



EPISODE 923

Build Financial Fitness & Transform Your Relationship With Money

With Guests Cody Sanchez & Lewis Howes

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SHAWN STEVENSON: We want to strive to have good levels of health and fitness in all areas of our lives. We don't want to have one pocket that's compromised in making us susceptible, and so that's what we're really dedicated to here with the Model Health Show is addressing our nutrition, our sleep habits, our relationships. Our relationships definitely have a huge impact on our wellbeing. Exercise, of course, stress management, but one of the most overlooked aspects of our health and wellness, especially today, has to do with our financial wellness. Struggles with our finances have a huge impact on our mental health, our physical health, and the quality of our relationships.

It is one of the, if not the biggest conflict in relationships, and a study cited in the Journal of Family and Economic Issues found that financial worries are a leading cause of psychological distress in our society today. While a meta-analysis published in 2022 and plos one determined that financial stress and depression are intimately linked, we know that financial wellness is a huge issue today. But most people are not remotely aware of how to fix it, and that's why I want to continue to bring on the leading experts in this subject matter with practicality, with insights, with compassion, and also with experience. I think some of the best teachers are the people who figured things out, coming from very, very difficult circumstances and who are willing to share with an open heart and to help us all to understand this gap, like this is a big gap in our education.

I went to a conventional university. I actually took a finance track in one part of my college education, and I came away knowing next to nothing. It is a very antiquated system when we're talking about traditional education because things have changed so much. So fast, and it really starts with our relationship with money. It starts with our identity when in the context of money, it starts with knowing practical things that actually work. And so with that said, today's episode, I've got two leading experts who I know personally who've transformed yes, their own personal lives when it comes to financial wellness, but they have successfully helped tens of thousands, if not hundreds of thousands of people at this point collectively to improve their financial wellbeing.

Now, before I introduce you to our first expert, I don't know about you, but one of my family's biggest expenses is our grocery bill. I got two sons living with me at the house and we're all about, we're all about that fitness life. We're all about our gains. So that grocery bill can be looking at me sideways. And one of the ways to be more financially savvy, you know what this episode is all about, is to save money on the things that are our consistent priorities, the things that we're consistently purchasing, finding ways to save. And we all know that organic foods, grass fed foods and foods without all of the newly invent synthetic chemicals that are so rampant in our food supply can sometimes come with a premium price tag, but it doesn't have to.

Now just look at what we know about the difference between grass fed and grain fed now. Research published in the British Journal of Nutrition found that the beef from animals fed an abnormal diet of conventional grains contains up to five times less. Omega-3 fatty acids than what's found in grass fed beef and abundant omega threes are a crucial missing factor in our diet and our metabolic health. And this data was cited in the European Journal of Clinical Nutrition reporting that omega threes have anti-obesity effects and improves levels of a satiety hormones. While research from the College of Agriculture at California State University assert that grass fed beef contains elevated precursors for vitamin A and E, as well as increased disease fighting antioxidants like glutathione and superoxide dismutase compared to grain fed.

Now, this is just some of the cutting edge signs that we have on the difference between the two. And if you choose to eat animal foods, you better know the difference today, and this is why I'm such a big advocate for getting out and going to your local farmer's markets and also utilizing companies like wild pastures. What I love about wild pastures is the heart and transparency that they put into their food. Wild pastures delivers 100% grass fed and grass finished beef pasture raised, pork pasture raised chicken and wild caught seafood. And all of their products are sourced right here in the USA. And what takes this up, another 10,000 notches, is that this is beyond grass fed.

This is beyond organic. This is wild pasture sources from regenerative family farms, pastures that are free from pesticides and other chemicals. There are no antibiotics, no added

hormones, no steroids, no feedlots, and absolutely no genetically modified organisms. Fast delivery from their farms right to your door. And right now, when you take advantage of the Wild Pasture subscription, you'll receive 20% off for life. Free shipping and \$15 off of your first order, just go to wildpastures.com/model. That's W-I-L-D-P-A-S-T-U-R-E s.com/model. Take advantage of this. It is so unique, so powerful, so special, and we are voting with our dollars. This is a way to save money, but dramatically increase the quality of food that you're eating. Go to wpas.com/model and now let's get to this Spotify review of the week.

SPOTIFY REVIEW: Another Spotify review from Rob. Shawn, thank you so much for having the courage to touch on this topic where most big names in the health podcast space will go nowhere near it. You're doing amazing work, bro.

SHAWN STEVENSON: Amazing. Thank you so much for sharing your voice over on Spotify. It's amazing because we can now leave reviews for shows. We can leave comments on individual episodes. And also, of course, you can rate the show as well, and it really does mean a lot. That comment was from the recent Critical Truth about Vaccine Safety episode with Dr. Joel Warsh, and if you happen to miss that episode, that is one you do not want to miss. It's a very, very important conversation. But again, thank you so much for sharing your voice. Whether you're listening on Apple, whether you're listening on Spotify, checking out the YouTube channel, please share your voice. Take a moment, share your voice, share your heart. It really does add to the energy of things, and I appreciate it so much. And now let's get into this very special episode dedicated to your financial wellbeing.

In this first segment, you're gonna be hearing from the one and only Cody Sanchez. She went from Wall Street to Main Street and was shocked at what she discovered. After earning her degree from Georgetown, she was disillusioned with the financial industry where the few controlled the money of the many. She launched her company Contrarian Thinking, to share real world effective financial education, and is now one of the most elite and most viewed financial educators in the world. In this first segment, she's gonna be sharing the surprising truths about saving money and the shocking impact of ownership. She's gonna share the power of exposure and environment when it comes to poverty and wealth, and also why

there are generational changes happening right now. That can transform your financial wellness. Enjoy this first segment with the amazing Cody Sanchez.

CODY SANCHEZ: You can achieve financial freedom through saving over decades. So if you are comfortable with waiting to become a millionaire until you're 65 plus compound interest and investing over time, has proven that is totally feasible, and possible. The problem is that then your best years, they're behind you. And so I don't think that we should believe in getting rich fast and I don't think we should believe in get rich quick schemes, but I don't think that saving our way to 65 to where we finally have a time to enjoy life then makes a lot of sense to me. I think there's gotta be a middle road, and the middle road being, we combine earnings plus savings, plus investment opportunities, plus risk in order to make more money. And you know, we, there are a couple statistics that like shocked me. And one was that, you know, if you wanna be a millionaire in the US 60% of all millionaires own a business.

They have ownership in something. They don't have to own the thing outright, but they've got a percentage of equity in a business that is a private equity investment. If you wanna make like that level of money. So let's say 30 million plus 80% of people, 88% of people who are worth 30 million plus they have ownership stakes in companies. So you can be an employee and make a lot of money, but what you should be trying to do is during your employment, take that money and invest it in things that get you equity. And this is my big pushback with entrepreneur porn today, is there's a lot of people that are like, go all in on your own thing.

You know, only do you, sleep on the couch, you know, start in the garage. I don't think that they've looked at the statistics on that because what you would be much better off to do is instead of taking a 90% failure rate, which is what most startups have over any 10 year period, and a three to four year period in which you make nothing. Why don't you take a hundred percent rate of you being able to afford your mortgage AKA, a job and take the money you make while you for sure can afford your mortgage and start investing some of that in the, on the side, along with your skillset to get some equity in companies.

And I think we usually only think about that in, in Silicon Valley based startups, but it can be available for all if we actually knew how to negotiate and provide real value and we stopped disconnecting what we do for a living. From how we make money from the company, those are totally divorced. But if we brought those back together again, we would know how to negotiate with our companies, with our vendors, and how to bring deals to the companies we work for so that we could all have more ownership. But education has taken that away from us and we think only the owner at top can own anything. And I have to go all into my business if I ever want to become an owner of anything, and I've gotta travel through this death zone of 90% failure rate in order to one day, maybe become the 10% that's profitable.

SHAWN STEVENSON: Right? Maybe.

CODY SANCHEZ: Maybe.

SHAWN STEVENSON: And the odds are against you versus this is more of a very practical, proven method. And you know, we think about Wall Street in relationship to money, and you are bringing this paradigm of Main Street millionaire. And you mentioned investing and having equity in a business. Right. Can you talk a little bit more about that? Because when I hear that initially, if again, if I wasn't exposed to your work, I'd think like that's not something that I could do. Like it would be if I was like a part of something getting started.

CODY SANCHEZ: Yeah. Well, there's two things I want you to think about. If you wanna make a lot of money and you wanna never have that feeling again about, you know, I don't know if I'm going to be able to afford the things I need to enjoy my life, or just get by, man. So if you wanna never have that feeling again, the first thing is I think people should start taking on what we call an owner's mindset. This is extremely rare. Rare in a world in which we're all victims all day long. It's somebody else's fault. It's somebody else's problem. It's not ours. Owner's mindset is this, that no matter where you work or what you do, you act like you own part of the place and you, and what does it mean to be an owner?

