



Hello, Andy Tanner here, welcome to The Cash Flow Academy Show, this is where every week we discuss all things cash flow and as we do it, we make this so much fun, we keep it way, way simple and of course, we're always keeping it real. Got to keep it real, why? Well, you're gonna be using this stuff in your real life so lots of fun.

Now, This is our first episode, first podcast and so we're gonna come out with a bang. The first thing on the agenda is always this though, to welcome and congratulate you for simply attending, congratulations for subscribing, congratulations for tuning in. One of the things I really do know to be true is the birds of a feather, they really do flock together, people will gather around common interest, common passion. So if you have an interest and the passion for personal development particularly in the area of your financial education, I'll tell you what, you're gonna feel right at home here every single week, it will be like looking forward to going to your favorite restaurant every single week coz we're gonna give you great food, we're gonna give you great knowledge and it's gonna be a lot of fun.

Now, I've been teaching financial education for about 20 years, dozens of countries, thousands of people and I'm new though to the podcast world. So what I'll do first is I'll take a little time to introduce myself as we get started so you have a little idea my background and it won't be difficult at all to get to know me because I'm exactly like you. I mean, I grew up with the same stuff you heard, what are you gonna be when you grow up? You got to make those decisions and went to school just like you did.

In school, some of us are great students, others have struggled, I was one of those kids that struggled. First of all, I had a misconception in my brain that I thought I was stupid, I really did, I looked around and everyone seemed to understand what was going on and I didn't and it made me feel like I was stupid, that was the perception I have for a long, long time. And I think a lot of it was there were some good teachers along the way but most teachers I found, they wanna be smart, they wanna say, hey, I'm a teacher, look at all the stuff I know and I don't know if they do it on purpose but it almost seems like they're trying to show how smart they are rather than focus on keeping things simple enough to where every single person in the class can understand. They almost separated, I remember one teacher in particular, Mr. Jones in 7th grade, he had us take a little test the first day of class, he said, you guys in the A group, you guys are in the B group. Some kids are further ahead than others and so the As are gonna learn these smart stuff and the Bs, you're gonna have the easier assignments. Of course I got put in the B group and that really affected me.



So school was rough, I didn't like a lot about it though. I was a great athlete, I was decent, I went to college, played a little basketball, the joke I always tell is that I can't jump, I can't shoot but I can foul so they'll give you the scholarship and play for your school.

And then you get out and you and I both know what that's like, those decisions of how we're gonna earn a living and what we're gonna do. I had little odd jobs going through high school and college and here and there little summer things I do. When it came time to make the decision, there's a great book I've been reading called *The Happiness Advantage* and in *The Happiness Advantage*, it's by Shawn Aker and in *The Happiness Advantage*, it talks a little bit about having a job and then having a career and then finding your calling and the difference. And of course a job, you know what that is, you go do whatever you got to do to make it happen whether it's pleasant or not, it's just a job. And then a career, something you stick with and maybe with a career, you really work on some kind of education to get good at a skill or craft but I tell you, there's certain people that find their calling, I think they are the happiest people, I think they do have a happiness advantage because what they do each day, A: it doesn't feel like work and B: they're using their talents to the fullest. And that idea is not new to me, I've been introduced the idea of finding out what your talent is and dedicating yourself to that is not a new idea for me. When you apply your talents and your energy to its highest and best use to serve others, you're always gonna be in good shape. How can you lose doing that?

And it's interesting as I've read books and have mentors, I've come to that crossroads many, many times to make points of decision, generally we tend to be a little selfish, we wanna pool our wealth and conquer the world and all this and it's those moments where I've said, okay, pause Andy, great, buy assets, buy stocks, go get a rental property, whatever but what are you gonna do to help other people? What's your calling? What's beyond the career for you? What can you do that really hones your talents? That's a great question for all of us to consider.

