In our copywriting program, we say, be clear, not clever.
Clear, not clever.
It's really hard to be crystal clear.
It's super easy to create marketease and be clever.
But in the grand scheme, we believe clarity wins.
I feel like I can rule the world.
I know I could be what I want to.
I put my all in it like no days off on the road.
Let's travel never looking back.
All right.
Quick break to tell you about another podcast
that we're interested in right now.
HubSpot just launched a Shark Tank rewatch podcast
called Another Bite.
Every week, the host relived the latest
and greatest pitches from Shark Tank,
from Squatty Potty to the Mench on a Bench to Ring Doorbell.
And they break down why these pitches
were winners or losers.
And each company's go-to-market strategy,
branding, pricing, valuation, everything.
Basically all the things you want to know
about how to survive the tank
and scale your company on your own.
If you want to give it a listen,
you can find another bite on whatever podcast app
you listen to, like Apple or Spotify,
or whatever you're using right now.
All right, back to the show.
So Ramee, have you, you could be honest,
have you ever listened to the podcast?
I've heard your clips and I love them.
All right, good answer.
You know what you're getting into.
Yeah, you know what you're getting into.
And you're also, we'll just say it.
One of the reasons you're here is because I like you.
We're friends.
Another reason is you're smart and good at this stuff.
But the third reason is you just had a podcast come out
and you'd been talking about doing a podcast forever.
Now you actually have one.
It's about, are they, the people are anonymous, right?

It's anonymous couples having discussions about money.
Well, most of them use their real names
and they're all real voices.
So I always wanted to listen in on couples
fighting about money, discussing money,
but you can never do it.
You know, the only place you've ever heard anyone
fight about money is on a movie.
And now you actually get to listen to real couples
sharing real numbers,
talking about what's going on with their money.
How do they disagree?
And then what do I help them do to get over it?
And what's it called?
It's called I Will Teach You to Be Rich with Ramit Sethi.
And so this is a little bit like,
what's her name, Esther Perrell?
Is this sort of like her model where,
I forgot what her podcast is called.
It was very good.
She's like kind of like a relationship coach.
And she has a couple coming in.
She's a therapist.
Yeah, Esther Perrell is amazing.
You know, she helps couples with therapy.
Mine is not therapy,
but if you imagine, for example,
a couple where the classic example is, you know,
he's an overspender, we don't have enough money for that.
That's a classic one,
but then it becomes much more interesting.
For example, we have a couple,
the guy hates, hates paying too much
for organic blueberries.
He hates it.
So when he orders blueberries,
he has two tabs open.
He's comparing notes.
I know all your personal finance nerds listening to this
are like, what's the problem?
That's totally normal.
No, it's not normal.
He opens it up.

He's comparing cross compare.
Guess his net worth.
What do you guys think?
I'm guessing it's high based on the setup.
So I don't know, we'll go over,
I would say over 10 million.
Sam?
A million bucks.
$8 million.
And he's comparing the price of blueberries.
And really what this shows is,
money is not just about math.
In fact, we overvalue math
and we undervalue psychology,
which is what the podcast gets into.
Did the launch go well?
How did the first episodes do?
Great, I mean, we're learning, right?
So I know all the metrics cold for email
and even social stuff,
but for podcasts, we're like,
I texted some of my friends,
hey, what's good?
And they told me some numbers.
I'm like, okay, so we released it.
No, so it's getting tens of thousands
of downloads per episode.
We're happy about that.
I'm more happy that people are writing in and they go,
my wife and I finally talked about money
for the first time we've been married for six years.
I'm like, yes.
So the quantitative stuff seems to be good,
but I'm more interested for a creative project
like this in the qualitative.
Growing our podcast,
we've talked about it a bit on this podcast,
which people like and sometimes don't like us
talking about it too much.
But it's been the hardest thing that I've had to grow.
Why?
What you'll learn,
I'm sure you've already learned this,

is that so with email,
you can advertise somewhere or you can write a blog post
and you know exactly where the new email subscriber
is coming from.
And you can guess how long they're gonna stay with you.
With podcasts, you don't really know that.
So iTunes won't tell you how many subscribers you have.
They're not exactly gonna tell you where they come from.
You don't know a lot of information.
And so it's really, really challenging.
And so when we grow, we'll do a bunch of stuff
and we're like, did it work?
And it takes us a week.
And we're like, well, the numbers went up.
Let's just continue doing everything we just did.
Did it not work?
No, it didn't work.
All right, so let's just change.
It's been really hard.
That's interesting.
Anyway, but so you, all right.
So Ramit, you have this,
your main thing is I will teach you to be rich.
And it started as a blog.
It's a book now and it's this major course business.
And that's actually what I wanted to talk about
a little bit early on was course businesses.
Sean just launched a course called Power Writing.
Is it called Power Writing?
Power Writing, yeah.
Wait, you don't even know the name
of your own partner's new course?
What's wrong with you?
Well, I knew it was called Power Writing.
I didn't know if it was like Power Writing
and then like, you know, Dash, how to write like,
I don't know what the full name is.
Hold on, hold on.
I'm taking over this podcast right now.
Sean, are you offended that,
number one, he didn't know the name of your course
and number two, that he hasn't bought it for full price?
Not at all, no.

Sam basically taught me everything
that I teach in the course.
So in a way, I actually owe him some royalties really.
And then the second thing is when he asked that,
I just thought it's like a setup, you know,
like, you know, when you kind of give someone an assist,
you're like, oh, you wrote a book, right?
What's the name of that book?
You're just letting them plug their thing.
And it's like, that's a podcast, your old trick.
Okay, that didn't go the way I wanted.
So look, it's called, I know what it's called.
It's called Power Writing,
but there's a subheadline as well, right, Sean?
No, there's no subheadline.
And also, I think I'm retiring from the course.
I taught it just this time
and it was like, it was really good.
And I'm like, unfortunately,
I'm the type that gets bored of things really quickly.
So just when we got it where like,
after the second one from the first one,
the second one made double the money
and it took a quarter of the time,
which is like exactly what you would want.
And the answer should be, go do it again.
And instead, I don't want to do it at all.
I'm just like, okay, I want to move on to something else.
You said the first time how much it did.
So can you say this time how much it did the second time?
Just double that.
So for those who have been following along,
just double the number. That's how much you made this time.
Really? Okay.
And you're not going to do this again. You're done.
I'm going to teach something else.
Something else I'm interested in.
Something that's like totally different,
like which will be like kicking over the sandcastle
and starting over, which is kind of silly
from a business point of view,
but from a enjoying myself
and entertaining myself point of view.

It's the right way.
But your courses are different than Rumi.
So Rumi, I bought your copywriting one.
Again, I'm sorry.
I don't remember the name of it.
It was just called Matt. It was on sales pages.
Which one did I buy?
We have, our biggest one is called call to action.
We have another one called behind the sales page
where you actually watch me write a sales page
that I think made millions and millions of dollars.
So it's maybe one of those.
Okay. I took it. I took it two years ago.
I've taken a couple of yours,
but your business is different than Sean's.
Sean's was the cohort one.
Have you ever, have you done one of these cohort classes?
Yeah, I've done several.
In fact, I'm doing one as we speak right now.
Cohort classes are definitely hot.
It's fun to watch this new model.
If you trace the history of courses,
I mean, they've been going on for generations,
but let's just say in the last 20 years,
first off was eBooks.
And they were kind of hot in the early 2000s.
You had dating eBooks.
You had a famous eBook on how to train your parrot.
Those were typically between $10 and about a hundred bucks.
Then you started seeing video being added.
Video added higher pricing.
And it was technically very difficult
because YouTube wasn't even out when somebody started.
Then it went on to higher value.
People got more sophisticated with topics.
You added masterminds, which were hot
and they've kind of fizzled out over the last few years.
Now you have cohort based courses
and there's some focus on completion rates,
which we can talk about.
That's a terrible decision to do if you choose to do that.
We can talk about that.
But yeah, cohorts are hot.

Doesn't necessarily mean they're lasting,
but they are certainly hot right now.
So how many courses right now do you guys have?
We have between 20 and 25 life.
Is your business doing north of 20 million in sales?
I'm not gonna share my sales numbers.
I thought you might, I thought you might not,
but I respect that you just told me that.
Because if I ask someone and they're like,
oh, you know what, I'm like,
just say you don't wanna talk about it.
That's totally acceptable.
Yeah, yeah.
We have a private business.
We have a great team and 20 to 25 programs
and over 50,000 customers, around 50,000 customers.
So we're thrilled with it.
You're not teaching these live then, they're recorded.
Generally they're recorded.
The biggest ones are,
we do do some live ones to experiment with concepts
and it's just fun.
Well, you know, like you mentioned, Sean,
you like to be able to engage and then you're like,
okay, do we wanna double down on that
or are we done with that?
And what do you think?
So I think some people are interested
in your course business,
but I think more people would be interested in
what you've learned about the course business
having done a bunch of it,
being kind of like near the top of the game there,
which is like, first and foremost,
who's crushing it when it comes to courses?
What's a model you look at where you say,
just from a pure like,
respect of the way that that business works.
I respect this course business.
What stands out to you?
It might be your own.
That's a great question because crushing it
and who I respect are totally different things.

