



Broadcast Transcript

Broadcast: Know Yourself, Know Your Money

Guest(s): Rachel Cruze

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Dr. Dobson: Well, hello everyone. I'm Dr. James Dobson, and this is Family Talk. Each of our broadcasts is produced by the James Dobson Family Institute. You, our listeners, are part of this family and we welcome you to join us in our inner circle today.

Dr. Dobson: This is what I want to talk to you about. During this age of coronavirus and its subsequent sequestrations, our lives have been flipped upside down. There was no way to prepare for what's happened. No one likes unpredictable change and this pandemic has brought a boatload of it. And in addition to health concerns, people are dealing with enormous anxieties about finances today. This is an almost universal concern. People are wondering about how they can pay their bills and what will happen if they run out of money. And will we lose our home, and what about mounting medical expenses and all the uncertainties associated with this virus?

Dr. Dobson: I can imagine millions of people lying awake at night, worrying about what if questions that loom. There's anxiety all over those questions and they're unanswerable, but it just looms out there. So we're going to talk today with a financial expert who will share biblical principles and sound fundamentals to help weather this storm. Her name is Rachel Cruze. You probably know of her, have heard her. She has a large social media following and her dad is financial guru, Dave Ramsey. You may know them from their immense radio audience and their videos and the podcast, The Rachel Cruze Show, which is streamed to hundreds of thousands of people. Rachel is also a New York Times bestselling author, has well-known books, including Love Your Life, Not Theirs; Know Yourself, Know Your Money; and Smart Money Smart Kids. She co-wrote that third book Smart Money Smart Kids with her dad, Dave Ramsey, and he and Rachel were here in this studio in 2015. Is that right, Rachel?

Rachel Cruze: That's exactly right. Yes, it feels like yesterday, but then years ago.

Dr. Dobson: Well, we're virtual today, but we have an opportunity to talk and I'm delighted to have you on the program. Rachel is a highly sought-after speaker and communicator. She has been traveling the country since she was 15 years old, educating people about the dangers of debt and what proper budgeting should

look like. She's with me, as I say today, and we are just honored to have her here.

Dr. Dobson: Rachel again, thanks for joining us. You heard my introduction today. What are people saying to you about their anxieties about money? Am I correct that this is upper most in most people's minds today?

Rachel Cruze: Very much so. Well, thank you doctor for having me on. I really appreciate it. It's an honor. And yes, I think the coronavirus has taken the wind out of a lot of people's sails because of not just the unemployment rate going up, but just the uncertainty of not knowing what's going to happen. And when you don't have an income coming in, because companies are closing, states are still shut down, it's a really scary situation. I think a lot of people, one of their biggest longings is to provide. And when that is gone, it's a very scary place to be. And so I hope us at Ramsey Solutions are a voice of peace and tactical steps on how to overcome that. But it very, very much is a heightened level of fear and anxiety, when it comes to people and their money.

Dr. Dobson: If there ever was a time when we need to practice the fundamentals of money management, this is it, isn't it? We have to go back to what works.

Rachel Cruze: Absolutely. And we've said that a lot when all these hit, that not to shame anyone out there who wasn't doing these steps and living by God's word when it comes to their money, but it just proves that God's ways of handling money work when you're on a budget, when you're out of debt, you have savings, you're giving. When all of that is a part of your routine financially, you're set up for when life happens, because life's going to happen. It's not an if it's a when. And sadly, so many of Americans were caught so off guard because they were doing great or felt like they were great financially. And then something like this hits and it kind of shakes you up to realize, "Oh wow, I have to get back to the basics and really put things in place where I have a strong financial foundation for my family," because it was again shaken to the core for so many people.

Dr. Dobson: I find that people can deal with known problems and threats, but uncertainty is what gets them. Is when they don't know where it's coming from. It may be from behind you or in front of you or on either side, and they don't know what the character of that development could be. And it's that anxiety that comes from being unprepared and this coronavirus caught everybody unprepared. Didn't it? There was no way to prepare for it.

Rachel Cruze: No, there wasn't. I mean, unless you just live by the rule of thumb of knowing that something eventually will happen big, but yeah, you never know when or what it's going to be. Let alone did we know it was going to be a virus like this, but I think your point earlier was exactly right. And that was one of my big messages to people early on, especially March, April. Was that you can only control what you can control. There's a lot of things about this pandemic that you just can't control, whether it's legislation in place, things going on in Washington, stimulus packages that they're deciding again in Washington.

Whatever it is, there are things that we cannot control, but there are things that God has given us in our world to steward well, that is within our reign, within our control and to focus on those things and to do what you can to set your family up well. But that is the hard thing. Is you don't know what's coming next, and that uncertainty in that unknown does raise levels of anxiety.