As I've pondered that and thought about that, I felt what am I good at? I can foul people, I can hit really hard, I can wrestle, can I turn that in to something that helps others? But one of the talents as I thought about it and I've developed throughout my life is a teacher I might not use proper grammar and I might say umm and you know and all that type of stuff people tend to get uptight about. The one thing I've been able to do is make something simple and it was really great for, if Mr. Jones, my English teacher could see me today, I've got two 5 star books on Amazon and I failed his class in English and I've been forced in it and the thing that has been most satisfying coz that was a scary challenge, you put a book out there, people gonna review it, not everybody's gonna like everything you do but the number 1 comment that we get with our books that we're so grateful for and humbled by really is: boy, this guy knows how to make stuff simple. That's what this podcast is for, that's my calling and that was my point



decision to not just build wealth for myself but take time to share what I've learned with other people, introduce some of my mentors but use that talent to make things fun and simple and add a little humor once in a while in the classroom. I'll tell you what, if you can make learning fun and you can make it simple and you can give the information that people avoid, they're gonna enjoy learning and they're gonna look for the learning in the same way like I said before that I look forward to going on my favorite Chinese food restaurant and this we all know I love that. So it's gonna be a wonderful experience spending time with you making it simple, making it fun and keeping it real when it comes to cash flow every single week. So that's my story and the results been amazing.

I get to introduce you now to people that you might not have the chance to meet on your own, I get to bring in guests and people that I've come to know and love that are incredible mentors in my life and what this podcast is a way for me to connect you with those people as well and to share those relationships with really anyone on the world that has a passion for getting better and doing better so awesome, awesome stuff.

So okay, the title of the program is The Cash Flow Academy Show, so why cash flow? Why have a show about cash flow instead of about net worth or just general wealth? Why a focus, a laser beam focus on cash flow? Well, when I began to do research, I wrote a book, my first book is called 401 Chaos and I didn't sit down and say, I'm thinking I'm gonna write a book and research this and then write a book on it, that's not the way that came about. The way it came about was through my own personal experience, look, my wife and I way, way, way back then, my wife had great career, I wouldn't call it a calling but I wouldn't call it a job, it's definitely a career. She managed hundreds of men, they're all men and she had a 401k and it's just, it was, not doing as well as she'd hoped it would do. And so we were focused on saving and focused on doing all the things that they tell us to do and I just wasn't getting the results I wanted and I started to research some of the mutual funds that ran there and started to look at some of the fees within there and it just didn't set right and it just didn't feel right and so wella, out came the book 401 Chaos as I found some things that I were uncomfortable with.

One of the things I discovered as I was doing that research is I thought about the shift that happened from cash flow to net worth, before, you had a pension and the pensions were never based on a huge amount of money, it wasn't like you got a big check at the end of your retirement, they said, well, go spend it wisely, that was not the way it is. Think about this, in the old days, maybe your parents might had one of these, is you'd work for company, go to school, get a job and you'd work for a company for years and years and years. On your retirement day, they gave you gold watch and they gave you a pension and that really became the American dream. You'd never be rich, it's what built the middle class, you survived, you'd

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be able to live without working for a few years, watch your grandkids play in the front yard and drink lemonade. You'll never be wealthy, probably not a lot to pass on to your kids and not legacy was huge, maybe a little bit, sell the house and there you go, but it was a focus on cash flow meaning that the pension would provide a monthly income, wasn't a lump sum, it didn't affect your net worth as what I'm saying. A person could have a very, very, very small net worth, very small and still retire because of the cash flow. So that's a big point is that retirement, freedom from work, being able to exist in the world without having to labor a job, labor the career and having the freedom to really find your calling really is based on can you pay your bills every month because if you can pay your bills every month without having a job, without having a career, you're free to pursue that calling and you do have a happiness advantage, there's no question about it. The people that can spend their time serving others and doing the things they wanna do, it's freedom, freedom is a happiness deal for sure.

