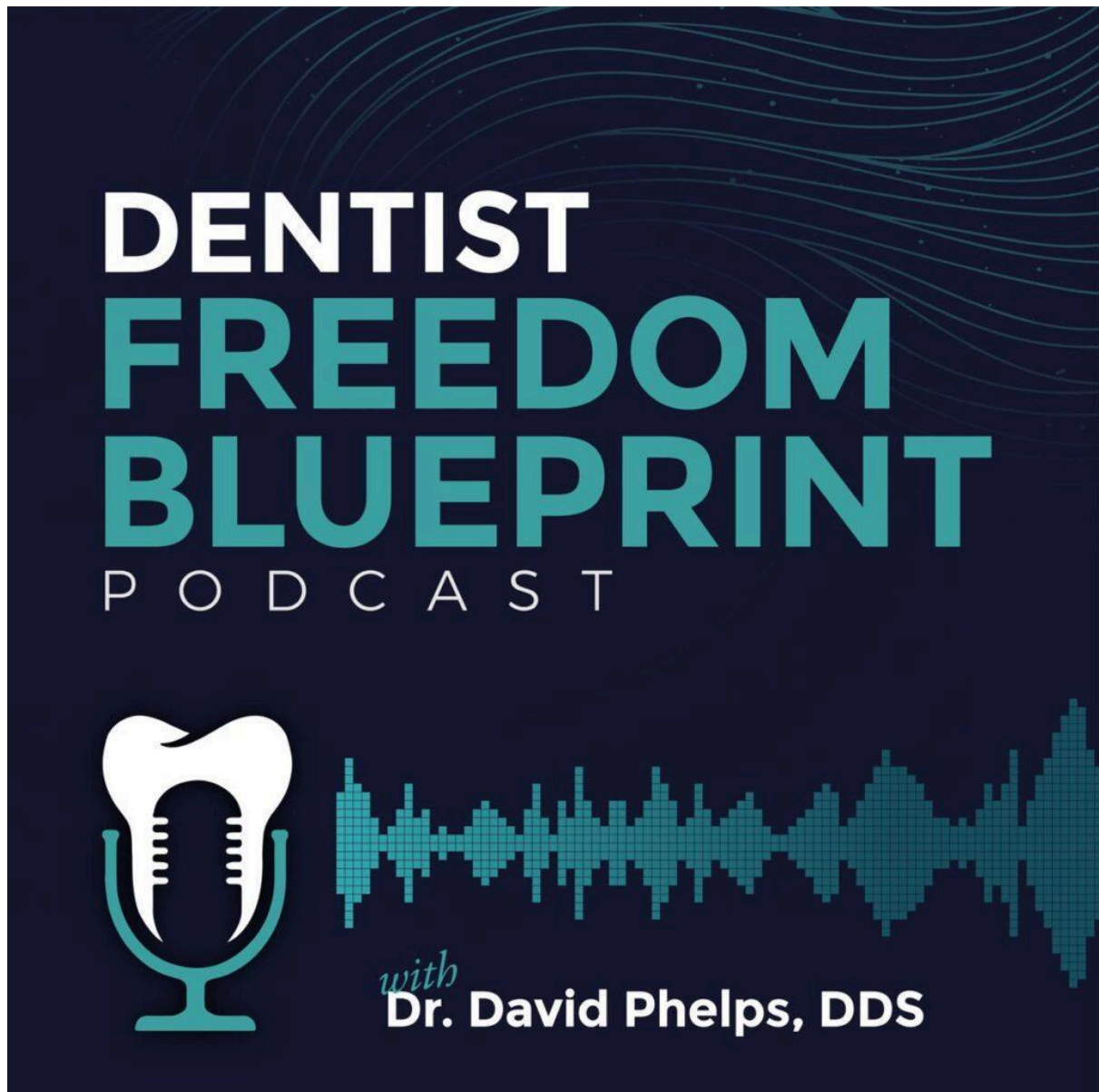


**Stewarding Wealth, Values and Wisdom Into  
The Next Generations - Ted Oakley: Ep #506**



**Full Episode Transcript**

**With Your Host**

**Dr. David Phelps**

[Dentist Freedom Blueprint](#) with Dr. David Phelps

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

**Mr. Ted Oakley:** *It's a job that I tried to get so hard in high school; we didn't have any money. And our house burned all the way down. I finally went back to this guy for my fourth time, and I used that as my plug. I said, "Hey, the house just burned down. I really need to work." And he hired me. I ended up being what he says is the best hand he ever had over the next five years. But what I'm trying to say is you'll get breaks along the way, but you got to put yourself out there. And you're going to get turned down.*

## 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."*

*"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."*

**Dr. David Phelps:** This week, I'm sharing a conversation that I had with Mr. Ted Oakley that was originally held live for the benefit of the Freedom Founders community and their young adults. We offer a monthly call with our members, next-gen young adults, to teach and mentor them about on the financial and life principles we wish we would have learned at their age.

