MICHAEL:
Income is earned, but wealth is engineered. Two different things. Wealth is something you engineer, it's about the engineering of wealth. Wealth does not just happen, I mean, it may sound crazy, I can tell you, I got clients making over half a million dollars, making almost a million and more. They are not as financially free as some folks who are making like only a hundred thousand.

It's about the engineering. And that's something most people have to begin to refocus themselves on.

CORWYN:
Good morning, good morning, great morning, guys. Welcome to another fabulous episode of Exit Strategies Radio Show. Hey, I am, yeah, that's me, I'm your host, Corwyn J. Melette, broker and owner of Exit Realty Lowcountry Group in beautiful North Charleston, South Carolina. Hey, look, we're going to have a great time today. And if this is your first time listening to this show, guys, you are in for a treat because our mission is very, very simple. That is to empower our community through financial literacy and real estate education, guys, with legacy building. That's what we do right here.

So guys, I always give a quick shout out to those who listen to us faithfully. Pastor Vanderbilt Evans Sr. and look here, he mess with me bad, but I tell him, man, I love that dude. I tell him all the time, if I don't put that senior on your name, I know how you're going to act up. So Vanderbilt Evans Sr. his wonderful bride, Ms. Sandra Evans. Thank you all so much for tuning in. Always got to give a shout out to my mom out there at Monck's Corner and all the way back to Hollywood, what you know no good. My folks in Marin and Mullins, thank you all so much for tuning in.

Troy family, look here, my cousins up there, look, you know how I feel, you know I love you all. And guys, we're going to have an amazing time today. So we're going to set this up a little bit differently today because we want to talk about lessons from the CPA, right? That's what we're going to talk about today. So two families guys can earn the exact same income, live in similar neighborhoods and work equally hard. Yet 20 years later, one family owns assets, has financial security and is preparing to pass the baton of wealth to the next generation.

The other is living paycheck to paycheck. So what creates that difference? Now, according to our guest today, CPA and wealth strategist, **Michael Uadiale**, it is often not intelligence, opportunity, or even income that differs them. It is the financial decisions people make long before wealth ever shows up. So after more than 25 years of helping clients build wealth and save millions through strategic financial planning, Michael has identified the habits and strategies that consistently separate wealth builders from high earners. So today he's going to share with us what those patterns are.

Why many families never reach financial freedom despite earning good money and how homeowners and aspiring homeowners can begin building wealth of their own. Now, **Michael**

Uadiale is a CPA, Master Tax Advisor Entrepreneur. Look here, he had me with entrepreneur and founder of SMEEDCPA. For more than 25 years, he's helped individuals, families, and business owners improve their financial position through strategic planning, wealth building strategies, and proactive. Again, you got to be on the positive side of tax guidance.

Michael has helped, again, his clients save over $15 million in taxes while developing systems that support long-term financial freedom. His experience gives him a unique perspective in what separates people who merely earn a good income from those who build lasting wealth. So today he joins us to discuss not only those financial habits, but those decisions and planning strategies that create long-term stability, wealth, and our favorite word, legacy. So Michael, welcome to the show.

MICHAEL:
Thank you so much, Corwyn.

I'm really excited to be with you on this show today. I'm excited just because listening to you, you definitely share the passion that has kept me going also for 19 years of public practice now, which is legacy, which is financial freedom. And so that's why, in addition to running our practice, we do have what we call the Financial Freedom Academy. For me, what I love doing most is really helping people get to that place of financial freedom. You set it up so well in my mind when you said, 20 years later, same income but two different outcomes.

Reality is, in my 20 years of practice, you want it, I can tell you right off the bat, income is earned, but wealth is engineered. Two different things. Okay, that's exactly what you just said. I just rephrased it to kind of really drive it home. Wealth is something you engineer.

And that's why you said two different families, they could be living door-to-door from each other. They made about the same amount of income over the last 10, 15 years, 10, 15, or 20 years later. The outcome for both families is very different. One may even be so satisfied and is not ready to turn over the baton. The other one, still on the same level of income like the first one, can barely make ends meet.

It's about the engineering of wealth. Wealth does not just happen. I mean, it may sound crazy. I can tell you, I got clients making over half a million dollars making almost a million and more. They are not as financially free as some folks who are making like only 100,000.

It's about the engineering. And that's something most people have to begin to refocus themselves on. It's not really about the amount of money. It's the amount of engineering and intentionality that goes into your wealth building that counts.

CORWYN:
Thank you for that, because you hit me with something.

So thank you for giving that back to me. Because I'm going to tell you what I thought about in my head, like when you were talking, I'm like, you know what? It's hamburger and steak. Both of them are beef. So the income is the calorie. It came from the same place, right? In theory, came from the same place.