It means you understand how the place makes money. It means you understand how you make money for the place. It means that you understand and are aligned with the company

on helping it grow overall. It means you're not an I, you're a we mentality. And if you have this type of owner's mentality, you can get a percentage ownership in any business over time. And how do I know that? Well, you know, we know that even the guy who came up with Cheetos, for instance, was a janitor at Pepsi Coke before he created the idea for Cheetos. Then he climbed the corporate ladder. He came up with this idea for Cheetos. He got equity in the company. Now he's very, very wealthy.

This is available at almost every single company out there. The problem is most of us don't care enough to become valuable enough to a company for them to consider giving us equity or allowing us to invest in order to get equity. Two paths. And simultaneously, most of us don't wanna have an owner's mindset. We wanna say like, not my problem, not my thing. Boss, increase my salary, boss, make it easier for me, make it somebody else's problem. So I wanna change that mentality. And the third thing that I think we should really obsess on is like there aren't very many chances in life we get for a generational wealth creation event.

I had an old economist, and I was in 2008. I was working at a financial firm. And I remember in 2008, 2009, 2010, that Economist was speaking to a group of people, his name's Brian Westberry. And the group of people were, they were asking about what stocks they should buy during that time period. And Brian's answer was yes, yes. The whole market was completely depreciated. The whole market was on sale. What stock? Yes, largely. Now, if you had asked Brian then 5, 6, 7 years later, what stock to invest in more particular, but the whole market was on sale during that time period. So there were lots of us who got lucky and, you know, I bought some Goldman Sachs stock and that stock and everything else was a yes back then.

Well, right now we have something very similar happening, which is what I talk about, the baby boomer retirement, the silver tsunami, and the fact that we're having small businesses everywhere, either have their owners age out or start shutting their doors. It's happening around the world. And what we don't have is we don't have enough buyers who know how to buy businesses to take over these small business owners. And we don't have actually enough sellers, AKA owners of small business that know that they have sellable assets and know how to sell those assets. And so I think we are sitting on one of these generational wealth creation

events and if we understand how to deal with deal making, if we understand how to be owners in our mindset, we can actually set ourselves and our future generations up for success. And that doesn't happen that often.

SHAWN STEVENSON: Simultaneously we also have the great resignation.

CODY SANCHEZ: Yep.

SHAWN STEVENSON: Going on. And I see some, a bridge there potentially. Let's talk about that.

CODY SANCHEZ: Yeah, you're right. So, you know. We've talked about this for a while with young people, our generation and those younger than us, opting out, basically right? Quiet, quitting. They don't wanna work at big companies anymore. They want to have work life balance. And I understand why. You know, for the first time ever, a 30-year-old today makes less than a 30-year-old, than their 30-year-old parent did at the same age. So for the first time ever, we're not progressing in American society for this generation on a dollar for dollar basis. Simultaneously, houses are more expensive than they've ever been.

Credit card debt is at all time highs. Student loan debt is at all time highs. Inflation is eating away at our dollars, and although we have a very low unemployment rate, our wages haven't increased. We have really bad wage stagnation, even though we have productivity that's increased. And so young people are like it, like I'm not making more money. I can't afford anything, so I'm just gonna go to a Taylor Swift concert that costs \$3,000 'cause I can't afford my mortgage anyways. Right? And so we see a lot of this yolo attitude happening in the world from, you know, online apes and NFTs to Taylor Swift concert tickets at crazy valuations.

Why? Because young people are like, what am I saving for? And I can't earn enough to actually invest in assets. So there's a big opt-out culture. They're like, I'm over it. I'm over it. And I think we have an opportunity for this generation if they wanna work hard. And if they actually wanna do the only thing that I know for sure leads to money, which is short-term pain for long-term gain, then I think they could be the buyer of the baby boomer that is selling their

business. And if you think about it this way, these two generations have hated each other forever, right? You know, they've been like, okay, boomer. And they've been like, you know, oh, lazy millennial, right? Like out each other. But what if they're actually the solution to each other's problems?

What if like your parents' friends who are 65 plus looking to retire, they don't have kids, or their kids don't wanna take over their small business. Can we go back to how this country started and have you apprentice under one of those, one of those owners. Learn how their business works and eventually take over the business and pay them a royalty or an annuity for their business. Is it immediate rich? No. And, and why would I go screaming about this on the internet? You know, Warren Buffet has like the best line. Remember Jeff Bezos asked Warren Buffet at an event. He said, why do you tell everybody about your strategy if it works so well? Like if it works year after year, why do you tell everybody?

And Buffett said, 'cause nobody wants to get rich slowly. And I think that's the same feeling I have. You know, if you are willing to put in three to five years of learning, deal making, of finding deals, and then getting ownership in businesses, your next 30 to 50 years look totally different. And I'm willing to talk about it on the internet because there will be very few humans who are willing to do what it takes, not what they want.

SHAWN STEVENSON: Yep. Yep. We evolved having this apprenticeship. Yeah. You know, just taking, kind of taking over the family business. But today there's so many options, right? And we go to school and we are educated in all these different modalities. And then we're supposed to figure out what do you wanna do from all the thousands and thousands of choices. And oftentimes we don't have a great model. We don't spend time learning how to be actually successful in that thing. There's usually a handful of superstars in any, any industry, and the rest of everybody's just trying to make it. And so getting back to that mindset, not just going back, but like doing it better with intention, like I'm choosing to apprentice this particular domain.

And seeing, man, one of the greatest things about this and this experience is that you're telling people exactly the types of businesses that tend to do extremely well from an

investment perspective, but this isn't the flashy, you know, like get rich fast type of mentality. So can you talk about some of those businesses for people to consider as far as investments and then of course. I know people are gonna be like, well, where would I get any money to invest? And so let's talk about that as well.

CODY SANCHEZ: Yeah, well let's, I mean today, great example announcement came out. Jersey Mike's sub chain sells to Blackstone for \$8 billion. So it's a sandwich shop. It's a sandwich shop that's just sold for \$8 billion. We have, I mean we have, in our portfolio, we have a company called Resi Brands they own one company called that one painter. This is Steven, who started as a painter 11 years ago. Just painting. And, 11 years later has a business that'll do 40 to \$50 million, this year in revenue.

Bootstrapped entirely. We were some of the first capital he ever took into his business in order to get it to the next level. 'cause he wants to build a billion dollar painting company. You know, we got two young kids in the portfolio. They run a company called Pinks Window Cleaning. They started pinks with a couple bucks that they had individually. They clean windows, they got these cool outfits. They have a brand, they have like real swag about how they do things. And just one of their locations, those \$3 million a year in Austin. And so my point is all around us are what I call these main street millionaires. These standard small business operators who aren't investing, inventing the next Tesla or Tinder, but they are instead making a business that we need.

We need our windows to be clean, we need our roads to be paved, we need our roofs to be fixed, we need our houses to be painted. And there's a lot of competitors, but there's a lot of demand and our competitors aren't that good. And these businesses have an opportunity to be revitalized. And so these boring businesses are all around us and they cash flow. And the interesting part about them is how do we know that they're gonna continue to cash flow in the future? Well, nobody gives loans to a painting company. You know, nobody gives VC funding to a window cleaning company. That just doesn't happen. It probably will in the future 'cause I won't shut up about it on the internet.

But prior to this, you knew these companies were profitable because they had no choice. Nobody was giving them money to burn like a SaaS marketplace. And so I think we gotta get back to realizing that these businesses in particular have a ton of profitability in them. Now they're not huge margin businesses where you can sit on your computer in your ivory tower, make 80% margin, not work very much. Like you can't do that. You gotta get your fingers a little dirty. But I'm not sure it even makes us happy sitting behind a desk on Zoom meetings all the time. Remote working for a big tech company. I think we were sold a lie. And in fact, if you met my pink skies, if you met my painter, Steven, those are some happy motherfuckers that are out there making millions of dollars and also making their community a little cleaner again.

SHAWN STEVENSON: Yeah. Yeah. You share some statistics on this as well. Just even working in businesses like that tend, people tend to be more happy.

CODY SANCHEZ: Yeah.

SHAWN STEVENSON: From the proprietor themselves to the employees and we have this huge wave of people. There's so much unrest and unhappiness in our modern businesses. Part of this is the corporate capture. And this was one of the things that really was like, I've got to talk to you, was you brought this right to my face that there's this mist creeping in with all these massive, well, this is not that many, these massive corporations buying up small businesses and buying up homes right now. All right. Can you share a little bit about that? What's going on?

CODY SANCHEZ: Yeah, I mean, perfect example. Jersey Mike's with Blackstone. I mean, basically what you have in the world today is you have three companies that control, 40% of all public stocks. That's BlackRock, state Street, and Vanguard and I worked at two of them previously. Now, a lot of people might say, wait a second, those are passive funds. Those are exchange traded funds. So they don't actually own all those companies and actively operate them. They don't, but they have what's called governance over those companies because they own the shares. And Bill McNabb, who is a CEO of Vanguard, has said publicly, we are not passive in our governance.

