

PK 130 Pete the Planner

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SPEAKERS

Peter Dunn, Matt Hunckler



Matt Hunckler 00:14

Hey there powderkeg fans. This is Episode 130 of the powderkeg podcast, which is the show for entrepreneurs, leaders and innovators building remarkable tech companies in areas decidedly outside of Silicon Valley. I'm your host, Matt Hunckler. And on today's episode, we'll be sharing a recent live stream interview and live q&a that we hosted with a very special guest Peter Dunn, aka Pete, the planner, we discussed how to react to an economic recession and personal finance crisis like we're seeing right now. I'm looking at the end of March here in 2020. We're seeing some craziness with the Coronavirus outbreak and crisis and now financial crisis. We also had a chance to answer a lot of questions from the Patreon community on the topic. of personal finance, everyone's wondering what to do right now. We're going to be doing a lot more episodes like this that are relevant and live stream and engage you the listener. So I hope you'll join us make sure you check out some of our upcoming live stream live versions of the podcast with community q&a so you can get your questions answered. You also get expert advice from the guests that we're bringing from all over the powder keg community around the US and beyond. You can check all of those out at powderkeg.com slash events. Highly recommend checking those out tons of different topics. I'm sure there are some that you'd like to be involved with. And we always have a lot of fun doing those. Today's guest Peter Dunn aka Pete the planner is an award winning comedian and an award winning financial mind. He keeps things fun, he keeps things interesting, but he also really knows his stuff. He is a USA Today columnist and author of 10 books 10 and he's the host of a popular radio show and podcast. The Pete The planner show. Pete appears regularly on CNN

Headline News, Fox News, Fox Business, and many nationally syndicated radio programs. So he is all over the place doesn't matter what side of the aisle you personally sit on. He is really just kind of real talk gives it straight to you. That's what I like about Pete. He's also the CEO and founder of your money line. And hey, money. We'll talk a little bit about those in this episode. I really hope you enjoy this episode. As we watch the economic rollercoaster continued to go up and down. And rather than just be going along for the ride, we want to put you in control with some of the advice in this particular episode. I hope you get some valuable insight and let us know what you learn. Hopefully this works out in your favor and gives you some actionable things that you can do today. To get your personal finances in order. Please enjoy my guest, Pete the planner, want to say Pete, thanks for being here. Welcome to the show. No, it's



Peter Dunn 02:56

good to be with you. You know the first time you and I met, we sat and ate doughnuts. At Food Emporium on 56th. In Illinois, it was a very long time ago, a friend of mine said, you gotta meet this kid because at the time you were a kid, and I was like, Alright, I like to meet young men. It was weird. And we had doughnuts. And I remember leaving it and texting my friend. I was like, Yeah, I like that guy. So how long ago was that? Do you have any idea?



Matt Hunckler 03:21

Probably a decade, man. I do remember that man that I could definitely go for a little Food Emporium action right now.



Peter Dunn 03:29

So tasty.



Matt Hunckler 03:31

Definitely trying to support local businesses. And I really wish I could have a Corona right about now.



03:37

Yeah, so well. Thanks for having me. I'm glad to be here. I think you know the nd tech community has done so much for so many. Not only people working in the in the tech

community but our nation at large our world at large getting. I wanted to say something fun like getting people's tech stack on fire. I don't even know what it means. But I say it sometimes because



Matt Hunckler 03:57

I think you nailed it.



Peter Dunn 03:58

I don't know. But Anyway, I appreciate you all. And I know it's a tough time. So hopefully I can shed a little light on you today.



Matt Hunckler 04:05

Well, and I remember that meeting early on Pete. And I had a ton of questions from you. Because I had just graduated from college. I just sold a business a small exit, and was figuring out what my next thing was going to be. And I've been following you ever since and appreciate just the Straight Talk financial advice. Paired with just real humaneness, not forgetting mental health, not forgetting. The other things that personal finance touches, including our jobs, including our family really touches all parts of our life. And what we're dealing with right now with economic downturn is certainly certainly some uncertain times. And I just wanted to hear from you maybe how you're thinking about it with respect to your family, and if you could tell us a little bit about your family, as well. I just I'd love to hear.



04:55

Yeah, we all just hang out in this place. Now. This box we call a home for the next seven A week. My wife is a makeshift teacher right now to my 11 year old daughter and my soon to be eight year old son. And so we're good, we're safe. We're currently healthy, and we're hunkering down just like everyone else. I feel like, you know, there are three major issues going on right now in our world. And if you don't separate them, they start to feel like an unsolvable mess. And, for me, that is the COVID-19 itself, which I don't really have any thoughts on Matt, out of respect to scientists, like I have nothing to say about it. I just listened to scientists.



Matt Hunckler 05:34

Yes. Then I think I think it's a good disclaimer to just say Americans should follow the advice from the CDC, any relevant local and state authorities, you know, pay attention to what's going on the news. take precautions. Yeah, we're not doctors.



