Lessons on Ownership, Mindset & Money For Practice Owners and New Dental Grads

Dr. Mike Abernathy: Ep #549

Dr. Mike Abernathy

It doesn't even have to be a dentist. You can have anything in life you want. just can't have everything. So choose wisely. When you get out of dental school, you have not arrived. This entitlement is that, I'm a doctor. I deserve a new car. I deserve this. I deserve people listening to me. You know, I deserve to be able to tell an assistant what to do, even though she's been doing this for 20 years. And she could wipe you across the floor because she knows more than you know.

Dr. David Phelps

Decades ago, I hustled to grow my dental practice and real estate empire. Society patted me on the back and every new deal and patient reinforced the success they said I had. Then, my daughter Jenna was diagnosed with leukemia.

nine years, several intense chemo treatments and years of epileptic seizures, my daughter was given one more miracle, a life-saving liver transplant. In that hospital, I realized I wasn't successful. I had money, I had real estate assets and a business, but the only thing that mattered was time with my daughter. In that hospital room, I decided to sell my business, leave active income and sustain my lifestyle with my real estate assets. Now, Jenna is healthy and all grown up and me, I am teaching others to do what I did. And I continue to

uncover the principles, strategies and lessons we can apply in business and investing to create ultimate freedom for what matters most to each of us. Welcome to the Freedom Founders Podcast.

Dr. Mike Abernathy is a seasoned entrepreneur, founder of Summit Practice Solutions, and informal advisor to dentists across the US. He cuts through the noise in an industry saturated with misinformation, bringing strategy and no-nonsense wisdom in practice optimization and practice exits. I've known him for years and Mike's perspective has always been grounded in real-world application and a heart of service. Seeing his clients and friends succeed by their own standards,

is what drives him. You'll hear why profits follow ownership, not employment. The secret sauce Mike teaches dental students to fast track into practice ownership. How to avoid the destination trap of waiting for someday while missing life's journey. The realities and risks behind DSOs and private equity exits in today's dental market. Please welcome Dr. Mike Abernathy.

Mike, always great to have you here and talk to you. And with over five decades, seems like a long time, five decades of life, world, dental experience, you still remain extremely relevant. And I say that with tons of respect, but extremely relevant to all of us that do anything affiliated with our industry. And I'm just going to be the one of the first to right here to say, you know, thank you for what you always continue to do to contribute in so many ways, so many places. You've always been that way.

even when you were in the active income mode. But I want to go back and just for historical purposes, we went to the same school, but we were not there at the same time. So at Baylor, so what year did you graduate from Baylor?

Dr. Mike Abernathy

75, but even the first three year program. And so we graduated a day after the class in front of us graduated. So they were on four year. We're on a three year. We just didn't get any time off. And so.

Dr. David Phelps

Well, and then I was the first next four year class. I started in 79. So it's so you, you, you squeezed it right in there. You just like, like, hit it, hit it right there. They took it away from us. I had to go four years. So 75, where were we there? Well, Nixon was outed. And so I think we had, didn't we have Gerald Ford until we had Carter? So I'm going back into a time point where a lot of our listeners probably are clueless, but we certainly understood that. And, and right there, that was a period of time getting out of school when the stagflation

was heavy right then and we had the different Federal Reserve chairs that burns and then we had Volcker come in late 79, Carter, Reagan, and then he cranked up the interest rates, the federal funds rates to like 20 % to try to bash down the heavy inflation that had been running those periods of time. I don't know about you, Mike. I was like in an isolated cocoon and during the years of college and dental school, I couldn't tell you what was what. Although I remember getting out of school and with a little bit of money I had, you know, being

and trying to save, you know, as we all should do. I think back now I go in my money market account, I was getting 17 % back in the early eighties. went, those days are long gone. I'm just trying to take people back in historical perspective because we've gone through, traveled through a lot of time, obviously through our industry, massive changes are happening right now. the other thing I also know about you and I forget what restaurant it was, we both waited tables and you've got something to say about that. Where did you wait tables?

Dr. Mike Abernathy

at the railhead in Bobby McGee's.