This was our most recent monthly call with our members and their next-gen. I think you'll find our discussion incredibly insightful. For those of you who don't know him, Ted Oakley is the Managing Partner and Founder of Oxbow Advisors and holds a tremendous amount of wisdom in helping clients navigate the markets, plan for retirement, and steward wealth into the next generations.

Our conversation has many takeaways, and I think you'll find that many of the lessons highlighted might resonate and articulate some of what you've learned in

[Dentist Freedom Blueprint](#) with Dr. David Phelps

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

your own life. My hope is to spark deeper conversations on true wealth, the skillsets valuable to all industries, and the creation of legacies worth more than just money.

In this episode, you'll hear about how to foster independence in your young adults, when to hand over inheritance to your children or let them into the family business, how to avoid the temptation to help your children too much, the most invaluable transferable skill sets everyone should learn to be successful in any career, the elevator litmus test—to know whether someone is hireable and the opportunity for young adults in today's economy, and so much more. Please welcome Mr. Ted Oakley.

**Ted Oakley:** When I got to thinking about talking about money today, I thought, the first thing you have to talk about is “What are you going to do with your life?”

You can know that you're going to inherit money, and you can know this is going to happen to you, but unless you realize that you have to invest in yourself, you have to have that ability to leave the flock, so to speak, and go out and basically be able to stand on your own two feet with your own self-esteem.

No matter how much money you inherit or you're going to inherit, it will do you no good if you get to the end of the road at 50 or 60 years old, and people will know that you never had to do anything and you never had anything you did on your own in your life. And they'll look at that, and they'll always not appreciate who you are.

And what that means is you're going to have to decide that, “Okay, I want to go out.” I don't care how much your family has. You're going to have to go out and get on your own, okay? And be able to say, “Even if my parents didn't have any money, I have the ability to make it. I can make it on my own.”

And then someday, when you do see money or money comes back the other way, then you have learned the lessons and you have the respect of people, and that's, as a person growing up, the people you don't have any respect for are the people that inherit money but want to act like they know something or they want to be somebody when they really never earned it in the real world. They should be disrespected because they don't have anything to offer you.

And all I'm saying to you and the parents too, for both of my kids, I paid for their college, but that's all I did. When they got out, they didn't have any debt. They were on their own. And fortunately for them, they were both really successful, but that's because they had to work.

They had to do their own thing. And if you bring somebody back in too soon to the wealth, you basically are doing them a disservice. They can't learn to have their own

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

life and be their own people. And I know a lot of parents hold that overkill. They try to say, “Well, you got to do what I say. You won’t get any money.”

Try to do your deal where you say, “I don’t need your money right now. I can make it on my own.” It’s going to be harder on you, I will tell you, but you have to invest in yourself. That’s what I call investing in yourself. And I always tell people that there’s some lessons you’ll learn along the way of that.

One is you’ll learn not to be in debt. That’s one of the things you’ll learn the hard way. And I’ll tell you personally, I learned it the hard way in my 20s. I thought, poor guy, but I’m going to own everything. I’m going to own oil and gas. I’m going to invest in real estate. I’m going to do this and that.

And the other had way too much debt. And I read this book called [How to Get Out of Debt, Stay Out of Debt, and Live Prosperously](#). And it’s still a book by Jerrold Mundis. But this was in like 1980, ‘81, ‘82. And then you had the big bust in ‘86. But you learned not to have debt and to basically live within your means.

Those are things you learn to do that you wouldn’t learn if somebody was footing the bill for you all the time. And when you learn those lessons, you can take them with you. It goes into saying that this is building who you are and what you want to do. And I always tell people, young people in particular, I said, “If you will learn to work hard and learn to communicate, you don’t have to be number one salesman in the country, but if you can communicate with anybody, anywhere in any company, any business, you’ve won half the war right there, especially today.”

And if you’ll learn to communicate, invest in yourself, stand on your own two feet, this is all before the money—is what I’m trying to say. If you’re going to have the money come later, that’s one thing. But I talked to a lot of people at family offices, and they said, “Well, my two kids are getting out of college this year, next year, I’m going to bring them back in the family office.”

And I asked a guy this, I said, “Hey, let me ask you a question. In your business, before you got all this money, would you hire somebody that had no experience whatsoever?” And he said, “No, no way.” I said, “Well, why are you bringing the two kids back in?” I said, “You’re wasting their time, and they’re really wasting yours.”

And I’ve always thought, and this is in my book basically, in order to teach that you’re going to have to have people stand on their own and then they’ll learn all the lessons they need without mother or dad really—I know they want to teach them that, but you can’t teach them that. They have to learn it themselves and they have to be out there.