Dr. Dobson: Yeah. Did this come as a surprise to the Lord? I mean, was he wringing his hands saying, "What am I going to do about this pandemic?"

Rachel Cruze: No. Absolutely not.

Dr. Dobson: You can count on him because he has the answers to every problem, doesn't he?

Rachel Cruze: Yes, absolutely. And that's true I think for people of faith, that was the rock. And there was fear for sure on different levels, but I was personally, even talking to friends I know that are not believers. The amount of fear in their eyes was so much greater than the friends that I talked to who are believers and walk with the Lord. Like he does give you that level of peace for sure even though there is just chaos everywhere.

Dr. Dobson: Yeah. My wife, Shirley wrote a book called Certain Peace in Uncertain Times and it addressed that very issue. Rachel, you went through bankruptcy yourself, didn't you?

Rachel Cruze: No, I didn't. Actually my parents did the year I was born. Yes. So mom and dad filed for bankruptcy the year I was born and that's been part of my story, is kind of coming out of that with them as an infant. But as they learned God's principles and God's ways of handling money, my life really was changed because of that. Thankfully, I don't remember the hardship of that because I was so little, but the repercussions of it, I very much remember.

Dr. Dobson: Do you recall anything from that era?

Rachel Cruze: Yes. I mean, I remember as a young child, things like consignment sales, that's where we bought all of our clothes. I would hear friends would take a trip. I'm like, "I don't even know what a trip is." We never went on vacation. The small decisions in life, even at the grocery store from my mom making choices on what food to buy. And she really walked us through the decisions she was making and they were learning a lot about, again, what Scripture says about money, but it was a painful time. Obviously, as a young child, I didn't have that burden that way, but I saw things that were different than people at school for sure.

Dr. Dobson: This is really a question for your dad, but what did he learn from this? I know that his teachings grew out of his own experience. Summarize that for us.

Rachel Cruze: Oh, wow. I mean, he would say at that point in his life, there was probably a level of idolatry when it came to money and success and doing things on his own, and really saying, "I can do this, I can do this." And I think it just came down to making some really dumb decisions about money, getting into a lot of debts, unable to pay it back. He was foreclosed on, he was doing real estate at the time too, which is really what caused him to go into bankruptcy, borrowed too much money. And he laughs all the time because he said he met God on the way up as he was building his wealth. And then he got to know him on the way down when everything crashed. And I think what it did is, I think there's obviously the money principles that changed and understanding well the borrower is slave to the lender and understanding how debt really does work on a spiritual, emotional level.

Rachel Cruze: But also, and I talked about this in my new book that he talks about the fear of man. And when we spend money based on what other people are doing or it's all based on what we think people are going to think about us, there's a level of a fear of man that's there. And when that's just removed and you don't care what people think anymore about you, you're willing to sacrifice your lifestyle to get out of debt. You're willing to sacrifice your lifestyle to get an emergency fund in place. You're willing to sacrifice your lifestyle to give. You're willing to do these things because you just don't care what people think at that point. And so he said that was one of the attributes that came out of that bankruptcy. Is that, "Wow, I just really don't care what people think I did for a long time. And it caused me to make really bad decisions with money."

Dr. Dobson: Well, most of us are vulnerable at that point. The title of your new book Know Yourself, Know Your Money is really a book about self-discovery, isn't it? It's looking inside and seeing your motivations, knowing what works, what doesn't work and whether you're willing to deal with them. Isn't that the theme of the book?

Rachel Cruze: It is, yes. Ramsey Solutions, our company, has been around for almost 30 years. I've been doing this job for a decade now. And I realized we're really good at teaching people how money works, God's and grandma's ways of handling money. So everything from how to do a budget, how to get out of debt, how to invest, how to refinance your home from a 30 to a 15-year mortgage, like how to do these things is what we're the best at. But I realized that, wow, the how is important, but also the why.

Rachel Cruze: So kind of going underneath the foundation of those tactical biblical money principles to really look at you and say, "Okay, why do I spend the money I spend? Why am I saving what I'm saving? Why am I giving or not giving? How did the household I grew up in influence how I handle money? Why do my tendencies and my personality affects the way that I handle money?" And really just understanding and unpacking who you are and who God created you to be. And once you get a handle on that, I believe it helps you not just win more on your relationships in life, your spouse, your parenting, your friends, but it also helps you win with money faster. You can control what you're doing because

you know yourself more, it gives you that power to get out of debt faster and how to budget more consistently and how to save more and how to give more.

Dr. Dobson: What is the most common misunderstanding about ourselves that creates problems, financial problems, and others?