Dr. David Phelps

I

started so I just missed you there. So I was not loving the geese but I was at the railhead. And so I started a real head. Yeah. My first year because I did that in college and I knew waiting tables as you said many times was great training ground for anybody but particularly dentistry give you your insights into what waiting tables did for you.

Dr. Mike Abernathy

Well, I had to bus tables for six months to go on. And then you wanted Fridays and Saturdays and Sunday lunches because you could make more. I'd average, you know, two, $300 a night when probably, I don't know what the minimum wage was back then, maybe a dollar and a quarter.

Dr. David Phelps

I think buck 71 I just kind of.

Dr. Mike Abernathy

Yeah, I mean, it's like, would really love. And people, you know, like in college, they had gas scores where, you know, you could buy gas for 20 cents a gallon. So the nice thing about hiring a waitress or being a waiter is that you learn to multitask. Details are important. You realize it's not just showing up. You have to get in step with your potential client and give them more of what they want, less of what they don't want.

Or you don't get a tip. And at that time they didn't pay us minimum wage. You got what you got in tips. And so I think that was a real revelation for me because I'm still pretty unsocial most of the time. I mean, I have to pretend, you know, in the practices that I still own and stuff, if I'm there, I can do it.

But it's not natural. And, you know, we've grown up with people that were just really social giants that just, it just came natural to them. It helped me learn to do that. And then that canned eye connection where I hear, or my ear too, I hear the eyes settling a glass behind me. I'll bring the water out next time. You know, it just helped me think that way.

Dr. David Phelps

Totally agree. I say the same thing. It was the best training ground I could have ever had because I'm similar. I'm more of an introvert and don't just naturally enter into conversations, but you had to. And some people just wanted a good service and didn't want a lot of chit chat. Perfect for me. I could deliver all day long. But then there's the people who want to engage you and you think, yeah, but I got hot plates in the kitchen. I'm trying to get out. I got to go. I want to give something to younger docs in our conversation today, but also take us down to the spectrum to docs that are

on the other end of the spectrum closer to their end-use date, as you would say. For younger docs today, what do you find that they don't realize or are not cognizant of in terms of their desire to go into dental school, getting ready to graduate? What are some of the big misconceptions or things that they just don't really realize that they're kind getting into?

Dr. Mike Abernathy

I don't think a diploma is really anything. I mean, it's just, you kind of go from high school to college, middle school, and you're out, but it's a whole new game once you're out. And so it's not school anymore. Too many doctors, I mean, in the year 2000, 98 % of the people that graduated middle school became owners within two to four years. Okay, it's not like that anymore. And so there's generational changes where...

They think, well, I don't really want to deal with the stress of ownership. I just want to be an employee, but you need to remember that profits don't go to the employees. go to the shareholders. And if you're not an owner, you've limited that. Now I'm not saying you can't have a good job, but it takes a different mindset. And I have a daughter that's an attorney and I understand she works part-time and she's a partner and you know, that you're trying to balance life and stuff. And I realized that 52 % of the graduates are female.

I understand all that, but in healthcare, there are certain things that you just have to realize is that, you know, people expect you to be there during consumer hours. They expect excellent work. They expect a wide range of services and stuff. And I think the trouble with most graduates is they're graduating now with less confidence than you and I have now. I'm not saying my confidence had any grounds in based in ■ reality.

We came out going, can do this. Okay. And I see a lot of students come out or graduate where they're still fearful of doing basic stuff. And so I blame that on dental schools a lot. That may be generational a little bit too. They've always had somebody that kind of picked up their toys for them and stuff like that. But again, dentistry is a great profession. There's nothing that's changed drastically. You could say, well, the

The debt is greater now. Yeah, but so is the potential. I'm a big proponent of dentistry and you getting out and doing it, but I want to push dentists to understand the reality of the business of dentistry, that side of it, because it is a business. It's not just a calling. You can't just show up, you know, some.

Dr. David Phelps

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Kind of going back to what you said about a lot of the younger generation, and I'm not trying to overgeneralize, but I guess I am. And a lot of us, certainly I can point to myself, are responsible for building somewhat of an entitlement mentality. So put the guilt where it is, and you can say society in general has done this, but there's just this idea that if I go to school and get this certain degree that I should have. And I hear it from a lot of our fellow colleagues that are in practice.

