

The Investing Ahead Podcast

Episode 5 - Talking Financial Planning with a Restaurant Industry Professional

Guest: Quang Tran, Restaurant Industry Professional

Thomas Curran:

Welcome to the Investing Ahead Podcast. I'm Tom Curran. I'm pleased to have with me today Wan Tran. Quan came to us from San Francisco after being there 10 years. So why don't you tell us about what you learned in San Francisco and how you transferred that to your Troy New York experience and what you've learned along the way.

Quang Tran:

When I came from San Francisco, I worked in a lot of fine dining restaurants. I worked at a two Michelin star French restaurant for about four years, and then I worked at this restaurant called Quince, which was Italian inspired, what is now a three Michelin star restaurant. So I worked in fine dining a majority of my career. Okay. I've been in the hospitality industry for 25 years now. My wife or ex-wife grew up in the capital region and her grandmother was declining and she had a very close relationship with her grandmother. So she asked if I would ever consider moving out to the East coast. All my friends and family are from California. I don't have anybody in the east coast, but I told her, I'm like, tell you what, I'll give you two years in New York. I don't care what happens after two years if your grandma's still alive or not, but we're going back to California.

She's like, deal. And then we came out here and I fell in love with Troy, New York and her grandmother passed after about a year moving out here. And then my ex-wife wanted to go back to San Francisco and I said, Hey, you know what? I'm really digging this Troy area. Why don't we stay out here a little longer? And next thing you know, it's like 10 years later, ended up opening up my own business, worked at a couple of really cool restaurants out here, and I think the scene out here was just, it was very unique. It felt like a big city, but in a small town kind of thing. When I came out here 10 years ago, Troy was going through a really nice renaissance. I worked at a restaurant called Pex Arcade, and that was the coolest spot ever. It was like an area that didn't have a lot of fancy restaurants. PS kind of filled that role and it was such a big hit. I had such a great relationship with the owners and I ended up just rooting myself out here and staying here. The quality of life out here is much more peaceful.

Thomas Curran:

Well, the capital district is better because of it. And one of the interesting things about your background and what I do for a living is when we're trying to encourage people to invest money, it's usually at the expense or cost of spending money. So you're in a business where consumption's really important and going out and having fun and living for the moment and is very, very important. And we talked a little bit off camera before about the stress and the difficulties we all face and living our lives, and that makes me think about those years that we call retirement and the future. So you've met a lot of people. You probably have met and entertained more people than I can think of because of the nature of the turnover of the business. So you see all kinds of people and my

challenge, our challenge in terms of wealth management and in terms of helping them is to get them to consume less and invest more.

I mean, it's really that simple. And the retail industry in general, people who make things for consumption, their job is spend the money. We don't worry too much about what happens. We want you to be satisfied with our product. So we're a little bit, I find you to be a really challenging guest because I want what you get for my clients to invest more. And of course you'd like them to eat out more and spend more. And that's really the challenge that I think we all face. I'm making light of it, but the challenge is we all see that every day. The pleasure that we can get from consumption, having a fine meal out, having a great meal out, and being with friends and having a good time. So you have children, you have those challenges, you have the challenge of earning a living. We all have. Now let's talk about your retirement. What comes after? Do you think much about that?

Quang Tran:

Not as much as I should.

Thomas Curran:

Okay. That answer is probably the one most people would. Yeah.

Quang Tran:

When I was married, my ex-wife kind of played the adult role in the relationship and she would make all these future planning decisions and I was always kind of like, ah, just live in the moment. Quit worrying about the future. I don't even know if I'm going to be alive in the future. And it's probably not the most responsible way of thinking, but I do have a Roth, is that Roth IRA, and we have a 401k plan. So I'm like, all right, that's retirement right there. But yeah, I try to focus less on the future and less on the past and just more on the present. Okay.

Thomas Curran:

Well, I think that's interesting because if I were to criticize myself, I spend far too much time thinking and strategizing around the future, and you're the opposite of that, which I think is pretty generally true when I compare my own outlook to other people's. So I want more of what you have

Quang Tran:

And I want more of what you have. Exactly.