05:50

Yeah, I will say there was a moment in time about 10 days ago where I was just on the fence. Should I listen to the leading, you know, virologist in the world the author Dr. Anthony Fauci or a guy who went to high school with who was a below average student that has a lot of hot takes on Facebook and I was like, Who should I believe Who should I believe, but I settled on science and I recommend others do the same. So that's that's one issue that I don't have any opinion on. The other two really are the market, which is scaring the hell out of people and the economy which hurts, right? It doesn't hurt to watch your money on paper go down and the stock market it's it's concerning, doesn't hurt, it doesn't physically take over your body, watching what's happening in the economy, the inability to pay bills to pay employees and co workers to pay vendors. Let's not forget in this community the ability to pay a vendor means something right. That's where a lot of this pain is coming from. And so, again, I hope to shed some light on that help people understand that the stock market is a forward looking instruments Okay, what that means Matt, you know this but you know, maybe some others on this don't. It means right now. The market is flipping out. Because it's not confident that there's a cool, good, sustainable plan to move forward in the economy. As soon as those plans start to come to fruition as soon as this send checks to Americans stimulus plan comes to be, the market should smooth out, but it's, it's spastic nature right now is just saying, Yeah, we're currently there is no plan.



Matt Hunckler 07:26

So when we, when we start, start talking about tackling those last two problems that you mentioned, I'm glad we only have three major problems. Because if we had four, I don't know if I could handle it. No. When we start talking about tackling those problems, can you talk a little bit first about mindset, you know, one of our core values here at Powder Keg is to practice mindfulness. And I gotta tell you, it's been a little bit challenging over the last week, as we've all made this adjustment to full time remote and figuring out how to adapt our business models but just how panicked and worried should we be?



08:00

Yeah, I would say you should be prepared right? I think panics the wrong p word. preparedness is where this is at. I'm gonna give you some some ugly numbers, but I at least warned you. So what's up? We will likely hit the highest unemployment numbers we've had since 1933. I mean, we are we're well on the way. The last time we had double digit unemployment was 1982. But in 1933, unemployment was roughly 25%. Do we get there? Oh, no, I think we're going to be pretty close. So that that is disconcerting. Do you know Matt, this is the best way I've been able to get my head around this personally when it comes to sort of panic and how do you you know, how do you channel your feelings and emotion towards us? You remember that meme or that graphic that was going around about a week or two ago with the matches. They're all lined up and if you pull one match out, then it stops the spread of COVID-19 you know I'm talking about yet. Okay, so that was great. I was really Really cool illustration. But when it comes to the economy, which we've taken on our radio show this morning, we started calling it the economic pandemic, which it's a little much with the economic pandemic, it's the same illustration. But our goal is to pull people back in line, make these matches have been pushed out of line, the entire swaths of the economy have been pushed out of line. And so if I'm the last match in line that's lit, I'm going to extinguish because there's no one for me to pass my money to the New York Times said at best on Monday and a terrifying column. But this line was great. It said one person spending is another person's income. Right? And so if my spending is this person's income, and I don't spend this dude's out, ally, right, yeah. So our focus should be to stabilize ourselves. So then when it's time to press go, because it will be time to press go in the coming weeks. We are prepared to bring our brother and sister in Not a word back in line so we can get this thing going again, that's what this is about.



Matt Hunckler 10:04

So what are some ways we can do that? Because already, nearly 20% of Americans have said that someone in their household has been laid off or at least had reduced hours. How should we? How should people be thinking about their job right now?



10:17

Well, I think you've got to prepare for the possibility just depending on what industry you're in, that your income is, is going to suffer. Ideally, look, I'm going to tell you how we like to do financial planning, which, you know, it's like the guy standing over someone is like, well, I told you to watch out for the left hook. Like I'm not I'm not trying to do that. But it's important to understand this. You ideally like people to have three months reserves on

hand, that is called an emergency fund. The reason is, is for a once in 100 year event, like now, right? And so, what's tough is because of how our consumer habits have changed in the last few decades, it's really challenging. It's been challenging. behaviorally for people to accumulate those three months expenses. So for those that have been able to do that, they're going to be able to weather this storm because, Matt, I think it's going to be an eight to 10 week issue from today minimum, which works out to three months. Right. And so that that is an issue. I do think the economy will restart, then. I worry about the tech community in the sense and these are some very candid Frank comments, everyone. I'm not even telling you what's in this now, because it's calling me it's brown. Could be coffee.



Matt Hunckler 11:32

All rules are off when I saw a meme earlier that airport rules apply.



Peter Dunn 11:37

Yeah, totally. I live and die by those rules.



11:42

Here's the deal with the tech community that concerns me a little bit. I have a business of 16 people. We have a successful financial business. We use a lot of SAS tools and products and all these sorts of things. We are currently not buying anymore. Right, we have the ones we have, we may cut one or two to stay lean, we're well capitalized, we're going to be fine. But we have a spending freeze. If you hear a business owner say they have a spending freeze, and your job is biz dev into small businesses right now, that that stinks. And so that concerns me about the tech community. And I also have to say, Matt, and you know more about this than I do, all the VC money that has been flowing into Indianapolis. And this isn't meant to be rude or weird, but there are strings attached to VC money. Just there just are. And so I don't know what that means. In light of all this. I don't know if it means you still got to hit your numbers, or there's grace extended. I have no idea but it still concerns me.



Matt Hunckler 12:51

Well, the The good news is one here in Indianapolis, we have seen an influx of venture capital and all the other communities that we serve like now. Nashville, Tennessee and Kansas City, Missouri. Same thing. Last year, we saw an increase in venture capital investment faster in areas outside of Silicon Valley. It was accelerating more outside of

Silicon Valley than it was inside of Silicon Valley. So that means that there's a lot more companies now in the middle of the country that are well funded, that are getting those emails from their VCs, saying, in a lot of cases, you know, freeze all hiring, for the time being. Be conservative with your cash. There were some really good articles that have been circulating around that will drop in the show notes here from some of the top tier VCs and great VCs that are investing right here in Indianapolis and in these other markets, saying, you know, adjust your forecast in terms of sales, obviously, still still try to make sure you're hitting your numbers. So there is reason there that's not like, at least a good VC isn't like putting a boot on CEOs necks right now. And they're trying to provide kind of level headed advice in this time and be cash conservative, which is, I think a good thing.