What would you say in terms of that mentality to point that they do have a bigger debt burden to overcome and getting into ownership is a lot more difficult. There's a lot more barrier to entry to that. What's what's the pathway for the typical young graduate coming out with a fair amount of debt? How do you want to that? Is it 300,000 500,000? mean, whatever it is today, but it's it's up there.

Dr. Mike Abernathy

I did kind of an experiment this last year. took 10 students to an each dental school that I did this with. And then from the time they were freshmen, we met at least once a month, sometimes more talking about practice management, the financial side of running a business. And then we, as they got it to be juniors and we got into the clinic stuff, we talked about, well, you could do this. And I even had one take and you can buy these little snake cameras that plumbers use to drain to see.

You can hook it to your phone. And I said, I just had this hair and I said, put it under your shirt and put it there. Let me see you prepping tea. And then I talked to every one of these doctors coming out have always already found practices. They're going to buy all 10 of them. Wow. That is adding another level of the education you would that you probably should get in dental school.

I think it's interesting that Michigan has a program where in five years you get your dental degree and an ■ MBA. They're different when they come out. The more you learn, the more confidence you build. And again, it's unbased until it's tested. But again, there's something about competence and confidence going hand in hand. I'm thinking a lot of doctors leave dental school, not the top. When I say top 10%, I don't mean the top.

grade makers. I mean, the top 10 percent that have the social and the look and the skills and the drive. OK, that top 10 percent is going to do well no matter where they go, no matter what the circumstances are. But it's that 80 or 90 percent that come out. They need some mentors in some extracurricular things. In fact, if you had any money left, I mean, that's the nice thing about today is that electronically we can access

continue education, I would spend it on that and then just boldly go where no man has gone before and just take and watch it and go, now you and I probably watch it go, hell, I can do that. You know, just turned around and start working on a patient. They need to start doing that and stepping out because, you know, the stress is going to be there. The risk is always there, but you're going to find that it's not as much risk. There's very little failure. You can do this. you know, so.

Dr. David Phelps

I'm curious, the 10 students that you mentored through four years, is that something that's ongoing? Do you pick that up each year? Or is that just an experiment at one time? what was that?

Dr. Mike Abernathy

I had found people that read something I'd written, okay? Or there was something on YouTube, okay? And they just called me because I tell people, here's my phone number. like, people go, are you sure you want to put your phone number on there? I went, yeah. I mean, I want to help. And so they would just call. Now, maybe that type of student that had the testicular fortitude just to pick up the phone and call somebody, maybe that's the missing

You know, there's always a secret ingredient when someone, you know, you see fried chicken everywhere, you see hamburgers everywhere, but there's always one that tastes really incredibly good. And it's, you know, maybe that's the secret sauce. It takes that. Cause you, when you and I graduated, there was no dental materials. was no internet speakers spoke for free. I just kind of would love to go back to that where people were helping people and realize that this isn't a competition between one dentist and another. It's competition.

for that bash boat or that half a million dollar house that you can't afford and stuff. So, but the women and men that are graduating don't hear that message enough from people that they're listening to. Like if you go to, I won't even say the name, but the largest social media platform in dentistry, my numbers like 58,000 people, you don't see that. You don't hear those types of questions. I just think are the younger doctors getting out? Do they think that

Social media is the answer. It's not.

Dr. David Phelps

of how they've been brought up though, right? That whole generation. It's all about texting and no direct connection. It's just I can do it all through digital, which is missing a lot. Mike, you said before, I think I'm quoting you pretty closely, dentists can have anything but not everything.

Dr. Mike Abernathy

Yeah, you can have anything in life you want. mean, it doesn't even have to be a dentist. You can have anything in life you want. You just can't have everything. So choose wisely, right? I mean, that's the deal. And I think when you get out of dental school, you have not arrived. And you kind of alluded to that, this entitlement, okay, is that, I'm a doctor. I deserve a new car. I deserve this. I deserve people listening to me.

