

Ep #503: The Best Financial Investment



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With Your Host

Brooke Castillo

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Welcome to *The Life Coach School Podcast*, where it's all about real clients, real problems, and real coaching. And now your host, Master Coach instructor, Brooke Castillo.

What's up beautiful friends? How is the end of the year treating you? I personally am head-down jamming with work in such a good way, in such an exciting, fun way, and playing lots of pickleball. Having a wonderful time. I get to spend a lot of time with my kids, which has been amazing too.

So today, I was out on my morning walk and I was thinking a lot about a class that I am creating for my coaches called Top Earners, and I'm really excited about overlapping that class with the class that I'm teaching in Get Coached called Money Is Your Friend.

And when I'm coaching people on money, there are a lot of aspects that you have to consider. You have to consider how much money that person has in terms of their income, and how much they have in terms of how to invest it.

But there's one investment that goes across all boards in terms of a percentage of your income, I believe. And I think this is one of the biggest mistakes I see younger families making that have any kind of excess income but want to make more. I see people making these mistakes.

So first of all, I just want to give you all a little bit of overview of my money philosophy that isn't unique. It's pretty common. But when I think about investing, when I think about money, when I think about my income, I always want to be investing it in assets.

And what that means is I invest it in things that make me money. Now, if I have all my expenses taken care of, then all my investments taken care of, then after that, I can go and buy things that are what I call depreciating

Ep #503: The Best Financial Investment

assets. So even though it may be an asset, it's not going to make me money.

So a car, a regular kind of car would be an example of that. Purse would be an example of that. Clothes would be an example of that. Anything that you buy and immediately upon purchasing it, it is worth less than it is brand new, that's a depreciating asset.

And then there's other assets that you purchase that are worth more the longer you have them. They appreciate in what they're worth. And so an example of that would probably be your house, would probably, hopefully, be a diversified mutual fund, an index fund, something that you're investing in the stock market for the long run would hopefully appreciate over a certain amount of time.

So you want to make sure that you are putting most of your money into things that appreciate because you want to not only be making money when you're working, but you also want your money to be making money. So for example, if you put your money into a savings account, it will appreciate in there.

Now, you need to make sure it's a good enough one that it's going to appreciate beyond the appreciation of inflation, but that's something that we'll talk a lot about in detail in the class. But one of the best investments, I personally think, the best investment is in your brain.

And I'm talking about a financial investment. I'm not just talking about free. I'm not just talking about what you can get for free, although that is amazing and I do think that you should invest time in appreciating your brain. But I also think you should invest money.

When people ask me what I have spent the most money on, it's not clothes, it's not houses, it's not trips. It's my brain. And it has been since I was very, very young going into Barnes & Noble, going into locally-owned bookstores, going into Borders bookstores and buying hundreds of dollars

Ep #503: The Best Financial Investment

of books when I didn't have hundreds of dollars to really just be throwing around. It was an investment to me.

And when I think about the thousands of dollars that I have spent on appreciating my brain, putting information in it that will help me grow and help me learn and help me build a business and help me create content for my students, it has been the very best investment of my life.

And I want to encourage each of you to consider this when you are maybe writing a budget or considering how you spend your money. I look back on the books that I have read and the courses that I have taken to evolve and if I had to go back and do that again, I would rather live in a one-bedroom apartment and have all of those courses at that time so I could be where I'm at now, versus having some big gorgeous house and not being able to take those courses.

A couple of the courses that come to mind for me - now, by the way, I have signed up for thousands of courses. I mean, literally thousands of courses. And not every course is the right fit for me, right? And you're going to sign up for some courses that may not be the right fit for you.

I see all of that as an investment, as an investment of investigation. So I'll sign up for a course, I mean, I could think of a course that I signed up for, it was on YouTube. A course where I was going to learn how to grow my YouTube channel. And at the time I thought that was so important, so I invested a lot of money, thousands of dollars in that course.

And when I got into that course, I knew right away this isn't the right course for me. And I didn't blame the guy giving the course, I didn't complain about it, whatever. It just wasn't a good fit for me and so I moved on. And I see that still as an investment. I see that still as part of my education.

It's kind of like investing in college and there's some courses in there that you took in college that maybe weren't great but they were all part of the investment. That's how I think about it. So I'm not panicking when I'm

Ep #503: The Best Financial Investment

signing up for a course, “Oh my gosh, this has to be the perfect course.” I’m just investing my time to find out.

And even if I take one small thing from a course, one small tidbit, one small piece of advice, understand the process of how they sold me the course, anything like that, I try to glean as much value as I can from everything that I sign up for.

But I think about a course that I signed up for with Amy Porterfield. She taught me how to run Facebook ads. She used to teach a course, I can’t remember the name of it, but she doesn’t teach it anymore. But it was a step-by-step on how to place a Facebook ad. And this must have been 10 years ago or maybe eight years ago.