Let me break that down.
Who I respect, I respect people like Marie Forleo,
who has an awesome business.
She runs it her way.
She launches when she wants to, which is sparingly.
It's beautifully done.
And she just loves the way she runs her business.
That's awesome.
I also respect people like,
like some of the legacy people in our industry,
Jay Abraham, who I just saw for coffee two days ago.
He's one of my mentors and he's been around since the 80s.
And in fact, even before, Brian Dean,
high integrity, Matthew Hussie in the dating space.
He's great. He's a friend of mine.
And then I think Reforge is interesting,
although I think that that is quite different
because it's venture backed
than what the typical individual wants to create.
So what I admire about all those folks,
high integrity, and we can talk about
why integrity is lacking in the course business
because it is, they run the business the way they want to.
Each of those could easily double their revenue,
easily if they did a couple of different decisions,
they don't, and that's why I respect it.
Sean, do you know who Jay Abraham is?
No.
Okay. So he's, I'm going to guess, probably in his 60s.
And he wears a, he looks like,
if I like told you like, imagine what like a,
in the 60s or in the 60s,
what a rich British guy would dress like
if he were like into hunting,
like on the countryside of England,
that's what this guy dresses like.
I'm imagining like impeccable.
You know the hunter in Jumanji?
That's what I just, that's what I got in my head.
That's a really good, yes.
Okay. So Google it.
He wears like a, kind of like a scarf tucked into a tie
and like you would imagine him smoking like a pipe,

right? For me, am I wrong?
Like he like dresses like-
In fact, let me add to that.
I once asked him, Jay, cause we're close.
And you know, he's been a mentor for many years.
He tells me, you know, I flew to Asia and you know,
I said, Jay, what'd you wear while you're on stage?
Cause he love, he's a sartorial, he's into it.
He goes, well, you know how many suits I take
for a three day presentation, right?
I go, one, he goes 40.
I said, what?
And he said, they're hiring me,
not just for the information I'm going to teach,
they're hiring me to be theatrical.
It's a show.
And so at every break, he changes his suit.
Now, to the typical Silicon Valley utilitarian,
they're like, that's so stupid.
What's the metrics?
There's more to life than metrics.
You Silicon Valley nerds.
That's a huge mistake that all these ROI attribution
positive, sometimes in fact, the best companies know,
that's why they advertise in Times Square.
They can't track that, but they do it
because it's the right thing to do and it's about branding.
Jay's a genius at doing that.
That's why he's been at the top of the game for decades.
And he's been at the top, he's been around forever.
And if you go and study like a bunch of copywriting books,
I think, was that his background?
Was he a copywriter?
Yeah, one of the best.
Okay, so he's a copywriter.
And when I don't know him, I've seen him in person
once or twice, I know you know him well,
but this guy has got this huge cloud of mystery around him
to me from the outside.
And I think that's the vibe he purposely gives.
So like, for all I know, he could be a billionaire.
I have no idea like what this guy's story is.
He's just like business like guru type of guy.

What is his story?
What's the truth about him?
So the truth is that he was doing
highly innovative marketing for the last 40 years.
He would go into companies like gold companies,
umbrella companies, all kinds of random industries,
dozens and dozens of industries.
And he would show them ways to exponentially grow
their sales.
Icy Hot was one of his.
And he has a fantastic story.
He bought remnant radio advertising.
He paid 100% of the first fee to the radio station
so it was no risk to them.
And then he took the long-term profits
and grew that business in a massive way.
So I'll tell you what I like about him.
I like that his ideas are extremely powerful.
In fact, on my bookshelf, I have a very highly curated
bookshelf of some of the best marketing books
that I've ever read.
I have two of his that are on that bookshelf.
He takes a multi-dimensional approach to business.
So for example, he would tell me early on,
Rameeth, put your customers at the center of your world.
I said, okay, what does that mean?
And he's got this thing called the theory of preeminence.
He would say, look, tell him explicitly.
Tell them you are here.
You might not be ready to buy today.
That's fine.
Enjoy my free material to use it for as long as you want.
When you are ready, I will be here
and I will be here for the rest of your life,
which is totally true.
And I do some things in my business
that are very unconventional.
For example, I don't allow people with credit card debt
to join our flagship programs, the higher end ones.
That costs us millions of dollars every year.
And it's funny, people will plagiarize our sales pages.
They'll plagiarize our email copy.
For some reason, they don't plagiarize that policy.

I wonder why that is,
because 90% of their customers would disappear overnight.
But when we do that, even though it costs us
in the short term, it benefits us tremendously
in the long term.
So Jay helped us really articulate that vision clearly.
What does he sell?
You're talking about course businesses that you like.
What's his course?
He doesn't care.
He doesn't care about that anymore.
He's been doing that for decades.
He does rare consulting for equity arrangements.
You can find most of his stuff free on his website
if you sign up for it.
But he's not doing that anymore.
He's done it.
He's shared a ton of his insight.
Now he wants to work with selective clients.
Did he tell you any good stories about Icy Hot
or one of the brands that he helped?
Icy Hot was one of my favorites.
He said his book and he's told me all about it.
He told me about gold and how he helped this gold business
that was sort of struggling
and they repositioned the way they sold gold
and it exploded their business.
He's got tons of great stories in his book.
My favorite one, it has a terrible title,
but it's a great book.
Getting everything you can out of all you've got
is really good.
One page in that book helped me build
a multi-million dollar product.
I was sitting on a Wednesday.
Wednesday I have strategy days and I just read and I think
and I read one of his pages and it all clicked for me
and I launched a multi-million dollar program of ours
called Rumeet's Brain Trust
and it was all because of that book.
Speaking of terrible titles,
we have a podcast title that is both kind of catchy
but also kind of cringy.

I would say you also have a title that is kind of catchy
and kind of cringy.
What?
What?
So we've talked about kind of our feelings on it.
Give us your take on both your name
as well as doing names like this.
So give us the kind of like, what's your mindset?
Is it all pros?
Are there no cons?
Are there a mix?
How do you think about it?
No, there's a lot of cons.
I'll tell you the blunt truth.
So I created I Will Teach You to Be Rich
while I was a student at Stanford
and I was helping my friends in the dining halls
with their personal finance
and I had learned and I built my own system
because I took some of my scholarship money
and put in the stock market
and here I am trying to help my friends
and they were like, oh, that sounds awesome
because I got an overdraft fee
and they would never show up to my free classes.
So I was like, okay, I gotta name this
to make it more catchy and then even, and that didn't work.
So eventually I started the blog.
Looking back, I wanna first say I was sober
when I picked the name, okay?
So, and it was catchy, but I will say
it's come with its downsides.
For example, you know, I've been sitting on panels.
There's like the CEO of a Fortune 500 company,
another CEO or senior VP, and then there's Ramit Sethi,
CEO of I Will Teach You to Be Rich
and the first reaction at some of these places
is not good, okay?
But even though many of my really smart friends,
including some venture capitalists and others,
they were like, you gotta change your name,
you gotta change your name.
Early on I was like, you might be right.

And then I started going, well, there's some costs,
I've already invested all this time, da, da, da.
And then it just became too difficult.
And so I finally have really owned it.
I will say that I know very well
when people hear the name of this book or the site,
they go, that sounds like a scam.
So the conversations are seriously,
it's not what it sounds like, check it out.
And then I kind of have come to love that.
I love the push-pull.
They go, it sounds like a scam.
They come here, it's hyper tactical.
It has the exact accounts to use.
They go, oh, this sounds like every other money person.
Wait a minute, this guy graduated from Stanford.
Oh wow, he's in the Times Square, New York Times bestseller.
So I love that push-pull.
I don't mind a little skepticism
because I trust our material is so good
that if they are ready, they will receive it.
And if you were gonna rebrand it,
did you ever come up with a backup?
What would you go to?
Yeah, we've played around with some ideas.
I do think there's room in our future business
for an extension, for different names.
But with all that said, you know what?
I love clear names.
Some of our best programs are find your dream job.
We've helped people get $50,000 raises.
That's like right on the money.
Earn one K, help you earn one K on the side.
And for many people, it turns into earn 100 K on the side.
So I do love clear names.
And in our copywriting program,
we say be clear, not clever.
Clear, not clever.
It's really hard to be crystal clear.
It's super easy to create marketees and be clever.
But in the grand scheme, we believe clarity wins.
And you've been doing this since what, like 09 or something?
I started this site in 04.

