



## Episode 1:

### Lifelong Learning with Donna Morris and Sal Khan, Founder of Khan Academy

Donna Morris:

I have the really good pleasure and honor of introducing one of our guest speakers today, Sal Kahn, and he is the founder of the Khan Academy. We've been partners with it for a number of years in terms of providing support not only to all of our associates, but also support for our customers and members as well. What would be, if somebody's getting started today, what is your guidance? How do you get started on the path to financial well-being? What would be some guidance that you would have for individuals?

Sal Kahn:

Yeah, I'll do a plug for the work that we've been doing together, and obviously you can find it on your internal portal, but you can also go to Khan Academy if you just do a search for Khan Academy Financial Literacy, and I have an MBA, and I think I'm pretty, I used to work at a hedge fund even, and I've made a lot of the videos. Even some of those videos, I learned a thing or two. I was like, oh, I didn't fully appreciate that. That's how it works if you take your money out early from that type of an account or things like that. So there literally are things that all of us, I actually got more diligent about my children's 5-29 plan after I made a video on 5-29 plans. So I encourage everyone here, no matter how sophisticated you are, you just look at it and actually look at it with your children or other people in your family that could benefit. It's a good conversation, but that's the first step. Just make sure you understand all of these things. It's so tempting as we go through our life to say, well, I'll just sign on the dotted line. And it kind of sometimes works out well. It's good to know the details sometimes, but we were talking earlier, the basic rules of thumbs are know your wants versus needs. Live below your means, where possible, save money where you can, which is easier said than done, but basic budgeting, which we have a lot of videos on, but...

Donna Morris:

I think we should drill into some of those things. I mean, one, I think it's a really, really good point that we can all learn and we're all at different life points and stages. So we often talk about setting performance goals. You shared earlier we were fortunate to talk that having a budget is really, really wise, and what in your mind constitutes a want versus a need?

Sal Kahn:

Yeah. Budgeting is one of these things that even I was like, I kind of figure it out. I kind of know how much is coming into my bank account, and I kind of know where my money's going, and it looks like I am saving, and I'm fortunate half a decent income, so I'm able to do that. But when I made the video on budgeting, and budgeting can be as sophisticated of a process or as basic of a process. It can be as simple as just how much are you bringing in after taxes? It's amazing how

many people don't even fully look at their pay stub to appreciate Exactly, wow, there's a lot that's going out.

Donna Morris:

I just want to give a bit of a plug for the pay and benefits module in me at where you can real time, see your information. Definitely make sure that if you haven't looked at your pay and benefits, you do that, and definitely look at where you might be able to unlock opportunities.

Sal Kahn:

Yeah, and so even for myself going through that process or sitting with my wife and us going through the process together, and they're like, oh, we didn't realize we're spending that much eating out, or, we didn't realize that. I didn't think gas was that much, but it actually is something, and it doesn't necessarily mean you have to reduce it or not, but it's good to just be aware of it and then even have a conversation of like, is this where we want to be spending our money? Maybe we do want to spend more money on vacations because we're burnt out, whatever it might be. But I think that process is a very good one, first and foremost. I think the other thing is just regularly looking at your bank account and just seeing things that are, every time I go, I see something. I was like, wait, I thought we canceled that subscription to that website.

Sal Kahn:

What happened? And that \$20 a month, \$10 a month, that adds up very, very fast. So I think doing basic things like that and then on the wants versus needs, that's almost like the next conversation. Like, okay, if we're spending x hundred dollars every month eating out, do we need to, if we were to cook ourselves, do our groceries, how much money could we save? But yeah, I think especially early on in someone's career, we talked about the importance of saving early. We were mentioning there's sometimes sources of free money, things like 401 Ks a match. Sometimes people say, oh, it's just too much trouble. I don't want to do it. I want to keep the cash, but I have a video. And it depends on the match, et cetera. But in a lot of cases, because the match is free money, even if you need that money and you take it out and you have to pay that 10% penalty, you're still better off doing it than not doing it in many cases. I have the math in one of the videos. Yeah, it's important for people not to turn away free money, wants versus needs, have a decent sense of where their money is going, either proactive budgeting and looking at their online statements now and seeing where that money is going. Canceling subscriptions, that usually sets you up pretty well.

Donna Morris:

What do you think the frequency should be on people doing sort of, we'll call it, the well-being, check on their budget? Should it be an annual process? And it sounds like the checking of the bank account that's regular, same with how many subscriptions, but what would be your guidance in terms of frequency?