But you got a hamburger or a steak and the texture is going to be different. The taste is going to be different. But it's all beef. Oh, my God, you just blew my mind with that when you said wealth is engineered. And I've heard that before.

It's been a while. But thank you for saying that. So, Michael, let me get in here with a question. So we want to kind of frame this segment around why people earn more but never build actual wealth, right? So why is it that you believe, and you touched on this, but I want to go a little bit further, which is why some high-income earners still struggle financially.

MICHAEL:
The one thing is income is money.

Well, really what builds wealth is assets. Two different things. The cash flow that comes, it's going to come one way or the other. But when you put your income into buying assets, those assets in turn becomes a gift that keeps on giving to you. I think that fundamentally, it's one of the major difference between the two families you just introduced hypothetically on how one 20 years later is doing while the other one is still living paycheck to paycheck.

Because when you think about it, it's our relationship with money that drives the decisions that we make. I mean, it's just going to try to be of good behavior. So I got some passion. I want to see more folks be very successful financially. And the decisions that we make every day count.

When you think about it, when you go to the gym, whatever you're trying to do in the gym, it's not going to be manifested in your physical body on day one. So my point is all of the daily habits that you make financially, it's a reflection of what your bank account eventually becomes. It's a reflection of what your overall net worth becomes, what's your asset level and all of that. So it's all of those little decisions that we make that drives where we end up. Now, that's why I believe so much in the engineering world.

Because when you are engineering something, there is an intentionality to, hey, I'm trying to get to a goal here. I'm trying to get to a particular destination. You got to enjoy the process. I am not against that. I love enjoying the process to the destination.

I'm not a believer that I'm not going to do anything. I'm going to just freeze my monies. I'm not going to go on vacation because I want to get to financial freedom five, seven years from today. No, you got to enjoy life. You still have to live life.

But there needs to be an intentionality in everything that you do. So the fundamental difference is, where's your money going? Are you putting your money into assets? Because seriously, we live in the best society in the best world. I don't care whatever we're dealing with. I can say that I'm not originally from the United States. And so I have the benefit of looking at the world in different perspective, right? There are only few societies like the United States where we are able to really use leverage the way we can use it in the United.

And I hope everybody hears that, okay? So I'm not in that group that says, oh, never take on debt. You got to take on good debts. There's a difference between me using $200, $300 or whatever to go buy some expensive sneakers versus I go take a loan from a bank where I put 10, 15 or 20% of my money down. I am using other people's money who don't know what to do with their money to buy that asset. And you know what the kicker to all of that? Oh my God, the Internet Revenue Service gives me huge tax benefits from using other people's money.

If anything your listeners will get from me today is maybe a shock treatment in a great way that can help people shift how they relate to money and how they think about money.

CORWYN:
I love it. One, not to harp on this, I want to get on to the next thought here, but you talked on something that we say often, this country allows you to do some amazing things in comparison to other places around the world. And for those who are only single-minded, have never been outside of, have never seen outside of, or don't track or seek to learn more outside of, it sometimes looks a way that is unpopular or unappealing, but the reality, man, look here, you just touched on it. So Michael, I want to kind of shift up the conversation here and get into the hidden cost, if you will, of lifestyle inflation.

Why is it that you believe, because people make more money, but they spend more money, right? So why do you believe that bigger paychecks often lead to bigger expenses? What is the psychology that you believe goes into that?

SPEAKER 3:
Wealth building is about more than earning income. It's about making intentional decisions, building assets, and creating a plan for the future. We'll continue this important conversation with **Michael Uadiale** right after the break. Stay with us.

MICHAEL:
I like to be very authentic, right? So it's just that temptation of, and it's human nature. I, even 20 years later in practice, I still have two or three success coaches. Now I remember one of my

coach saying to me, look, when you get to begin to earn $20,000 a month, the temptation is for your living expenses, for your lifestyle expenses to rise up to 20,000 or 22,000. The point is earning more money is not going to be the cure for financial challenges because when you get that promotion or whatever, you are not earning 25,000, there are not going to be more things that you begin to take a look at.

I think that mindset shift has to first of all happen on being intentional. Again, I am not a believer in savings. I am a firm believer in investing. There are two different things. If you just collecting money under your bed, it's not doing anything.

When you are at a particular level in life, I think there are some very fundamental principles of living that you should try to abide by. Every game has rules. The game of financial freedom has rules. If you follow the rules, then you win. But if you don't, you're going to be losing the game.