04.
And do you think that this could last another,
so you're at it, that's what, 10, 11, 12, 16 years, 17 years?
Can it last?
Like what's it gonna, what would a brand like this,
a course business and your brand,
what would it look like in 20 or 30 years?
And are you gonna continue doing it for that long, you think?
Oh yeah, I mean, I love what I do.
So first of all, it's not a course business.
Sorry.
We just happen to have courses.
But we also have a-
What would you call it then, a blog, a brand?
So it's an education business.
We have a book with over a million copies sold, right?
You could just as well say it's a book business
because we sell more books, we sell courses.
But I don't love the concept of quote, a course business.
You will find that many of the successful course creators,
they go, wait a minute, there's lots of different ways
to reach people.
I'm gonna do events, I'm gonna do a podcast.
So courses simply become a nice example.
Which part of the empire?
So right, so I'm pretty fascinated.
I've been studying this kind of what I call solopreneurs.
Basically people who try to build like a personal monopoly
around some domain, whether it's a guy who,
there's a guy who's like, I'm the best dog trainer.
I will just teach you everything you don't know
about training your dog.
I'm just like, I train dogs for the stars,
but then I'm gonna give you the information for free
over here.
I love that, I think these are, there is an infinite number
of these like personal monopolies that you could create
even within one, right?
So let's say your personal finance,
there's personal finance for guys who wanna be billionaires,
there's people who wanna be lean fire,
there's people who wanna do it where it's like,
you're only gonna, you're gonna maximize your time, right?

So it's like the kind of four hour work week style.
There's a number of these personal monopolies.
And I've been interested to look under the hood of these
and see two things.
One is what's, what does that business really look like?
Cause you only see Ramit Sethi, right?
You don't know like how many people you got on your team.
Yeah.
We have about 20, 25 at a given time.
Right.
So like even though it looks like an individual brand,
obviously there's a full talented team of people
helping out, maybe make it happen.
And then you have like many different plates
that you're spinning at once.
You got the blog plate, you got the podcast plate,
you got the books plate, the courses plate,
then there's gonna be, you know,
there's probably four more that I don't even,
job board, who knows what else you got, which plate is the,
so I would say the, usually what I found,
and you tell me if this is true for you,
I found that there's the audience core one,
which might be like the blog.
Like the blog is our core thing for growing the audience,
the free audience.
And then there's like,
and then there's this other thing which is monetizes
kind of like the one to 5% of the audience, the best.
And this is what there's where the money comes in
to pay for these 25 people that work at my company.
So what is it for you?
Is it a newsletter or a blog?
What's the main thing on the audience side?
And what's the main thing on the business side?
Is it courses?
That's a great question.
I think in general, your model is correct.
I think that there are places that are better for audiences.
And typically this will be things like social media.
It's easier to grow that
than to grow the number of customers.
That's just sort of a given of the internet.

For us, audience wise, I think social media for us, for sure.
So we have people on Twitter, Instagram,
to some extent YouTube, and now the podcast,
I think that will end up being a pretty substantial part
of the business audience wise.
The programs generally-
And those are all about each other.
Or there's one that's like the leader.
Well, Instagram is the best.
It's the best in my Twitter.
Because I love it.
It's like, I'll get up and I'll start Instagramming
and tweeting and stuff.
And now we've got a little IWT support in there.
So we've got a regular posting schedule.
Those are great.
And actually we've learned how to monetize
things like Instagram.
Instagram is a nice part of our business as well.
You also replied to trolls on Twitter, which is awesome.
And Instagram.
I replied to all trolls.
I'm waiting in my life for one smart troll.
I've helped over 10 million people.
I have over a million books sold, 50,000 customers.
Our team is amazing.
I'm still praying.
One day can there be an intelligent troll out there?
So far, no.
It's very difficult.
I get anti-vaxxers who write me.
I tell them, you would have trouble deciphering
a menu at Olive Garden.
And you're over here giving me medical advice?
I don't think so.
So these guys, and they're all guys,
they really feel that they need some meaning in life.
And I'm happy to give it to them
and show others how to respond to trolls.
Why do you want the energy there, by the way?
Isn't that a big energy suck?
Because it's fun for a while.
It is fun to slap down trolls for a bit.

But for me, it gets exhausting.
But you seem to thrive on it.
Even right now, I can see a little pep in your step
just thinking about it.
Well, I remember listening to a Navy SEAL who said
when others do push-ups, they get tired.
When I do push-ups, I get strong.
And I found the same because dealing with trolls
keeps me sharp.
And I'll tell you why.
It's not just for kicks and to make fun of them.
It's that in my life, I'm hanging out with guys like you,
smart guys who are dissecting business models
and healthy, whatever.
I don't get the chance to talk to someone
who comes up to me and says, you know,
vaccines are fake.
Or these sort of crackpot things.
You're only doing this so you can make money.
If I wanted to be rich, I would create a book on being rich.
You know, I've candidly never had somebody come up to me
in real life and say that.
And in part, that's because when people come up in real life,
they're actually very positive, pleasant.
They usually have very nice things to say.
What typically happens with these trolls,
now I've had conversations with thousands of them,
and I save and cross-catalog all these conversations.
So it's fascinating, right?
Over time, you can build a corpus of what's going on.
Remember, I studied technology and psychology at Stanford.
So I'm fascinated with human behavior.
So I want to know what's going on in your life
that you would reach out out of nowhere
to somebody who doesn't know you and go, fuck you.
So when they say that to me, I go, hey, what's going on, man?
You having a bad hair day?
And we start talking.
And so now I have metrics.
50% of them will never reply.
Of those who reply, 50% will go, oh, oh, oh, my God.
I didn't know anyone would actually read this.
Oh, I'm sorry.

Hey, man, big fan, which kind of leads to the question.
If you didn't know anyone was going to reply,
why on earth would you send that?
That's kind of sad.
And then the remaining 50%, which is 25 of the original,
they will kind of double down.
And that actually is a very interesting conversation to have.
Like, what's going on with someone that they would say that?
And so I don't always get to a resolution,
but it holds my conversational skills.
And I get to understand and peek into the psyche of someone like that.
I love that you have the intellectual answer when it's
probably just really fun to just clap back at people.
No explanation needed.
We've all felt it.
So, Sam, I think you were going to ask something before I jumped it on the troll thing.
Well, I'm still curious about the correspondence.
And I'll tell you why I'm curious about it.
I'm curious about it because, like, I bet you've been in this since 2004.
There's, I have a bunch of friends, Neville, Noah, you,
who are just, I think you're maybe eight years older than me,
who are older than me that they've seen like the beginning
of like the Web 1.0 course businesses.
And there are some people that just crushed it.
So we talk about Evan Pagan.
What was his name?
David D'Angelo was his name.
And that stuff, I love hearing stories about that.
It's so fascinating about all these guys just killing it on the internet.
And it's just fascinating.
It's like learning about like a drug cartel or something.
Like it's just like intrinsically exciting to hear about
like these like, it's like Cowboys feeling type of business.
And also on here, you mentioned the company Agora and you're
saying that I asked you, can one, can some of these course
businesses reach 100 million in revenue?
And you said, you sometimes they can, but it's incredibly hard.
But the ones who do, they're really just, they're like huge
newsletters that sell courses.

So that's what I wanted to ask you.
Okay.
So let me take you back.
And I'm going to share a couple of stories from the history because we have created over 30 programs and we have served, you know, tons and tons of people.
So a few things I've learned.
First of all, I remember our first major course we launched was called Earn 1K.
And the reason we created it was that I went on book tour and I went around to 13 different cities and I was like, hey, what should I create?
This is way back in the day, 2009 in the depths of the recession.
And they go, love your stuff on finances and automation, but I really want to know how to make more money.
Okay.
That was fairly unusual back at that time.
So came home and we identified all these different areas of making money.
We created a program on freelancing because we know it and we could teach it.
We recorded that in the back of the automatic office.
So we got hooked up with Matt.
He was like, okay, you can record it in the back.
We didn't have any fancy camera equipment, but the content was good and we launched it and it was $497 at the time.
And the thing converted way better than we thought.
It converted too well.
It was around 2% if I recall correctly.
And I told people in the last email, I was like, guys, this is actually converting way better than I thought.
I'm going to raise the price.
And a lot of people were like, ha, ha, ha, ha, ha, ha, ha, ha.
That's so crazy.
And then at the end it made $600,000 on our first launch.
And we raised the price and never lowered it again, ever.
So it was hilarious because a couple of weeks later people were like, hey, can I get in at the original price?
We're like, no.
And so that was the first thing where we realized, oh my gosh, packaging matters, topic matters, conversion rate and pricing are profoundly meaningful in your business.
So that taught us a lot.