Thomas Curran:

So that's really the challenge because when people hear me speak and they're coming from where you are, I don't think they have very nice things to say about me. I got to live

now. I might be dead when I'm 65. I might be dead tomorrow kind of thing. And I understand that, but I think you understand that we need some of what

Quang Tran:

We need to meet in the middle. We

Thomas Curran:

Do. How are we going to do that?

Quang Tran:

I don't know.

Thomas Curran:

Well, I'm looking for you to give me a key to the kingdom here so that we can talk about that. I think we agree that it would be great if I could challenge you and convince you to save a little more and invest a little more, and you could probably give me the same kind of advice. You should go out and have a fine meal and spend a little of that money that you've worked so hard to

Quang Tran:

Earn. I think it's really two major different personality types. Yes. It's like you always have that person that's always planning just in case. Then you have people like me that's just very laissez-faire and just kind of, but I've experienced so many deaths that I'm just like, tomorrow's not promised. I'm going to focus less energy on worrying, worrying about the future. That's true. I'm like, when I wake my kids up in the morning, it's always shaking all out. I'm like, Hey, guess what? Today's the first day of the rest of our lives. What are you going to do with your day? It is like, dad, don't do this again. I'm like, no, seriously. We have this opportunity of living and I seize every day as if tomorrow's not promised. It's like it's a different way of living. It allows me to be positive everywhere I go, I always make sure that I interact with everybody. I come across. You go to Price Chopper or go to the post office. It's like, Hey, how's your day? And everybody gets taken back and my son's like, do you have to talk to every single person you come across? I'm like, yeah, man. This world is lacking in human interaction now. Everybody's got their face in their cell phones.

Thomas Curran:

Couldn't agree more there. Now I'm going to look at what you just said. We got to live for the day and the sad parts that come into all of our lives at any time. Now I'm going to project ahead a little bit and I'm going to say, okay, we've lived for today. We've had a great time today. Now it's tomorrow. We're not working anymore. We don't have an income and we might live to be 90. I mean, we know that more and more people are living to enter their nineties. When we counsel couples, if they're 65 and they're

reasonably healthy, we know statistically that one of them is likely to live into their nineties. So what we try to do is say, well, yeah, we understand that living for today it's important, but what happens if the today's become a lot of tomorrows and then what do we do?

So that's the challenge I would put to you. The challenge you put to me is a real one. I think I probably should have more fun. I probably should spend more money, should probably do all those things. This might be a good time for me to go into my, you can only spend a dollar once, so you've not heard this before, but I do this with a lot of my friends. You can only spend a dollar once. So the tie, I spent a dollar for it in a thrift store, the jacket, I spent five or \$10 for a thrift store, the shoes I spent \$10 for in a thrift store. The concept being you can only spend a dollar once. Now I know what you're thinking. You're not showing it in your body language or facial expressions. You're probably trying to control yourself. What kind of a person am I talking to?

Quang Tran:

But the point, I love that you're getting it from the thrift store, because when I used to shop at thrift stores and I would put on a blazer and somebody would go, that's a nice blazer. I'm winning. It was like if I paid 10 bucks for it and I got a compliment, I'm like, I won.

Thomas Curran:

Well, I've heard that compliment too. When I'm in the thrift store. That was one time I was leaving a thrift store and I came across somebody that apparently had the same taste I had in clothing, and I said to myself, kind of the lady behind me actually in the line, I said, I think somebody must've died. That was my size and my taste and gave them all to the thrift store and I'm buying them all kind of thing. But this concept of you can only spend a dollar once. I like to tell the story, and I've told it before about squirrels, if we were squirrels, we'd all be dead because don't save up enough money for the winters. And so I've been trying to explain or tell stories that we all, if we're fortunate enough, are going to have the equivalent of a long winter where we can't get more nuts and food to store away. That's what this period is all about. Now, let's say between the age of 21 to 65, although that I think is going to be older as we live longer, we'll naturally work longer. But the analogy I use is, well, we've got so much time to get these nuts and if we wait till the winter, it's too late.