You know, I deserve to be able to tell an assistant what to do, even though she's been doing this for 20 years and she could wipe you across the floor because she knows more than you know. Okay. It is just a new arena that you have to compete in. And I don't think maybe I, even when I graduated that I understood that. I think the good thing about you, cause I followed your career and I know the good thing about me is that we're pretty self-aware of what's happening around us.

And when something's not happening that gets us to that vision we had, we alter what we're doing. Yet they keep doing the same thing over and over again, thinking, well, I'm not doing it hard enough or long enough. It needs to be different.

Dr. David Phelps

Yeah, I've often felt that as a rule dentists are pretty good at solving problems, but they're always solving the right problem.

Dr. Mike Abernathy

Well, and two, I'm right in middle of writing a book on stop thinking like a dentist. That can be one of the biggest things is that you think like a dentist rather than someone that is a small consumer driven business owner. And so it's commonplace because, you know, you look in social media, you look down the street, the guy next to you stuff. It's commonplace to see people do certain things.

It's not common sense. I think if we went back to common sense, many of us would be doing something differently than just doing what the guy down the street that you think is doing better than you doing what they're doing and going, I just must be a loser because I can't make this work. And it's because you're doing the wrong thing. So.

Dr. David Phelps

Well, speaking of common sense, you and I just in terms of financial acumen and the basics of don't live up to your income levels, right? Put money away. Just basic rules of thumb. And yet what I see and I'm sure you see is very productive, very quote successful in being able to make money in a practice, but the inability to have a budget of some kind, put money aside and no matter where one is investing or saving,

just waiting and thinking, I have more time, I have more time, more time. You talk about the Hawthorne effect. You want to tell us a little bit about the Hawthorne effect and how that plays into this?

Dr. Mike Abernathy

If we quoted the Hawthorne effect to your audience, they probably wouldn't understand. And again, I just always thought that if I saved my money and I did it wrong, okay. I was looking to build a pile of money so big that I couldn't spend it in retirement as if retirement was my goal in life. But I found as in a lot of this, I learned from you and I lived way beyond my means. Okay. I saved at least 20, 30%.

of what

Dr. David Phelps

So

you you live well below your means

Dr. Mike Abernathy

I did, I did, but I had a nice house and I had a beautiful wife and the kids grew up and then I was able to buy them a used car and you know, mean, I I did all the things everybody else did, but I did it within the level of I'm not going to spend 20 or 30 % of what I make every year. And then I will try to invest it in a way. I mean, where I can't lose the principal or shouldn't lose the principal.

I just felt like if I saved it and didn't spend it, it'd be there when I needed it. wasn't until I got to be about 50 and started talking with you that I really started looking at, ■ I was getting a good return on investment. And because I was in an area that I know you kind of deal with real estate, my best friend was vice president of UBS. And so in 2005, when everything started falling apart, you could see it.

I didn't lose a penny because he knew a year before that that was going to happen. I didn't feel the pain of a drop of 50 % of your entire savings in the stock market. I didn't feel any pain, but funny because I would sit through the meetings and I could probably do your speech because like me, if someone went back 20 years or 30 or 40 for me and looked at what I wrote or look what I said,

They would say, you're still saying the same thing. Well, it's still true, right? And they're going, well, yeah. But it's not like some of these people that you run into the speakers, they're going, well, I've got the next best thing is to face up to industry or change the face of a financial future. And they're going to be writing books. And this will be the turning point in history. If you do this, you know, it's really not like that in life. I'm not talking about the Hawthorne effect here.

that much but in a way maybe a better way of doing it than just quoting.

Dr. David Phelps

No, no, that's good. That's good. I think as you said, they're, they're what I call truths that travel that span eons, generations. So yeah, when people say, well, you're saying the same thing, that's because it's a principle that stands the test of time.

Dr. Mike Abernathy

And

not to make us sound like we're intractable about this, but I go to church, OK? And I remember when we sing on hymnals, but now we don't. We sing praise songs and it's on a video deal. The message never changed. The way it's delivered changes. So you're constantly adapting to the economy and then your consumer because they're kind of dictating what they need. And so you're constantly adapting. But the things that

I'm talking about what you're referring to will always be the same. They may take a different shape or form, but the fundamental is the same.