Moving along, we had other programs.
We launched another business program.
I think it did like $5 million or $6 million in one week.
And we wrote about that on the Tim Ferriss blog.
You can see kind of the entire flow of how we did that.
That's a great point, most by the way.
When we launched Trends, I read that and re-read it a ton of times.
I think it's like a $5 million launch or something.
Yeah, we took people behind the scenes because there's a,
you have to understand it's like, think of all the movement
behind launching a movie.
We're not doing a movie, but we're doing a launch.
We write an entire book per launch.
And much of that gets discarded and we still end up with a book.
That's how much we write and create.
So we wanted to show people what goes into it
because it's not just luck at certain levels.
It's very strategic and there's an element of luck too.
But then moving along, you see a lot of other models that came and went.
For a question like, can you make it to $100 million?
You can, but a couple of things change.
One, you become an acquisition machine.
You cannot make it to $100 million without a true,
massive acquisition machine.
And that means that most of your business will be focused on acquisition.
And in the self-development world or money world,
if that's what you choose to pursue,
if you want to play that game, you have to become very, very mercenary.
So for example, you will see Facebook ads.
They're basically like mega million bucks in a week.
I'm being hyperbolic, but you get it.
Why?
It's that that is what people respond to when you are doing a true acquisition machine.
If you want to build a boutique business with high integrity,
that is antithetical to that.
So it's very important to know, for example, in software,
you don't necessarily have to build a very hyperbolic business.
Right?
Look at HubSpot.
They're not over there saying, fix all your CRM in 10 hours.
That's not what they're saying at all.
But in self-development or in a course business,
it becomes more and more aggressive the bigger and bigger you want to get.

All right.
A quick message from our sponsor.
You know, I was thinking about the shortest day of the year earlier.
And while we technically have the same amount of time as every other day of the year,
the lack of daylight makes it feel so much shorter,
which is exactly the same kind of feeling as working with disconnected tools.
Our work day is the same length as always,
but before you know it, we spent three hours just fixing something
that was supposed to be automated.
Thankfully, HubSpot's all-in-one CRM platform can serve as a single source of truth
for managing your customer relationships across marketing, sales, service operations,
with multiple hubs and over a thousand integrations and an easy-to-use interface.
HubSpot lets you spend less time managing your software
and more time connecting with your customers.
Learn how HubSpot can help you grow your business at HubSpot.com.
And that's kind of like one of the downsides of the business,
which is it's kind of like, you know, the hustle.
We had a conference, HustleCon and a bunch of other conferences.
And it kind of sucked when that was our mainstream revenue
because the more money it made, the more people we had
and the more people it had, the worse it got.
And that sucked. I hated that.
I hated that. I hated that. I hated that.
And that was a huge challenge for us.
Well, it didn't end up being a challenge because we were like,
all right, it just can't be the main revenue driver.
Let's do a quick switch.
I want to do some of your both business ideas,
because this is an idea podcast.
And secondly, I want to ask you about some money hacks,
but let's start with ideas.
So what we like to ask everybody is cool.
It's always fascinating to figure out how do you do what you do,
how long you've been doing it, great.
Like that's kind of past facing.
But what I found is that anybody who's talented enough
to build their own business like you have
and is out there operating in the field,
they see tons of other opportunities that you just,
you have more ideas than you have time to go do them.
And so, or maybe you're not the right person to go do that idea,
but you think somebody should, somebody who loves so and so
should go do that.

What are some ideas, business ideas that you've seen
that you think are genuinely interesting
or worth a chat about and then we can toss them out to the audience?
Okay, I always focus on where's the demand?
Where's their insatiable demand?
You know, as we talk about in our earnable program,
go where the fish are.
And the first one I would create would be business around pets.
Okay, first of all, I don't have pets and I don't want pets.
My wife is constantly telling me, let's get a dog.
I'm like, we're never getting a dog ever.
And I want to tell you why.
Because when I was a kid, my sisters wanted a dog
and we couldn't because my dad was allergic.
16 years later, we found out he wasn't allergic.
Yeah, that's a lie.
That's always a lie.
I loved it.
I love it.
To this day, I love that my dad just point blank,
just lied to us for almost 20 years.
I said, God bless dad.
And so now I will do the same thing.
If my wife is listening, I'm allergic as well.
It's tragic.
It's genetic.
But for the people who have pets, it's hilarious.
They will literally spend anything.
So one of my good friends, she said, oh yeah,
I find it difficult to spend stuff on myself,
but this new puppy, I don't care what it costs.
And they're getting this imported Swiss meat
or something like that for the dog.
Can't you just feed a dog from Costco or something?
And she's like, no.
I said, this is a great business.
So there are a variety of different models.
I've seen the box business, which is amazing.
There's decorative items for dogs, which I love
because the more unnecessary they are,
oftentimes the more profitable it can be.
You're not buying a luxury sweater
because you need it, you're buying it because you want it.

And price is largely irrelevant.
So if I knew anything about pets
and had any interest whatsoever in pets,
I would definitely start a pet business.
I have a friend who sells dog vitamins.
And I asked him, I go, does it work?
He's like, I don't know.
Yeah, that's the greatest thing ever.
You have no, I don't know.
I should say that that idea and the next idea
I'm going to share with you, the other thing I would have to have
would be no ethics whatsoever.
Because half these pet businesses are complete horseshit.
But you know, again, I don't want to start it
because I don't know anything.
And I also do have some morals around this.
But the pet vitamins, I mean, come on.
What is the dog giving you a report card?
Well, I really feel my scoliosis went away
thanks to this vitamin.
No.
All right.
What's next?
Cosmetics.
Insatiable demand.
Heavy rotation of using different types of face clean.
Do you guys know, you may not know as guys,
but do you know that there's different lotions for your hands,
feet, forehead?
Are you aware of this, Sam?
No, I know.
We have different lotions for different skin color.
That's what we have at our house.
So I know that, but I didn't know.
Dude, I haven't put lotion on in at least 16 years.
It has been 16 years since I last put lotion on.
Dude, this is revelatory for the audience.
They're like, what's lotion?
Yeah.
And by the way, there's more to cosmetics and skincare
than lotion.
Wait, Sean, you don't wear lotion?
I thought that dark guys like you had to wear lotion.

Never wear lotion.
Don't.
Sean, show us your legs right now.
I want to see if they have little cracks on them.
I'm ashy and I'm proud of it.
Look, there's no lotion.
Bro, you got to lotion up.
Come on.
What's wrong with you?
Do you do sunscreen?
Why guys use sunscreen?
I don't use sunscreen typically.
Also, you know, this whole like night time skincare routine,
like, you know, I'm a toothbrush and out of there, it's over.
Oh, I got to tell you.
Okay.
I got to tell you my favorite part about night time skin routines.
This is my favorite thing on all of social media.
So you'll be following someone and someone will post a question to them.
Oh my gosh, your skin looks so good.
What's your, what's your skincare routine?
And the person gets so excited.
They go, oh, I'm so glad you asked me.
Well, you know, I like to really keep it simple.
I'm just, I'm all into simplicity.
So here's what I do.
And then they go, yeah, they go, well, I start with a serum.
Then I give it a 15 minute break.
I put on a lotion, but then I put a cream on top.
You know, then I take a little break and let it breathe.
Then I use the brush and then I sit out and then, and then by lunchtime,
you know, I need to reapply and then they have 13 other parts for it.
And I'm like, do you understand that none of that is simple?
Most, most of the people I know are using like one proctor and gamble
product, if that on their body.
Yeah.
Three in one baby.
Body wise shampoo conditioner.
Yeah.
They're taking dove and putting it on every part of their body.
And they're like, wow, I really nailed it today.
So, so I would do a cosmetics or skincare product.
Both of you said pets and cosmetics.

Those are I'm with you, insatiable demand, like pricing sensitivity,
but obviously competitive.
So how do you think about going into a space that's like, you're not the
first person to think of cosmetics or pets.
So would you be looking for, if you were going to approach this,
would you be looking for some unique angle that you feel is underserved
or would you just say, no, fuck it.
I go, I go swim.
It doesn't matter how many other people fishing there.
There's enough fish where I just want to make it.
I just want to get my share.
I want a small slice of a big pie.
How would you approach it?
Packaging, pricing and celebrities.
Packaging is a huge, tremendous part of it.
And I think there's some opportunities there.
Pricing.
What do you mean?
What do you mean?
What opportunities?
So I spoke to a guy who did a hair care product and I was like,
how'd you develop it?
He goes, we basically went to a factory and we were like, whatever,
it needs to fit this cost framework.
He didn't care.
So this is again, why I say I would not get into this business if I had
any morals, which I do.
That's why I'm not doing it.
But I'm just telling you what he told me.
He goes, yeah, we don't care what it is.
It needs to smell good, but we spend 90% of the time on the packaging.
I go, what?
Let me get this straight.
You're basically selling like whatever.
Yeah.
But the packaging looks lush.
He goes, yeah, that's what the entire business is.
I go, this is crazy.
Then this, so in terms of price, well, how big was that business?
Or that entrepreneur?
Like how big was their empire?
I imagine they had a bunch of them.
Yeah.