Peter Dunn 14:08

Yeah. And again, I that's why I said you know more about that stuff than I do.



14:13

I do think when it comes to being a leader within an organization in the times we're in now, transparency is super important. I know sometimes leaders need to think that they can't seem vulnerable, or they have to be indestructible. But I think the best thing you can do good or bad is to go to your team. And if it is good, but go in there and own it be like, Look, hey, it happens to be good right now. And if it ever turns I'm going to tell you but I want we're taking a we're taking a pause to accept the fact that we have some stability as an organization right now and you all contribute to it so that's good. The other side of this too is that if if you're struggling, you're gonna have to layoff people if you're gonna have to do acid income freezes for people or pay freezes. Tell them so they can get their house in order and and deal with it. Part of planning His time like time and money are the two resources that the financial planning consists of. And you need time to plan your money. So by waiting to the last second to tell someone that we're in trouble, it's not real great.



Matt Hunckler 15:13

I 100% agree, I think I've been trying, I've been trying to be as transparent as possible this week with our team. And I know just adjusting to being all remote has been challenging to balance that with also over communication and everything else that goes with it. You know, in terms of what you're talking about in terms of time and money, those two resources, you mentioned having an emergency fund, what if I'm in the camp of I haven't been saving? I have I don't have an emergency fund. Is, is your advice, just that I'm

screwed, or what can I do today?



15:53

Well, there's a couple pieces of good news, but they're sort of backwards. Good news. Okay. We're not no one's spending any money right now? Like, no, we are consumers of the local food and drink scene, my wife and I, which are currently not participating in it. And so that that means there's money we're not spending that is cut out of our need for income. Right? So there's that idea that our actual consumer, personal financial habits have temporarily changed. And again, it's very important and I want to have everyone understand this. Someone's gonna yell, press go. And when we do, we got to be able to pump money back in and pull people back in the line. That time is the time is not now, especially if you are part of a small company and you're worried about your income, right or wrong. So that's one thing, Matt. The second thing is, this one's a little more difficult to talk about. The best way to explain it actually is sort of this concept of a grease fire. If you've ever worked in food service, and there's a grease fire, you know, growing up, you're like a fire I need water. If you throw water on a grease fire boom. It's a powder keg, I couldn't help it. So that's an issue, right? And so what's happening is people are seeing these financial fires. And so they grab a 401k loan if they have a 401k. Or they go to a payday loan place, they do weird things to put out the fire. But it's the wrong wrong suppressant. And it makes it worse. So our concern in these situations, a person's got to do what a person's got to do. But that doesn't mean they know what to do because they've never been in a 100 year financial event.



Matt Hunckler 17:36

So what are some of the right things where should people be turning to put out that fire?



17:42

oddly enough, if you have no money, right, because we've got we've crossed the Rubicon into the what if I have absolutely no money advice, once you've cut your expenses, then it gets into all right. What what are your actual sources for borrowed money? You know, Mom and Dad and there's your buddy and your girlfriend and boyfriend And all these sorts of things, I tend to think if you're going to borrow money, and I can't believe I'm saying this is like the world is backwards now because I'm like a cash advance on your credit card can make sense. What? Yeah, but but take using a credit card is, all of the sudden a somewhat reasonable strategy to get through this, it's a heck of a lot better than liquidating an IRA, or a 401k, or something like that, that that is that's near the

bottom of the list. Because if you have short term instability, and you use whatever semblance of long term stability, you have to fix the short term instability, you no longer have long term instability or stability, which is the hardest thing to achieve. And so which is hard, because you're telling people, hey, you can't eat right now. But when you're 59 and a half, you'll be able to eat and that's a piece of advice, but it's actually true. So I don't mind. I don't mind credit card usage. I don't mind equity lines for homeowners. I don't mind that much. I've already seen people move in with someone else. Right? I mean, that's not exactly social distancing. But you know, they're they're being smart about it. Those are the things we're talking about. Because if you think about the financial crisis in 2008, and 2009, one of the things that grew out of it more than anything was the gig economy. Mm hmm. Because when the economy recovered, starting in March, march 9 of 2009, a lot of people will pull it were pulled back into the success of our American economy, but some people weren't. And those people created the gig economy. Right? Those people said, I'll do it myself. I get in my car, I'll take you down the block or stay in this extra room, we'll be fine. And so this is the problem now is that we're in this situation and to fix our financial problems for the last 11 years it's been we'll just go get another gig or in a couple extra bucks here there, but those gigs are nowhere to be found. So freelancers gig economy, people, they they're hurting worse than ever, and the top part about that is, you know the old adage of well just work harder. Yeah, they did. They did. But working harder doesn't solve anything right now, which makes this so frustrating.



Matt Hunckler 20:11

Certainly, like gig workers and freelancers in the tech community, we rely, I mean, half of our team are freelancers right now. Part Two all the way to full time. How should freelancers be thinking about this situation? from holding off on quarterly tax payments to looking at shifting careers? How just how drastic should they be making moves right now.