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

It's kind of hard for you, especially if you've got a lot of means as a parent. I mean, I know I could have made it really easy for my kids. But I didn't do it. And they had to get out there and drive old cars and make money. And you know what? It worked. But there's more things besides just the money.

You've got to have these basics. If you look at people in our industry, they're always saying, "Okay, let me teach you how to do this. We want to bring these young kids in and we want to show them how you allocate assets and how you buy stocks or bonds and how we're allocating the family assets back."

I totally disagree with that. I think that is a complete waste of time for a young person. They've got plenty of time to learn that. One of the ways they're gonna learn it is if they have to make an insurance payment or a house payment or buy a car or work on something. That's how they learn it. That's how things go.

And then they'll learn one other thing, is they'll learn that the game is not the money. The game is what you do. I promise you, David Phelps, and I never ask you this question, but I will almost bet 10 to 1, if I said, "Would you still do this business that you're doing, which you're so successful at, David, if you only got 15% or 20% of the revenue?" I bet you'd still do it.

Because you like what you do. That's part of what goes on. You never get a chance to do that if everything's been laid out for you already. You don't get a chance to experience those things, and so I keep trying to instill that into young people and keep on learning. I mean, I learn every day and I don't know nearly enough, but if you'll read a lot and learn a lot and learn how to communicate and put all those things together, then when you come back into the family wealth.

Hey, we got a player now. We got somebody that can really make it go. I can appreciate the people that do that. It's hard to do for parents with a lot of wealth. It's hard to do. You want to help them. You want to help them. But the best thing you could do for them, it's like that book by Ryan Holiday, [The Obstacle Is the Way](#).

A great book. Nick Saban gave all of his teams that book. And it's a book about, "Hey, you don't learn anything unless you have adversity. You don't learn anything." That's where I start with this money thing. You got to get a foundation first, and all you're going to get as a young person is decide that "I'm going to be something else. I'm not going to be the family money guy, okay, or girl."

I think that's where you have to start. Decide who you want to be, and if you want to be more than just, honestly, a rich person, then you can be, but you're going to have to do it yourself. That's when you go into the money, and that's when things start.

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

**Dr. David Phelps:** We have a lot of young people who are following the educational process. They're going through high school and college or vocational school and going on to graduate school. That's always been the moniker—is to get the education. And you've talked about that. The cost of education today, unless you have a parent that could put the bill.

Cost of education is very high today. And many times, unfortunately, the kids go to school just because that's what they're told to do. And they end up with a degree that really, once they achieve the degree, they go out in the workforce. And today the economy is kind of tough and I think it's getting a little tougher. And, so there's a lot of frustration out there.

I love what you said about focusing on learning and putting aside the money to get rich quick, to get the wealth, to enhance the lifestyle, because everybody wants to do that. You go to school so long and it's like, “Well, finally, I've got the degree. Finally, I get to go out and work and make some money.”

And then the tendency is to expand the lifestyle and perhaps, start utilizing credit, which American dream is based on credit. It's so wrong. You just talked about debt. What would you tell a young person today who maybe does have some amount of debt from school and feels the pressure of needing to pay that debt, and maybe they're on their own now and they're paying the utilities and the car insurance and the apartment rent or whatever it is.

Should they still focus on trying to find the best learning experience first and then work their way to a higher level of income? How should they look at that today?

**Ted Oakley:** Well, I think they're going to have to do like everybody does when they're in that situation, they're going to have to work hard, whatever they're doing. They're going to have to work hard at it and then figure out a way. I'm a big believer in whatever you think about is going to happen.

And so you've got to think about getting there to start with. You can't sit around and just hope it happens. You've got to think, “You know what? I'm going to move forward. I'm going to do this.” I was sitting there at 27 years old with almost \$500,000 in debt. And this was a guy that didn't have any money, by the way, 26.

And I went to zero debt. Now, how do you do that? You just decide you're going to do it, okay? And you get a hold of things, and you say, “We're not charging. I'm going to take down a little of that debt every month, every six months. I look at that number, and I feel better because it's lower.” And it goes and goes and goes, and all of a sudden you look up, and you're knocking a piece off of it.

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

I think too many people have gone to college that probably didn't need to go to college nowadays. And by the way, my wife's the number two person at University of Texas, so I sort of know from where I come, but I always say this to people. Don't worry about changing jobs. You're young. Go find another job that pays more money.

If you're not making enough money, then get on the run. Look for something. Go sell yourself. Go ask somebody, "Hey, you know what? I can do this." You've got to be tenacious when you're trying to make all that happen. And last, don't go back to your parents. I'm telling you. Get it done yourself so that you know you can do it.

And I say, I know it's really hard. I know it's really hard to get money, but I'm telling you, I spent many days without any money. And it teaches you a lot of lessons. It teaches you is you're hungry. You don't have anything to fall back on. So put yourself in that situation, believe it or not, you'll do okay.