That's a good question.
I would say in the, that's a good question.
If I had to guess in the 30 to $50 million range by the last time I checked, that was several years ago, but you know, I didn't ask.
So price.
Price is, you know, you see people doing boxes, regular delivery, upsells.
There's lots of innovative opportunities that I think digital entrepreneurs are very, very smart at.
In the old days, it was put it on the shelf at CVS and hope somebody buys it and then comes back.
Nowadays, you can do some really clever stuff.
So I think that's an opportunity.
And then celebrity tie-ins.
Who's known for having amazing skin?
And if you think back to those acne commercials, remember proactive?
They had top tier celebrities.
So I got really curious, how do they get these A level celebrities?
I started looking into it.
The answer is they just write them a humongous check.
So there's opportunities with celebrity tie-ins that for skincare.
Again, I am not trying to do this business myself.
I've just been fascinated with it.
And I would love to see how someone would come in here and disrupt what people are normally doing.
Okay, I like it.
And then did you have a third one?
Kids.
Anything on kids.
I mean, it's, wow.
Talk about price insensitivity.
Again, I don't want to do this business because I believe in less stuff for kids.
I think there's more meaningful ways to parent.
But just imagine the kind of toys, learning opportunities, et cetera, for children.
A pet could also talk.
He's like, that's what a kid is.
Yeah.
So, you know, there's some really smart stuff around these areas.
But the key denominator on all these is insatiable demand.
That's the first place I look, which is a little ironic because when I started, I will teach you to be rich.
There's actually not that much demand for learning about money, especially when I started it.

I focused on young people.
But it wasn't a business when I started.
It was just like for fun.
Over time, I found that there is demand, but you have to be very clever in how you reach people.
And what about money hacks?
So I put down a thing on the notes.
I said, I want to know.
You have all this corpus of content, just tons of material, philosophies, frameworks, tactics, exercises, blah, blah, blah.
What would be the three sort of money hacks that you think most people just don't do?
But if you could get them to do it, you'd feel good about it.
So what are your three finance-related or money-related hacks that people should be doing that get you a big outcome with not a huge input?
Well, I'm glad you asked because most of my founder friends don't even invest in the market.
I would say over 50% of them.
What does that even mean?
That's so crazy to me.
I don't understand it.
I'm about to tell you because these guys make me want to ring their neck.
So these are founders who have done very well in their business.
Either they have a high-profit business generating considerable amounts every year or to some extent they've had an exit and now they're doing their next thing.
I go, hey, what are you doing with your money?
They go, oh, you know, I'm putting it into my business.
I go, cool.
Like, what about investing?
They go, no, no, no, no.
I can make more money in my own business.
This is where my voice starts to tighten up and I bring out my hand as if I'm about to ring their neck.
I go, how many businesses do you know that are still around 50 years later?
And they go, well, not many.
I go, do you think it would be good to maybe take a little off the table and put some in the market where you can get really good returns?
And it just boggles their mind because they've never thought about it.
They see themselves as an entrepreneur, not a boring mom and pop investor.
That is a very, very costly belief that they hold.
So I always tell them, hey, take a little bit, put it in the market, boring, Vanguard funds, do the stuff.
Of course, they haven't read my book.

Do the stuff in the book.
And when you do that, you will be wealthier than you can possibly imagine
and your risk will be decreased dramatically.
Sean, what are you thinking here?
So I follow a lot of what you say.
I read your book.
Sarah, my wife has read your book.
You're going to talk about talking to your partner once a month, things like that.
I do that all.
But I want to ask you, Sean, investing in the market.
So Sean and I are almost complete opposites when it comes to money.
Not complete opposites for everything regarding money,
but our risk profiles are very different.
Sean, do you invest just in normal index funds at all?
Yeah, I have some index funds.
I basically have a basket of technology companies that a few years ago I said,
okay, what companies do I think over a 10 to 20 year period just have?
They have an advantage today that's just going to compound for 10 to 20 years.
And I'm happy if I'm wrong with that.
Okay, I'm wrong with that.
But I'm going to have this basket of basically six companies that I think are positioned to do that.
And that was like Amazon, it was Google.
I didn't take it genius, right?
It was just like, I think these companies essentially are monopolies
that are riding this wave of the internet and mobile funds.
They'll do well.
And so I hold that.
So I'd say about 30% of my money is in that selection of stocks.
I have probably 1%.
You can't import a camera or the import tax on a camera that can record above 60 minutes
is taxed at a video camera versus a picture camera.
Therefore, you can't record for more than 60 minutes on a point and shoot camera.
Are you kidding me?
This is crazy.
Well, Sam, much respect.
Now I just need you to tell me what to do about it, but we can do that offline.
Yeah, that was impressive.
So basically what happened to listeners, so it remits camera went off.
And this is like a weird fact, but point and shoot cameras cannot record above 60 minutes
because they would be taxed differently.
It went down even better.
He goes, I know it happened.
We just hit 60 minutes, didn't we?

Yeah.
And you have a point shoot camera, don't you?
Yeah.
It's from Asia, isn't it?
Yeah.
You're shit, Sam and Sam, what are you doing?
How do you know all this?
Sam was like Mike Wallace right there.
I have a lot of respect for you, bro.
Yeah.
Well, we went through this.
So, Sean, you were saying that you have 30% in index funds.
No, no.
I have 30% in a handful of tech stocks, about six tech stocks.
And then I have about 40-ish percent in crypto.
I have a small amount, maybe 1%, 2% still left in a Vanguard fund.
And then what's left?
Well, I'm not counting just investments in private businesses,
like startups and stuff.
That would be different.
But yeah, the rest is cash and miscellaneous, random other bets.
Is that crazy to you, Rumi?
That's crazy to me.
I'm not disrespecting you, Sean, because whatever.
Float your boat.
Float your boat.
That's so different from how I do stuff.
It's like a guy going to a buffet.
And you both go to a buffet and then you go, hey, let's meet up at the table.
So you get here, you get some rice, you get some chicken, some vegetables.
And the other guy comes back with three different plates.
90% of all the plates have chocolate cake on them.
And then he has two pieces of whitefish and one piece of lobster that he cut in half
and he threw it on the floor.
You go, what are you eating, bro?
He goes, that's what I like.
That's what I like.
That's what I like because it's not vanguarded out.
It's not indexed out.
Is that why?
It's not even remotely.
It's the opposite of diversification.
Now, again, if you want to be entertained, that's awesome.

It's very entertaining.
No, I think diversification is for losers.
That's how I feel about diversification.
That's how most tech founders feel.
And the cost of their belief is vast.
It costs them typically millions and millions of dollars.
They don't care, though.
This is my point, Sam.
They don't care.
They don't care.
They don't care.
I'm going to put them in my own business and I can angel invest.
I mean, some of the greatest investors, the greatest investors in the world do take concentrated positions, not diversified positions.
Are you one of the greatest investors in the world?
I know in my sphere, I'm an expert in my field.
And so I feel comfortable investing in my field.
I'm not saying I'm one of the greatest investors in the world, but I know that within the technology sector, I would bet on myself.
And that's what I've chosen to do, right?
Within the technology sector, I feel like I have an edge compared to what I can get sort of in the passively diversified index fund world.
And it's really, in the last 10 years, I've compounded way faster than the Vanguard ETF or SP500 generically has.
Your strategy, Rumi, I am the exact same as you.
I'm looking at my portfolio now.
It's basically 90% index funds or includes HubSpot stock, which is not index, but it's 90% publicly traded stock, most of which is index funds.
But what bothers me, Rumi, not bothers me, it just shocks boggles my mind about you.
How can you not see that there is another way to do it, which are the crazy people like Sean, when you and I both have tons of friends that are these crazy people that have made these ridiculous bets where they only have 100 grand, they put 90 grand into crypto and it turns into $100 million.
You and I know many of these people that have done these stupid things or they appear stupid and they totally work out.
Well, there's definitely lots of different ways to achieve it.
When I talk about in my book, there's lean fire, there's fat fire, there's buying real estate, there's passive investing, and on and on and on.
If you are optimizing for entertainment, great.
If you're optimizing for concentrated risk, great, then that portfolio makes a lot of sense.
If you are optimizing for a diversified, low-cost, predictable return and mitigating risk, then of course that allocation makes exactly zero sense.