20:39

I think you got to chunk down the problems. And currently you have a three month problem. Right? Now you can't take you can't hack a permanent solution to a temporary problem. You can't wipe out your 401k to solve what is going on now. And by the way, if you have a bunch of freelancers, they unlikely have a 401k they might have an IRA or something. I still don't love that solution, but you got to do what you got. Do it and, and I'm not mad at you. But it is three months. How can I? That's a question you have to think about all day long. How can I survive? Three months? That's the that's the start. It's not how can I make this another couple weeks? You're asking yourself the wrong question. And you also don't have to make it all of 2020 start with three months. And when when

you identify the problem, it just gets a little bit easier to solve. You start saying, well, I could stay here or other is this fun for my grandma, I never really wanted to touch. And I'm not. By the way, I'm, I'm also not here to to trivialize or marginalize people struggling with this file for unemployment if you can. And don't feel like you're a burden on the system. That's a there's a survivor's guilt going on right now that I'm seeing. I've been talking to hospitality industry workers all week long, and ask them horrible, horrible stories. And there's guilt. I mean, this is the great part about sensible Midwest economy is that people say Like I'm a personal responsibility person, I don't want to be a burden on the system. Well, this is why the system exists to help you out. And you know what, you've helped so many people out along the way. It's okay to accept help right now, again, this is not a blip. This is a thing, a real big thing.



Matt Hunckler 22:20

I that is really great advice. Pete. I'm glad you mentioned that. finding those sources, finding those opportunities for help. You know, I'm, I'm, I'm thinking about those people that are marginalized right now. It should they be some people are having the the sort of thought that they can just kind of hunker down for the next three months because they have an emergency fund because they've been following your show. They've been taking action. They might even have a six month emergency fund. Is that the right mindset to just sort of hunker down and wait this out? Or should they are there steps they still should be taking while they're unemployed or between gigs?



23:00

I think one of the toughest lessons we're going to learn, but it's going to end up being a beautiful lesson. It's built for an after school special as what I'm saying, Matt, is that the only way through this is together? Right? If what comes out of this is that we're not so divisive as a culture wasn't worth it. I don't know. I don't know. It's not worth it to the people who are medically suffering. But it'd be interesting. So I would say I think all the way out of this, if you even if you're hunkering down is to stay part of your network, he indicating keep being a resource for people. Look, I'm as scared as anybody. I'm as scared as anyone. And the only cathartic thing I can do is to jump in and help because we happen to be in a sinking ship right now and my company just happens to sell buckets. So that's why I'm part of this and that's why I'm, you know, doing 16 hour days, not everyone has to do 16 hour days right now, because this isn't their wheelhouse, but at some point, you're going to see an opportunity where you think all I have I could probably help in some company. Go, go, man, I mean, it's gonna pay off I, you know, I think you don't want to stay idle. You don't want to lose your mojo and lose your skills. I think about my

daughter's does gymnastics and so she's doing really well right now for whatever that means for 11 year old girls gymnastics, but she's gonna have a month or two off and so do those skills start to suffer. I think from a professional standpoint, we have to look at that same thing. You don't always have to be creating revenue to provide value. And I think, you know, free work helping someone out there's nothing wrong with it right now. I'll tell you I'm going to talk about something that is actually happening online right now that is very controversial. There is a local media outlet that has started marketing packages to restaurants to say we'll have our personalities come out and tell people to get carry out from you. 20 \$500. And while that is one way to create revenue, and you feel like you're serving that population, that's not the right move, man. I mean, if you want to be part of the solution, don't think about your ad revenue, you got to think about helping people. And so does that make sense? Absolutely.



Matt Hunckler 25:19

I, in a lot of ways, you know, our team has been talking this week. It's hard in a situation like this, where you're trying to help your community, both local and national, and global. You know, with the internet, we've got friends all over the place. Now. You want to be helpful. You want to be spending time doing that, but during your time working on your job, and rolling up your sleeves. There is a lot of opportunity right now, for a lot of businesses and for a lot of people. Are there any mindsets for you personally, that you've implemented in order to get into that mode without doing it in a panic or manic sort of way, being very measured about Where are you spending your time and how you're helping out while still balancing family?



26:04

Well, it's a challenge. I mean, it is it is not fun to probably be my significant other right now. And my wife, you know, you see, I tweeted about the other day you see social media shoutouts for, you know, significant others from time to time, and they're weird and hollow, especially in Valentine's Day. But I sent one out because it's just like, I'm on the financial front lines of this thing. And I don't say that in sort of a haughty way. It just happens to be the topic. And so I sort of, I'm trying to learn when to read the information I need to read to do my job because I'm having some challenges with that I'm reading stuff at the wrong time, which then affects my sleep cycle. You know, my favorite part of every day is still that moment I wake up when I haven't yet remembered what we're dealing with. Sometimes it's a half second. Honestly, this morning. It was as short as ever, but it felt really good when it happened. Just keep going forward. I can tell you I hurt more now for others than I ever have before. And it's because I've been able to secure our financial

stability. And so it allows me to truly focus on others. So I guess, if you're dealing with your own financial pain, it probably is harder to empathize with others financial pain because you're trying to take care of your own self.