Dr. David Phelps

If you're ready to break free from the conventional financial treadmill, the Path to Freedom newsletter is your roadmap.

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You've often quoted or referenced a poem called The Station. And it's really about living for some day that never comes. You've got this

this I just call it 40,000 foot look at not only your life but the lives of many other people that you have hopefully interfered with in a good way.

Dr. Mike Abernathy

I've had some of them that wasn't good, but sorry. mean, was like, you know, the ones that don't like to hear that actually realize exactly where they are in this journey. They didn't know that they were there. And now they're really upset that they're not closer to that destination. So that point, I mean, the station talks about life being a journey and that it's not really all about the destination.

And so in part of it says, it's not the words of today that drive men mad. It's the regret of yesterday and the fear of tomorrow twin thieves that rob us of our today. It is not a poem in the sense of like something that rhymes. And it's just a short three paragraph deal that I read because it really resets the fact that this is just part of the journey. Okay. And I can take this exit or I can keep going or I can.

Sometimes you take a shortcut if you listen to people. You people that have been there before. You you pull over to get gas and the guy goes, where are headed? And you go, I'm going down here. he says, well, you know, there's a beautiful drive and it's only a mile longer, but you're going to get a lot more of this. And there's a restaurant down there you're going to love. And they trace it out on a map for you. And you look at it and go, that's not me. That's not what I usually do. I just stay on the highway. You're pleasantly surprised. then

Once you get what we realize that it's not about to do the women, you know, is Luke Ziegler. I was listening to him talk and he passed out a round piece of wood and it was a to it, a T U I T. He says, you people have always said you do this when you got around to it. You now have around to it. So go do it. So I mean, but you know, it just sometimes it just clicks. You're going.

This isn't what everybody's doing. I agree.

Dr. David Phelps

Well, speaking of destination, there's so much still today in, I see young docs, docs that are in their 30s that should be, and maybe they are in the prime time of their careers and with their families, but that young age, at least for me, it's relatively young age, they're looking for the exit, the DSO, the private equity backed multiple. I was at a conference recently and again, primarily younger, I'd say 50 years old and younger and certainly preponderance in their 30s and early 40s.

There were many, and this is like now, not like three years ago, four years ago, that are saying, well, we need to get together and we need to form a DSO aggregate. And then we are going to exit like everybody else. And we don't need to. We don't need these other aggregators. We'll do it ourselves. And I still see a prevalence of that going on. What does that mean for our industry? Where does this fall off? Where do we get back to reality?

Dr. Mike Abernathy

And this may be the wrong way to look at it because let me remind you of your own story. You were a general practitioner in a small town, like I was. You really loved real estate. Okay. So you and Dennis, we were moving along, but as you got older, I think we gravitate to what gives us joy, right? You know, so when you did sell that practice and you know, you were already ready and had, had that plan B in playing. think a lot of people that look at these DSOs.

don't realize fundamentally this is a almost a little bit of a Ponzi scheme the way it was originally set up back 20 years ago. Currently you have DSOs that buy practices to sell them and you have DSOs that buy practices to grow them. The problem is 85 % of the DSOs buy them to sell them and the real good people, the DSOs that buy them to grow them,

If you're listening to this and you're a dentist, you probably couldn't run a DSO properly. And properly would be for me is that you would buy a practice, you could double it fairly quickly, 12 months, maybe triple it. You were willing to invest capital investments to add operatories if we needed to. You don't see that in DSOs. They're buying the ones that want to sell it, buying it to maintain it, not to grow it. And so you're kind of betting on the come. I pulled out.

You know, of these DSO deals where the enterprise value, you know, they have this magic number down here. Well, I think a lot of doctors graduate from dental school, even at our time and realize that man didn't realize it took so much emotional investment in personality and taking care of people, not just doing the dentistry. And I don't like this, but we stuck with it. I think a lot of the younger people are going.

I'm just in this for the money so I can get out of it. I know four people in freedom fund founders that did that. And it works out for some people at the right age. They all got fired. Every one of them got fired from their DSO. Guess what? There's no enterprise value once you get fired. So I don't understand, you you spend all this time being a dentist, you get in there and I hear these sob stories about, just can't do this or I don't want to do it. I understand that and you could get out.