Rachel Cruze: I would say a lot of people believe that they have to have all the head knowledge to win with money and don't realize it's so much about our behavior. I always say that personal finance it's about 80% behavior. It's only really 20% head knowledge. People think, "Well, that was just so intimidating, personal finance it's over my head." Or, "Those people win with money over there. I don't think I can." But really coming to grips and know you actually have the power to change your habits. You have the power to say, "I'm going to do something different today with my money than what I've been doing."

Rachel Cruze: I think that gives people a level of control, not an unhealthy control, but a powerful control to say, "God's given me this to steward. So how do I steward all of this and manage this money well?" And realizing, "Wow, it's up to me to do it. I have to do it." And so that's a big part that people just assume winning with money is all in the head and it's really not. It's about our spirit. It's about our hearts. And where we're at emotionally has a lot to do with winning with money.

Dr. Dobson: Yeah, that's the hard part. Isn't it? If you just had some mechanical things that you could do, you'd go to see an accountant and he gives you several rules and then you make these changes and your life becomes a little more predictable. But the hard thing is getting control of ourselves, our own desires, our own competitive nature. There's so many factors there that come out of childhood. Let's talk about childhood. What role does what you learned as a kid relate to your use of money as an adult?

Rachel Cruze: I think it's a huge influence and I notice people either gravitate to what their parents did and they continue to do what their parents taught them to do, what they saw their parents do. And then other people take another extreme where they go the complete opposite of what their parents did. And they said, "No, I'm not going to live like that." But I've realized really in my head, when I was writing this book, it was kind of like these four quadrants where one axis up and down was the emotional state of the home when it came to money. So some people grew up in a very stressed, very tension-filled household emotionally, while others on the other side of the spectrum, it was very free. Money was not a burden. It really wasn't a big deal. It was just there.

Rachel Cruze: And then the communication aspect is the other side where some people grew up in a home where money was talked about freely and it was open and honest and it wasn't a big deal. And then a lot of people grew up in a home where money was never talked about. You don't talk about certain things and money is in that. And so depending on which quadrants, the emotional side and the communication side of what your parents did growing up really speaks a lot to

what you probably do with money today or what you've chosen to do the opposite of.

Rachel Cruze: And so really getting to that growth quadrant is really where I push people to say, no matter how you grew up pushing your own family to the quadrant of strength and growth, which is open communication about money and low stress. And that I think, it ends up being that money is not your God, money does not control you. You actually flip it and say, "We're going to control it and be wise with money." And I think God's sets you up really well when you do that, because there's not a lot of stress when you handle money God's way and there's just a lot of free and open communication.

Dr. Dobson: Well, how do you control money the way God plans, according to the Scripture? What are the principles that you go by?

Rachel Cruze: Yes. Gosh, there's many. I mean, that is a big one. We've kind of touched on that today. But Scripture is very clear. Every time debt is mentioned, it's always in a negative fashion. I don't go as far as to say that debt is a sin. So if you have a student loan, you can still go to heaven. It's not a salvation issue, but it's a part of our world today that is so normal but I think it cripples us so much again, not just financially, but emotionally as well. And when you can avoid debt, then money is not a stress point in your life as much. But when you are a slave to the lender, it is very clear and it's very true when you owe someone money, things change in your life. You're not able to give as generously as you may want. You may have to stay in a job that you hate just to pay the bills.

Rachel Cruze: I mean, there's things about your life that are strapped because you have lived beyond your means. And so really focusing on getting out of debt is powerful. I think Scripture is very clear on that.

Rachel Cruze: Scripture talks about knowing the state of your flocks and your herds, which is a budget. Know what you have and understand, "Okay, this is what God has given me. We're going to be very intentional with planning out where our money goes." And that monthly budget is so, so critical to winning with money long-term, because if you're not intentional with where your money's going, it's probably going to just disappear and you look up and you're like, "Where did all my money go?" And so being very disciplined on where you're spending it and how you're saving it is key.

Rachel Cruze: And then also giving, obviously giving is throughout Scripture. Literally the gift God gave us with the Son. Like he gave. God is a giver. And being able to live with an open hand and be generous is a huge part of, I think long-term success when it comes to money because it changes your hearts. There's a level of contentment and gratitude that comes with being generous. Giving-

Dr. Dobson: It does. It does work.

Rachel Cruze: ... needs to be a priority there. It does exactly.

Dr. Dobson: You know, Rachel, I come out of a very different generation and I went through college without any debt and my parents helped a lot. But then I went into graduate school at USC, which is a very expensive school. And after seven years of graduate work for the PhD, I left there with \$750 in debt. And that came from a federal loan. There was not any kind of government assistance and I felt like that \$750 was a noose around my neck and I couldn't wait to pay it off. I only had to pay it back, \$10 every three months, if you can believe that. But it felt as burdensome to me.