And that course changed my life, literally. I think it was probably a \$2000 course. I signed up for a course with Todd Brown called The E5 Method, again I think it was \$2000 to \$5000 course. That course completely changed - I mean, that course probably made me millions of dollars. I mean, I know it did. Millions of dollars, that course.

I signed up for a course with Russell Brunson and I signed up for a mastermind with Russell Brunson that was hundreds of thousands of dollars that helped me not just make money on the turnaround, where you learn concepts and ideas where you’re able to then invest them in your company, and then your company is able to return a profit on that energy.

But here’s the thing I want you to understand is all that money that I invested in courses, for example, hiring my coach Frank, investing - I think I was paying him, I don’t even remember now but tens of thousands of dollars a year to get his expertise and his experience. He was further along than I was so he was able to warn me about things and teach me about things and tell me where the easiest effort would be in order to reach the most amount of people. Those kinds of ideas.

Ep #503: The Best Financial Investment

So all of those things that I learned and then applied had amazing return on investments. But here is the best part of all of that; all of that knowledge, everything that I learned I still have in my brain now. So it's not like I take a course and I learn something and I get a return on the investment for that year. It's compounded interest in the asset that is my brain.

So a lot of times you'll hear the term compounding interest as it applies to stocks and investments in the stock market. And basically, the idea is you invest your money in the stock market and then after the first year, it makes, let's say 10%, just to be simple. It makes 10%. And then that 10% is now part of that portfolio.

And then the next year, you don't just make money on the original investment, but you're also making money on the 10%. And then that year you make 10%. So now on the third year, you're making interest on the original investment plus the 10%, plus the additional 10% and it just starts compounding.

That's why there's these compounding interest calculators, that's why you can invest \$1000 when you're 21 and it will compound incrementally in extraordinary ways by the time you're 60. So if you've never done that, you should. What's the compounding interest on \$1000 is kind of a fun exercise for you to be able to do over the year's long-term investment.

But it's the same with your brain. This is why so many people are willing to spend so much money on college. You think about a doctor and how much debt they're willing to go into to become a physician, you think about it - because they're definitely not going to make that money back within one year.

You think about how much money, hundreds of thousands of dollars they have to spend to become doctors, not to mention the time and energy. But then they have that knowledge. Then they are a doctor for the rest of their life and they're able to get a return on that original investment forever. And that is actually true for any brain investment.

Ep #503: The Best Financial Investment

Your brain is the most incredible asset and I will tell you, I think that the amount of opportunity that we have to learn from each other and from each other's experience, it has never been as extraordinary as it is today. I could go and take a course from someone who has made a million dollars in flipping tiny houses.

It's so specific. And I can go and do that thing and learn from that person in maybe a \$2000 to \$10,000 course and be able to then utilize that education to make money for the rest of my life, to have knowledge for the rest of my life.

When I think about financial investments - now, this doesn't even speak to the psychological investments that I've made in terms of the study that I've done in studying my own brain and studying my own feelings and studying my own thoughts and how to manage my own mental health.

The return on that investment from all of those courses, all of that study, those masterminds, just simply my certification to become a life coach, all of that has had the most extraordinary return on investment in terms of my energy and my ability to work and stay sane in my work and in the job that I have and in the people that I work with, and being able to have my own back and take care of myself. That's the bonus on it.

I'm simply talking about the financial investment, the amount of money you are willing to spend to make yourself more knowledgeable, to make yourself smarter. So even more specifically, as it applies to just the financial piece of it, I think your best money is spent first and foremost to increase the asset value of your own brain is in studying money and understanding how money works and understanding how to invest your money, in understanding taxes.

And this doesn't matter if you are making \$50,000 a year or \$15 million a year. Constantly education yourself about finances is the best way to manage your finances, is the best way to have a return on investment in

Ep #503: The Best Financial Investment

your finances. It is atrocious the lack of financial education we get in our educational system.

It's almost like it's on purpose that we don't get educated in how to be financially independent, wealthy citizens. It's mind-boggling. And how we are socialized to believe that being wealthy could somehow be a bad thing. And this is one of my goals in life, especially for my women, is to make sure that that social message that we shouldn't care about money and we shouldn't care about getting rich has an alternative message to be heard.

And my alternative message to be heard is that your financial independence is one of the most important things that you could ever focus on. And that's independence from relying on other people, including bosses or husbands or caretakers or parents to provide for us financially.

Because when you have your own financial independence, you can make choices solely based on what you want, and I believe the best way for us to achieve that is to invest in our brains. Not in some get-rich-quick scheme, not in some stock market tip, not in some real estate commercial building, although all of those things could be part of it, but in your brain.

