

EPISODE 656

[ASK FARNOOSH]

[0:00:33.3]

FT: Welcome to So Money everyone. Happy Friday. It is Black Friday. I hope you are not shopping. Come on! Let's be honest. Black Friday door-busters. Not really steals, unless you want to cheepo flat screen from the discount store that's going to last you eight months and then break. Hey, you got it for 100%. No. I hope you're home, spending time with family, listening to this podcast, obviously. Appreciate your patronage to this show, and thank you to everybody who's been writing reviews lately. I don't know? Every day I wake up and after I read my Twitter and find out the next man to get unseated for his sexual harassments claims, I also tend to find out who's been leaving me some awesome reviews on iTunes. Thank you so much for making my day brighter and taking the time to leave your thoughts, and it does really help a lot with respect to iTunes and just getting people to log on and listen, because they see your glowing reviews. I really appreciate it.

All right. It is Black Friday. It is the unofficial kickoff to the holiday season, and for those of you out there who are business owners or have maybe some side hustles that are growing and growing in revenue and you're thinking about transitioning, this is the time of year when a lot of work seems to be on your plate, not enough time. If you're in the retail business, a lot of consumer demand obviously, but also it's the end of the year. Things are winding down. You're trying to settle a lot of personal obligations, family things, but also your work is piling up and things that you've been procrastinating. You know what? You can't escape it any longer. That's at least the boat that I'm in, and so I'm really thankful to bring on cohost, Justin Krane, who is a money strategist, largely, for business owners. He's been on the show before helping me sift your money questions and he's back again because he's just that good.

Justin, welcome to So Money.

[0:02:35.6]

JK: Thanks, Farnoosh. It's great to be here.

[0:02:37.2]

FT: How is everything going on the home-front and the work-front for you? It is go time, and I feel like I'm just getting my butt kicked constantly right now.

[0:02:47.5]

JK: Welcome to the club. I just actually took a little vacation for about a week and a half and I'm finally getting caught up. It's like for every day you take off, it takes a day to catch up for the amount of time that you've left, and I'm finally back.

[0:03:00.5]

FT: That is brilliant. Taking a vacation before everybody else goes on vacation, and coming back when everyone's going crazy with some rest and hopefully some calm. Where did you go?

[0:03:13.9]

JK: I went to Italy and Israel.

[0:03:16.1]

FT: Nice.

[0:03:17.9]

JK: Yeah, it was amazing.

[0:03:18.7]

FT: No work, right? Just pleasure.

[0:03:21.7]

JK: Just play. You got it.

[0:03:23.0]

FT: Good for you. Then hopefully you're in a better headspace than I am. We have a number of questions right now to tackle from listeners. Some are, to your expertise, business owners or thinking of starting businesses, and we want to help them out. I also want to give some time to just talk more about your work and the advice that you may have for those of us who are entrepreneurs or self-employed this time of year, whether we're trying to just tie some loose ends on our books or thinking about the new year and how to may be do better with our personal finances and our business finances. Also, it's a season to give. So if you're gift giving this year, what's the protocol? How do you account for all those things? Who do you have to buy for? Who should you not? It's a good time to be having you on this show.

Our first question is from Emily and she's about to buy a new fitness franchise and she says that she needs a \$175,000 loan. Any advice for her as far as applying for the loan and how to, as she puts it, wisely go into debt? She's 24 years old. She's debt free. She doesn't have a home, and she's also putting some skin in the game. She's got about 20% of the loan currently in a savings account. What's your advice to franchise?

[0:04:44.9]

JK: Yeah. Emily, this is awesome that you want to buy a franchise. I think it's so cool that you want to buy something and have a business and all that. That's great. I think when you're wanting to apply for a loan, whether it's an SBA loan or just a loan from a bank, whoever is lending you the money wants to know that you're going to be able to pay it back. What that means is you have to prove it to them and show them that you're going to have the money to pay it back.

What are they going to want to see? They're going to want to see a profit-loss statement and they're going to want to see some sort of other statement called a statement of cash flows,

maybe a balance sheet, right? Because if someone's lending you money, you need to show them that you can pay it back. You need to show them through these financial statements. If you don't have that, get started on working with it. Find a bookkeeper. Start it on your own and just go into that space of showing the bank that you have the ability to pay them back.

[0:05:39.4]

FT: Justin. What's your advice on where she should go to find this loan? I kind of want to tell her to maybe start with a credit union, because they tend to have programs for local business owners, maybe loans with favorable interest rates and terms. For that much money, maybe she needs like \$150,000. Do you think that's a good place to start?

[0:06:03.9]

JK: Yeah, I think it's a great place. I think a credit union or a local bank. It's also great if you have a relationship with a banker or the person at your credit union just to give someone some accountability and that way they can answer your phone call or email and work with you and help you get the loan, because it's a whole thing to get a loan. It's like pulling teeth, but once you get it, it's a great feeling.

[0:06:28.4]

FT: Should she wait until she has more equity, more of her own cash? Is 20% a good enough — It's like you say you buy a home and so you have a 20% payment. Is that the same kind of rule of thumb when you're starting a business and getting out a business loan?

[0:06:42.9]

JK: I think it's a good rule of thumb. The issue is is what is that monthly payment going to be on that loan? Let's just pretend and make up a number of \$3,000 a month. If you're borrowing money and you're going to do \$3,000 a month for, let's say, five years. Can your business support that? That theoretically is an expense. The interest is an expense, that you've got to pay

interest and all that. Just think about the cash flow. Could you afford a hypothetical number of \$3,000 a month?