Now, at the level where somebody is, first of all, a paycheck to paycheck, you have to figure out what you need to do to accelerate your level of income. It's not necessarily going to come from you being the most diligent worker and just getting a 5,000 a year increment on your salary. It's going to come from you trying to figure something else that you are gifted and graced to doing that is going to help you make more money. I tell people who have an aversion to borrowing, I say, look, we all leverage. If you are a business owner, what are you doing? What you are doing is you are leveraging other people's time to build your networks.

You're borrowing their time. Instead of paying, the interest you pay them is the salary that you give to them. Because if you say you want to grow a multimillion dollar business, you're not going to do that all by yourself. There's no way it's going to happen. So if you take that same mentality of, all right, if I'm going to grow, I got to leverage.

So either you're leveraging time or you're leveraging money, or a combination of those can get you to your place of happiness. So it's very important that people get that. And when you, again, layer taxes on this, our tax code is meant for the business owner. I apologize if I have to be so blunt. Please, if you are just a nine to five person, you know what? It's all political jargon if you think the guys in Washington are doing the tax code for you.

It's not for you. The tax code was never written for the guy who is just a paid salary earner. No, all this talk about tip-tax credit and all of that. You know what? When you dive into it, it's not in India. The tax code is designed for the business owner.

It's designed for the entrepreneur. It's designed to incentivize that person who is willing to be a risk taker and be a business owner. So it's very important to be able to see the combination of all of these levers that you can pull to help you accelerate your rates of growth to the place of your freedom.

CORWYN:

That's just profound. Michael, I don't think I've ever heard anyone articulate that concept, that reality.

It's not a concept, it's a reality that the tax code was based upon or is based upon helping people who are more risk takers versus those who, that's, thank you for that. Thank you for that insight for our listeners. And that's something you guys should be taking from this conversation for understanding so we don't lead with gripe and complaint, that we lead with understanding and gain knowledge, or seek understanding and gaining knowledge. So Michael, this is probably another place to kind of take a slight little turn again, which is to talk about homeowners, aspiring homeowners and how they can create a financial stability. Tax planning, I mean, that's your animal, that's your jam.

When I tell people certain things, I say, look, that's my jam, right? That's what I do right there. You know what I'm saying? You know what I'm saying? When you talk about jam, people think, man, when the radio come on, music, that's my jam, right? And you just talk to me like it now. That's what you get down with. You get down with tax planning. So why is tax planning really and truly only one piece of the true wealth building puzzle?

MICHAEL:
Yeah, I kind of feel there are like three to five stools upon which your wealth can be built.

One of them is tax planning and you're so right. And I really hope people will, after listening to our time together today, kind of make that mental shift on how they relate with taxes. Taxes really can be a drag. So let me break it down for you. I do all kinds of presentation every month.

One thing I tell everyone of my presentation is, look, if you are not doing tax planning, if you are not doing tax planning, what it boils down to is you have literally submitted yourself to anywhere from 13 to 18 years in a financial jail that the governments literally gave you the keys to open the door and walk away from. What do I mean by that? When you look at it, the average person walks eight to nine hours a day. Now, if you're not doing tax planning on the federal side alone, what your marginal tax rate is going to be is like 25% of your income. Think about that. Let that sink in, okay? Yeah, let that hit you.

So if two hours plus of your work day is being given to the governments, multiply that by about 30 years, which is the average lifespan for most people's work life, you can see how many years you've allowed yourself to be in that jailhouse. And that's why the great thing is the tax code is a roadmap. It's a roadmap. Again, I talked about the United States at the beginning of our time together, and I'm like, look, you know what? This thing was intentionally written. So when we talk about real estate, for example, why is the government giving a whole lot of benefits to people who choose to invest into real estate, right? Because the government does not want to be itself, be the one that is so involved in providing housing for its citizens.

And so what do they choose to do? They choose to give benefits to people who are willing to drive their capital in that direction. That's why I said the tax code is an incentive. It's an incentive to do what the government wants us as business owners to do. So if you as a business owner is trying to, first of all, figure out, okay, which direction should I go? You should be looking at the tax code and say, where the heck are these guys going? Or what exactly are they wanting to do now? Why did they make this rules or code now? Okay, put your money there. You will find that you begin to get tax credits and all kinds of things that most people are just not even aware of.

I mean, 20 years into practice, I mean, I'm blessed to have the level and quality of clients I have. I can tell you that, look, the ultra wealthy, they don't take their tax bill superficially. Everything they do, they're having conversations with me or any one of my CPAs way before that decision is going to be made. One, okay, I want to go to Hawaii with my family on vacation. I want that to be a tax deduction, legally, ethically, and morally.