So when the 401k took this over and they squashed all these stuff, killed all these pensions and we'll have plenty of discussions about how that happened, now what happens is people are trying to build a nest stake, they're trying to build up this massive pile of money, this huge pile of money like the I&G commercials where people carrying around that 7 figure number on their shoulder, having to work to save for this number because the day you retire now, it's a race against time, will you deplete your pile of money with monthly bills every month because you have no new money coming in. It's old money, it's money earned a long time ago and right now, the numbers are staggering. On average 401k at least in my home country, United States, for people age 55 – 65, those people staring at that retirement date in the face and they're trying to build a net worth and they have no cash flow so once they get to retirement age, they get to that finish line and say, okay, if I have this amount of money here, here's what my monthly lifestyle looks like, how long will it last. They did the math, say, hey, I got 100,000 dollars on average around 100 grand and they say, well, that might last 2 years if I live at 50 grand a year, 50,000 a year. And so it takes that finish line, extends it out, lot of people won't retire, why? Well they focused on building a huge nest stake which, come on, how do you do that at a job, come on, how do you put away like 5%? Look, look, if you're gonna work for 30 years and then you're gonna retire for 30 years, I mean, it's half of it would need to put away and if come inflation, you'd have to save more than half your money, is that simple? Is that simple thing about that? If you're gonna work for 30 years, you're gonna retire for 30 years, well, if you're gonna work for 30 and retire for 30, you'd have to save at least half if you had no inflation. And so people put away 5%, 7%, whatever they put away and the company throws a couple of bucks, some don't even match anymore. With inflation, it's just not gonna work, it isn't.



And so this idea of when people say, I wanna be wealthy and have lots of money, they think about a large bank account and they really don't think about cash flow. The analogy I'll use and the metaphor I use often is the goose that lay the golden egg. Wouldn't it be nice to wake up in the morning and on the first day of the month and you go out to the, is that a chicken coop, a goose coop, the goose is hanging out with geese. They hang out in the coop, I don't know, wherever the geese live, the resident of the goose on your property, you go out there and here's the goose, you reach under there and once on the first day of the month, there's that golden egg and it's enough to pay all your bills that month, it's enough to take care of all your food that month and even have some leisure, maybe even take a trip and every month, it's there, see? It hasn't nothing to do with how much is in your bank account long term is that you have something that's producing new money.

Where let's say, another way to look at it is you have a barn or a shed out back or whatever where you store the bunch of eggs for years, no goose though and so every single time you got to go pluck an egg out of there and then you have to wait and hope that you have enough golden eggs to last you and boy, if you get down to the last 8 or 9 eggs and you're only 65 – 70 years old and you think, boy, what am I gonna do for the other 20 years with no more eggs left? So the idea of storing up money for the future, it might sound prudent and all this Benjamin Franklin language, penny saved is penny earned, I appreciate having a rainy day fund, I really do. I appreciate having a rainy day fund but if a person understands the difference between trying to stack up money that's gonna hopefully last them for long, long time is if you're packing up what you could carry and go on a wilderness hike and you have enough food, you think about it, would you rather go in to the wilderness packing up food or would you have the, rather go to wilderness be able to obtain new food, to be able to fish, to be able to find the right berries to create new food and that's the same attitude with retirement, you can't just get your hobo sack, little knapsack out there of retirement and take off from the job place with what you saved when you're at the job because the new money stops when you leave that job.

So that's what The Cash Flow Academy Show is gonna be about, is about where do I go, what do I learn, what are the keys to developing your monthly cash flow in my life instead of a focus on saving in my life. Savers are really, the Greece could be, Greece is gonna fail, I'm gonna make that prediction right here, oh, they'll repackage and they'll posture and they'll negotiate with their creditors but they don't have the will or really the ability to get out of the hole, it's just too deep. Their GDP is too small to produce enough income to be taxed to pay their bills, that's just plain and simple. I think the creditors are just stringing them out to get what they can before it implodes and it will implode. And so the people who have saved euros, those are gonna have to be converted in to a currency that's gonna be devalued very quickly and when



Greece has to come up with their new currency. I really think that will happen, maybe not this time around but eventually, we're gonna see a headline where Greece will fail and I'll say, hey, I told you so because it's not that hard, like you said, it's very simple, it's very real, I don't know if that's much fun to watch that happen to them but that's the case. So why would we wanna do anything any different than to have cash flow so that's gonna be the show.