**Dr. David Phelps:** Let's talk about lessons because I think we live in a society today with social media. There's a lot of pressure to look apart, to look successful by society's definition, and to look like we go and we don't make mistakes. But you just talked about lessons. Talk about going forth and trying different things.

Whether it's different jobs or you talked about getting out and learning how to speak and communicate. Trying things that you may not be good at, likely not good at the first time you do it. Nobody wants to look bad, right? What do we have to lose or what do we have to gain really is the better question.

When we put ourselves out there and make ourselves uncomfortable in situations. Other people say, "Well, I'm afraid to try that. Or why would you do that?"

**Ted Oakley:** Well, when you're young, you don't really have anything to lose. And I always go back to the Zig Ziglar comment. "If it is to be, it's up to me." I think people need to realize, that you have nothing to lose as a young person.

So what if they turned it down? So what? There's another one out there. You always get this idea that there's only finite good jobs or finite money. There's really not; there's loads of it, but you have to put yourself out there to get it. I know one of the things that I always found correct was you have to be tenacious in it and maybe get a break.

I know there's a job that I tried to get so hard in high school. We didn't have any money and our house burned all the way down. I finally went back to this guy for my fourth time and I used that as my plug. I said, "Hey, the house just burned down. I really need to work." And he hired me, and I ended up being what he says is the best hand he ever had over the next five years, but what I'm trying to say is you'll get

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

breaks along the way, but you gotta put yourself out there, and you're gonna get turned down.

There was a book called [Winning Through Intimidation](#) by Robert Ringer and he used to say, "A positive outcome with negative mistakes." In other words, you got to have all these negatives, negatives, negatives, but when you get the positive, you've got to put enough out there and you're going to have more negatives than positive.

When you get the positive, take it. And that way people will see that in you too. I think people will really notice people that—well, I just had somebody come in my office and the only reason I took this interview from these people was because the lady calling me was so tenacious. I get these calls all the time, but I'm going to interview your guy. He's coming by because you were so tenacious. I really appreciated that.

**Dr. David Phelps:** We'll pull a few questions out of the chat from our folks that are on with us tonight.

**Alex:** *Ted, how do you separate your role as a father and your role as a financial mentor?*

**Ted Oakley:** Well, one of the things I've tried to do is just teach my kids the basics, and then the rest of it they're going to have to learn.

I'm going to teach them, "Look, you're going to have to work, and you're going to have to learn not to go in debt." If they do, they're going to have to pay the consequences. And I'll tell you how that goes. My son, who started a business over in Almarante, Florida, and he got really beat up. I mean, he learned the hard way about accounts payable and customers, and it was his business.

He owned it outright. He made it work though. I could have stepped in and helped him, but I wanted him to learn those lessons, and believe it or not, he learned them the hard way. I just had to bite my tongue and hold back. First of all, he had a lot of pride, which I understood. But secondly, if he had said, "Hey, I really need something, I'm not going to make it, I'm going under or something," I mean, I would have looked at it.

But I'm just saying, I let him fight the hard fight, and he ended up selling that company to a company in Chicago. Made a lot of money, kept 25 percent of it, moved to Austin. Big firm was going to hire him because he had this great knowledge of marketing because he did so well at his company. And I actually convinced him to come in and do my marketing.



# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

But that was after he was 38 years old. I wasn't going to put him on Easy Street when he was in his 20s. It's hard to do, but you have to give them the basics. And if you haven't given them any basics, I think after they leave home, if you haven't done anything, it's pretty much too late, and you can hope to try to help them a lot, but that one's on you if you let them leave the house with no basic training, and I think you have to do that.

**Alex:** *Here's another follow-up question, Ted. Will you invite them back, a young person, you talked about helping them go stand on their own two feet, and the question is, will you invite them back when the feeling is right, or will you set a metric for them to come back to work with you? Or will you wait for them to ask to be involved?*

**Ted Oakley:** I've really found that second-generation wealth—there's no particular time frame—but if they can be out there on their own for five to eight years, okay, it doesn't have to be 20 years, but five to eight years, they learn a lot in five to eight years if you let them go. Let them hit the wall. They'll learn a lot.

And they may—I've had different situations with people, but sometimes they'll come back and say, “Hey, you know what? I'm doing well over here and actually, I'm really moving on up with this company, but I'd really like to come back in the family business.” Well, at that time they've learned something. And they've got experience so you can bring them back in.

Sometimes they don't come back in. They do so well out there that they just say, “You know what, I'm going to make it here. And I think I've really got something going and I'll take it forward.” But I don't think there's any particular time. I think if you have that inclination, and particularly if you're passing down businesses, you're passing the business down.