Quang Tran:

Yeah.

Thomas Curran:

What do you think about that?

Quang Tran:

I a hundred percent agree. Yeah.

Thomas Curran:

Okay, now help me. How do I tell that story in ways where people begin to act on it a little bit more than they may be now?

Quang Tran:

I think that was a great analogy. A lot of us don't think that way, but it's a hundred percent true. And I know it, and I don't like the fact that I'm not always thinking in that direction. But I wish I had somebody in my life that was constantly like, Hey, remember you got to save up. Alright? But it's kind of hard to do that when your personality's like this way. But every once in a while, I'll look into my retirement fund. I'm like, all right, if I keep saving at this rate, alright, I'll have about this amount at like 65. Is that enough? Probably not. Maybe I'm going to bank on my children to help me out because I'm banking on the fact when my parents are too old, I'm going to be either flying them out here or I'm going to move out there and take care of them. I mean, that's kind of like the Asian mentality. You take care of your parents when they're older and

Thomas Curran:

Well, you brought that up. The Asian mentality about investing and saving is quite good. The Chinese, for example, have a very high savings rate, a very high investment rate compared to let's say the average American. Now here's the challenge too. You've said that you are naturally the way you are,

And the challenge for me is I didn't become what I am. I was naturally this way. I was born this way. So I was one of those college students that had a calculator back in the day when we didn't think too much that way, and I'm calculating what the future return of a dollar is in 30 or 40 years. So I didn't become this. I was this. And I think that's the reality that we live with. We are who we are and that I'm never going to change. I'm never going to, as a restaurateur, you might look at somebody like me and say, wow, this guy could come out every night and spend lots of money. Why doesn't he do that? Well, I look at you and I say the same thing about investing. The truth is I'm not going to change dramatically. I might go out more than I go out now, and you're not going to change dramatically either. But if we can kind of improve that in both cases, wouldn't that be a wonderful thing? I think we'd both benefit from

Quang Tran:

That. Yeah, that would be glorious. Wouldn't it

Thomas Curran:

Be

Quang Tran:

Glorious? It's easier said than done. I mean, when I go out with my kids for dinner, I'm always thinking I could be saving so much money if I just cook them a meal. But I love the dining experience. I love to introduce my kids to restaurants and we go in, we critique the ambiance or critique the service, the food, and it's like an experience. I'm the biggest cheapskate. I wear a pair of jeans forever until it's fallen off my body. But when I go out for dinner, it's just like money is not an issue. It's like, oh, dinner with two boys. Oh, it's 400 bucks. No problem. But I won't spend 20 bucks on a pair of jeans. So it's like we have different value sets. These are the things that really make me happy. It's like dining. That's why I'm perfect for the restaurant industry.

Thomas Curran:

Well, those jeans you described, you wear them until they fall off. That's when I buy 'em. Let's talk about something that it's a little off topic, but tipping. I notice now when I go into place where it's counter service Starbucks, more and more establishments have tip boxes for takeout.

Quang Tran:

Yeah. It's awkward. Now they turn the iPad around and that screen, you're like, is this a tipping transaction? Is this normal? Yeah. I would say a service transaction is more tip oriented, like, Hey, I'm doing things for you. But if it's transactional over the counter like Starbucks and ordering pizza takeout, I think that's more optional. Like a couple bucks here and there. I don't think you stick through the 20%

Thomas Curran:

Standard. Yeah. I'm kind of think along those lines. Now, sometimes if I order food to go and it's a meal, and they've obviously taken a lot of time to sort it out, and I think a little differently about tipping. But then again, am I tipping the person who did all the work or am I tipping the person who's sending me the bag? And that's always kind of bothered me, but let's talk about dining, fine dining. And one of my goals when I was a younger person was I wanted to be a waiter and a fine restaurant and a very fine restaurant. I never made it past a beach grill and Wildwood in New Jersey, I flunked beyond that. I couldn't deal with it. But let's talk about fine dining. How do you look at rewarding people who serve you? Help me with that. I'm changing on

Quang Tran:

That. So I think the basic standard now for tipping is 20%. Yeah, it used to be like 15%. Then there was a time where it's 18%, but now the standard's 20. So anytime you go out, you should be tipping minimum 20, unless the server upset you in some way, then you might bring it down a little bit. But if you're impressed with the service, it gets up to 25, 30. Some people tip a hundred percent, but they have a different bank account. But yeah, 20 I would say is the standard. If I look at my tips and I make at least 20, I'm like, all right, I passed with a b plus or something, but I'm looking for higher than 20 because I go above and beyond in terms of service and exceeding expectations.