Dr. Dobson: Now, these young people go to college, university and they meet and they get married and they come out of school with this enormous debt of \$100,000 or maybe 150, and if they go into medical school or into another post-graduate program, it gets even greater. That seems to me to put a great threat, a burden is a better word, a burden on the stability of marriage today, because I mean, there's no way they can pay that back and they're burdened by it. It puts a pore on their marital life from the beginning. Are you dealing with that?

Rachel Cruze: Yes, absolutely. I mean, money fights and money problems is one of the leading causes of divorce in America today. And people bringing in debt, it's that level of stress for these young people. And we find people, they're not buying houses, they're not having kids, they're making these decisions about life based on where they are financially. And sadly, the student loan crisis is a real one. It's really difficult because people believe the only way I can go to school is to take out a student loan and that's it. Where we obviously preach a totally different message and really pushing them and say, "Hey, think outside the box." Like go to a community college for the first year or two, and then maybe transfer to an in-state school. Or stay in state, go to a public university. If you have the money, you can go to a private school or go out of state. You can do that, but make sure it's in your budget and apply for scholarships and grants. Get that free money work. Do whatever you can to push through and go debt free and making hard decisions.

Rachel Cruze: I'm asking these 18-year olds, this is going to be really tough because your "dream school" may not be a reality with this plan, but when you graduate without any debt, without anything, you have choices and options. And sadly, these students, like you're saying, I mean, oh yeah, hundreds of thousands of dollars in student loan debt to get an undergrad degree. I mean, they're coming out of these private schools with so much, so much debt and ultimately they can't freely go and do what they want to do with their lives or where God's calling them because they have to go get a job to start paying these off. And so it just traps you. And when you can have the freedom of someone not telling you where your money has to go, it gives you a level of not just financial freedom, but also spiritually and emotionally when you don't owe someone something.

Dr. Dobson: So you do recommend that if at all possible, you work during the college experience and you try to keep up with as much of that debt as possible, and try not to have that monkey on your back when you graduate.

Rachel Cruze: That's exactly right. The encouraging thing was my line of work is I get to talk to so many people all the time. And there are students who are doing this. They're getting scholarships, they're choosing to go to a community college that's very inexpensive to get this degree. And so that's the positive side. Is that it is still possible, even though most people think it's impossible, but it is possible. And again, the amount of leverage that they have when they graduate with no payments is just absolutely incredible.

Dr. Dobson: To illustrate further the changes in attitude toward debt, I've just the other half of the story when I graduated with that \$750 debt and I forgot it one quarter. I was mortified that I hadn't sent that \$10 to the university. So I called the university and I said, "I want to tell you something. I keep up with my obligations and my debt and I forgot to make the payment that was due two months ago. I'm awfully sorry, I'm sending the money today." You know what they said to me? The woman on the phone said, "Are you kidding? You're the only one that pays anything."

Rachel Cruze: Wow.

Dr. Dobson: They didn't expect it. They were training people to renege on debt at that time.

Rachel Cruze: Wow.

Dr. Dobson: The title of your new book is Know Yourself, Know Your Money: Discover why you handle money the way you do, and what you can do about it. And this book is just out. It's available now. You can get it every place you buy books. Rachel, I hope you sell a million copies.

Rachel Cruze: Thank you, doctor. Your words to God's ear as well. I hope that happens.

Dr. Dobson: Well, you are influencing a lot of people in an area where I think it's one of the most dangerous dimensions of marital life. People argue over money when they don't argue about anything else, or at least this is tops on the list. And I'm sure you've heard that over and over again, but you're trying to make a difference in that arena. I thank you for sharing your information on this new book. And again, it's a pleasure to have you on the program.

Rachel Cruze: Well, thank you so much for having me. I really, really appreciate it.

Dr. Dobson: Give your dad my regards.

Rachel Cruze: I will. I will. Thank you doctor.

Dr. Dobson: God be with you.

Rachel Cruze: Thank you.

Roger Marsh: Well, as Dr. Dobson just said, money is a very volatile subject in many marriages. This is especially the case following the uncertain year we've all just experienced. So we pray this informative discussion really spoke to you. Rachel Cruze's new book is called Know Yourself, Know Your Money. It's online and in stores now. So show your support and get a copy today. For additional information about Rachel Cruze or her work at Ramsey Solutions, visit our broadcast page at drjamesdobson.org. Click on the broadcast tab, you'll find all the information we've been talking about. Again, our website is drjamesdobson.org.

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Roger Marsh: Well, thank you for joining us each and every day and for your prayers and faithful financial support of this ministry. We are entirely backed by generous listeners, just like you. So on behalf of Dr. Dobson, thank you for partnering with us and be sure to join us again tomorrow for another edition of Dr. James Dobson's Family Talk. I'm Roger Marsh. Thanks for listening.

Announcer: This has been a presentation of the Dr. James Dobson Family Institute.

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