Matt Hunckler 27:23

Well, speaking of empathize with others, let's jump into some community questions. I see a few coming in here. Just a reminder, for those that are watching this live on zoom. There's a q&a functionality there at the bottom of your screen, just click q&a and you can ask your question. You can ask it anonymously and I'll read it out or you can type your name and we'll actually call you on and bring you on so you can ask your question live here on the show. I'm gonna start with this first anonymous attendee. A question here, was asked just a couple minutes ago, which is that my family was going to finish maxing out our Roth IRA, 520 years. etc five kids, lots of college. Should we still attempt to max it out? Or keep our money sort of liquid? The job is stable right now for this attendee. But that's their situation. What's your advice be



28:15

if you have an emergency fund that is sustainable of three months or more, and you have income and employment stability? Go, man do it. Yeah. I mean, because sometimes we forget this and as entrepreneurs By the way, this is the heart of our business to buy low, sell high. Right. And it's amazing how quickly we forget that and so the market is what we call oversold right now, I love financial industry terms. They're really stupid. But it's oversold right now. Which means that's a great, it's low. It's a good time to buy it is a bad time to sell. So I don't love the idea of how can I take advantage of this situation for my own personal good, I mean, that's a little gross, however, That's not what this person is saying. They're saying, What is a wise thing to do? And I think that is one of them. I'm not the guy that's gonna search out surgical mask companies to invest in. I don't really care to do that. But I think what this question gets to is, that's a prudent move, and I certainly approve of it.



Matt Hunckler 29:20

And is now the right time to do that, or would you wait it out a few more weeks or months?



29:25

There's the old adage, because the financial industry is stupid. So we have lots of dumb edge outages. It's there's never a good time to buy, there's only good times to sell. Right? And so is that right? No one knows who cares. It doesn't matter by now. Because even if it keeps going down, you've bought in at a 32% discount. We're 32% off the highs right now. And this is also to suggest people should be very careful going. I'm going to not sleep tonight as I try to unwind what I just said. You also have entertained by an interview. Companies is a higher risk right now than buying diversified investment tools like ETFs, or mutual funds, there will be companies that go bankrupt. And if you make a risky bet on something, well, it's got to come back. It actually doesn't have to come back. And that's the the truly scary part about this time versus 2008 2009.



Matt Hunckler 30:21

That's great. I really appreciate that helpful advice. I know a lot of people have that question. Let's bring on our next guest. And this is Natalie Clayton, and Natalie would love to bring you on the show to answer your question live. Natalie is from the Clayton team at the Platte collective, which is an Indianapolis real estate firm. And I know real estate is a big, big topic right now a lot of people who are thinking about buying thinking about selling, Natalie, do you mind? Can you hear us?



30:52

Yep. Can you hear me?



30:54

We can hear you. Hello Natalie.



30:56

ap Matt. I also met with Pete like a decade ago for Advice. So



Matt Hunckler 31:01

it was a good time.



31:02

Yeah, it was a good time for creepy old guys two years ago.



31:09

Pete, I really liked your statement that you made about the stock market being a forward looking instrument. I've never really thought about it that way or had to think about it that way. But I wonder how that compares to residential real estate because and I even sent you an email a few days ago. We're seeing really, really strong data. Right now we're seeing new listings pendings multiple offers closings. So right now in terms of residential real estate, if you look at the data and activity, it is as if not much is happening outside of the norm. We're definitely having a lot of conversations with people who have a lot of questions, but all we can do right now is point them to data and say everything still looks really good. So I'm wondering if you can speak to kind of that connection between stock market residential real estate And if you do see a shift coming, are there markers we can look for? And is there any way to predict if it's going to get anywhere close to what happened in 2008? which at that time, we know there was still market activity? It was just a shift in the market?



32:15

Yeah, that's a great question. Thanks, Natalie. I, of course, it's important to understand that I'm not a real estate expert. And I would much rather lean on one of the best realtors in Central Indiana to with her thoughts as opposed to mine, but here are mine. People like to quarrel as to whether a home is an investment and I have no feelings about that. But I'll say most people look at their home as a consumer expenditure. And so while the market currently may still have some residual heat, that's kind of cool. Like I might actually write a column about residual heat and real estate later because that's a good term. It still has some heat to it. I'm not so sure that heat will be sustained because a market is hot. A real estate market is hot. Because there's a ton of qualified buyers in the space, we're theoretically ripping out 25% of buyers based on unemployment. So, yes, money is relatively cheap right now. If you have an emergency fund and you're renting right now, now is arguably a reasonable time to buy a house if you also have employment stability. But if you're trying to sell a house and then in crossover, you know, you're gonna have to sell it before you get into the other house. I don't know. I think it's too early to tell with real estate. I'm not sure real estate is forward looking. I think the stock market is I think real estate is more of a trailing indicator, but I guess we'll see.



Matt Hunckler 33:42

Good question. I appreciate the the vulnerable answer there TP



33:49

I don't know. I don't know everything.



Matt Hunckler 33:51

It looks like mile stare. It had a similar question about the real estate market. So miles, feel free to ask another question or clarify your question. If we didn't get to it, I'm gonna go ahead and call on Sarah Burke. Sarah, I would love to answer your question live if you'd like to ask it.



34:17

Sarah, can you hear us? Hi, can you hear me? We can hear ya. Okay, perfect. Um, so I've been trying to follow what the government's been doing in response to all this. And it sounds like there might be a track coming. I'm not sure if that's still a rumor or if that's actually something else happen. So I guess what are your thoughts on that? And also, if that is going to happen, what's the best way to use that money which like, I'll be considering kind of extra income as I have like a stable job and safety net.