In other words, if you hadn't sold the business and you still have it in the family, you want some of that if possible, but if you do it, you want it after they've done something else, and then they come back in. You start them at the bottom of teaching the whole business. But I think the biggest thing about it—I had a kid come in and ask me for my advice here in Austin, whose dad is very successful, and he's a good kid, and he's working for his dad, but he's still in college.

And I said, “When you go out on that job, I said, don't tell them who you are. I don't care what you do. Don't tell them who you are 'cause they'll know he's your dad. You want those people to treat you like anybody else.” And so that's sort of what you're trying to do with this. And it varies a lot, Alex, but it really gets back to the person.

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

You might have a young lady that's a daughter, and she goes out and she's doing extremely well. And I've seen this before. She didn't want to come back. She didn't want to come back. Or she marries a great guy and they got a great family, go somewhere else. There's all things happen like that. But I think you have to give them a chance to learn all that before, I think it's about five to eight years.

That's my personal opinion.

**Alex:** *Ted, I have a question that relates to your experience helping numerous families to navigate financial legacy, uh, together intergenerationally. What are some of the characteristics of families that have done that really well? What are some of the some of the ways that they approach that process or maybe some of the conversations or values that they display? What are some attributes of case studies that you've seen that have worked really, really well from an intergenerational standpoint?*

**Ted Oakley:** You know, it's interesting cause I have seen a lot of good ones that really work. They were different levels of wealth from really 50 million to a billion, but they had the same characteristics.

One of the things is that the parents, the parents, they just didn't set the wrong example. In other words, know how much money they had. They didn't go out and do something, all of a sudden, sell a company and then buy four houses, and till their kids got up grown, they pretty much lived a pretty close lifestyle.

I'm not saying they didn't have a home in the mountains or a home on the beach or something, but they didn't fly down there on a Challenger. They were real good examples of what—that's one thing they did. Second thing they did is almost every one of them made their kids work. Almost every one of them.

And they had money in school, and they didn't come to college with any debt; they had cars paid for. But after that, they had to work. They made them work. And almost all of them had a situation where they did not discuss major wealth with those kids until they were probably 35 years old, on average. I'll put that on average.

I can't say that generally, but I can say it in a way generally, that that's about the age of maturity. I'm talking about you've learned to hit the wall. You've learned to take some knocks. You've had some sadness. There's so many things that go into that. And then those kids learned about, "Hey, I got a trust, or I got some money, or whatever."

But they didn't get into that. They didn't bring them in and say, "Hey, look, we got, four portfolios here and five companies over here." I want to get you all into this

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

because all of a sudden it takes all the game away, and they can't really appreciate it. Now they've been out there until they're 34, 35 years old, and then they see the money.

Those are the basics I see in all the ones that really, really work. And there's some great people out there that do it. I mean, I have so many people. I have so much respect for them because they took money and they didn't use money as a hammer on their kids. So in other words, they didn't tell their kids, okay, you know what, you got to be as successful as I am.

If not, you're not any good. They let their kids do what they should do. And then later on, they got into the money with them. I know there's family problems like that. I mean, I've seen those two where you've got overbearing parents and they just use the money as a hammer. And that's unfortunate, but I've seen that as well.

It never works in the long run. But the ones that really do it right, they have it down all the way, and then eventually, and this is interesting, once those kids are over 35, getting close to 40, then they go buy a jet. They could have bought one all along, you see what I mean? But then they do it. They all try to set an example.

A lot of them stay in the same 4500-5000 square foot house they had. They just don't make a kid feel like it, "Hey, you got plenty of money so you don't really have to do anything in your life." They could, but they don't. Those are the successful ones. There's a whole other group that are unsuccessful, but that's success.

**Dr. David Phelps:** What's your philosophy, or is there a rule or a ratio that you would give to young people in terms of how they elevate their lifestyle along with income enhancement? Is there a certain percentage that you like to see them become disciplined in putting away and starting a savings, which then goes into some kind of investing? You talk about kind of ratios like that, that they should really try to stick by because it's so easy.

We know today to elevate what's lifestyle and always think there's more time in the future. I can always save later. That's the kind of mantra today, right?

**Ted Oakley:** Well, anytime I see a young person using a credit card, if they're paying them off every month, that's one thing, but I know so many of them don't understand that, "Okay. I'm putting money in a 401k, but I'm paying 28% over here to Saks Fifth Avenue." That doesn't make any sense, and they're not really thinking about it. They're not thinking about that. What they've got to do first is get off the credit, number one. And then number two, just save.

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

Start with 1%, then start 5%, then start 10%. There's a great feeling for people, young people, if they can do this. If they'll start writing down every month. how much money they save and just keep underlying it and adding it and bringing it forward, you'd be surprised at how good that will make you feel.

You'll look up 15, 18 months from now and you'll say, "Dang it, look at what I did. I mean, I've got some money saved here, and I never did before." And they got to write it down, and they got to look at it. And that's what makes a difference.