Thomas Curran:

Now I'm, again, maybe a little bit off topic, but it has to do with money and what people have to spend with credit cards becoming more and more the norm, even for tipping. Now, I used to not put the tip on the credit card. I would leave a cash tip, but I find myself lately leaving that tip more on a credit card. Is that handled? How does a restaurant handle that?

Quang Tran:

So if it goes onto the credit card, so that all gets recorded, you get taxed on that. Yes. But if it's cash, that doesn't get taxed. So everybody loves cash. It's undocumented. Cash is key all the time.

Thomas Curran:

Okay, so the 20% tip, and again, maybe people are wondering, why am I talking about this, but I'm talking about it because that's the way I think. It's how much you keep, and so I'm thinking, well, if in the old days it was cash and cash, now it's not 20% anymore. It's less than that. Okay. Okay. That's kind of the clarify. I thought that myself. It's clarified it for me. I have a better understanding of that. Well, one last question. If there was one thing the financial services industry could do that would help someone who is not investment oriented, what do you think it would be? I know if you can tell me. I'd say our industry hasn't figured it out, so there is no clearer answer for

Quang Tran:

It. Yeah, that's a really tough question. Write a book that's for dummies. Those are my favorite kind of books.

Thomas Curran:

Investing

Quang Tran:

Ahead, investing for dummy, investing ahead for dummies.

Thomas Curran:

I wrote it. It's been out about a year

Quang Tran:

When you break it down, so it's very, very simplified. It's much more approachable. I look at that book right now, that's like kryptonite to me. I was like, oh my god, that's some intense reading right there.

Thomas Curran:

No, it's not though. It's not. It's very plain English.

Quang Tran:

Maybe make the letters really large and put pictures and stuff where you can, there

Thomas Curran:

Are a few pictures in order to reach, no, we won't go there. But yeah, pages are a requirement. So

Quang Tran:

I think breaking everything down into simple analogies that everybody can relate to is usually the best route to go. That's how I understand complicated topics. It's like comparative. Everybody's like compares things to the restaurant industry, so pretend that you have this dish because people have their own areas of expertise, and if you could relate it to that, it's easier to understand.

Thomas Curran:

Well, tell me, do you think this has been helpful? It's been helpful for me because I'm always interested in talking to people who are challenging for our industry has this.

Quang Tran:

It's definitely putting it into my head now. When I leave, I'm going to be like, yeah, maybe I should pay a little more attention to investing for the future. I can't be skiing by on life, just like living by the minute all the time. You got to think a little bit about the future,

But I am an extremist. When I go one direction, I'm really in that direction. It's all or nothing kind of thing. That's why being a general manager was really hard on my personal life because I went full force. I was working 12, 15 hours a day, and everybody's like, you're going to burn yourself out, man. I'm like, no, no. They're like, just go home. And I'm like, I can't go home. The job's not done. Meanwhile, my kids are in the office 10 hours at a time on their iPads and stuff, and I was like, yeah,

Thomas Curran:

Well, it's tough changing us. Can you imagine? It's tough for me to change my view of things, but that's what we've got to do, both of us. That's a challenge in life. The longer we live, the more I think I recognize it, the more fun I'm having too. I think it's really been great having you here.

Quang Tran:

It's a pleasure being here,

Thomas Curran:

Investing ahead, and it's been a delight getting to know you, and I'm going to look for you the next time I go to the restaurant.

Quang Tran:

Please do.

Thomas Curran:

I thank you for watching this podcast. This is Tom Curran, goodbye with thanks.

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