34:56

Awesome, great question. And now is not the time for Kudos, but good job on on creating some semblance of stability. It's tough. It's tough for people who don't have stability for someone else to receive kudos for having stability. But Sarah, good job. Yeah, I think a stimulus is coming in, here's what it's gonna look like. It is likely to be 1000 to 1200 dollars per adult in a household and potentially \$500 per child in a household. And as soon as it gets approved, which right now, there's some bs going on with it, which I can explain in a second. It will take three weeks to get there. And then the plan is to send checks of the same amount on three weeks later, to create that level of stability. My challenge here right now and trying to understand what they've come up with is they're capping it for single filers at \$75,000. So if you make \$75,000 or less, you'll get according to what they're doing right now, which isn't final 1200 bucks. And if you You make \$99,000 or more a year based on 2018 tax filing, then you get nothing. And if you are a couple filing and you make \$150,000 or less, you get the full 1200 each. But if you make over \$198,000 as a couple

you get nothing. My beef with this is that there's a lot of entrepreneurs out there that currently have zero income. And whether I make \$106,000 a year as a single female entrepreneur, or if I make \$41,000 a year as an entrepreneur, and now I'm at zero, what the hell does it matter that I once made 106,000 if my income is zero, so I feel like the current legislation is tone deaf, but to Sarah's question, because I didn't answer it, although to give you some context, Sarah for people like you and me, who may be well capitalized right now, other fun terms. Foreign capitals are very well capitalized, and we have income and employment stability. Our responsibility is to get ready to spend that money is to get ready to blow it back into the economy when it is time to press go, because that is the only way to pull people who are out of the money cycle in line. Yes, you could take it and invest it in low priced Securities and Investments. I wouldn't, because I don't think you're doing your part. If you get a stimulus check, and you're secure and you don't use it to stimulate the economy. You're not doing your duty. If you were unstable right now and you get a stimulus check, stabilize, because the rest of us are here to support you to get this thing going again, but I would not invest a stimulus check



37:43

under any circumstances.



Matt Hunckler 37:46

Really appreciate you answering that. Pete. I know a lot of people have questions about this. It's all relatively new. Got some good comments here in the chat from Steven at Salesforce who said government checks hashtag gang gang.



37:59

Yeah, so Yang, as Andrew Yang is looking like a genius right now. And I think that's it, we're not going to get political. But I think it's really worth noting that there has been an income disparity for quite some time in our country. And people on the upside of it have sometimes looked down and said, well, you got to work hard, you got to pull yourself up by the bootstraps. We're learning this is that's not how it works. systemically people get different opportunities than other people. And that's where levels of success are different. Yes, there are those wonderful, you know, Disney stories where people can pull themselves up. But that's the minority case, as opposed to what is realistic and I'm a very independent person politically. But, you know, this idea that, you know, people need equal opportunities. It's becoming becoming more abundantly clear than ever before. And Andrew Yang's policy of universal basic income, all of the sudden Makes sense the most

ever?



Matt Hunckler 39:03

Yep. Agreed. hindsight is always 2020



39:07

Oh, it is yes.



Matt Hunckler 39:08

Our next question is from miles staret, who works at a tech company called olio health tech company and runs a community called indie hackers focused on helping software developers better connect with their communities find resources, find jobs. Myles, welcome to the show.



39:29

Thank you. Good to Good to see you. And you, Matt and Pete. Look, well, good.



39:37

So my question is real estate related also hope that's alright. A lot of folks were looking into refinancing their mortgage before the market kind of crashed. And I know mortgage interest rates don't directly track the federal rate, which is lowered to zero recently. And the mortgage rates actually gone up the past few weeks. So my question is, do you expect the mortgage interest rate to dip back down You kind of said real estate tends to be a trailing indicator. And then there are there any tips for when would it be wise to pull the trigger on a refinance? Yeah, thanks, miles. I appreciate the question. So on March 3, I sent out a tweet that said I just saw a mortgage rate a 15 year mortgage rate for 2.75%. And for those not in the know what I mean, it's, it's crazy. That's a unicorn rate. Again, I'm trying to sound cool math, I using tech. You nailed it. I felt pretty good. We are not there now. Like it is climbed from there, but we're still relatively low. I think the challenge whether you're trying to refinance a mortgage or to invest in the stock market, there's a temptation to find the bottom. Well, I'm gonna find the lowest rate I'm gonna find the lowest price. That's a fool's errand a lot of time. So, in a lot of things can happen. Who knows what's gonna happen with the mortgage market, I could see if you combined

Natalie and miles question together, you could see this thing where housing prices come down, interest rates rise a little bit or stay about where they are. And so you're still actually able to buy a lot of home or a good value of a home by the the functionality of prices falling, right? To get a good deal on a home, you just don't need a good interest rate. You need a good price on the home. So I think there'll be that mix there. We are. I don't know. I'm gonna call this one week into a financial crisis. You know, this week has been the longest century of my life. It's absurd. But we're still one week into it so miles you can wait or you can go I don't know if it's gonna matter a ton one way or another. It who knows that we're in uncharted territory right now.



Matt Hunckler 41:47

Great question miles, I hope your family as well as well. Lots of other questions about refinancing. This is a very specific one. I refinance my house in September at 3.6. 5% I don't have a ton of money for closing costs, etc. Should I refi? Again? No.



42:08

Next, no, no, no, there's just not enough spread between your current rate and what are your current rate your pain and new rates being offered? Don't do it doesn't make sense.