Now, let's talk a little bit about what happens when a person makes the decision to build cash flow, well, that means we're gonna do something other than work at a job, isn't it? We're gonna say, look, we think the job and the career might be broken as a means to prepare for retirement, let me say it again, we're gonna begin by coming to a realization that what we do in our job and what we do in our career, we have to decide whether or not that really is the most viable, the most likely way to retire. If we throw it in the stock market, we're gonna hope that it goes up for just long term traders or long term investors in the stock market. No active management, no adjustments for different events that come, we'll just say, hey, we just hope works out. Very dangerous gamble, very dangerous position because of the lack of control that we have in there so that's the first step is to ask myself, hey, if there was a better way, well I wanna learn it. If there were more things I could do, could I do them? If there are things that could be made simple, I wanna learn them and that's really the beginning of starting a project.

Now you have lots of choices and the thing we teach especially with the work I do with the tremendous organization, the ???[0:18:44] Organization who I just love, we tell people look, 4 different things you can purchase that are basically equivalent to that golden goose, right? My wife went out and bought a rental property to start and the first one she said, hey, let's flip it but that was her intent but what we found is is we could cash flow it. And so we had a gentleman whose daughter had a special need and the house work great for them so they paid us rent, the rent they paid us was higher than the payment we had to pay for this home we bought and because the rent was higher than the payment, it provided something called cash flow, that's no different than the goose who lays the golden. It really isn't because each month on the first of the month, there's new money that's invented that we can now apply towards our expenses and that's not a job, that's an asset, very, very simple. So real estate, it would be one way to do it and we'll talk a lot about this in the coming weeks, we're gonna bring in guests, some of the best people in the world are gonna be speaking to you about how to do this.

So I like that idea, I like the idea of education in our day and age. I think that school is gonna be nervous, I think colleges are nervous because with technology like this, you could be in any country in the world, you could be listening right here and I just say, I'm gonna bring in someone whose got a half a billion dollar real estate portfolio let's say, they've done half a



billion dollars and they've acquired not one golden goose but let's say 10,000 golden geese they now have and each of these geese, every single one produces a cash flow for them. And I bring in someone with that type of credibility, those types of credentials and then you got a young man, young woman, 18 years old saying, gee, should I go to college and listen to a physics professor to get a job or should I come to the podcast and listen to one of the greatest investors in real estate in the world and hears what he has to say about building a golden goose. I tell you, it's gonna be tough for college because like anything else in life, there's an introduction, there's a popularity to it against momentum and then it matures and then it dies. And the same is gonna be true for education is there will be a day where the kids will be able to choose what they wanna learn through the iPad or through other means that we haven't created yet, it's gonna make the old chalkboard school room deal, frankly, it will be obsolete. So this is an exciting time and exciting thing to learn and it's so valuable to be able to learn from people like that so we're gonna bring in people on real estate.

Some of the advantages of real estate, let's talk about this, okay? First of all, it's probably one of the easiest levers to use because in a world that things about debt is a negative thing, with real estate, it's actually positive thing. If you wanna borrow money to go buy a stock, they're gonna laugh in your face. You're not gonna be able to go get a stock and then take a loan out it, against it necessarily and refinance it or something like that, it's not common. Yeah, there's margin accounts, there's always exceptions to the rule that the engineer types, what about this? Well look, as a basic idea, real estate is generally one of the easiest places we can go to wrap up a property and go to a bank and say, hey, let's refinance this property, pull equity out tax free, really great lever and that's not just for me. I mean, Warren Buffet has said it's an incredible way to take advantage of the dollar losing value is to use that debt of real estate, we'll learn more about why that's true and we'll make it simple.

The next thing that's nice about real estate is the investor can do what's called forced appreciation. So, and I advise you if you're listening in your car, no problem, but if you're listening at home, maybe take a note on this one, is you can force appreciation. When I buy a stock, say I go out and buy some shares of Apple computer and I say, hey, here's the stock. There's not a lot I can do, I guess I could go buy bunch of Apple computers, but there's not a lot I can do as an individual to force the value of that stock to go up, I just can't but with real estate, you actually do force appreciation.