I don't think DSO is necessarily an answer.

Dr. David Phelps

also want to just say that you are a prolific writer and I read a lot of your blog posts because they're just very pithy, they're very insightful, they come from real life experience and if people have not jumped in to follow you, they can go to, I forget the website for summit but it's...

Dr. Mike Abernathy

We summit practice solutions, plural solutions. And it doesn't require anything to do anything, but it just, it'll have a quick link to, think, seven or 800 articles that I've written in the last five years.

Dr. David Phelps

Yeah, only seven or eight hundred. I wish you'd get busy and ride a little bit more. ■

Dr. Mike Abernathy

It's

like I'm trying to stop, you know, it's like to stop just writing. But then something happens. I'm talking to somebody and I'm going, I've got to write this down. Exactly. It's got to be something that everybody deals with. And I can remember dealing with it when I was younger and still deal with it with practices that I still own, but I'm an absentee owner. I don't want people to do what I do or do what I did. I just want them to look at the industry differently.

Dr. David Phelps

Exactly.

Dr. Mike Abernathy

than just thinking like a dentist. And that's the most negative term I could think of is just thinking like a dentist. Because I think we get brainwashed in college and brainwashed in dental school. And then we get brainwashed in social media so that reality and expectations aren't congruent. And again, for a lot of us, we give up what we really want to get what we can get now. And I think that is a horrible trade.

And that's kind of where DSOs can be for a lot of younger people.

Dr. David Phelps

I appreciate and I hope you do keep writing and I and your book stop thinking like a dentist will be be when I will love to read as well. You put out so much and so much wisdom. Now I think a lot of your one liners is called one liners. Your mantras, your principles have become what's been termed Michael isms. Yeah, I think I think a book of compilation of Michael isms might be due at some point. So whether you do it or someone else does it for you, I think that would be well worth the effort. I'm just putting it out there.

Dr. Mike Abernathy

One of the doctors that I helped him, he wanted to sell out and the DSO is going to pay him a hundred percent of the enterprise value upfront, which is crazy, everything. And then he got fired four months in. He came back through Dallas one time. He said, kind of take you out to lunch. I went, sure. He had, I think there was 150 of statements. can't believe you remembered this stuff. He put them in this frame.

And he is the one that called them Michaelisms. I mean, I don't think like that, that this is a Michaelism, you need to listen. But, you tend to try with simple words, create a thought, and people hear what you thought you said instead of just, you know, it just goes over their head. And they act on it. He could quote those. And he walked away with three million dollars and was so happy that he had that option in the end.

Dr. David Phelps

Well Mike, it's always a pleasure and always enjoy conversations with you and your collaboration and wherever I get a chance to tease you back in to bring us some of that wisdom. appreciate it I people do too. ■

Dr. Mike Abernathy

time.

I enjoy it. you and get my phone number.

Dr. David Phelps

We'll put it in there. All right, Mike, thanks very much.

Dr. Mike Abernathy

You're welcome. Bye bye, David.

Dr. David Phelps

The further in life we go, the farther we climb the ladder in our professional career with our families, the more critical the decisions that we make. Think about it. When we're young, irresponsible, or only responsible for ourselves, we can do a lot of things and make up for it. The critical moves, decisions that we're making at a young age when we're still in school, perhaps maybe even in high school or college, yes, we'll make some dumb mistakes, but usually there's not a lot on the line, hopefully, right? We learn from those...

small things, we learn about life and about social constructs and communication and friendships and all kinds of things as we're maturing. As we go into life and career, perhaps start, acquire a business, a professional practice, the stakes become greater. We have family that we're responsible for. We have staff we're responsible for. The level of risk liability increases as we take more of that on with skill sets and again, more maturity. We get into an arena where we're thinking more about

How do we also invest our capital outside of our primary business? That's also important. It's called traditionally retirement planning. I don't like that kind of a word phrase for it because retirement planning I think is too much abdicated to outside agency. Sir, we all need advisors. We need people to gain insight information, people that have more skillsets and knowledge than we do in every area of life, except the one that we're focused on. That's a key. Too much information out there. can't know it all.