Matt Hunckler 42:19

What are your thoughts? This is a question from Ryan Hickey. And I'm going to expand it make a little more general. His question was, what are your thoughts on stopping 401k contributions right now? I'm going to generalize that and just say, what are your thoughts on stopping spending stopping savings right now? The sort of paying yourself first?



42:39

Yeah, so let's draw the line between saving and investing. Saving is as holding off to the side entering no risk into the conversation right is call it hoarding if you want but it's good hoarding. Investing is where you enter risk into the conversation. To Ryan's question. We actually debated this on my radio show this morning. Whether it makes sense for a person To stop contributing to build their savings, stop investing to save versus, you know, get by with the level of savings you have, and then invest for the future. If you don't have that big of an emergency fund if you have less than a month or two months, I hate to say this, but you've got to figure that out if you've got no income, so you've got to probably pull back.

But here's the other thing that if you had no income, you wouldn't have a 401k contribution. Right? That's the that's the that's the weird part of that. But if you fear your job is at risk in the coming months, you're still getting paid. You can instead of withdrawing your 401k, you can stop contributions to build up that savings. But still, under no circumstance, what I get out of my 401k completely take those assets out. And I also in a perfect world, you're leaving your 401k alone, and if you have stability, you're actually investing more in it right now.



Matt Hunckler 43:59

That's Really, really sound advice. Pete, I appreciate you sharing that. Can you talk to us just a little bit about how you foresee the coming weeks to go?



44:11

Oh, man, where's my crystal ball? I know, right? Well, um, I don't know, man, I feel like this is gonna come in waves. I feel like, but every day is a couple of waves. Right? You know, they have a press conference. And then it starts up all over again. So I feel like we've got through a really big bad wave this week. I feel like this was the initial punch to the guy. I think that you know, so if this week was this, I think you're gonna have sort of ripples for a little while and I think there'll be some other big moments down. I don't anticipate a big moment up for eight to 10 weeks. So we may be it I look, I'll be honest with you. very transparent. I think I'm okay with it being like this. Is hellish as this has been for another eight to 10 weeks, if the alternative is it gets worse,



45:07

right?



45:08

Because I don't think it's reasonable expectation for it to get better anytime in the next and I think it's really important, right and being realistic is a very pragmatic financial planning tool. And so I, I am fully prepared, my staff is fully prepared. I'm not even talking financially, mentally. This is an eight week to 10 week thing for us. And it's it's hard, but the alternative is it gets worse.



Matt Hunckler 45:39

Our next question is from Keegan Giles, who is a talent acquisition manager at a company called hc one Keegan, welcome to the show.



45:49

Hello, appreciate you having me on.



45:53

So yeah, my questions a little bit different, obviously in the talent app world. No one to cater a little bit towards that audience, but at the beginning, you mentioned, we'll likely see similar unemployment rates close to, you know, 20%, which is one out of every five of us here. So, you know, I want to try to tailor this towards the tech community and also understanding a lot of us here, likely salaried employees, but you owning a business, which types of industries do you see are going to feel the largest impacts? And then part of that, you know, which types of employees do you feel will be most expendable and most valuable? Yeah, that's a great question. Thank you, Keegan, for that question. I feel like if I was going to make up a name, like an alias to travel under it would be Keegan Giles. It's a great sounding name. I'm totally gonna steal that name. I think you know, what's really strange is that you know, business development people revenue producers are always such a valuable member of any team because they're the lifeblood of the organization. If you don't have revenue, you got nothing but I think there's some danger in that over the next few weeks, because if someone can't sell, they can't sell because the environment is not ripe for it. Then you look at well, do we just invest in the client success team? Because we can't actually sell at this time and then we'll bring that person back. I don't know. And I know I just terrified half the people on this. This event?



47:27

I don't know. I really don't know.



47:31

Of course, people tend to cut their marketing costs. Almost immediately when these things happen. You you freeze campaigns. I don't know because no one's buying that that's the and that's not defeatist. That's not that's just honest. I mean, I again, we're pretty high revenue organization. We have a spending freeze, which means we're not

hiring vendors are doing projects. And I think a lot of companies are doing that. So long winded answer to I have no idea. And in the meantime, I terrified two or three different industries.



Matt Hunckler 48:07

I think, one, I appreciate the candor, Pete. But two, I think kind of what you said in terms of, you know, do we just invest heavier in client success? Do we do we look to allocate that in other ways? A lot of the tech companies, particularly startups that I'm seeing, thrive, and actually find opportunity in this are the ones that are adapting and saying, hey, you were doing cold calling before you are now just focused on making customers happy. How can we be more attentive and if an inbound lead comes in, of course, we're going to try to sell that opportunity. But if you can have a nimble enough culture and nimble enough team, which in most startups, people are willing to wear multiple hats if they're not already. I've seen a lot of tech companies in tech startups taking that approach.



49:00

And look, there's nothing wrong with a small pivot to make your product or service fit the moment you look at the distilleries that are now making hand sanitizer. Don't get me wrong. I need some rye whiskey right now. But we need as a community need those sorts of items. I mean, that's one of the it's a brilliant pivot, but not from like, Oh, what a brilliant businessman. No, it's a community move that that decision is not driven by business. It's driven by heart. And so I think in the tech world, it's a it's a community with a lot of heart that wants to serve people. So I think sometimes you just have to take a deep breath and say, how can our product or service that we built How can this infrastructure How can this platform be retasked to another purpose, which, maybe it even creates revenue in the process, but if nothing else, it knows. It helps people identify where the helpers are, you know, it's like always know where the helpers are. Your organization needs to be one of those helpers.