**Alex:** *Is today's economic environment a handicap to the young generation compared to the historical opportunity of the American dream?*

*I think that's a great question because I think, Ted, that there's a perception among many young people, my peers, that they don't have the same opportunity available to them that previous generations did. Do you see that to be a reality, or what's your perspective on that?*

**Ted Oakley:** Well, I think there's a lot to it in this standpoint because I can appreciate young people.

If you look at it today, everything is rigged for the baby boomers. Everything. Baby boomers have all the money; they get all the Social Security, they get all the they get all the benefits, and young people are like, wait a minute, what about me over here? You were able to buy a house when you could do maybe a one-earner family or something like that, and you can't do that as much anymore.

And I totally agree with that. I think if I were a young person, I would do this, though. I think I would veer away from all the things that they learn in school that everybody wants to do, like be in finance or be in this business, or go invest in banking, private equity, all this, or tech, and go find, there's so much money to be made in the nuts and bolts of business today.

If you find a good company, and that can be a mid-sized company, say 10 million in revenue, 15 million in revenue, that's a local company, that you can start with, and you can really work that way through, learn, earn stock in that company and move forward, I think you have a lot better chance of that than trying to go out here and overnight make your mark, okay, with a new app or something.

And I know people are going to do that. Don't get me wrong, but there's a lot of people that don't. I think the key to the next 10 years, because I really do believe the next 10 years is going to be a hard asset 10 years. I know a lot of your listeners have real estate. I think that's excellent. I think they need to look at hard assets, gold, oil, real estate, because those are the industries probably that are going to take over

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

and take away from what you've seen in the last 25 or 30 years, which is an easy money, lower interest rate, atmosphere. And everybody wants in this business. Everybody wants in something like that, okay, or tech. When I think there's a lot of opportunity, if I were a young person, I would go looking for jobs like that.

**Dr. David Phelps:** Ted, you talked a little bit about people being good with other people, good communicators, being able to speak well. Let's add onto that just what people generally would call, you know, networking, building connections. You've certainly done that in your life.

How would you tell a young person to enhance their networking through communication and being interested in other people? What should they look for? I guess I should say.

**Ted Oakley:** One of the things you have to look for in that is, you need to be around people that have higher integrity. In other words, you need to be thought of as, look, this lady or this guy, is so high level.

They're such a high-level person and they move in the circles with high level people that have high integrity. When you start running in those circles, okay, then you'll find that more of those come to you. I would say to a young person, if you've got a couple people around you that are negative or sort of just really bums and go nowhere, I know you like them as people, I've had friends of mine like that, but you know what? Move on.

In order for you to get what you need internally, you're going to have to change that mentality and be around people that can uplift you and you can uplift me. You'll find the successful people are like that and whoever who you run with is who you're going to be like. And if you're running with people that are just halfway, drink a lot, whatever, do dope, whatever, And you're thinking, "Well, I don't have to be like that."

Well, you think you don't, but you probably will end up being somewhat like that. So you have to lift yourself up and say, "Hey, I'm going to include around me the right kind of people and the right kind of thing." We've all had friends that do that, but this is what I tell my kids. I said, "Look, you start out in high school on a merry-go-round and every five years, somebody is going to get off the merry-go-round because they flip out or twist off or whatever."

And that merry-go-round keeps getting thinner and thinner and thinner and thinner as you get older. And when you get to be 50 or 60 or 70, there's not many people left in the merry-go-round that are still really, really fantastic, okay? And so you just got to remember that. You got to keep moving forward and put those kinds of people around you.

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

You can do it, but you have to think about it. I've got some really great friends of mine. I mean, they'd do anything for me. They're not my style now. And they were people 40 years ago or something, and they're still good friends of mine. I talked to them, but I'm never going to let them get in my head.

So you have to think about that.

**Dr. David Phelps:** Alex, I think we need to have a merry-go-round at the next Freedom Founders meeting. I love that metaphor. It makes a lot of sense. Ted, you spoke earlier about how you took on a lot of debt early on because you wanted to—you were using that debt, I assume, is to try to acquire assets, investment assets.

It sounds like, right?

**Ted Oakley:** I was trying to do a lot of things. I wanted to show the world that I had arrived and putting on a facade that wasn't real, which is the worst thing you can do because you're really not real. You're living every day in a world that nobody knows. Worst thing you can do.

But if you wake up one day and just say, "You know what? I'm going to change this. I'm not happy. This world's not good." And you got to get out of debt. And you can't be happy if you're in debt all the time. I promise you, you will not be happy. It'll kill you. You have no ability to move and do and do anything else.

But debt is a killer.

**Dr. David Phelps:** So differentiate a little bit in terms of what I might call good debt versus bad. Dave Ramsey is like you're saying—he's big against not going into consumption debt. In fact, he doesn't like debt at all. And I think we know that if you're going to build a business or for most people, if you're gonna buy some kind of a house or eventually if you're gonna invest in real estate, well, when the rates are not so high, you use leverage in the right way.