I will tell you there are so many times when I go in to negotiations or financial deals or any kind of purchase where I am completely underestimated because I'm a woman, and they're always so surprised that I have knowledge and an opinion.

I recently bought a graduation gift for my niece. I bought her a Bronco, the new Bronco, amazing car by the way. And we were negotiating the price of it. Now, this is a car that is pretty rare. As soon as they hit the dealerships they usually get turned around pretty quickly, so there wasn't a ton of negotiation.

But I went in there and asked them all the questions and negotiated all the things. And he was blown away that I understood mark-ups on cars and I understood insurance and I understood all the up-sales they were trying to

Ep #503: The Best Financial Investment

give us and I understood all the fees. I really have educated my own brain about these types of things so when I go in there, I know what questions to ask, I know when they're trying to pull one over on us. I've had enough experience with it so I was able to get us the best deal without buying anything that she didn't need at all.

And he was like, "Wow." And I walked away from there thinking like, "This should not be something that surprises people that we're educated about our own money that we're spending." This was my money I was spending for her. I wanted to make sure that I was getting the best value for the price.

And as a businesswoman, I'm always trying to provide the best value for what I'm getting paid, for the price for what my customers are paying me. So I understand that process and so because I understand money and I've studied it and I've put it all into my brain, I have decades of knowledge and understanding in my own brain that I can then apply to my life.

Not just this year, not just in the next hour, but in the whole of the rest of my life. My brain is an appreciating asset. So if you think about the amount of money you would spend on a course, let's say you take a course on learning how to invest in mutual funds, let's say. And you spend money so you can get personal attention. It's not just a YouTube video. You really sign up for a course so you can study.

Maybe you have homework, you have quizzes, so you're somehow measured on it. And at the end of that course, you have that knowledge. You have that understanding. Now you're going to get a return on that investment this year, next year, the following year, forever.

Most things, when you purchase them, they depreciate. They don't keep appreciating. And then you take that knowledge - now, stay with me here. You take that knowledge that you get and then you start applying it, and then you get experience. So all of the time and energy you put into applying

Ep #503: The Best Financial Investment

or even spending money on executing on what that suggestion was, you're appreciating your own knowledge.

So if I learn how to invest in mutual funds and I invest in a mutual fund that loses me money, yes, I may have lost money on that initial investment, but now I've learned something. I didn't just learn from the class but now I've appreciated my brain knowledge by investing in the wrong mutual fund. So even though it feels like it's a loss, it's a net-net gain because I now have that knowledge as well that I can then use forever.

As you are thinking about what you can spend your money on, many of you won't even consider how important it is to invest in your own brain after you've graduated from college. Notice how the first part of our life, that's all we're focused on is knowledge and learning and becoming smart. And then at some point when we graduate from college, we start thinking, "Oh, it's not as important to spend thousands of dollars investing in our brain. Now we should go invest in houses and cars and trips."

Yes, do all of that. But always, and I think most importantly, focus on constantly and continuously investing money in your brain. The last piece of this because I know there's going to be people that will say, "The best financial investment that you can invest in is also your health."

And I would say that if you invest in your brain and in the knowledge of your brain, you will automatically know to invest in knowledge about your health. The cost that most of us will incur with trying to manage our own health and disease and any kind of problem that we have medically with our bodies is going to cost us the most.

I saw this thing on Instagram and it basically said you can have a ton of problems but as soon as you have a health problem, then you only have one problem. That becomes your main focus. So investing in your brain also means not just investing in understanding money, not just investing in understanding how to invest and how to make more money, but it's also

Ep #503: The Best Financial Investment

investing in your mental health as a priority to maintain your energy and your vitality.

But also investing in understanding your physical health. Investing in knowing about your hormones and knowing about how to manage your weight and knowing about diseases and where you're at risk. All of those things are investments in your brain. And when you spend time studying and understanding and learning from people who went ahead of you and investing with doctors and with specialists to understand your own body and really make your health a priority, you will then have your knowledge and know how to take care of yourself long term.

Again, it's one of the atrocities I think of our educational systems that we are taught more about calculus than we are taught about how to take care of our financial, our mental, and our physical health. It is our responsibility to invest in our brains, in our knowledge about these so we can then know how to invest our money into making sure we get the highest return on the most important things to us.

Our health physically, our health mentally, and then also our financial independence so we can be in control of our own lives and be able to make decisions about what is best for us. I hope you all have the most gorgeous day and I hope you think today about how you can invest any our own brain to make sure it's continuously appreciating.

Have a beautiful day everyone, talk to you soon. Bye.

Hey, if you've ever wanted to work with me as your coach, now is the time to do it. You can join me in Get Coached in Scholars by going to TheLifeCoachSchool.com/join. This is going to be the best year ever. It's your turn to change your life. Let's go.