So our big public stocks, we have three companies that own 40% of our entire stock market. When it gets to the S and P 500, those same companies own 80% of the S and P 500. There are very few that own on top and the rest of us have to say thanks. Then we go to the private sector and in the private sector, in 2000 we had private equity owned 4% of US companies. Flash forward to 2020. They own 20% of US private companies. We are having this creeping mis of the few owning everything, and the way that we push back on that is not shopping local, although that's great, but instead it is actually owning our own businesses. And here's the upside. We know that when we go into a Starbucks these days, our experience is much less fun, kind, pretty unique than going into a local coffee shop.

Taylor and I were just in a lovely local coffee shop here. It was great. They were super nice. They had fun pillows. It felt good in there. They had a little candle burning. You'll go into Starbucks, they spell your name wrong. They're a little angry that you're there. It's pretty dirty. Coffee's not very good, right? So what happens at scale with some of these companies is when they're community businesses, they lose their community soul. So we can actually compete with the big guys. And I believe that to be true. And if we can compete with the big guys, that means we get to keep the profits. They don't. You spend a dollar at a local store.

We have 60 cents of those dollars stay in your local community. You spend a dollar with Amazon, only 10% of that stays with your local community. So we are having all of this consolidation of money and it's not, 'cause Bezos is a bad guy. He's a brilliant fucking businessman. I'd never wanna compete with him. But the problem is, incentives are misaligned when there's no skin in the game. And the last thing I'll say is what I'm really concerned about is if we don't take this opportunity to go and buy our businesses back, we are going to have a massive tragedy of the commons. And the tragedy of the commons is an economic, it's an economic phenomenon where when nobody owns anything or when everybody owns a little bit of something, then everything falls apart.

And let me explain what I mean by this. If you go to section eight housing, if you build Section eight housing, which is owned by the federal government subsidized and you allow people to live there, but they don't own anything in the Section eight housing. There's no home ownership versus the same exact building right next to next door to it. Same construction,

same purpose. But you allow these people to have ownership in the non Section eight housing. Which one do you think depreciates faster? Section eight, rapidly. Why? Because you don't burn down the house that you own, but you don't really give a shit about the bird scooter that you ride down the street that you throw over on the side of the road and you beat the hell out of 'cause it's not yours. It's human nature. And so I'm very concerned that if we don't start owning these small businesses, then nobody cares about our local community 'cause we have no skin in the game and we become an entire nation that quietly quits.

SHAWN STEVENSON: For me, I'm all about getting to the root cause. All right. And obviously we're, as we talked a little bit about being programmed to be poor.

CODY SANCHEZ: Mm-hmm.

SHAWN STEVENSON: And because I grew up, I living in section eight housing. Alright. So when you asked how do I have any experience being poor, yeah. We had, we got Christmas gifts from a charity, you know. And, you know, having that experience, there are certain things that change the course of my life.

CODY SANCHEZ: Hmm.

SHAWN STEVENSON: And to look back and to know, and these are some of the things you point out 'cause right now you're like, what is he about to say? These are things you specifically point out that can change the trajectory of somebody's life and it was exposure. Right. And you talk about this economic interconnectedness. And how that can literally change your financial outcomes because our environment has a huge impact on our outcomes, especially financially. But what if someone comes from lesser means? What if somebody comes from a very poor environment? They're growing up in a, in a glorified food desert. They're living on section eight. What makes the difference? Because there is a difference to be made, even if you're coming from the worst of circumstances.

CODY SANCHEZ: Yeah. It's so fascinating studies on this.

Basically, one of the studies that I dug into was about the fact that if you have a group of young people and they're all in, let's say St. Louis, it might've even been St. Louis where the study was. Well, let's say this group of, there's two groups of people, they're both in St. Louis. And, both segments have the same economic background. So by and large, you know, family A makes \$50,000 a year. Family B makes \$50,000 a year. Two parents, you know, the kids are the same age, almost all things being equal, but they live in slightly different sections of St. Louis.

Now, the average of both of the communities that they live in is about the same income wise, like about the same, maybe the average income is \$50,000. But in community A versus community B, there are some outliers. There's a lot more outliers. There are some people that make 150. There are a few people that make a million in that neighborhood. And so the people who don't make a ton of money engage more with people who do make a ton of money. And so we have rich and poor just. Just swapping stories, maybe hanging out, maybe going to school together. What's fascinating, a long-term study over many, many years shows that all things else being equal, the group that had more interactions with rich people than the other group over time made 30% more money, material, degree of wealth over their lifetime.

And what I thought was fascinating about that is it goes to show the importance of exposure to your point to how can you get around a few rich people that get you to just see the world a little bit differently? You know, I was living in Washington DC and I lived in Columbia Heights. And, the area and I lived, that I lived in was not very nice. Some of it was gentrifying, you know, some of the houses were whatever. But one of my neighbors, who lived right next door, Terrance, he had never been on a train, never been on a plane and never left DC. And, Terrance was really, really cool and would kind of look out for the rest of the people in the neighborhood.

And so he brought over a young woman who would come and study at his house often. Her house was more tumultuous, so she couldn't study very well there. And Terrance was old. I mean, he must have been. He looked great. He was always gardening, but he must have been in his eighties. And and this young woman, I won't say her name, but she, I remember when I

first met her, she was like, what do you guys do? 'Cause you look rich. And I remember kind of laughing because you know, as you're older you forget that you think things like that when you're a little bit younger. But maybe don't say 'em. And I was like, well, you know, I kind of explained what we did. And she goes, so you like went to college? And I was like, yeah, I did.

And so I started talking to her about how do you get in college and what happened? And she told me that nobody in her family had ever been to college. And she actually didn't know really anybody that went to college. And this is Washington D.C. the capital of our country, like one of the power centers of the world. And yet in this little neighborhood there was this bubble where. People really didn't escape it or get out of it, or they got pushed out of Columbia Heights into another neighborhood as it started to gentrify. And I remember talking to this young woman and, you know, explaining that there are all these things called Grant and you go to the library and we could show her how to do that.

Anyway, my husband actually helped her more than I did. I don't wanna sound like I was like a, you know, it was all her decision to make changes in her life. But I remember in that moment thinking, man, one meeting, one question could actually change her trajectory of your life. And I got lucky that my parents had a few friends that were well off that I could kind of see.

And I got lucky that my parents worked really hard to be like the non nicest house on the best block that we could be in. And because of that, probably it changed their trajectory of my life forever. Yeah and I always liked that saying too, that you can't be what you can't see. And so, you know, if, if you don't see other people that look like you have a background, like you achieving the things you want, you kind of think that maybe it's not for you. Yeah. Maybe that's for people that are something special, not like you.

So I think that's, it's really important. And you know, I think also it. Your generation, our generation as dads is really, really cool because, you know, like my dad for instance, he, he was probably, he was like you in some ways. So when he grew up, his parents worked super, super hard. But, you know, he would tell me that his grand, my grandfather, his father could never come to any of his sporting events. He was always working. Like he, I don't think he'd ever

probably seen my dad do that. And they didn't have like, the type of relationship that I have with my father and my brother does with my parents.

You know, it was, it was dictatorial. It was, it was not a democracy in that family. And, you know, it wasn't participating either. It was like, you do this, you're the kid, you go, I try to do the best I can as a dad. And so my father broke that cycle with me. Like, it sounds like you're doing with your kids. You know, he was at every single one of my sporting events, um, he coached a, you know, a girl softball team, which is like a second level of hell in general, you know, and then in Phoenix, Arizona, where it's 120 degrees awful. And, and he was at everything. And I think a lot of times people ask me, you know, like, what was, what were, what was your family like, like you turned out, okay.

So how, how do you think that happened? And I'll, I give a lot of the credit to my, my dad and my mom. 'cause he just showed up for everything, coached everything. And then my mom made sure that education was a top priority. Like it was not an option to not be educated. And, for first generation, I think that that makes a huge difference, you know?

SHAWN STEVENSON: Yeah, absolutely. Absolutely. So with that being said, I want to talk about. How people can get started.

CODY SANCHEZ: Mm.

SHAWN STEVENSON: Alright. If people are wanting to create real financial freedom for themselves, if they're wanting to help to surpass or move past the number one stressor in our culture today. Again, the Journal of the American Medical Association, JAMA has affirmed upwards of 80% of all physician visits are for stress related conditions. And the number one stressor in our world today is money. And yet we're not taught about money. So with that being said. Let's talk about the rich acronym.

CODY SANCHEZ: Oh, of course.

SHAWN STEVENSON: Yeah, let's dig in.