So kind of give us a little, your feel for where that's prudent to use that, where it's not.

**Ted Oakley:** Debt with cash flow, I don't consider debt. I mean, if I have cash flow in anything, particularly like, I have oil and gas and real estate, things like that, they all have cash flow. And some of them have debt, some of them don't have debt, but I'm not having to come out of pocket.

Their cash flow is taken care of and then I'm getting a real boost. I think the thing about real estate though is you can afford, if you buy it right and you own it the

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

correct way with the right kind of cash flow, people forget it's the only investment, the only investment left that has all of the advantages that you can't get anywhere else.

In other words, depreciation, amortization, 1031. And by the way, I see one of these, one of the runners from President wants to outlaw 1031 over \$500,000. That would hurt the business a lot. I don't think you could get it passed. I really don't. But still, real estate is that kind of thing. If I have a business and I'm expanding and I've got cash flow, I'm going to have some debt.

Because if I have opportunity to make more cash flow, but I won't do it because I've got to have everything paid off, I'm not thinking right as a business person. Because that cash flow will cover it. You're right, David. Those are the differences. The difference between consumer debt. If you see somebody that buys the biggest house, the biggest cars, it's all debt.

And they're just going—they can be making decent money, but they're spending it all month to month. Just doesn't work well.

**Dr. David Phelps:** We've become in many ways a very hyper-specialized nation. Again, we think in terms of education, and the higher up you go, the more super specialized, even in health care.

There's not very many generalists out there anymore. Family practice practitioners. Everybody's super specialized. Nothing wrong with getting a technical education and something that you can go earn an income and living. But you mentioned learning and skills. I agree with you. Speaking, communication is high on the list. Sales, learning to communicate, and with ethical persuasion.

What other skill sets could you think of that would be more generalized skill sets that would be good for anybody to acquire, irregardless of what specialized education or training they're getting?

**Ted Oakley:** Well, it's interesting. I just finished a good book called [Range](#) and it's about the range that you can do in business, and you can be a generalist or you can be a little bit of a specialist.

But a lot of the great people and talk starts with athletes that you think, well, they only did this one thing, but a lot of the greatest athletes out there did a lot of other things besides just be what they really became. And it's about having range. You didn't figure out what your skill set is.

And if your skill set selling, well, you can do anything. Good salespeople can go anywhere, anytime, and they're going to make money no matter what—a good

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

salesperson. And so that's number one. Number two. If you're the kind of person that's really sort of an operating guru, in other words, I think I can really go in and run inventory.

I think I could run logistics. I think I can do that sort of, if that appeals to you, you can go to work for companies and learn that and take that skill with you and move up and up and up. If that's your skill set that you want to do. Some people are really creative and that's a little tricky.

Because all those businesses don't necessarily pay a lot of money. And you have to decide, I think in life, do I want to do something where I make a lot of money? Or do I want to say something where I really, this is all I want to do. My passion is over here. Maybe I want to be a glassblower or a painter, an artist.

I understand that and I'm okay with that really. But you have to make that decision and you have to know yourself well enough. If I'm a creative kind of person, obviously, I'm not going to be able to run inventory or run a trucking company. I think you have that skill set, but I will come back to this. No matter what you're doing, if you will improve your communication skills, anywhere in that company, they can put you and you will do okay because you can communicate.

I mean, it's a real important skill that you need as a young person to really move ahead. You'll think this sounds kind of squirrely, but really those Dale Carnegie courses are pretty good. I've sent a couple of young people to those, and it actually did them quite a bit of good.

**Dr. David Phelps:** I took them back in many, many years ago, Ted.

**Ted Oakley:** If you can communicate with people and they like you, you won half the battle no matter what you're going to do right now. I start every day with writing, and I always write. A lot of things I'm grateful for every day, but today one of the things I'm grateful for, and I hadn't written it down 'cause it hadn't happened when I, when I first got up, is I had a colonoscopy, and everything was good.

And so you gotta be grateful for the little things in life. And I'll tell people that, and I always tell people that are with a girlfriend or boyfriend or trying to, I said, just remember this. "You can't be mad if you're grateful." Just think about that. If you're really grateful for somebody or grateful, I promise you, you can't get mad.

You can't be grateful and mad at the same time. And so always keep that in mind when you go forward. I would encourage all the young people on here that, you know, stay, stay positive. Whatever you put in your mind is what's going to happen.



# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

That little book by Allen, this little book about [As a Man Thinketh](#)—one of the greatest books ever.

It's about that big and it's about what you think about and what you think about comes true. And so keep that in your mind, whatever you want to think about.

**Dr. David Phelps:** In recent years, I've become a really fond advocate for helping the next-gen. Our younger people, the generations are upcoming. Well, why? Well, I have a next-gen.