One of my great mentors that we'll invite on the show is Kenny McCarroy and Kenny is, he's one of these guys I speak about, he's one of the best in the world as far as real estate investing goes and that's what he does, he'll find a property meaning maybe 100 units, a good size apartment complex and he'll force the appreciation. Well, you can do the same thing with one



home, we went in to this home and we purchased it with debt and then we invested and forced some changes in the home, carpet and paint basically but it made the home more desirable and forced not only the appreciation of home but we could get more rent for it now. See now that it become better, the rent would now pay for the payment and bam, you got cash flow, you've got something desirable so you can have an impact. So the first thing is leverage, it's an easy place to use debt. Second one, you can force this appreciation.

The other thing that's cool about real estate is purchasing transactions and selling transactions and rental transactions, these are very much negotiable to where beauty is in the eye of the beholder, let me explain what I mean. If I quote you a stock price say on a company like Pfizer and I say here's Pfizer's price, that's based on the supply and demand of thousands of investors buying and selling the stock all the time and so you can't negotiate much, the bid price and the ask price on the stock market might be within 2 or 3 pennies of one another so you might have 2 or 3 pennies worth of negotiating power. But yet in the real estate arena, there are often people who would gladly, let me give you an example. Let's say a couple gets a nasty divorce and they want to sever ties and maybe they can hang on to that property for 6 months and get an extra 10,000 – 20,000 dollars on it. Well, if they hate each other, okay, they hate each other, they say, look, is it really worth staying, postponing the sale of this property for us to sever, is it really worth 10,000 dollars to you and 10,000 dollars to me? I hate you enough that I'll take a 10,000 dollar hit any freaking day of the week if we can sell this thing today right now and I don't have to ever see you again for the rest of my life. It's actually worth it to them, now, it doesn't make financial sense but humans don't, beauty is in the eye of the beholder and value is in the eyes of the beholder. So maybe there are siblings that could say, hey, here mom and dad have passed away and we could put this on the market and sell it in 3 months at this price but perhaps we just say, you know what? Maybe we can get another 20,000 dollars in it but split 6 ways, it's 3 grand a piece, look, let's just sell it here quick, get it done and see, so there's always negotiation in buying and selling and beauty is in the eye of the beholder.

So another advantage of real estate is if you can learn where those negotiation points are, there's money to be created there. You're not maligning anybody, you're not trying to go out and screw anybody, look, if time is more important to the person, they'll sell their house cheaper. And again, let's say in a bigger example like maybe a Kenny McCarroy example, if someone has a property this poorly managed and the vacancy rate is 50%, that property is not gonna be worth as much and maybe the guy just wants to unload it, maybe he's losing money and wants to stop the bleeding, he doesn't know how to fix it and he's just, look, I would love this headache to go away, just take it. I know a person, same with business, I had a friend of mine who I got to know later, one of the biggest mistakes he ever made is he wasn't running his business well and it was in debt and he found an investor and says, I'll sell you my entire



business and I'll sell it to you for the amount of debt that I have and it was not a lot, it was 250,000 dollars. So he sold the business, sold the brand, sold all the intellectual property behind it, brought in all the employees that were there, he sold the business for quarter million dollars just so he could get out of it. The next year the new owner, I think he made 20 million dollars, something like that, that was the revenue. I don't remember what the net was but it was millions and he says, my gosh, I gave it to him for a sum but at that time, what could he do with it? So it's negotiable.