CODY SANCHEZ: Yeah, so in the book here, here's my idea. There's many ways to get rich. I think we have this generational wealth creation event happening. So if you buy into what I'm saying, which is that there's about, let's call it somewhere around 10 to 11 million small businesses for sale in the US right now. Most of these businesses were, will not be bought or sold. They will close. That means we have a massive supply of businesses available for purchase that are profitable businesses that people can take over and run. So if that is true, then the question is, well, how do I learn how to do that? 'cause we're not taught that. And so I started obsessing on this book about three years ago, and the idea was I take everything I've learned in private equity and investing over the past long time, 15 plus years, and can I consolidate how to buy a business into a book?

That's as short as humanly possible and as long as it needs to be. And, so we had this idea that there are really four steps to buying a business, and it starts with R. So that's research. First and foremost, if you have \$10,000 to spend, if you have a thousand dollars to spend, if you have a hundred dollars to spend, I believe you should spend it on yourself first, which means I want you to invest in your education before almost anything else. I want you to spend this time learning what businesses are appropriate for buying. How do people buy them? What is due diligence? How does it look like to finance these businesses? What does it look like to structure the deals and close them? I want you to do your research. That is, research is the foundation for riches.

Then after we have learned the core tenants of how to buy a business, then we start moving towards investment. So now how do we take either our dollars or other people's third party dollars and invest in these businesses in order to get a return for us, them, and help the owner of the small business? Then we get into command. So now how do we become not owned by our business, but the owner of our business? How do we take over a small business, have it run profit profitably, but not have it be miserable? Let's get in command of what it means to be an owner. And then finally we have harness. And harness is where we start thinking generational wealth.

So how do we learn how to do multiple deals? How do we grow said business from zero to, you know, 7, 8, 9 figures. How do we build a holding company if we want to? Or how do we

continue to do acquisitions just like we would real estate transactions from our first studio that we might own to our next apartment, to our first house, to a multifamily unit? And I want people to think about buying businesses, kind of like we think about buying real estate, except these things actually cash flow as opposed to most real estate is just for taxation. So that's what Rich is. It's research, invest command, and then harness.

SHAWN STEVENSON: Awesome. Awesome. I love that you mentioned how important it is for the research part. And I think that that can be overlooked, especially if somebody's motivated, they're excited, they can just go like, well, I can invest in this laundromat, this down the street right here, or go and talk to them. But finding out how to go about it is super important, obviously. So can we talk about, so you, you did mention already a few of the businesses that rarely ever fail.

CODY SANCHEZ: Yeah.

SHAWN STEVENSON: For us to be mindful of and investing in. Can we cover some of those?

CODY SANCHEZ: Yeah. So when it comes to small businesses, here's what I want you guys to think about. If you want a business that is less likely to fail than anything else, it really needs to have four components. One, you want the business to be around more than five years. The longer a business has been around the likelier, the likelihood it's gonna continue to be around. Two. You want a profitable business. You need a business that is not losing money. You need a business that is not a turnaround, at least not for your first deal. Three, you want a business that is simple to understand. You're already learning how to do acquisitions for the first time. Get rid of intellectual property ideas, proprietary. We don't want anything that we can't explain to grandma pretty easily. And then number four is, ideally for this small business, we want this business to be something that is in a recession resistant asset class.

So that might mean things like a plumbing company, even if the economy goes down and your toilet breaks, you're calling a plumber, it might be a laundromat. People need clean clothes consistently. It might be a road sweeping business. We need clean roads, even in a recessionary period. So we're thinking about the businesses that get done every single day

and week, no matter what's happening in the world, as opposed to like a custom framing business or a podcast production build out business, right? Those would be more luxury businesses. And so if you have those four things, you have a pretty good foundation. The second thing that's really important, like if you're gonna buy a business right now and you're figuring out how do I determine if it will make enough money for me if I buy this business? I define income streams a very particular way.

When you buy a business, an income stream means that the business you buy has to cover its debt service, which is let's say you're buying a house, you need to be able to afford the payment of the interest on the mortgage. So same thing for a business. You need to be able to afford an operator. You don't wanna be the only person working in the business, otherwise it's a job, not a business. You need to have some operating capital. So you need to have some money for the business to continue to grow 'cause sometimes businesses go up and down. You wanna manage the downside. And then lastly, you have to have enough money to pay for yourself. So when it comes to buying a business. I'm buying income streams. I'm buying businesses that have these four things that allow me to make enough money off of them for me to feel like an owner and not owned by my business. That's the idea.

SHAWN STEVENSON: Got it, got it. Now, let's just use the laundromat example. Why would somebody want to sell you their business in the first place, or give you a part of their business?

CODY SANCHEZ: Yeah. Well, a fun, a fun thing to think about is for anybody that's ever owned a business, actually, let's do this. If you're listening and you don't think somebody would sell a profitable business, go talk to five owners of businesses, small businesses that you know and say, Hey, I'm just curious. I've never owned a business, but would you ever sell your business at like the right price and the right terms to somebody? And just see what the answers are and the answers you're gonna get are like, yeah, yes, I would. Right now? You asking? Most of us that have been a business owner know that if you catch us on the right day that ends in Y, we'd probably sell this thing 'cause it's hard.

And if you have owned a business for a long time, you also have fatigue. So a lot of times in your business, you've been running this thing for 10 or 20 years, you might be ready for a new challenge. If you're going through a divorce, you might have to separate from your business. If you're getting older and you've got disease, which is happening chronically all over this, this country, you might need to exit your business. If you wanna move, you just need some different demographics around you, you might need to sell your business. And so there are all these reasons why business owners wanna sell. The real thing is catching them before they even realize it. Most times they will do what's called a slowdown and a close down, which is they don't think about their business like an asset.

They don't think about it like a house. They think about it like, I just tired of this. I'm gonna like close it down onto the next thing. Closing down costs them time and money, and most small business owners have 90% of their net worth tied up in their business. So if they have to close down their business, they gotta go get a job because they don't have enough capital. So you are doing a huge service to a business owner when you creatively structure a deal so that you can profit off the business and they can continue to get an income too.

SHAWN STEVENSON: The next question would be, where would we get the money?

CODY SANCHEZ: It's a great question. You're like, I would love to buy a business. I just don't have hundreds of thousands of dollars or millions, which I felt the same way. There's really, there's three ways to buy a business in general, and I call it the get rich tripod. And so one leg of the stool is cash. Now, there's lots of ways to get cash. You can do creative financing, which is like seller financing methods. You can do other people's money. You can do SBA loans and debt. We teach 21 different ways to get cash, so that's one leg of the stool. Another way is expertise. So let's say that you know how to grow sales. You're, you're a great salesperson. Most small businesses need more clients. You help a small business grow their sales grow, their top line and their bottom line.

You could get a percentage of the business for your efforts, your expertise. And the third way is sweat equity. Maybe you don't have a ton of expertise, but you're just gonna remove some pain points from the owner of the business. You might find the deal in general. So for either

time a case, sweat, equity expertise, or cash, you can buy a business. And one thing that I'd like to plant in people's heads, which is really hard to get people to break through on, is that you are never suffering from a lack of money. Just like, if you would've told me that a while ago, I'd been like, this bitch on the internet doesn't know. But, you're never suffering from a lack of money.

You are suffering from a lack of knowledge on how to get money. And I don't mean just your earned skills. I mean, if people taught us all the different ways we can get loans, we can get debt, we can get grants, we can get seller financing, we can get creative financing methods, we can get third party capital. There are, there are all these ways to get money, but we aren't taught it. And so, you don't actually suffer from not having enough money. You suffer from not having enough knowledge and if you can and, and fixing knowledge will then fix money, which is a crazy thing to ponder.

SHAWN STEVENSON: Yeah. Yeah. And the only thing stopping us is fear.

CODY SANCHEZ: Right.

SHAWN STEVENSON: And once we start learning, the fear is gonna be, is gonna be resolved. And you share, this is so important, this fear part of the equation. Yeah, because risk and you also, there's a lot of little food, you know, connections in this risk appetite. You talk about risk appetite and how much of appetite you have. And for many of us, and actually, how about if you could share a time when you were risk averse and you had fear and maybe it was stopping you from investing in a business or doing something that was really important in your, in your growth. Do you have any examples like that?

CODY SANCHEZ: Oh yeah. I mean, I remember the first time I bought a business, like this type of business, a boring business. It was a laundromat. And I talk about it in the book because I had an irrational fear. I mean, I remember buying that laundromat and the first time I stepped inside of it, 'cause I wasn't living in the same city where I bought it. And so the first time I stepped inside of it, I owned that thing and I remember it was beat up. It smelled like mold and like bleach and it was kind of dirty and I didn't know how to use any of the

machines and I kind of barely knew the guy I was operating the thing with. And it wasn't in the best part of town. And I remember looking around and going, oh my f**king God, this is a terrible idea. Who does this?