Matt Hunckler 50:00

Absolutely. Well, Pete, before we wrap up the show here, I wanted to give you the opportunity to talk a little bit about what you're doing, because I think it's, it's so great and so prescient right now that you launched hate money here in the last month or two. Do you mind talk a little bit about what you're doing there?



50:18

Yeah, it's so when I was a financial advisor years ago, which I'm not now, which is sort of the weird thing about being named Pete, the planner, when I was a financial advisor, one of the big issues in our community was that if someone didn't have money to invest, then they really couldn't get the best financial advice on how to then get money to invest. The key was to attract people who had money and then earn fees off the money they had right that that is the financial planning world and sorry about y'all. So what I've tried to solve over the last 15 years is the compensation problem within the financial services industry. How can you take someone with complex situation how can you take a complex situation without any investments to manage and give that person the expert advice that is required to solve that problem, right? And so what we did is we created Hey, money, hey, money is 20 bucks a month. And we are professional financial problem solvers, you get paired with a certified financial planner, or an accredited financial counsellor, that work for us. They're sprinkled all around the country, and they become your dude, or they become your lady, and they get you through whatever you're dealing with. So for about a \$200 a year price point, we're trying to shake up how people get financial advice. It is good timing in the sense that we're in the financial problems industry, and wow, the whole damn world has a financial problem right now. But that being said, it's we're inundated. we're inundated and I'm not complaining. It's a really good thing. And you know, I'm the CEO of your money line as well, which is similar infrastructure, but we do it through employers. We serve 1.2 million people a year through their employers. And we just answer financial questions all day long that have nothing to do with investing a lot of the questions we've actually just covered here in our time together. So that's what we're doing right now. Yeah, call Hey money.com I would have gotten a money.com map, but it was \$60,000 then a Danish company bought it. So now we're at call, hey money.com



Matt Hunckler 52:25

Well, you know, it may go on sale again. Now, now that things are going the way they're going. So James, I know. Well, I really love what you're doing, Pete we'll make sure we link it up in the show notes. I really appreciate you being here. You know, this show would not be possible without the support of our our collaborators, sponsors partners, the community here at Powder Keg, and I want to give a huge shout out to a few of our friends who are on on this podcast right now from CLA as formally Clifton Larson Allen. They are taught to accounting firm in the country right now. And there are a lot of things happening right now if you're a business owner, that you really need to be in the know about. And even from a personal finance standpoint, they help with wealth management as well if you need that sort of, you know, sort of expert advice and personal help. They have been extremely helpful to our community helping us scale across the country. And so

I just want to give them a huge shout out for being supportive here. There are a lot of tax breaks right now, there are a lot of things happening in terms of small business loans, so they are a resource for the powder keg community. I also want to give a shout out specifically to our podcast, live partners, xo tech partners, KSM, consulting, black ink it and of course nameless catering, which is helping so many people still get food right here in our local community in Indianapolis, Indiana. For those who are wondering about their job security, maybe they're between jobs. One of the things that Powder Keg has done here in the last six As we've launched a platform called matches, and our goal is to help match you, with the right culture fit for you where you can really thrive. So if you're between jobs, maybe you're worried about your job. Maybe you're worried about whether or not to go remote. We've updated our directory this week. So there's a little toggle switch that you can switch on and see the companies that are still hiring. And you go to powder keg comm slash jobs. Tell us about yourself, and we'll get you matched and you can start making moves. I want to give a huge thanks one more time to our guests Pete, the planner today. That is it for today's show, our livestream audience, all of you for being here asking great questions. I want to say thanks to you. And for links to Pete the planner, social accounts, everything that you need to find Pete where can they find you if people are still listening?



54:48

Yeah, at Pete, the planner on Twitter, and that's enough. I mean, right. I don't I don't have a tick tock. I'm an old fella.



Matt Hunckler 54:56

I'm following your Twitter account intently right now and you doing live streams every day this week and sharing those on YouTube and Facebook as well. Those have been amazing resources. Thanks, buddy. Yeah thank you for that's it for today's show. Thank you so much for listening. Also huge thanks to Peter Dunn aka Pete the planner from Hey money make sure you check them out at call hay money comm for links to Pete's social profiles and all the other people, companies and resources mentioned in this episode, head on over to powder keg calm and check out the show notes. You can also subscribe while you're at it. Glad to have you here. If you're not already an avid listener. We're going to be doing a lot more of these kind of live events. So be sure to check out upcoming live stream versions of the podcast with community q&a. can say that three times fast community Q and A an expert advice as well. So we've got a really great lineup of guests coming up. So check those out at Powder Keg comm slash events and get registered. reserve your spot there and ask your questions to get your questions answered on the show. If you're currently in

the market for finding a new role and want to be connected to cutting edge companies, we mentioned this in this episode, you can head on over to our matches platform at Powder Keg comm slash jobs you can apply it's free will match you with a job you love. We've done that for so many people in the powder keg community and we always get a thrill out of doing that. So if we can help you out or friend make sure you recommend them to powder keg comm slash jobs. And to be among the first to hear the stories about entrepreneurs, investors and other tech leaders in areas outside of Silicon Valley. Please give us a subscribe on iTunes at Powder Keg comm slash iTunes. You could write us a nice review while you're there that goes a long way helps us reach more people and share these stories of remarkable tech companies doing remarkable things. Again in areas outside of Silicon Valley. We'll catch you next time on Powder Keg podcast.