So we want to know the game that we are playing.
And Sean, you articulated it very well.
What I think the next question that a savvy investor would ask is, what are the risks that I am incurring?
And this is typically where you get people, especially a lot of crypto bros who go, oh, what do I care?
I'm swinging for the fences.
And you go, okay, that's cool.
What if it goes wrong?
Now, if you're 21, your risk profile is low.
Worst case, you get a job, et cetera, et cetera, et cetera.
If you're older, if you have kids, if you have a mortgage, or if you simply do not want to go back to living on ramen noodles, then suddenly you start to think about risk differently.
Now, here's the catch.
Most people, it doesn't matter if they're 35 or 50, they don't truly understand risk until something bad happens.
And when that happens, they do not take a look in the mirror and go, oh, shit, my allocation that I chose 15 years ago was poor.
They go, fuck the government, or they rip me off.
I need regulation, even though I called for no regulation for the last 15 years.
So unfortunately, this is one of those things that cannot be taught until it is experienced.
And the market will go down.
Tech will not always go up.
This is a predictable cycle.
The last 10 years have been extraordinary.
There's no doubt about that.
Even an index investor made over 15% annualized returns, which is insane.
But the music doesn't keep playing.
I agree with you.
I strongly disagree with people.
There's no right answer without saying, what are you trying to do?
What is your goal?
Because if my goal is to make X and your goal is to make Y, then we're going to have totally different strategies.
A different strategy would work for a different person.
If I say I'm comfortable with this much risk or I have knowledge about this industry, maybe my answer would be different or maybe my strategy would be different.
Do you think our goals are different?
Yeah, I think our goals are different, for sure.
What's your goal?
Not just the absolute money goal.
Clearly, our goals are different because you intentionally avoid risk.
You know the appeal of a lot of these investments, but you don't want to lose.

Your risk tolerance is lower and you would feel worse if you lost than you would feel good if you win.
And I'm the opposite.
I would feel worse if I didn't follow my convictions than if I lose this money.
But what's your goal?
Is there a point where you'll say, I don't want to take more risk?
Yeah, of course.
At this time, it'll shift.
As the principle gets large enough, then you don't need to have so much concentration because you can play it safer and you can take a lower return, will still yield, will still let you live a lifestyle that you want.
But if the principle is small and you're trying to live off 4% gains or 5% gains or 7% annual gains, you're going to have to sit there for 40 years.
And I'm just not interested in doing that.
Another thing is, what's your other situation?
How much income do you bring in?
I bring in a lot of income, so I'm not really worried about what happens if the market goes down, either temporarily or even permanently.
If I'm bringing in a healthy income and I'm young, I don't really have to worry too much about protecting this investment asset.
I can play riskier than my dad, who no longer can generate significant income and he needs to play it safer.
Yeah, we have different goals.
I think if you look at bodybuilders, for example, who are competitive, eventually all roads lead to chicken and rice.
All roads lead to chicken and rice.
Why?
Because when you look at macronutrients and when you look at where you're getting the highest bang for your buck, all professional bodybuilders essentially eat the same.
I'm being a little general here, but that's the case.
When you look at investing, if you look at the research and yes, you clarify your goals, but remember that in investing, a lot of people go personal finance is personal.
Actually, most people are mostly the same.
Let me say that again.
Most people are mostly the same.
They mostly want to make good money, be able to travel a little bit, et cetera.
Unless you are a wild outlier, then all roads lead to low-cost, long-term investing.
Again, there are outliers.
Sean, it sounds like you've thought that through, but the principles of chicken and rice and low-cost investing are the same.
Now, what are those principles?
I talked about that in chapter six.
There's a lot of people tossing around these things about, well, I chose this because the

market went down a little bit, so I put my money in here.
Over time, all those timing the market things have been blown out.
There are the rare exceptions who win.
Sam, you were referring to that.
We know some people who have won.
We also know a lot of people who lost a lot of money and they disappear.
They don't brag about their Russian fund that they picked anymore.
That's called survivorship bias.
It's important that we know the entire game of play and then we choose.
Otherwise, it's very emotionally tempting to be like, I'm a genius.
I have an edge, et cetera, but we have to all remember we are individual investors and even the pros who do this for a living with a bunch of other smart people and expensive technology, they fail to beat the market 80 plus percent of the time.
What are your money rules?
You need to have money rules.
What are yours?
I have 10 money rules.
I'll share some of them.
The easy ones are things like always have a year of emergency fund cash.
That's sort of a simple one.
Invest 20% of gross income minimum.
That's an easy one.
If you can't do 20%, do start with 5%.
The important thing is pick a number and automate it.
That's critical.
The different ones for me, my money rules are things like never question spending on books, appetizers, health, or a friend's charity fundraiser.
That's unlimited.
I have unlimited spend on that.
Why am I talking about appetizers?
It's meaningful to me.
When I was a kid, we couldn't afford to eat appetizers.
Now when I go out and eat with a friend, I'm like, whatever looks good, just order it.
We can get everything here.
Then it gets a little bigger.
Business class on flights over four hours.
That's a rule.
I don't have to debate it or think about it.
It's just boom.
It's done.
Be able to pay in full for large expenses like a wedding, a honeymoon, even a house.
Doesn't mean I have to pay in full.
I could finance it if the interest is low or whatever.

For the largest, most important purchases in my life, I don't want cost to be a factor.
If you're listening to this, some of these sound totally bewildering, maybe even ridiculous.
That's the point.
My money rules are mine.
They're not applicable to most people.
Most people don't care about appetizers, and most people can't buy a house all cash.
That's okay.
What I want to encourage you to do is to really write down your money rules.
Instead of having to make a thousand decisions every month about money, boil it up, roll it up to the things that are meaningful.
You'll notice on my money rules, which you can just Google, remits money rules, that the classic mistake people make,
what are your money rules? They're all restrictive. Never spend on premium this. Never do that.
I go, okay, okay. It's okay to have a couple of restrictive rules.
You want to save. You want to invest.
But let's also make some rules that are fun.
Money is supposed to be fun. It's not about cutting back on lattes.
It's about living a rich life.
Sam, do you have those?
Yeah, I have those.
Written down or just kind of like intuitive? I kind of live by these.
Or have you actually sat down and said, these are mine?
Well, so when I was 25, I made a list.
Maybe I was 22. I made a list. I said, here's how much money I want to have by the age of 30.
Here's how much I want to spend each month.
Here's what I want to purchase.
The budget that I made each month was based off of what I wanted to own and what I wanted to do.
I had similar rules that written down where it was basically anything health related.
In books, I don't look at the price. I just buy whatever I want.
I did not have any rules towards charity, although that's changing. I need to get into that.
But yeah, I worked backwards.
I had a target number based off of what I wanted to spend each month.
I wanted to be able to make that just off of my gains, like my passive income from index fund investing.
I wanted to be able to withdraw only 3% of that per year in order to pay for my monthly expenses.
I made that all up when I was 22, 23, 24. I forget the exact number.
By the way, when people say they want to withdraw 4%, do they actually withdraw it? Do you actually sell down 4% of your index funds or whatever to pay for your lifestyle?
Is that just a theoretical thing? I could fund this off just a portion of the annual gains.
Well, I don't use a drawdown. I'm not in the de-accumulation phase, so I have an income.
But eventually, one day, yeah. In fact, do people do that? Yeah, every retiree does that.
De-accumulation is done by tens of millions of people. They sell off a little bit every single year if they've got it, and that's how they fund themselves.