Like most people have a midlife crisis and they buy a Porsche. You know, I bought a liability, I bought, you know, a problem. And I remembered like thinking that was a really bad idea. And then we rolled up our sleeves and, and figured it out. But that I was even scared when I had money and it wasn't going to bankrupt me and I did it. And so, you know, Bill Perkins, who's a dear friend of mine that I quote a lot, said something the other day at one of our events for our community that stuck with me. He was like, he, he looked me in the face and he basically said, you have zero risk. And I was like, excuse me, I have so much risk. Like I have this happening and this happened.

And I was like, what are you talking about? And he is like, you have zero risk. He's like, most of us have zero risk. He goes, listen, Cody, right now, today, and almost for anybody listening, if I lost everything, could I go and be a bartender and probably make like 50, 60, 70 K somewhere? Yeah. Could I probably leave what I'm doing now and go be a salesperson for somebody else, even if I had no connections? Could, like, is it reasonable to think that I would be homeless, that I would be starving, and that I would have no opportunity? It's not reasonable. It's actually not reasonable at all. So that means that we basically have zero survival risk. All we have is ego risk, which means that we don't wanna lose the relative game of, well, I'm here right now and if I take this risk, I'm gonna fall.

You know, I make this much in my job right now, if I take this risk, I'm gonna be less than my peers. I'm gonna go backwards. You know, I'm not gonna be able to keep my standing. And so because of that, we don't ever progress. And so fear holds us back really just based on our egos. And you know, I know plenty of people through my life, which is interesting that I've gone through bankruptcy proceedings. And I remember the first time I understood what bankruptcy was, which was like, the defined is like you basically announced to the government that I, I, I don't have anything else. Like you can't take anything else from me.

I, I failed. Here's all the stuff that I have, and you get to take everything I have and I have to go start over again. And I remember the first time I heard that, I was like, that, that's the scariest thing out there for me. I'm like, oh my God, what if I mess up so bad that I lose everything? And people realize what a failure I am. Like I still have that fear inside. I still have an irrational fear of having no money, even with as many businesses as we own now. I mean, my husband joke jokingly will often say like, yeah, I think we've got like two companies. I'm like, there's like 50 in there, like, have you checked lately? And, and he still in his head thinks that we don't have what we have because of where we started.

And so, I think risk is never gonna leave you. And it's just that in a, in the developed world, like we're in the US right now, you have a lot less of it than you think. And your biggest risk is probably not taking any, especially when you're young, like the younger you are, the more monetary risk you should take. In my opinion, you should go and work for the hardest company that you can get into that teaches you more than anywhere else, that teaches you the skills at a level that you can't imagine with other people who are better than you and better than you at different things. And you should try to never be the smartest person in the room as often as possible. And you should get over yourself if you think that you are, because that's actually your big risk, is like playing too small, too young.

SHAWN STEVENSON: Or you can just get on the phone and scroll.

CODY SANCHEZ: Yeah, exactly. And you're right. And that's hard to not do, man. Yeah. I mean, the world is designed right now to steal our attention and our attention is our earning potential.

SHAWN STEVENSON: Alright, I hope that you enjoyed that first segment. We've got another powerhouse in store for you. In speaking of powerhouses, it is well known that the powerhouse of the human cell is the mitochondria. And in this money conversation, it's often said that money is a form of energy. And the energy power plants of our cells are the mitochondria. The energy currency that the mitochondria are disseminating or distributing is in the form of ATP. But the question is, what's enabling our mitochondria to make this energy, to run all the processes, to get all the stuff done that we wanna do in our lives? What provides

those riches for ourselves? Well, we know that we need a variety of vast array of essential nutrients, but there's a key category of nutrients that seems to operate above most of the others, and they're ridiculously simple.

A peer reviewed study published in the European Heart Journal titled Sodium Intake, life Expectancy and All Cause Mortality Revealed, "observation of Sodium Intake, correlating positively with life expectancy and inversely with all cause mortality." Shocking to the researchers and the scientific community at large, higher sodium intake than conventional beliefs about sodium is associated with a longer average lifespan and reduced all cause mortality. Now this is a massive, I'm talking slow body of evidence from 181 countries, but the question is why? Well, sodium is required to help conduct the impulses of our nervous system. It's required for muscle contractions. It helps our cells, tissues, and even our brain to maintain proper fluid Balance. Key electrolytes are like riches for our cells.

This is the medium in which our mitochondria are operating. The most important is the right ratios of sodium, potassium, and magnesium. The most important is the right ratio of these key electrolytes, sodium, potassium, and magnesium. And that's what you get in the number one clean electrolyte supplement in the world. Not only can you try their popular drink mix that's now being utilized by dozens of professional sports teams, they now have an amazing new electrolyte sparkling water. And I always keep my fridge stocked up if I'm wanting something bubbly. I go for these incredible electrolyte sparkling performance beverages.

And right now with every purchase of their sparkling water or their classic drink mix, you're gonna get a free sample pack to try out their most popular flavors. The amazing team at LMNT is here to deliver on your electrolyte needs. As always, they have a no questions asked money back guarantee, so you have nothing to lose and only better hydration and performance to gain. Go to drinkLMNT.com/model right now to take advantage of this. That's drinkLMNT.com/model to get hooked up with the very best electrolytes and this free bonus gift as well.

And now let's get to our final segment with our next expert. And this is somebody that is truly, I could say might be the most impactful person when it comes to transforming my own

personal money mindset. And he knows where I come from and coming from these circumstances of poverty and really kinda struggling to figure things out and having to overcome so many different things psychologically, because as you're gonna discover the most important thing in building your financial fitness, just like your physical fitness isn't the practical steps you take, right?

We know what to do to be pretty fit, right? Eat good, move your body, get in some strength training, get some good sleep. Like the practical steps are not that complicated, but it's the mindset that drives it all and the identity that we have when it comes to accomplishing our goals. The same thing holds true with our financial fitness, and in this segment, you're gonna discover why shifting your money identity starts with changing your relationship with money. You're also going to learn about the triggers and trauma around money that can hold you back. Plus, you're gonna learn some simple steps to uplevel your relationship with money starting now. This segment is from my really good friend, New York Times bestselling author, world renowned keynote speaker, and industry leading show host Lewis Howes.

Lewis's show The School of Greatness is one of the top podcasts in the world. He has well over 500 million downloads and he was also recognized by the White House as one of the top 100 entrepreneurs in the country. And he was also recognized when starting this incredible show over 10 years ago when he was under 30. He's over 40 now. He just turned to 40. He was recognized by the White House as one of the top 100 entrepreneurs in the country under 30. So in this next segment, we're gonna be addressing your relationship with money, with the one and only Lewis House.

LEWIS HOWES: The whole goal of this book and this conversation for your audience would be to show people how to create peace, harmony, and abundance around money in their life. How to define what a rich life looks like for them, and how to understand and reflect on if money was a person. If it was a relationship in your life, how is that relationship for you? So I'll give you an example, and I'm gonna ask you to share this in a second. I asked, I asked a family member of mine, a relative of mine.

If money walked into a, you know, a restaurant and you were in the restaurant and money walked in through the door. What would you do if it was a person, if money was represented into a person and this person was in their late twenties? In their late twenties, and they said, I would run to the bar and avoid this person. If it was money, I would talk bad about it behind its back, I would, but then I would fake and act like I liked it when it came up to me. Then I would use and abuse it when I needed it and I would ghost it if it ever reached out to me. And I go, man, that seems like a really unhealthy relationship with money.

And they were like, yeah, I know. And their environment, their experience around money has also replicated that, that connection, that feeling, that relationship. And it's, it doesn't mean something's good or bad, right or wrong, but it's asking ourselves, do we have a healthy relationship with money? Is it causing more pain in our relationships, intimately in our environment? And if it is causing pain, how do we create a different relationship? So Shawn, if money walked in the door as a person, how would you respond?

SHAWN STEVENSON: The first thing that I would feel when you just pitched that and I could see it, I would feel grateful to see money. And I would speak to money and I would make sure that money wasn't there to like somebody else needed them more, right? I didn't wanna be greedy with their time and attention, but also I'm open and welcome and I know that money knows me well, and so, it would just be a vibe. It'd be a good vibe.

LEWIS HOWES: Yeah, exactly.

SHAWN STEVENSON: That's what I feel, I feel.

LEWIS HOWES: And that's good. So you probably have a good relationship with money because that's how the experience is. So it probably means like when, when someone gives you a check or you receive money, you have a good feeling. It probably also means when you're spending money to invest in something or you're going on a trip, you're not stressed and anxious about it. Like, oh, I'm spending this money. I have to really penny pinch everything. You know, maybe you're not extravagant spending everywhere constantly, but you have a good relationship and a good balance with it, which is healthy and a secure

relationship. And most people don't have a secure relationship with it. And I think that's, that's really what I'm trying to do, is give people the tools and the knowledge to understand their money story, to see how their personality style matches with their wounds or their traumas around money.