Whatever I'm telling you, Tom, it's not some scheme. The tax code provides ways for that business owner to figure out how to make that entire family vacation become a tax deductible business. As long as they keep within the rules of the game. And oh my God, the rules of the game, it's not so complicated. You just need to have a good tax advisor.

So really, tax planning, it's a big deal. I can tell you, 19 years into practice, I still find 70 to 85% of business owners who come to us, they have been overpaying taxes in the last 10, 15 years or whatever how long they've been in business. So when you think about it, think about the fact that you've given away money that the government didn't ask you. You've just over-donated to the Internal Revenue Service. A disciplined investor who was not over-donated in the way of paying taxes, he or she will have more of that capital to reinvest into whatever it is, is their line of trade or business.

That's why when I say to people, our job in our practice is helping our clients get to their goal of financial freedom five to seven years faster than they would have. The way we do that is by bringing them to the place where their taxes gets to as close to zero as possible, legally, ethically, and morally. No gate, no gimmicks. So tax planning is so important. So whoever is listening to you and I today, if the only time you're talking to a tax advisor, I'm not talking of a tax preparer because there are two different things, okay? If the only time you're talking to a tax advisor is when the year has ended and it's getting close to April 15, you're already playing a losing game.

You already lost that game. You should be talking to a tax advisor like right now. You should be able to say, okay, where am I heading? What would my tax exposure look like if I'm not planning my tax? And then sit down with a tax advisor who is great and knowledgeable in your line of work and begin to help you see things that you have not seen or known before and begin to implement and document them in the way that if that audit ever comes, because everybody's afraid of an audit. It's not guaranteed that you will not be audited, but you should not be afraid of an audit if your tax planning and implementation of the plan has been properly done. So tax planning is huge.

I mean, that's my job. I mean, it just gets me excited because I just love that whole, it just brings some adrenaline up my body up and down from seeing people come to the place of like, oh my God, I've been paying so much taxes and I just, I keep hearing there's nothing I can do. I'm like, no, no, no, no, let's back up. So I tell my, don't come to me and say, oh, can I deduct this? No, your question should be, how can I? Two different.

CORWYN:
Look here, man, look here.

When you say your jab, look, I for a second I thought you was going to do the cabbage patch or the walk. I love it. I love it. But you hit on something. So a couple of things that I want to pull out before we make this next transition.

One of those things is make sure you're asking your tax advisor, hey, is this your realm? Is this your arena? Like everybody doesn't do, like everybody doesn't know how to advise well in all things, they advise well in certain things. So make sure you're talking to that person and understanding that difference for a lot of the people that may be listening or watching this here. Make sure they understand the difference between a preparer, who is somebody who just puts your tax together versus somebody who advise you on a strategy on how you can save money on your taxes and you're calling them when you're thinking about buying this house. I have clients like that, that when they thinking about buying a house, they call their tax advisor. Hey, how should I do this? How should I structure it? You have to tell them how to do it.

So they bring that to me. Hey, quote, when this, how we need to put this together. Okay, well look, let me talk to your tax advisor, make sure I understand it so I can help you make sure it's done right. That's that teamwork quote unquote to make the dream work. So Michael, thank you so much for that.

So let me shift gears here and get us into another segment here. Our final segment for today. And we're going to get your contact information for our listeners who want to get in contact with Michael. We're going to get his information on here in a few minutes, but building wealth that lasts beyond the current generation, beyond one generation, something we're very big here on the show about. So you've talked about income versus wealth.

One comes in and the other is engineer. How can our listeners combine two questions here? I want you to define the difference between wealth accumulation and wealth preservation. And how can we, as a generation, teach financial responsibility to our children and grandchildren?

MICHAEL:
I don't think there's any magic in that. The one thing that we all are not doing a good job of is having these conversations with our kids early enough. I mean, at the beginning of the show, I think you were giving a shout out to a pastor.

I'm a man of faith. And one of the things that the scripture talks about, it tells us in the book of Deuteronomy, it says, look, you need to talk to your kids about the world when you are on the table, when you are out, when you are in. It's no different from finances. Even as a financial master strategist, I was guilty of that for some time. I'll give you a short story about how I changed.

My son, when he was in middle school, his teacher, knowing what I do for a living, asked my son if I could come talk to their class on money basics, right? And after the class, I was going home with my son and he's like, dad, but why have you not ever mentioned these things to me at home? Over the years, I have become more intentional. He's 25 today. I'm sure that boy has more money than I have because he has taken the totality of all of the lessons I've been passing on to him and the advantage of him starting earlier than I did and he has leveraged it. So the first thing is really, we're getting more intentional with our kids. So one of the things I do with my clients is I get them to, as soon as it's possible, put their kids in their business and put them in a business where the kids also begin to get a salary from the business.