That's why it's called a fixed income.
There's other ways you could do it.
For example, I just invested into this real estate fund. It's a big one called Oak Tree or something, and then BlackRock or Blackstone.
What's the big guy? It's like the trillion-dollar real estate thing. Everyone has access to it.
Anyway, it pays, I think, a 6.5% to 7% dividend quarterly, and you can live off that if you put a fair bit of that.
Sean, it's a good question. There are other ways, too. Dividends are one.
Another thing that really wealthy investors will do is they'll simply take loans against their assets.
That's kind of what I was talking about.
You're going to talk about that for a minute?
Because you're not paying tax on the... You sell your shit, or you take a dividend, you're going to pay tax.
Your 6% is not 6%, but if you live off your loans, you keep your assets compounding. That seems smarter to me.
The loan thing is the craziest thing that I've just recently learned about this. It's taken me so long to grasp this because it goes against everything that I thought was true.
It feels illegal.
It feels illegal. Basically, when you get to... I don't know what the number is. There's some number where you can start borrowing money from big banks.
Right now, I think, what's the rate? My rate is 1.1%.
1%.
It's crazy. The bankers was like, yeah, look, and I built a widget so I could look at it. I'm just going to use a bunch of made-up numbers.
Let's just say that you have $10 million in an equity fund. You could borrow, I believe, if you have index fund up to 70% of that.
You can borrow $7 million.
The way the math works, and it's different for each person based off of the stocks that you own, but basically, you can withdraw, let's say, 30% of your $7 million, and the market would have to drop by 68%, 70% in order for you to even have to pay back anything.
Otherwise, you could basically have that outstanding forever, and it's only a truing interest at a 1% rate. You could use that money to live off of or you could use that money to invest in other stuff.
It's astounding to me. Rumi, you have a smirk on your face. Am I getting this wrong?
Well, I was born with a smirk on my face. I'm smiling inside, but I just look like this. In general, you are right. It is almost unbelievable.
The average investor does not have the ability to do this. They have access to it. They just don't have enough money for it.
I do want to point one thing. A lot of these seemingly too good-to-be-true things have sprung up and become popularized in the last 10 years.
Is there anything else that might have been going on in the financial markets for the last decade?
Maybe that would have enabled these things to become popular, such as record-breaking bull market and historical low interest rates?
Yes. We need to put this in context of history. You can borrow at a 1% rate, but go talk to your

parents. Ask them what their mortgage rate was when they bought a house in the 80s.
Yeah, but these rates are based, what's it called, the Libor? I forget what Libor stands for. I believe Libor has only been around since the 50s, but since the 50s, I think the highest has ever been is 3.5%.
That's interesting. I'd have to look at that. I'm not sure about that.
Is it fixed or variable?
It's variable. That's why it's dangerous.
Yes. That's my point, Sam. Let's talk about the danger. Again, I don't know if it has to drop by 68%. The banks can call in their loan once it breaks a threshold.
All of this is amazing until it's not. I don't mean to be the blood-eyed here or the boring voice. This is unfortunately what sensible investors get thrust into when there's an insane bull market.
You have guys like me coming on and saying, hey, it's cool. You want to put 5%, 10% of your money in some alternative investment? Awesome.
But remember, this doesn't always last forever. I've seen it myself three times in my life, and I'm not even 40 years old. I've seen it in the 2000 crash, 2008, and you could say March 2020.
That was temporary. But people are real tough until things go wrong, and suddenly you see people lose fortunes.
When I went to Omaha to see Warren Buffett at his conference, one of the things that he and Charlie Munger said was, we set up Berkshire so we can never run out of money.
And to me, that is way more inspirational than I eked out an extra 1.5% return at a much higher risk rate.
So I want everybody to know the game they're playing. Do you want to get 10% or 14% compounded annualized return rates? You can. It's possible.
You will take on a massive amount of risk. And when you think about it, it reminds me of what my trainer said, right? We were starting to lift heavier and heavier.
And I was like, oh, so like, how heavy should we go? And he goes, you know, at a certain point, you really want to ask yourself, do you need to put on that extra plate?
If you're competing, maybe, but there's a risk that you're suddenly taking. And we need to not just think about returns 14%.
When you think about what can go wrong as well. And for a lot of people, they have never done what you did, Sam. They never sat out and plotted out how much money they don't even know what they want to do with their money.
And so I want people to think a little more deeply. This is one of the most important things in your life. And for most people, you will find that if they get a nice, simple 8% annualized return rate over time, and they continue contributing, they actually have more money than they know what to do with.
It takes time. Yes. But I want to challenge people to really think about this sensible.
Yeah, I think one of the good things about what you do, but also one of the disconnects between what we talk about is your message to help a mass number of people as you have is a most people message.
You're trying to find the advice that you can give that most people took it would actually help them out and they may not have an outlier in either direction, negative or extreme positive.
And so you have most people advice. Our podcast, our podcast is the exact opposite. Our target

audience is for people who are trying to escape most people results.
They are trying to have a sort of out. How do you have a disproportionately outsized positive result, whether it's because you built this.
I think that's a good clarification. I will say, I think you earn the right to have an outlier result. You hear stories about, oh, let's do this startup and we'll make $10 million or $50 million.
Great. Those are extremely rare. And instead, my approach is layer it. So as I talk about an I will teach bridge. It's not just about personal finance about a rich life.
Start off, get your diversified portfolio. Never worry about that again. Right. I spend less than one hour per month on my finances.
Then you want more start a business, right? Make a huge profitable business. Or if you want to do a venture back business, great.
But you earned the right to be an outlier. It is extremely rare and very unlikely that someone's just like, oh, I have this cool idea for a dog business.
I'm going to make $50 million. That's my personal philosophy.
Right. And I think the bodybuilder analogy you said earlier is correct. But it's actually a different point to what you're making, which is most people don't want to be bodybuilders.
Bodybuilder diet is actually chicken rice and HGH. Right. And there's going to be a lot of downsides to the amount of stuff they're shooting into their body.
But they need to do it because that is that game. That is a specific game. Same thing with venture back startups.
Venture back startups is not just even business. It's the Olympics of business. Right. It's basically saying billion dollars a bus.
That's what you're signing up for. That's why it's really easy to shit on it or call out fairly that, hey, don't get caught up in the hype.
There are many other ways to win that are often easier, more pleasurable and whatnot.
But that is the Olympics and that's why it gets celebrated. Right?
We celebrate Michael Phelps, even though it took immense sacrifice for him to go earn those eight medals.
He swam six hours a day and ate 20,000 calories a day because that's what it took to compete at that level.
And so I think it's important for people to figure out what is the advice they want to take.
I always say this thing. I say, most people don't have good results, which is basically most marriages and divorce.
Most people are overweight. If you just follow what most people do, you will get the results that most people are getting right now,
which is not really lined up with what people want, which is to be fit, happy and successful.
And so you have to kind of figure that out. And I would say we're pretty aligned on that.
I think what you offer is a path that will work for almost anybody.
And what we sometimes talk about is a path that won't work for most people,
but for the few people who it will work for, it'll work in a big way.
And so it's like two different ends of the same thing.
Yeah. I think that's an interesting approach.
Interesting distinction to make between the two approaches. Sam, what do you think? You've been in

both worlds.
Yeah. So I kind of do this thing where I put, I like to have, I like to have, I don't even know what I call it,
but basically if everything goes to shit, I'm okay. So I like to have this base of security, this fortress of fuck you.
And I like to have that. And then anything above that, I go incredibly balls to the wall, totally risky with.
Sam, we're the same. I have what I call the track out of stability, right? Where I work or sorry, where I live,
these sort of basic fundamentals, health relationships, that's all dialed in.
It's relatively conservative, but then it allows me to be risk seeking on certain things like,
oh, let me try this random podcast with no business model whatsoever.
Or let me try this experimental program, et cetera, et cetera.
So I like that. But again, we need to know who we're, what game we're playing and who we are, right?
All things, you know, what does Mike Tyson say? Everybody's got to play until they get punched in the face.
Everyone's an investment champ until the market goes down.
And in order to see evidence of this, all you need to do is go to any investment forum,
including fat fire, lean fire, any fire, even the Bola heads forum and cycle back to what happened in 2008.
Cycle back to what happened in March, 2020. And you will, or my favorite is go to the crypto subreddits and you'll see people,
all the bravado fades away and they go, oh my God, I just lost my kids college friend.
You do not want to be in that position ever. On the other hand, you can make a lot of money if you have a sensible investment
or even a risk seeking investment.
But I think we're
none. Wow. I think what you and I slightly different or go different paths for me is,
well, I don't know if it's entirely true, but basically, I see, I have, I've got so many friends that like,
if I told you what they do, well, you're in the world, so you know, but if I told my parents what they do, they'd be like,
this is fucking nuts. And, and, and they would be like, what are you talking about?
Like, Sean is like that. A lot of me and Sean's friends, the guy Sean used to work for, Michael Birch was like that,
like, you are fucking crazy. This is nutty. This is not going to work. I have so many friends who they have made it work.
And I, and I understand that in order to have outsized results, you have to do some wacky ass shit sometimes.
And I accept that you have to, you have to be weird. I accept also that I'm not like that.
The other thing I'll point out is, it is not always true that to get more reward, you take more risk.
There are moments in time and the wise, good investor eventually identifies these and it takes time to develop this judgment.