And just see, is that serving you in your life? Do you have a rich life because of the story and the style that you've developed over time? If not, how do we start rewiring you emotionally? In your nervous system to feel safe with money when it comes to you, when it leaves you? You know, there's a mantra I have that it's the more I relax, the more I can receive. When I'm tight, when I'm clinched, when I'm anxious, when I'm stressed out, it's hard to receive love, affection, money, opportunities. It's hard to see the opportunities we're in that fight and flight mode. Right. But the more I relax, the more I can see and I can receive, and I can be generous and I can, and all these things can happen.

And, I just see so many people struggling with money and I'm, I'm in no way some money guru. I don't know the best place to invest your money. I don't know where you should be doing these things. I have my strategies that make me feel good, but this is more about understanding your story and your belief system around it and how to heal that so you have a beautiful relationship and a rich and abundant life.

SHAWN STEVENSON: Yeah. You, you mentioned that money is a magnifier of who you are. So many of us, we think that money is going to change us in our circumstances and, you know, and so what you really pointed out is that with building wealth and making money easy, we want to not just, you're giving people those insights on how do we get to that place financially, but also to have the fulfillment and a rich life as well.

LEWIS HOWES: Yes.

SHAWN STEVENSON: And so a big part of this, and you've already mentioned this several times, you said the key word is a relationship. And we are in relationship with everything. Everything is a relationship. We're in a relationship with our food. We're in relationship, obviously. We tend to think about it just in terms of people with our, with our spiritual

connection. Whether, if we're reading a book, we're in a relationship with that thing. And so starting to personalize it. I love that example of if money walked into the room and you hear the different spectrum of answers that I gave versus someone else.

LEWIS HOWES: Yeah. You'd be grateful. You greet it, you'd be generous. Hey, how are you? What do you need today? Yeah. There's a, you know, I interviewed a guy who wrote a book called Happy Money, which is, his name's Ken Honda outta Japan. And..

SHAWN STEVENSON: I met him at Agape.

LEWIS HOWES: You did?

SHAWN STEVENSON: Yeah. That's long ago.

LEWIS HOWES: He's such a sweet guy.

SHAWN STEVENSON: Yeah.

LEWIS HOWES: And he does all these kind of social experience with himself, or he has over the years. And one of them was, you know, he didn't have a good relationship with money at one point. And he said, you know, every time I see money, I'm gonna thank money and I'm just gonna do this little simple practice inside that. Like, if I find a penny on the street, I'm gonna say thank you. If someone gives me a million dollars, I'm gonna say thank you. I'm just gonna say thank you whenever I get any type of payment that comes into my bank account. Thank you. Thank you. Gratitude. Gratitude. And then he follows it up with saying.

Thank you money. Where do you want to go? Do you want to go in my bank account? Do you want to go to an investment? Do you wanna buy you a home with you? Do you want me to give you away? Do you want me to pay for someone's coffee? Where do you want to go? And he has this direct relationship and he's very intentional. Every time money comes where it's gonna go, he gives it a direction. He has this relationship with it, and he's talk. It's almost like he's talking to money as if it was a person, as if it was like a living being. It was like this

energetic being. And it doesn't mean he's like worshipping money, he just has a relationship with it that makes him feel emotionally safe and abundant.

And you know, food is energy and so is money. Money is energy. Food is energy. And when you eat things with a lower frequency within the food, it's gonna affect your energy physically, and you're gonna have a relationship with that constant eating. You're probably gonna gain weight, you might have inflammation, you're gonna get sick. Maybe at times your immune system's gonna be suppressed. And on the opposite side, when you start eating healthier foods, you have a different relationship with that energy and you're nourishing yourself with that energy. And I think we need to be thinking about money and that same nourishment attitude, that same reflection, that same relationship.

And you talk about the food side of things so much, it's like having a relationship with your food. I love the, the, the cookbook that you have where it's like sitting down with your family, talking, thanking food. You know, people pray over their food and there is this intention saying, thank you food for being here. Thank you for people that made this food. Thank you to whoever made it here preparing this food. It's creating a ritual. It's not worshipping food, but it's creating a beautiful relationship with it. And I think, again, our beliefs around food impact and influence our behaviors on what we're gonna eat. And that impacts everything. The same thing with our beliefs and behaviors around money.

SHAWN STEVENSON: You could have just changed everybody's life just now. Getting that part, you know, the same thing with our food and having gratitude and, and, and Thanksgiving and blessing the food.

LEWIS HOWES: Yes.

SHAWN STEVENSON: Blessing the people involved in it and having that relationship with money as well. And not making it, it's not that you're worshipping no money, because of course that's that tenet that can make people repel money is is the, it's the root of all evil.

LEWIS HOWES: Yes.

SHAWN STEVENSON: It's the love of it. Right. Making that your God. And we know some people make that mistake as well, but we're not talking about that. We're talking about having a healthy relationship because. Here's a concept to eat that food, probably gonna need some money. You know what I mean?

LEWIS HOWES: Yeah, exactly.

SHAWN STEVENSON: So it's all in relationship. And so a big part of this relationship that we have, in my perspective, when money walked in the room. It's different from what it was 10 years ago.

LEWIS HOWES: Oh yeah.

SHAWN STEVENSON: 20 years ago, 15, you know, um, 25 years ago.

LEWIS HOWES: What was it like when you were broke, you know, in Ferguson, Missouri, like struggling and you were, your back was broken and you couldn't walk and you're not making money. What was your relationship like with money then?

SHAWN STEVENSON: Whew, man, if I could tune into that.

LEWIS HOWES: And you're eating fast food all day and you're sick and you're, you know, victim mindset.

SHAWN STEVENSON: You know, to be honest, I probably wouldn't even recognize money.

LEWIS HOWES: Mm.

SHAWN STEVENSON: Money would come in on like with a trench coat and, you know what I mean? Like, it would be like money would be like a, a, a superman type, you know, like look like, is that kind of, you know, Clark Kent. It's got glasses on kind of look like I wouldn't have even been able to recognize.

LEWIS HOWES: Really.

SHAWN STEVENSON: You know? For sure. For sure.

LEWIS HOWES: And so what, what if you would've known, okay, money, someone announces money is walking in the door right now, and it says, here it is. What would you have done in that moment? What would your immediate relationship have been like?

SHAWN STEVENSON: I would've just stayed in my lane. I would just stayed, stayed in my lane, stayed if money. I mean, here's a, this is the thing, and now is that I'm talking about this and I love, this is why I love talking with you two. I would feel that money would notice me. I would feel that money wouldn't notice me.

LEWIS HOWES: Who would see you?

SHAWN STEVENSON: Yeah. Would, would notice me and not necessarily, again, come and talk and all that stuff. But I, I, I would see, and maybe this is like a, a prediction of my future.

LEWIS HOWES: Mm-hmm.

SHAWN STEVENSON: Right. But I wouldn't have been feeling like I deserved, per se, to be noticed. But I just would've felt like I, I, I had, there's something about me that money would notice. So that would be the extent of it.

LEWIS HOWES: Would've noticed you, maybe it would've spoken to you or not, but it would've just said, oh, I see this person over there is struggling, or maybe.

SHAWN STEVENSON: Not necessarily struggling, but just like there's, I see you listen.

LEWIS HOWES: Okay. Okay.

SHAWN STEVENSON: You know, like that.

LEWIS HOWES: And how would you have responded if money came up to you and said, Hey, I see you, I see your potential.

SHAWN STEVENSON: Mm. Whoa. I would probably, mm, this, it's, I'm conflicted right now. I'd probably be like, part of it's like, it's about time. Yeah. Yeah. The other part would be like, are you sure? Like, I don't think I'm ready for this.

LEWIS HOWES: Mm.

SHAWN STEVENSON: You know, I, I, I, I'm not, I don't, I don't think that I'm worthy of this, you know? So this leads me to my point, which is our relationship with money is dependent upon our story.

LEWIS HOWES: Mm-hmm.

SHAWN STEVENSON: And our story about ourselves, about our relationship with life, who we see ourselves as. And so let's talk a little bit more about. Our story in regards to like our money blueprint.

LEWIS HOWES: Yeah, I mean, I'll show you a couple moments in my story when I was a, when I was younger, and I think people could relate to some of this. And I would love for you to leave a comment. If you're watching on YouTube, leave a comment of some of your money story memories below or somewhere on social media so Shawn can see this. But I have my money story was tied to stress and chaos 'cause my parents, I like to, I don't like to use the word always. But frequently they were stressed out, screaming at each other, slamming doors, and it just seemed to tie into a sense of lack.

I remember playing kind of roller hockey in the, in the neighborhood parking lot and I was the only one who had sneakers, not roller blades, 'cause we couldn't afford it. So it's like, okay. Like I was playing with them, but I couldn't afford it. You know, Nintendo was big. I couldn't afford the Nintendo, so it's like I wasn't able to get those things. So we, we had a home, we had food, all these things. But there was always stress around it, which has caused part of my story.

There was a time where I really, my brother went to prison and there was a lot of money stress around that. Paying for lawyers and just kind of going in debt. My, my parents, right?