Guess what? It's a deduction to your business. It's legal, okay? Don't tell me I can't, is that legal? Yes, it is. The law code allows it, all right? Have that kid have a bank account that you are a custodian on that account. When that child wants to buy that $400 new sneakers that just came out, let him or her know, hey, okay, we're going to take it out of your money. It's not coming out of daddy or mommy's account.

He or she is going to slow down and pay because they don't want it out of there. So that's the first thing. Yeah, we got to do better on our financial literacy to our kids. I really want to see more of that. And that's not going to happen in the school curriculum.

The school curriculum is not designed for that. That's why I have lots of doctors, dentists, all kinds of high-class professionals. They are super smart folks in what they do as their craft, but they have no clue what to do on how to make money, become well. It's a lack of that literacy. So if you started early, you're going to put yourself in a position where your kids get money.

That's the first thing. Then the other thing, that's on the accumulation side. Now, when it comes to making it go generation to generation, that's where, again, math tax planning comes into play because there are things that by nature, we depreciate wealth that you and I have built. When somebody dies, there is death tax. When somebody divorces, there is consequences on the valuation of the wealth that that family used to have.

What used to be in one pocket gets into two. So if you have built wealth and you're moving it onto your kids, you got to begin to think of the things that can waste your assets and wealth that you've built over your generation and lifetime. If you go look at the statistics, it says about only 11 or 13% of wealth goes past the 12th generation. So you want to say, okay, what in the name of all that is good have the Rockefellers done that has caused their wealth to have superseded what it was from the original patriarch? Many generations later, they are well there. Those are things that when we work with clients, we teach them because there are structures you can set up.

There are things like trust that you can use and put yourself in a position where you shield the wealth that your family has built from every of the things that can become put an inside or an outside.

MICHAEL:
So, Michael, you said something in there that was very sobering, which is wealth usually stops early. We don't see it go beyond, you know, and go as far as it could go. And certain having that lower percentage of wealth that is transferred multiple generations, it should be a sobering statistic for our listeners. So, Michael, we've quickly gotten to the day they show.

So, I want to make sure I get an opportunity now to take it now. How can people get in contact with you? Our listeners should be reaching out to you. How can they reach you?

CORWYN:
They can reach us or reach me directly. There is an email address that we make available for people to just shoot an email to us. And we have somebody who goes through that email address every day.

It's simple. It's TAXES, T as in Tom, A as in Apple, X as in Xerox, E as in Edward, S as in Sam, at SMEEDCPA.com. (taxes@smeedcpa.com) **SMEEDCPA** is **S-M-E-E-D-C-P-A.com**. (smeedcpa.com) If you send an email to that email address, I always say, hey, please do let us know what podcast show you got a hold of us from, because we like to come back to you as the host and say thank you we got this client to lead from you. We appreciate that. And then we also do our very best when people come to us through podcasts, because I do appear on a lot of podcasts. We are considerate about that in terms of how we work with them, different from what our list pricing are.

Because my belief is anybody who is really listening to any of the kind of podcast, like the one you run, they are people who are genuinely seeking knowledge, which hopefully if they apply that knowledge becomes wisdom. So when people say, hey, I found you on this podcast, that's a seeker. That's somebody who believes and knows there is something more than what I've been told. And I want to be able to be helpful to such people.

MICHAEL:
Awesome.

Michael, I greatly appreciate that. So a couple of wrap ups for today for our listeners, guys. The difference between high earners and wealth builders often come down to what happens after the paycheck arrives. So this is your action item, guys. Building wealth requires intention, discipline, and a plan that extends beyond just today.

I'm going to steal that intention, discipline, and a plan. Yes. There you go. There you go. Now, my takeaway is people who build lasting wealth aren't always the highest earners.

They're often the people who understand how to manage cash flow. They make intentional decisions and create systems that allow their money to work for them. My closing thought for you all today, financial freedom rarely happens by accident. It is usually the result of disciplined decisions made consistently over time. Now, the good news in this is that those habits can be learned.

When practiced, they become habits. And when shared, they are passed on to future generations. So for our listeners, guys, thank you all so much for being with us today. Michael, thank you so much for taking time out of your busy schedule to be on with us and being part of the Asia Strategies Radio Show family.

CORWYN:
We greatly appreciate it.

Thank you for having me. I also enjoyed chatting with you today.

MICHAEL:
Awesome. So for our listeners, one more time, guys, y'all know how I feel. You know what I say.

You know, we put the two of those things together and I give it to you this way, which is to tell you that I love you. I love you. I love you. And we gonna see you guys out there in those streets.