The fun thing is we'll have a discussion on this is with real estate, you can pay back the debt with cheaper dollars. What I mean is the best thing you could have done is back in 20 years ago, I gone and buy a property, get a loan on it, fixed rate, even if the interest rate is high, doesn't matter, fixed rate because the payment would be fairly low by today's standards. Now that the dollars are so much cheaper, you can get a lot more of those dollars for the rent than you could in 20 years ago and now you get to pay that fixed payment that's 20 years old with dollars that are very, very cheap today. So that's a little bit, we'll make that more simple as we go along but debt is actually, a 30 year mortgage at a fixed rate is a cash cow because let's say you lock in the rate, fixed rate, whatever it is, and the payment is 500 bucks a month and the rent is 600 bucks a month, well, 20 years later, that payment will be the same but the rent might be 1,200 dollars a month and so the cash flow grows the size of the golden egg, that goose's eggs gets bigger and there you have your inflation solved because as inflation grows, well rent would grow and now inflation is to your advantage because your payment would always stay the same. So we'll make that more simple in future podcast episodes.

And then of course real estate is a necessity of life, I was in Hawaii not too long ago for a wedding, Tom Wilright's wedding, and volcano was active, it was amazing, we're up there at night and you could see the orange glow and the kids were blown away. And I said, look, that eventually is growing the island, we're making more real estate. So we don't make real estate very, very quickly but we sure make people quickly. I think the people and population grows faster than the land does and so real estate is a necessity of life, you've got to have some place to live, those are advantages of real estate.

So consider that, consider those truths and say, okay, am I taking advantage of this knowledge by working at a job? Does working in a job serve me better than learning how to invest in this very valuable asset with all these advantages and I would say that if you wanna build cash flow, a real estate portfolio is one of, I don't have near the amount of real estate that I'd like to have but when I get a check, well, it's actually, I don't go by check, I do it by electronic transfer, when I see that money hit my account, I got to tell you, some of the money that I enjoy as much as any other money, are there headaches? Well yeah, property managers that have to



manage it, of course nothing's perfect but you got more headaches at a job chances are. And so real estates, when we can put on there, okay?

So look, you say I want more cash flow, do you have rental income coming to you right now? If the answer is yes, would you like more of it, would you like to make it more efficient? If the answer is I don't have real estate right now, would you like some and would you like to learn how other people have done it and is it learnable for you? And I promise you that absolutely is. And so you might jot that down as a mental note saying, you know what? Okay, I wanna listen to this podcast over the next few weeks, I'm gonna see what some of these guests have to say and maybe that's a fit for you, maybe you would like to get in to that arena of investing and spend a little time each week doing that, you don't have to quit a job, you can do it at the same time.

Okay, another one is, and this is probably the most difficult one, and so what? Difficult things are fun. One of the difficult things we did in college is we won a conference championship and it was difficult to do that, it was also one of the most rewarding days of my life, one of the greatest memories that I have and I sit in my office and I look at our little, I got a little basketball under a glass case here from that time to commemorate that and I'll tell you, that's fun to achieve things that are difficult. So look, let's just say business is difficult and there's a lot of dragons to slay but a job can be difficult with a lot of dragons to slay. Let's say the work is gonna be there either way but the rewards and the upside is so much higher in business.

So one of the guests I'm gonna invite on, I hope I can get him, I'm pretty sure I could, will be Tom Wilright, he is the rich dad advisor for tax and I'm gonna be able to drill him down, you can email your questions that you like me to ask him, little ask Andy segment on that one maybe. And business is one that gives you tax advantages, they have an entity, huge tax advantages and that's your greatest liability, isn't it? You're gonna pay, you're gonna have more money leave your pocket in taxes. So again, we make this a very simple idea is if the US tax code treats business owners with more kindness and more favor then people who are basically working at a job if the tax code is more friendly and you will lose less money and have more advantage, which one would you want to live in? If the laws are setup to treat one group differently than the other, you get to choose which group you wanna be a part of, right? We get to choose that and so some people, one thing we don't put up with here is people who don't like personal responsibility and personal choice, some people say, well, everyone should have the same tax, well, not everyone takes the same risk and you do have a choice about which one we wanna do, right? We do have a choice and it is unlike to own a business, we have to start a full time business and raise a million dollars, you could but you could start a very



basic business and begin to learn how to take advantage of taxes so that will be something Tom Wilright will help us with business.