So it was like this trauma tied to, we didn't have the money to pay for things. Plus my brother's in prison for selling drugs to an undercover cop. And there was just kind of like trauma tied to money and pain. During that time I wasn't really allowed to have friends in the neighborhood growing up in a small town in Ohio because everyone knew that my older brother was in jail. So they didn't want to hang out their, their kids with me. And I remember there was a moment where these two kids started a club, I don't know if you're ever in a club as a kid, these two kids started the club like an after class club or whatever in the basement of their house. And I was like, I really wanna be in this club 'cause I didn't have friends.

They said, well, you either need to answer a list of questions to get in to see if you're smart enough or if not, you have to pay to be in the club. And I was like, I don't have any money, so what are the questions? They asked me the questions, I didn't know the answers. They're like, you can't be in the club unless you pay us. So \$5 entry fee. So I went home and I asked my mom, I said, mom, I really want to get in this club and be friends with these kids. Can I have \$5? And I could see the disappointment in her mind, not because she didn't want me to be friends with them or be a part of this club, but she didn't have the money.

She goes, let me see what I can find. She's literally asking me to flip over the cushions and the couches and just, you know, they'd spent all their money on like legal fees and it wasn't like they had a lot. Somehow she finds in an hour's time change and puts it in a shoebox for me, \$5 a change. So I go to this house where these kids are, I give them the shoebox and they let me in their club, but for the next hour they're just hanging out with themselves. And I'm kind of alone in the corner, in the basement. Like, what am I doing? It was the most like depressing. Like even just thinking about it, it's like a wound, it's a story, it's a memory that shaped my personality style. It shaped me in a certain way. And there's other stories like that. I remember I never, I went home afterwards, after that night and I never went back to that club 'cause I didn't feel good.

I didn't feel worthy still, even though I paid. Right. And there's certain stories like that. I had money stolen from me. I used to steal money a lot from people. And it's like, it shaped me, these wounds that I had to learn how to break and I had to learn how to heal. And it just took time. And I think, whoever's watching or listening, like write in a story that you have that's shaped your, your history and type in a money wound or two. Like, can you remember something? You don't have to share all the details, but something that happened that you still think about today that might have shaped part of your personality style with money.

And you said this, you weren't ready for money. One of my money mentors, early on when I was broke on my sister's couch, I was working for free for someone as an intern. And my payment was, I could ask him questions at any moment. So every day we'd go for lunch and I'd just ask him questions and he would teach me. And one day I was like, man, I'm broke. I could really use some money. And he said, money comes to you when you're ready for it. And I was just like, I feel pretty ready for money right now. Like, I could use it. I'm on my sister's couch. I don't have any money. I feel helpless. You know, I was 23, 24 at the time and I was just like, I don't feel like I'm living up to my potential.

I don't, I can't do anything with my life. I don't have a car. I just felt like a bum. He was like, money will come to you when you're ready for it. And as painful as it was to hear at that time, about a year and a half, two years later, I started to make some money. And I remember reflecting back to that moment and I was like, if someone had handed me a \$5,000, I would've blown it 'cause I wasn't ready for it. I needed to learn certain skills on how to navigate money better. And that's why you see a lot of people that the, the statistics with people that win a lot of money in the lottery, they go broke within a couple years. They commit suicide, they go through depression, all these different things 'cause they weren't ready for it.

Some people maybe were and they got lucky. You see this with elite athletes who go bankrupt within a couple years after retiring from sports. Maybe they're ready for the spotlight, but they're not ready to manage the money, the wealth that comes to them at 19 years old. They don't have the energy, the emotion connected to it and to really navigate it. And all the different relationships that people want from you now. Now that you have

success, you have money, and everyone's asking for something from you, it doesn't feel good. It doesn't feel good. If money walked in and you just said, give me money.

It doesn't like that relationship. What are you gonna provide for the money? How are you gonna serve money as well? Where's the, the, the common thread in the relationship? And so I really had to learn that like money comes to you more when you're ready for it. And even when you're ready to make it, it doesn't mean you're gonna have a healthy relationship with it. I still was hoarding my money for the first eight years 'cause I was afraid to go back to my sister's couch. I was afraid to go broke again, so I wasn't really able to enjoy it. Sure, I felt like I had safety and like a safety net. If something happened and I couldn't make money, I had it saved. But I wasn't living a rich life internally 'cause I was still living in fear around it. And I think again, one of the biggest problems people have is when you make money and you start to make it and you start to use your talents, your skills and add value to something and you start earning money and you can't appreciate it, you can't appreciate it, you can't be in peace still. For me, that's a big problem.

SHAWN STEVENSON:What you're doing with this, with this relationship with money is you're bringing it right into our face.

LEWIS HOWES: Yes.

SHAWN STEVENSON:Right. Because this is happening whether we like it or not, understand it or not, we are having a relationship with money. But so often, and you know this, like our culture, we are programmed in a way that, you know, we pick up these stories. Right?

LEWIS HOWES: Yes.

SHAWN STEVENSON:Your story is similar. It's the majority of us have dysfunctional stories around money.

LEWIS HOWES: Yes.

SHAWN STEVENSON: And we believe subconsciously is like if we check all the boxes, then we can make money. Right. Like I go to school. Go to college, get a good job, and then I'm gonna be financially successful.

LEWIS HOWES: Yeah.

SHAWN STEVENSON: And most people that follow that track are not just not successful, voluntarily. They get in debt, they're in debt.

LEWIS HOWES: They're in debt.

SHAWN STEVENSON: Our, our society is set up in a way that is encouraging people being in debt.

LEWIS HOWES: Yes.

SHAWN STEVENSON: And creating all this anxiety, creating dysfunctional relationships, furthering them, you know, and so one of the cool things about the book is that, and my favorite section is taking you to Money therapy.

LEWIS HOWES: Yes.

SHAWN STEVENSON: All right. So I thought we would go through some of those steps of going to money therapy.

LEWIS HOWES: Okay. Okay.

SHAWN STEVENSON: All right. So, step number one in taking yourself to money therapy is identifying your money triggers.

LEWIS HOWES: Yeah. Oh one for me. And it's, and again, it may not ever leave you, right. It's like healing is a journey and so your triggers might be a journey as well. And the goal is to just notice them and ask yourself. Okay. Do I feel safe? If not, let me create safety within my

nervous system. When I feel safe within my nervous system, then I can respond differently to these triggers. So for me, when, when I felt like someone was taking advantage of me, it felt like abuse because I was sexually abused as well as a kid.

Talked about that on the show, and so that could show up in any little thing. If someone's cutting me off in a car, it's like I could feel like I'm being abused. So there's little triggers where if I feel like someone's trying to overcharge for something, I'm like, huh, they're trying to take advantage of me. It's like unfair.

SHAWN STEVENSON: Yeah.

LEWIS HOWES: And it could feel like this trigger.

SHAWN STEVENSON: Connected to that wound.

LEWIS HOWES: Exactly. And so, you know, I'm, I'm not really as reactive now as I used to be, but those could still be triggers that could show up. Yeah. If I'm not doing the practices, if I'm not continuing to be on the healing journey with money therapy. And so that's just something for me.

SHAWN STEVENSON: Yeah. Yeah. So that's something, again, as we're going through, and by the way, of course get the book like yesterday. But being able to identify what your triggers are your money triggers.

LEWIS HOWES: When something, some big announcement comes out about me and people see it, and then I see people reach out to me and I know they haven't reached out to me for years. And they reach out to me and it's almost like there's this feeling that they're about to ask for something. And then within like a few weeks they say, Hey, can you help me with this? Or Can you help me with this? Yeah. It may be innocent, but I also feel like, huh, they haven't been investing in the relationship for years and all of a sudden they want something from me 'cause they see me doing something well.

That can be a trigger where I feel taken advantage of and I'm like, oh, they want me for my success or my money, or they're gonna ask for money. So it's just learning to like be okay and feel safe within myself around these things. And also I don't have to give everything to everyone. I can create boundaries, healthy boundaries, but just not feel as triggered about it.

SHAWN STEVENSON: Yeah. Let's move to number two here. So number one, identify your money triggers. Number two is to write it down.

LEWIS HOWES: Yeah. I just think it's powerful to like identify within your mind and think about these stories, but then write down a kind of a list of these triggers, these wounds, these things so you can have them in the forefront and start to address them one by one. Start to process them. Start to see what acts can I take that will support me in overcoming these things that cause me anxiety in my nervous system when I think about or cause me these triggers. Just having the awareness, writing it down as a powerful act.

SHAWN STEVENSON: Yeah. Yeah. I love that. I love that it's bringing, it's just again, getting it outta your head.

LEWIS HOWES: Getting it out, man.

SHAWN STEVENSON: And, and speaking it. Whether it's speaking it out, which goes to this next one. Talk to a safe person.

LEWIS HOWES: Yeah. Don't talk to someone who's caused the trigger or the trauma necessarily right away. Talk to someone that you trust, a mentor, a friend, a therapist, a coach, a priest, whatever it might be that you feel safe with to address these things, it's gonna give you so much more peace.

