

Michael Jackson Pal Tells All About Spending Habits

Why King of Pop Died \$400,000,000 in Debt

By Kevin Bourke

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When I was a teenager, and on into my early twenties, Michael Jackson was one of my best friends. We went to movies in Westwood, shopped, lunched in Hollywood, and laid out by the pool at his home in Encino. I had a tremendous crush on Janet, even back then when she was just a kid.

Michael and I hung out almost daily for about three years. I was on set for the filming of the *Thriller* video, went to various parties, and met people like John Landis, Quincy Jones, Gregory Peck, Donny Osmond, Diana Ross, and more.



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Michael and I were friends, and I thought he was a thoroughly nice guy: mild, kind, and shy. But I learned a lot of money lessons from Michael, all of them BAD (forgive the pun). There were times when we would shop on Hollywood Boulevard, in stores full of useless junk--excuse me, "memorabilia." He would walk through the store, point out all the things he wanted (posters, cheap statues, even key chains) and someone would visit the store later in the day, pay for the items, and bring them back to his house.

According to Billboard.com, Michael died over \$400 million in debt. Four . . . hundred . . . million . . . dollars. How is it possible that the man known as the King of Pop, whose album *Thriller* is reportedly the best-selling album of all time, who was a millionaire before he was a teenager--how is it possible that he died with such a massive amount of debt?

And is there anything that the rest of us can learn from this?

Sadly, the lesson is simple. It's the same lesson I've emphasized in this column for over two years now, going back to the [very first column](#).



Paul Wellman (file)

Michael Jackson

You simply must spend less than you earn. Michael Jackson wasn't the only celebrity who has handled money poorly. According to [Sports Illustrated](#), by the time they have been retired for two years, 78 percent of former NFL players have gone bankrupt. Within five years of retirement, an estimated 60 percent of former NBA players are broke. It's not all due to overspending. Bad investments, divorce, and other factors also take a toll, but you don't have to look far to see the lavish lifestyles lived by many who experience fame.

Mike Tyson earned about \$400,000,000 during his career, but declared bankruptcy in 2003. According to a [NYTimes.com](#), Mike Tyson spent as much as \$1.6 million on a watch and diamond bracelet. Just another day in the life. If you saw Mike Tyson buying a \$1.6 million watch, you might say to yourself, "Well, he can afford it." Guess what? He couldn't.

Where do I see people spend too much money? It partially depends on their age. For younger people, it's electronic gadgets and cars. For those in middle age, it's still cars, but they've also spent more on a house than they can afford. For the elderly? Well, most seniors have figured out that they spent way too much money when they were younger, and sometimes have to be encouraged to spend more.

Look carefully at your budget. Are you saving money for retirement, for your child's college tuition? Are there places you can trim? Are you driving more car than you can afford? Are you considering a major purchase? Starting today, if necessary, change your mindset. Hold on to your money, don't trade it away for things.

Even Michael Jackson, arguably one of highest earning and best known individuals ever, apparently spent more than he earned, and, in the end, carried a heavy debt load. So, no matter what your income,

spend less than you earn.

Oh, and Janet, I'm single, if you're looking.

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