And then of course when we start a business, one of the things that's amazing is you get to serve more people than you can in a job, in a job you serve your boss, right? Basically. But in a business, you get to serve more people. And the other thing is you provide opportunities people to use their education. Now, I got to tell you, I'm not a great typist, I'm not a great writer so when I do a newsletter or I send out a blog or something out, I'm not the person that types that, I'm gonna find someone who is a good writer who can type fast and better than me and I'm gonna pay that person to do that and that's an important thing. When I wanna write an article, I might verbally get on my microphone like this and verbally explain what I wanna say in the article but I'm gonna have someone else type it up and have someone else make it appropriate, to edit it and all this so I can send out a news article and that person benefits too coz they get a job, they get a job out of that. And so we're gonna leverage other people's education, we're gonna leverage other people's expertise. I don't know how to build a website but the people I hire to maintain my website do and so I get to leverage their expertise, their efforts and their calories are burned in your behalf, their experience brings to the table so what business does is it leverages systems, it leverages people, their talents, it provides opportunity to customers, it provides opportunity to workers, it's a wonderful thing.

But when I went in to business, I never thought about the blessing it is to provide a job for someone. I was with my wife the other day and I thought, how many people do we provide enough income for that they can pay their house payment, how many house payments can we help people make by saying, hey, here's an opportunity to share what you're good at to benefit me and in turn, I can benefit you, that's a really cool place to be and then of course you have customers. So business is the greatest lever of all, real estate may be the easiest lever with debt but business will leverage other peoples' money of course but also other peoples' expertise, experience, talent and it leverages technologies and systems. Business is an amazing lever so we'll be talking about cash flow from a business and see a business produces new money every single month. And I can tell you, you can make thousands and thousands of dollars, this is not a theory, this is something you can do is you can bring in thousands of dollars in new money each month, cash flow each month. So you think about the difference between having a thriving business as largely run by others and trying to build a cash flow out of what you save.

When you look at a 401k choice as opposed to at least give it a shot to your own business, a 401k is made up of money you've earned and money that company gives you which you've actually earned so there's a cap on that, there's a certain rate on that, you can't make it bigger.



Now you can try to save more of what they give you but you can't force a raise and that's why I think going for net worth is nuts because you're trying to save your way to the promise land where a business can really blow up, it can really explode, it can be bigger than you ever dreamed of, it has that upside potential. And you may fail in 3 or 4 businesses but failing in business today isn't the same as failing in business when you how to do brick and mortar.

If you've got an opportunity to do something on the World Wide Web where you can do things virtually, the cost of doing business now is so low that the risk of starting a business is very insignificant. I've started businesses with nothing that have failed and guess what I lost, nothing, because, well I lost time but I gained experience, I gained relationships. And so the upside to business now is much bigger in my opinion than the downside, a much, much bigger because you can grow a business. Nowadays, I don't know if who said that 50 years ago but in today's day, starting a business, getting a brand, printing up business cards, getting a website, getting a service, it's just not nearly as difficult to do and how are you gonna advertise before? You got social media, so connected to people, people have easy access to information. Starting a business is a lever, it really is so consider that, we'll be talking about that in the coming episodes. How does a person start a business? What are the details? How can we make this simple?

I'm best known for paper assets and paper assets – stocks, options is what I deal with, people ask me lot of questions about bonds and it's a fascinating thing and the danger with paper is the opposite, starting a business takes a little more effort, like I said, it's not the hardest thing in the world to do anymore but I'll tell you, getting a paper asset is way easy coz you're already doing that in your 401k-s and your IRAs and super annulations in Australia and your IRS piece in Canada, you're already in paper assets. Now, where are some of the advantages here? Well, real estate is not liquid, if there's a fire in the home, you can't put a force sale sign in the front yard and say fire sale, hurry up, it's going fast baby. Paper assets are liquid though, if a company starts to take a dive, you can sell it, boom, that quick, highly liquid but for the most part.