Just speaking about it with someone that's trustworthy, who can listen. Yeah. Not someone who caused the trauma that you want to, like scold them. You know? Maybe there's another time for that where you can come to peace with them, if that's possible. But getting it out, thinking about it, writing it down, speaking it out.

SHAWN STEVENSON: And again, this is a process. This is taking yourself to money therapy. Yes. Identify your money triggers, write it down. Talk to a safe person. The next one, number four, is to forgive yourself and others.

LEWIS HOWES: Man, I don't know about you, but I held onto so much resentment towards myself about stealing as a kid for about a year and a half. I stole every time I went into a store from like 10 and a half to like 11 and a half, 12. It was like every time it was like a game and it was trying to get attention 'cause I didn't feel like I was, I had no friends, I had no validation. I had wounds and it was trying to be seen, you know, I didn't think anyone was seeing me.

And it gave me a sense of power by being able to steal and it was like candy bars or like, it wasn't like a ton, but it was still, I was living out of integrity every single day. I went into a store to try to feel powerful 'cause I felt powerless and in return. I heard a lot of people, you know, I heard these store owners. I might have heard employees who were maybe counting inventory and they had missing inventory, whatever it might've been. I caused pain on other people. And for years I would beat myself up and I was like, God, I was such an idiot. How could I do this? I was so stupid. What was I thinking? And sure, I should have a consequence to that.

But holding onto that pain and resentment of myself for decades did not serve me and I. Again, there's a, there's a, there's a, there's a good part of the consequence of like, knowing this part of me when I had money, I just wanted to pay for everyone all the time. I was like, I just wanna pay it forward. I'm gonna buy everyone's meal. I'm gonna pay for everything, whatever it might be, because I felt guilty. Right. So there was maybe some good side to it also, but then I just felt shameful as well. And that shame doesn't create anything abundant. That energy of shame is very low frequency energy. It doesn't create abundance.

And so then I lived in scarcity. And it wasn't until I started to forgive myself for all the things I did when I was 10, 11, 12, whatever, stealing and hurting people in that way. Then I was able to be more at peace. And again, my intention is to give people the tools to feel financially free. It doesn't mean you're gonna have millions of dollars in the bank, but you'll hopefully be peaceful and harmonious around the money you have or don't have 'cause you've cultivated

that within you. And that takes healing, forgiveness, letting go of self-criticism of what you used to do. Now that we have awareness, we can make different decisions. And when we feel abundant versus scarce, we can live the most powerful habit within the seven habits in the book, which is the mindset habit, which is to be generous.

Grateful and continual, you know, all the time. Like you said, if money walked in the door, you'd be grateful. You'd say, thank you for being here. And most people say, I'll give when I have money. But we need to flip that on its head and say, this is the first habit that I need to have to create a rich and abundant life is to be grateful and give generously. Even if you don't have money, you can think about ways you can give of your time, of your energy, of your love, of your curiosity, of your presence, of your connection, of your connecting people together for them to flourish. You can think in other ways on how can I serve and give generously. And when I was 23, 24, 25, living on my sister's couch broke as a joke.

What your mom would say, you know, had no money Living in college debt, you know, living off my sister's food and feeling worthless, feeling undeserving and unworthy. I had to shift outta that by saying, what can I give? I didn't know, 'cause I didn't have a college degree yet, and I didn't think I had skills to contribute to anyone. What I did have was passion. I had like hunger, I had a curiosity. I was able to be consistent with my goals and follow up and do whatever I, it it took. And little did I know, Shawn, that. I would make a, you know, a multimillion dollar business off of asking questions and being curious. Like one of my skills was asking dumb questions to people and just being like, how do you do this? And, well, how'd you do this? And what about this moment? I never thought that was an asset, but we all have these invisible assets within us. That when we can cultivate and give them generously, we can live a rich and abundant life.

SHAWN STEVENSON: Yeah. That's so powerful. I love the framing on that. You know what people would think? Why are you asking dumb questions? I know, right? No, you literally built, not only that, did you, did you build this success for yourself? But you've impacted the lives of so many millions of people, so many. And it's just like you've paid it forward immensely. Yeah. In ways you don't even realize.

LEWIS HOWES: Exactly.

SHAWN STEVENSON: You know, because of that audacity, you know, and it was kind of, this is the cool thing. It was built into you already. And that's where you're directing people to with make money easy, which is directing them inward because we all have a, a personal relationship. And to be more aware of it. Yes. And so I want to take you to number five here on this list after forgive yourself and others. Again, we're taking ourselves to money therapy.

LEWIS HOWES: Yes.

SHAWN STEVENSON: Number five is to practice overcoming your triggers.

LEWIS HOWES: Mm-hmm.

SHAWN STEVENSON: So this is practice. That's it, man.

LEWIS HOWES: When someone cuts up, come up, practice. Was there practice? We're talking about playoffs. When, you know, I used to get triggered a lot in LA when I first came out here, because of being stuck in traffic, I just didn't like it. And I literally felt like people were trying to hurt me and abuse me when they would cut me off and I realized, oh, something is wrong. This was all before my healing journey, and I realized, oh, something is off. And so now if some, if that happens again, you know, it wouldn't be that extreme. But if someone cuts me off and I don't like it now I act differently.

I take a deep breath. We are going to be given our triggers on a daily basis, and we get to. Prepare for them in the beginning of the day and then reflect on how we showed up. At the end of the day, I love meditating first thing in the morning and saying, how, how do I wanna show up today? What is my intention for today? When something goes wrong, how can I respond? And rehearsing and practicing it. And just noticing I'm gonna take a deep breath in my nervous system and I'm gonna try to do my best to manage it, not be perfect. And at the end of the day, I like to reflect. Did I show up with the intention I had today? And I think that is a key in practicing overcoming yourself.

When you write all these things down, when you think about it, when you write down your, your money triggers and your stories, you start speaking about them, you can start to process them. When you process, you can start to practice it better when it comes up again 'cause these triggers and things will show up for you constantly in your life until you overcome them. And so it is a goal and a vision and an intention every morning to say. How do I wanna show up today when something happens, when my mom calls me and asks for money, how do I wanna respond? Let me practice this. I'm not gonna be perfect, but let me do better than last time when someone cuts me off, when someone asks me for help, when, when some whatever it is, based on these triggers, how can I respond? And I think it's just a constant practice in the healing journey.

SHAWN STEVENSON: So the last one here ties perfectly in taking yourself to money. Therapy is to motivate yourself to grow. That's number seven.

LEWIS HOWES: I just think, you know, learners are earners and when we continue to learn and develop skill sets, we have the ability to earn more, again financially, but earn more spiritually, emotionally, physically, and relationally in life. And so continue to invest in learning and receiving feedback. And unfortunately, for many years I would, you know, make the same mistakes over and over again and just be in pain as opposed to saying, okay, this isn't work anymore. Let me take the feedback and start learning new information and acting in a different way.

And it's secular, you know, it's like you've gotta, you gotta heal the money story to create a new belief system for yourself that something is possible. And maybe you've never seen it possible for you yet. Like for years, I didn't know it was possible for me to make money. Once my dad got into his accident, all his money was gone. He was my backup plan to go work for him. I didn't have a college degree living on my sister's couch. I didn't know. Like it just didn't resonate with me. Why would anyone give me money? Why would anyone hire me? Give me money for what scale? I didn't have any skills, so I had to shift, start shifting that belief that.

No one's gonna gimme any money because I'm not valuable enough to earn money in this business world. And that was a hard thing to, to shift because I just didn't understand money.

I started researching reading books, learning about it, and just getting knowledgeable about it. Being like, okay, I'm learning more. It's not as scary. Once I learned more, I found money mentors. I talk about that in the book as well, and I found money mentors and I started asking 'em questions about how did they overcome it. And I could see before and after for them, okay, I see models, mentors with models that I can mimic. Great. Now I just need a money map.

I need a money game plan. And it doesn't need to be, what's my 10 year financial plan like, what's the next three months? How do I get enough money to get off my sister's couch, not become a millionaire? Screw all this Instagram life stuff. How do I make a thousand dollars a month? Let me just figure this one thing out. And from there I learn. I act and I get feedback and I laugh my way to the bank. I learn, I act, and I get feedback, and that's the key.

SHAWN STEVENSON: Thank you so much for tuning into this episode today. I hope that you got a lot of value out of this. If you did, please share it with somebody that you care about. If you feel like you got a friend or a family member that can use some support with transforming their money mindset and some practical action steps as well, please forward this episode. You could send this directly from the podcast app that you're listening on. Of course, you could share this out on social media. You can take a screenshot of the episode, share it out, Instagram, Twitter, Facebook, wherever you like to hang out and share the love that way as well. We've got some amazing, amazing masterclasses and mind blowing guests coming your way very, very soon.

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