Sal Kahn:

There's rules of, I think a year is definitely, I mean, maybe if you're doing some very detailed thing, maybe you do that once a year, but I think the bank account and then just having a basic sense of what you're actually spending. And there's tools now that can even plug in with your bank account, et cetera. But yeah, I would say monthly is probably reasonable.

Donna Morris:

So if you're not doing it monthly, maybe a few takeaways. One, have a budget, two monthly, do a status check. Where are you at relative to your needs, your wants? Are you really optimizing all the opportunities to save money? Maybe let's talk a little bit about that. If someone's just getting started, how should they be thinking about saving for the future? What might be prioritization around short-term savings versus long-term savings?

Sal Kahn:

When you're in your twenties and it feels like yesterday I was in my twenties, you're like, oh, retirement's so far away. And you're like, oh, that extra few hundred dollars, I don't need to put it in a 401k, I don't need to invest it, et cetera. But I think a lot of people in this room know the benefits of compounding, et cetera, et cetera, but it really does. And I, for the most part, did all of those things. But even now, I wish that I had put more in. And so I think a lot of young people, it's very easy to rationalize that their retirement or the rainy day might be, or when they need to buy a house or when they need to buy, but it's not. And so yes, leverage the 401ks, leverage the free money, start building some type of these habits of putting money aside.

Donna Morris:

I love that. So for everybody here and from afar, make sure to check out the resources that we have on one Walmart. We do have a bunch of resources, a bunch of videos, final sort of guidance for everyone. Saul, if they're looking forward to the future, how do they sort of feel like they're successful? I know very personalized on each person's situation, but what do you think success looks like?

Sal Kahn:

Yeah, look, I think that's a deep, this actually goes very much to the wants versus needs. I think we all have, there's whole industries that are convincing us that we need things that we don't. It's called marketing. And....

Donna Morris:

No offense to any market. No.

Sal Kahn:

No, no. Walmart is more on the need side. But the reality is, is that most of us do not because there aren't industries doing it, saying what actually gives you purpose in meaning in your life. And it, most of these things really are free. They're connections with friends and family time with your family, et cetera, et cetera. And the more that you fill your soul with that, the more that you aren't susceptible to like, oh, I need to get that new fancy car because maybe people will think

I'm cooler if I have that, or I need to get the bigger house, or I need to get the fancier clothes. If you're like, you have a good community, you have meaning, you have good connections, you don't need that as much. And even in our own life, it's sometimes tempting. Some of our friends, they're buying bigger houses and this and that, and sometimes like, oh, that's kind of nice.

Sal Kahn:

They have a theater room. Look at that. But it was like, I don't need that. I actually don't want an intercom to be able to talk to my kids. I want to be able to just say, Hey and see what they're up to. I don't want them isolated. My wife and I realized we've had sometimes the most fun when all of us are in a small hotel room together. And when you realize those types of things, you're like, no, we don't need that. And it liberates you so much from, it allows you to save more money, have less stress, feel like you don't have to go on this hedonic treadmill. So yeah, I'd say focus on the stuff that really fills your bucket.

Donna Morris:

I think the great message there is that well-being is something that's highly interconnected because your financial well-being definitely can link to your emotional well-being. Your mental health definitely can connect to your physical well-being, medical costs, et cetera. And so I think one of the key takeaways you're reinforcing, which is actually links to our purpose, is helping people to really think about how they save and how more importantly they can live a great life. And that life is each of your goals of, hey, what does that look like in terms of what I really do need versus what would be a nice to have.

Sal Kahn:

And I'll ask, there would be no Khan Academy. I didn't realize connect the dots until our conversation, there would be no Khan Academy unless I was saving aggressively when I was at the hedge fund job because there could have been a psychology that was like, oh, in that type of job, every year you get promoted and you can make a lot more money. You can say, oh, I should just spend all of my money because my income's going up. But by having savings, when I found what I really cared about, which was this nonprofit.

Donna Morris:

And you were able to pursue your passion.

Sal Kahn:

And I realized, okay, I don't need to become super well off, et cetera. I just need to have enough money to do this. And the savings helped because by having that savings, my family, even though our first child was able to, when we were able to live off of those savings for a little bit while I tried to get the first philanthropic support, so I wouldn't have found my purpose if not for separating these needs from wants.

Donna Morris:

Yeah. So really does break down to what everybody's individual plan. And the great thing with all of your tools are, they're very personalized, so individuals can go where they need to. Can everybody give a big round of appreciation for Saul? Saul, thank you.