And the other thing that's nice about paper, I think in more so than business and real estate is paper provides a tremendous opportunity profit for the downside. If there's a crash, I think it would be easier to take advantage of that crash in paper A.K.A George ???[0:40:54], right? E.g. George ???[0:40:57] being able to make money on the downside. And the thing about it is, the reason people won't do that is because it's complex and again, the unfair advantage is if you can make it simple for folks so in profit in down market. Another thing about paper is look, let's say you're listening to this podcast and you really don't have any assets to speak of, you'd like to buy an asset, you can share with Warren Buffet, Warren Buffet, owns a lot of Coca Cola



Stock. Well you can go out and you can buy one share of Coca Cola for 50 – 40 bucks, whatever it's going for. And so you can begin small and you can least start buying an asset. You can use margins so there's little leverage there not quite with real estate or you can leverage without margin and use options to leverage and so there's a lot of advantages to paper, it's liquidity and its agility, it's scalable up and down and of course it's a great lever as well.

So we will be speaking about paper assets, I'll be bringing in my mentors to speak to you, it's exciting. If you think about the possibilities for yourself in the coming weeks we'll have together, it is exciting because it's a place where you can start a new project, learn more about it and begin to really build that, play monopoly in real life, really get real assets.

So commodities is the 4th class, we were talking about real estate, business, we were talking about paper. Commodities are the stuff things are made of, lumber and gold and silver, oil, stuff you put in your car or the food you grow, grains, those are all commodities, frozen concentrated orange juice, bacon, all these things are considered as commodities, the stuff that goes on your plates, the stuff that makes your car, stuff that builds your house and makes your computer work. And these are awesome because these can tend to retain their value and you buy some gold, it will probably be worth something in 20 years, maybe a business goes out of business especially technology business. Remember, things like Word Perfect and Lotus and Quatro Pro, you don't hear those as much anymore so there's tremendous obsolesce risk with technology. But there's almost no obsolesce risk with gold and corn and wheat and lumber and barley and stuff like that so they also retain value and as a result, they can be a hedge against inflation and they can protect some of your assets and that things that you cash flow and look, commodities can cash flow. I have a really good friend of mine named Bret, just salt of the earth, one of my favorite, favorite people and one of the things that was great is his father went out and he bought a bunch of oil leases where when he was young man, he went out, purchased all the rights, mineral or oil rights to all this land, now that fracking's come in, that's been a huge blessing that his father set up for his family. And it's cash flow, it's not like yes, it's a stock that goes up and down, no, whether the price of oil goes up or down, the size of the check will change but it's gonna get a check. He'll check that golden goose and there will be an egg large or medium sized egg underneath that golden goose every single month because he's selling oil to people. The companies come in and drill the oil, sell it and because he has those investments, those rights that they purchase, he gets a piece of every barrel that is sold and its cash flow that will last him. Chances are, those oil will be around for years and years and his posterity will also enjoy some of that before they run out and so you can cash flow it. And then of course, as I said, these things are necessities of life so those are the 4 asset classes and we'll be speaking about these asset classes on the podcast.



How do you get better at stocks, how do you get better at business, what do you need to do to run a business, what are all the things, but these are all cash flow types of things, how do you cash flow commodities rather than just sitting, have your gold sit there and go up and down in value, how can you have your gold produce more money for you every month, how do you do that? Maybe combine it with paper asset and so it's gonna be a fun, fun time.

So, that's the podcast, that's what it's gonna be about. I encourage you to think about cash flow and to come back to that original idea of are you trying to save up a bunch of old money in a knapsack so when you leave your job and go out in the wilderness, you've got enough money in that knapsack to sustain you or do you wanna create a bunch of, a flock of golden, of geese that can lay, is it geeses, geeses, geese that can lay golden eggs. Do you wanna raise that flock that will produce new cash in the future rather than relying on old cash that you tried to save. It is a better way, it makes more sense, it feels right and that's why we have The Cash Flow Academy Show, this place where we learn these things.

I hope you enjoyed this episode, I'm so excited to do this each and every week with you, we're gonna have a great time together and until next time. Think about your cash flow, make your life fun, keep it simple, keep it real. We'll see you next time.

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