There are times where you can take low risk bets that have disproportionate rewards.
And they're not often, and it's easy to talk yourself into thinking that everything is like that.
But, but, you know, sometimes there's this myth that, oh, if you want reward, you have to take massive proportional risk and it's not always proportional.
And, and those are actually the best opportunities. Those are the, those are the ones that you should be like pouncing on.
And maybe to others, it looks like you're doing something crazy, but if you have accurately assessed it, you may find that it was actually not as high risk,
but still high reward.
The way you do stuff, Sean, I think is just like the way I view it is like, I think it's crazy. And, but I accept that your returns might be massive.
Yeah, that's a good way to put it. I mean, everybody's playing their game, right?
But you, but to assess it, you need to assess it over the correct period of time and with the correct goals in mind.
Sam, you might be like, ah, you know, let's fast forward maybe two kids, not going to do that.
Sean might say, I don't care, or I put some money in the bank, etc.
There's a whole bunch of ways to evaluate, but I appreciate that, Sean, there are definitely different perspectives and I appreciate hearing, you know, what game you're optimizing for.
I think that, that makes sense.
Yeah, and what I would encourage anyone to do is I would actually start with your stuff and learn, learn the fundamentals.
It's like, okay, I, yeah, I sometimes do some street bullshit, but like, you know, you can only do that once you first understand the fundamentals, you do them for a while.
And then you start to identify, okay, where do I want to, if I am going to stray from the path, right?
If I am going to not play by the book, I better have a really strong reason to do so.
I rather have some, like, some real conviction or real knowledge or real point of view that I am willing and I'm, I'm, I actually understand what the heck I'm doing.
I understand that the risks that I am taking with, right?
So you want to start there, not start with, oh, I saw this dude on Reddit did this thing.
And so I'm going to go YOLO, that same trade.
And I don't even know what the hell I'm actually doing.
Yeah, whenever you see on Reddit, you should immediately close that window and never listen to any financial advice on that fucking site.
Listen, you need to be able to answer some basic questions if you want to do all this risk seeking stuff.
You know, what does diversification mean?
What is the typical asset allocation for a 40 year old?
And why?
Where does this 8% return per year come from?
Where's, what is that?
What's the rule of 72?
When is my debt going to be paid off?
What do I actually want to do with my money?

If I had 500K, a million, five million, if you can't answer these questions, you are not ready to begin taking all this astronomical risk.
Again, none of this matters because none of these people are listening to me right now.
They shut this off two hours ago.
They're like, fuck this old guy, I'm a risk seeker, he's so old.
No, time will tell, but I would strongly encourage you to be able to answer some of these basic questions
before you choose your own path.
And many times what I find is people start off, they're really gung-ho.
They get into this, they're like, oh shit, this is actually really easy.
I spend less than an hour a month.
My money's growing like crazy.
I don't have to worry about it ever again.
We're going to be multi-millionaires.
Let me live my life.
That's way more exciting than optimizing some bullshit 0.5% return.
You know, I've been telling you about this too.
That's why I told you, stop talking about your 3% drawdowns.
That's all great when you're 21 and it's cool.
Now let's talk about where you're going on vacation.
That is way more interesting.
Bro, you told me where to go.
I booked my tickets.
I had my European trip planned.
It got canceled because of Delta, but I do what you say.
By the way, let me share your side of the story on the engagement ring.
You gave Sam some advice on the engagement ring.
What way?
Okay, so, you know, Sam is a very good listener.
Sam, I have to say, I appreciate you.
You asked for advice, which is rare, and you listen.
So I'm always like, yeah, let's talk.
So he comes, he's telling you about, you know, he's going to propose.
And, you know, I got married three years ago, so I went through the whole process.
And I got very deep into the whole wedding thing and all that stuff.
And people like, oh, was your wife like a bridezilla?
I was like, if anyone was going to be azilla, it was going to be this groomzilla right here.
Because I knew like, oh, I was loving.
So just a couple context.
Part of my philosophy is save for the big things before you need them,
because you know that they're going to happen.
Most people are going to be married.
So I started saving, putting money away from my wedding and my honeymoon, like in my 20s.

Before I even met my wife.
Why?
Because I knew it was going to happen one day and I wanted to have an awesome wedding, an awesome ring, awesome honeymoon.
Again, my own philosophy for the important things in life, I don't want to have to look at the price.
Okay.
So a lot of people like, that's crazy.
Why would I start saving when I'm not even in a relationship?
That's weird.
I go, what's weird is to get to your wedding planning and not have enough money.
Or, you know, basically just have to make all these short term decisions.
Some people go into debt for their wedding.
I don't believe in it.
I want you to have an amazing extravagant wedding if that's what you want.
Or a beautiful honeymoon or whatever.
I want you to start planning for me.
So Sam comes to me.
He goes, hey, I'm thinking of giving this thing.
I said, oh, cool.
You know, how are you thinking about it?
And he tells me, yeah, I have this like budget in mind.
Five grand.
So I said, yeah, thank you.
I was like, you, I was like, no, you're going to spend more than that.
Now, why did I say that to him?
Because I know how much money he has.
Okay.
And I know that there are certain benchmarks and certain numbers that if he had, if he was a school teacher and he told me five grand, I would say, oh my God, that's amazing.
Like she's going to love it.
And then I went a little deeper because Sam got very quiet.
Sam knew he was being cheap, but he didn't know how to articulate.
He had a lot of emotions running through his body.
I said, Sam, let me ask you a couple of questions.
Because he started off with this utilitarian Silicon Valley.
Oh, you know, it's all, you guys already know the arguments.
Oh, I don't believe in diamonds.
It's all made up.
It's so fake.
Well, why don't we just get this bullshit, you know, and I'm like, okay, Sam, let me ask you a question.
Does your fiance care about rings?

No, no, no, no.
She's not that kind of person.
I said, oh, okay, okay.
Hey, out of curiosity, does she have the Pinterest board?
He goes, oh yeah.
I go, what's on that Pinterest board relating to rings?
Oh, she's been like tracking rings for like the last 15 years.
I go, have you talked to her about this?
He goes, well, she did mention that she kind of wants, like, and then he breaks down like the entire thing of what kind of ring she wants.
I go, Sam, you can afford it.
This is important to her.
This is not about you and your dumb vision as a 21 year old utilitarian.
It's about what your future wife or the rest of your life wants.
This one thing.
And Sam was awesome.
Sam, you listened.
You were like, oh, like he never thought about it like that because it's all tech grows.
He talks to you.
He's someone who actually, you know, let's talk about the softer side.
And it was awesome.
Sam, take it from there.
What happened when you went to get that ring?
Yeah, I'll say I was going to spend five grand.
I was like, I can't do this anymore.
And I ended up, I think I spent a lot, 28, 29, $30,000.
It's not about the money, Sam.
It's not about the money.
Why did you do that?
Do you want the details of the story?
People want to know.
You're right.
They want the details of the story.
I've given the details of the story and looking back, the money, it didn't matter at all.
And she was incredibly happy.
And I felt so proud.
Dude, my man.
So I'm happy for you.
I'm happy for your wife.
I actually, I'm glad you mentioned the numbers and you guys are awesome on this podcast.
You're always mentioning numbers, which is very rare.
So I love it.
But what I want to emphasize is that at a certain point it's actually not about the dollar value.

And people, particularly entrepreneurs and particularly tech guys are obsessed with monetization.
They're always talking about numbers.
Yeah, you should know your numbers.
Yes.
But a rich life is so much more than your numbers.
Just think about this.
When you went home to visit your parents and you hugged your mom or your dad, did you think about, oh, how much is this costing me in my hourly rate?
Oh, how much did my mom pay for that chicken because we could get it cheaper at Costco?
No.
The most important thing in life are actually not quantifiable.
So what I want to emphasize is that we are taught from day one and I started a Silicon Valley tech company.
We raised money.
I've done all this stuff.
So I know what I'm talking about.
We are taught that quantifying is the most important thing you do.
What are your metrics?
What's your attribution?
What's your conversion rate?
That's all we talk about.
And yet in the most important things in life, sitting outside on a picnic with our kids, being able to extend your lunch on a weekday with your friend from college who just happens to be in town.
Money is irrelevant.
The number is irrelevant.
Being able to do it is rich.
And so for Sam, Sam, I fucking love it.
You did it.
The money part, irrelevant.
You had the money.
You could do it.
More important was recognizing my wife wants this.
It's important to her.
And I'm going to rewrite my old story from when I was 21 into a new man and a new partner.
And I'm going to use some of my resources to do it.
And that, that is connected and amazing.
Well, thank you.
And we'll have to end with that beautiful, that beautiful little model log there.
You're the man.
What's the name of the podcast again?
I will teach you to be rich with Ramit Sethi.
And I'm looking it up now, we're going to link to it.
Thanks, dude.

This is awesome.
But you have a link that you go to, too, right?
Yeah, you can go to IWT.com slash podcast or it's on Apple or Spotify.
Thanks, man.
This is awesome.
What do you say, Sean?
Yeah, thanks for coming on.
Sam, I think you and Sarah should go in his pod and be one of the couples.
I'm down.
I'm down.
You guys would be amazing.
That would make me uncomfortable, but I would do it.