But what I see the problem is too many hardworking, very competent and high income professionals don't put any effort in on their investing. In fact, it's more of a, hey, I'll just follow what everybody else is doing type pathway. Or when there's fans or trends in place, when the market's going up, when tech is bubbling at all time highs, when maybe when crypto is running hot, whatever it might be, there's a tendency for again, hardworking professionals to just follow the crowd.

jump on what somebody else is doing and thinking, well, that's gonna be it. Or as long as I'm doing what everybody else is doing, I should be safe. I think that's a critical decision or a non decision that's being made that again, at a point in life when very few can afford to make a bad move. I've always been an advocate for my own financial future. I personally have never used a financial advisor. No, I have attorneys, I have CPAs. I'm a part of...

Mastermind groups, I have an informal board of advisors. I hang with a lot of people that have a lot of entrepreneurial experience, but aren't necessarily always technical advisors in that capacity. Because what I find is that technical advisors highly specialize in their field of expertise, their licensure in certain areas. That's important to have, but they're usually not the people that understand the investment world. They understand their world. And this is where I think it falls apart.

I also run into and have the privilege of speaking to professionals on a regular basis, daily, weekly, who have climbed the mountain fairly high. They have a net worth, have assets, are thinking about a practice sale and then harvesting that equity and putting that together to say, what do I got? How much do I have? And what do I need to replace as far as active income? That's when the rubber meets the road. That's when it's like, okay, my high income that I've been producing by my labor, my hard work over these years.

has certainly produced well for me, but I'm a little bit tired of doing that. And I'd like to see if I could cut back and actually live some life. That's a good thing to do. But now it's like, well, what do I have in terms of assets? If I'm no longer pushing the buttons, pulling the levers, making things happen, then what do I have that's producing? And what they find is they don't know. The financial advisor doesn't know. yes, you have a certain net worth number. You can add up all your equity on your balance sheet, but what is that equity actually producing? And how certain are you that it can produce?

And how certain are you it's gonna last you if you're using a depletion model in an era of high inflation that's devaluing the dollar virtually every day. See, these are different times right now. Far different than what we knew five, 10, 15, 20, 30, 40 years ago, the model has changed. And this is why I'm such a huge advocate for professionals who believe that they can't become competent financially outside of their practice model, outside of knowing what their numbers are in their practice. They don't think they can do it.

Or they again, they take high flyers with other people and thinking, well, that'll do it for me. And it doesn't. These are crux moves that you cannot afford to make a mistake. Networking with other people who don't have an agenda on you, who aren't licensed, paying them by the hour to give you some advice or fees based on assets under management. I don't think that's the way to go today. I never used it myself and I'm a product of the product. I am free. I've been free for over 20 years.

as a relatively young practitioner. And I've helped hundreds of other doctors and their spouses achieve the same thing through our Freedom Blueprint model. It works because it's not about the investment, not about me being so smart, about directing them put your money here, put your money there. It's about the education and frameworks that I teach and how to do the due diligence and understand why diversification outside of the financial market is so important, particularly in the era that we're in right now. It's a major market cycle change. It's a major secular change.

It's a generational change that we're going through right now. It's never gonna be the same, which isn't bad unless you have no clue as to what's happening. If you do have a clue, you can position yourself well enough to take care of your needs and probably even enhance your lifestyle and replacement income and do it a lot faster than you thought. These are the keys to your life. Don't be bashful. Don't think, well, it's too expensive to learn these things. It's only expensive if you do not. If you don't take these steps, then you're likely to sit back and someday,

be in a position where you're frustrated, you feel down and out, and you wonder what it was all about. Don't be that person. Step up, take a chance, put something on the table that you haven't done before because without risking something, you can potentially risk everything.

Ad

Hey, thanks for watching or listening. For those interested in learning how to create replacement income that allows you to step back or exit entirely from practice, then schedule a call with my team at freedomfounders.com forward slash discover. That's freedomfounders.com forward slash discover. We'll dig into your financial situation and let you know your best next steps. And as always, be sure to hit the subscribe or follow button.

wherever you're watching and listening so you don't miss a single episode of the Freedom Founders podcast. I'll see you next time.