Someday, I'll have a next gen with grandkids, but I really look at the overall society and what's happened to our education system in the decades prior to now. When I was in school, primarily in the seventies, a little bit in the eighties, school is a place that most of us aspire to be. Well, we didn't aspire to be there.

We knew we needed to be there because we were looking for the education, the skill sets, the license, the degrees, the things that society always promoted as being the way to live a great life and have freedom. And to some extent, those degrees and licenses are important if one is going into a degreed field, such as engineering or accounting or law or the health professions; if that's where someone needs to go, then yes, those degrees are important.

But I think we all would agree that education has become, in many cases, a place of indoctrination and not a good indoctrination. The school system, particularly the public school system, has fallen away from the primary mandates that we probably grew up with back in the '50s, '60s, '70s, '80s, wherever you are, has changed dramatically over time.

I had the privilege of working with the Florida State Board of Education last year as they were designing under the guidance of Governor Ron DeSantis, a higher level of financial literacy for high school graduates in that state of Florida. Being a part of that board and going through the process of evaluating what was there, what was missing, was really insightful.

And I think Florida did a great job of bringing this to the forefront and saying that high school graduates should have at least a basic understanding of what we're calling financial literacy, basic financial acumen, understanding about credit and insurance and contracts and banking and budgeting and interest and loans and all the things that seem to be missing from a lot of young people's lives.

And that's where people get into trouble very, very early. I learned skillsets at an early age just because I think I was always curious and I was kind of brought up in a

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

household that responsibility was ours to take. And if I wanted something better in life than what my parents would say was good enough, I had to earn it.

And I had to make that happen. And I think that's a good ethic. That's a work ethic. Beyond that, I always had a curiosity about how money works. And even though I went into the professions of healthcare into dentistry, I still wanted to understand, well, how does money work and how does one become a good investor?

And so really the skill sets I developed in terms of outside my professional professional skills was really about my own reading, my own thinking. And getting involved with other people and mentors who really had those skill sets. And I really learned really on the street how money works and got involved in alternative investments like real estate.

And that brought a whole level of skill sets that I really feel today, give me so much more latitude and give me a lot of flexibility and ability to pivot when I needed to in life and have an understanding about different transactions and how partnerships work. And just so much more that has helped me along the way.

I think going to college today is something that one really has to evaluate with their family and decide what level of education and where that education should be sought. There's so much information available today that's online, either through degree programs online, or just great information that you can take to develop one's skill sets outside of a primary application.

That means that I believe that for the most part, kids, young adults today do not need to go to a four year primary college just for the sake of going to college and come out with the debt burden that many schools bring on, particularly the private schools. Is it really worth that degree of debt? What does one really learn?

I think the skill sets, the social skills, everything that one needs is so much more available today in different constructs. And look, most businesses, particularly those that are entrepreneurial businesses, are not looking for degrees from their new hires. They're looking for attitude, ability, and just common sense.

So degrees aren't what they were 10, 15, 20, 30, 40 years ago. I think it makes a lot of sense to look beyond what societal demands have been, and what society seems to have said is the right way to go. And be a little bit different. Guide your kids to different opportunities. Give them the guidance of other mentors who can perhaps show them alternative paths to what has been laid out as the only way to do it.

There's always better ways to do it. And I think we're at a point in our society where looking at different pathways makes so much sense. I'm so glad I've been able to

# Stewarding Wealth, Values and Wisdom Into The Next Generations - Ted Oakley: Ep #506

surround myself with great people who also have minds that think differently, are willing to take on the establishment thinking. And we've got to give that to our kids because the resourcefulness and resilience they're going to need to go forward in the decades ahead is we're going to require much more than just a public or private education in the formal sense. There's so much more that can be learned and needs to be learned. And we need to give our kids, our next generation, the opportunity to seek those alternative paths.

As the election approaches, it becomes clear that we cannot depend on the government or rely solely on the advice of advisors who have a clear bias towards where we invest. Now is the time to be aware of your finances, seek to mitigate risk in all investments, and prepare for the opportunities to come.

You can do this yourself, of course, but I prefer to be with a community of mentors, peers, and boots-on-the ground experts who know what they're doing and can expedite the process of education, due diligence, and billing your customized blueprint to financial freedom. I aim to protect and grow my wealth like anybody else, but all in the service of my freedom and my time.

If you'd like to do the same, now is your chance to see how we've helped hundreds of practitioners and business owners work towards more secure and reliable passive income streams in order to give them back their time for what matters most to them. Go to [freedomfounders.com/discover](https://freedomfounders.com/discover) to schedule a call with my team and see if you'd be a fit for the Freedom Founders community.

That's [freedomfounders.com/discover](https://freedomfounders.com/discover). It's your freedom. You must take charge of it.