Now, you've got to think about, "All right. I get this loan of 175 grand. What am I doing with it and how quickly can I make sales off of it and can I make income off of it?" That's the key thing, it's the calculation and the measuring of how much you have to pay each month versus how money you could make off of it.

[0:07:30.6]

FT: Also, with franchises, a lot of the costs are taken care of, for example; marketing and materials, depending on a franchise. Would your advice also to be to like make sure that he's accounted for that and maybe she doesn't need as much money as she thinks?

[0:07:48.6]

JK: Yeah. I think it's about doing a back of the envelope calculation and just listing out all of your expenses and what you specifically will need that money for. You might not need all of it at the beginning. Maybe you'll only need 75, 80, 100 grand, and then the other 75, maybe you can use a line of credit or something like that in a year or two.

Make a list of all those expenses and then you need to think about, "Okay. How much money am I going to make off of that and how quickly can I convert that to sales?" The timing, the conversion of when you get the money to when you will make money off of it is huge. Remember, you got to pay interest on that money as soon as you take it.

[0:08:33.8]

FT: Right. Perhaps for things that she know she can pay off right away or within the year, a 0% APR credit card could be good too. I'm just thinking some of the expenses that you have, you'll need to pay back over a long period of time. Others maybe you can payback within six months or a year, and that may change the kinds of credit structures that you have. It doesn't have to all come from one loan.

[0:08:59.5]

JK: Yup.

[0:09:01.0]

FT: All right. Thank you for that.

[0:09:02.1]

JK: Sure.

[0:09:03.2]

FT: We have a Speak Pipe question here. We're going to listen to the audio from Katarina, and it sounds like she is wondering about money and marriage, and I know this isn't necessarily your hottest area for advice, but you are married. Right, Justin?

[0:09:20.7]

JK: I am married, and I'm also a certified financial planner, so I get this question a lot.

[0:09:25.3]

FT: Exactly. Okay. Let's hear what she has to say and hopefully we can help her out. Here we go.

[0:09:29.5]

Katarina: Hi, Farnoosh. My name is Katarina, and first off I just want to say thank you so much for your podcast. I've learned so much. I hope you never stop doing your podcast. Thank you for all that you do. Anyways, my question is about a financial planner. My husband and I just got

married in August and I think it's time for us to talk to a financial planner to see what our goals are, how to file taxes together, etc. What is your advice in terms of what to look for in a financial planner to make sure they have our best interest in mind? I'm also open to finding a financial planner online and talking to them online. What's your best advice on what to look for and what to look out for?

Thanks so much.

[0:10:20.5]

FT: Katarina, thank you so much for your question, and I love that this show has been helpful to you. Congrats on your marriage. I think that it's a very smart question, Justin, to think now as you're newly married, "Okay. We got to merge our finances and maybe we need some objective advice." Do a lot of your clients come to you at this stage in their lives?

[0:10:43.9]

JK: I'd say some do a lot wait until they have a kid. Then once they have a kid, they're like, "Okay. We got to really figure this out," because the private school thing ultimately comes and then they want to talk about college. The smart ones, yeah, they start early, and they come to me early.

[0:11:00.3]

FT: What is your advice for her? I got tons of advice about them. I've written books about it. The short answer for me, if you ask me, is that I think that having a financial planner can be very helpful at this stage. For no other reason, just to have that objective third-party voice, because I think many people who get married, opposites attract, and including financial opposites. You could be a saver. She or he is a spender, or you're super goal oriented, he is very much living in the now. Being able to have someone come in and kind of objectively say, "Well, if these are your three common ground goals, this is what needs to happen. It's not about you being this way or you being that way. This is what has to happen. The numbers speak for themselves," and it's nice to kind of be told what to do from someone else who's not your partner.

[0:11:54.7]

JK: I know. That adviser could be saying the same thing that you've been saying all along, but your spouse needs to hear it from someone else.

[0:12:02.3]

FT: Right. She's also wondering about filing their taxes together. I think in that case you might want to work also with a certified public accountant. Again, this is someone who, if you start with a really good financial planner who's resourceful, can recommend you to other experts who can fill in those gaps. Our planner, we don't work with her any longer, but she was extremely helpful in the beginning of our marriage. She referred us to an accountant, also to an estate planning attorney when we were creating our wills. She got us introduced to an insurance broker who helped us find different kinds of insurances, life insurance, things like that.

I'm grateful for that relationship, because it allowed us to connect all those other dots. Advice for where to start to find a financial planner? You can obviously hire Justin.

[0:12:53.3]

JK: Yeah. Can I give two mini rants? Because I'm so opinionated on this stuff. I love this question.

[0:12:59.4]

FT: Please. Take the stage.

[0:13:02.2]

JK: My first mini rant is you need to work with a fiduciary fee only adviser. Let me explain what that means. That means the only way that this person is getting paid is from you. They're not getting paid from a third-party through a commission or some sort of kickback. You are the one

that's paying them. They, being a fiduciary, legally have to put your interest first. You need to ask an advisor, "Are you a fee only financial advisor?" Not fee-based, because a lot of people will say, "Yeah, we're fee-based." What does that mean? That means they could give you advice, but then they can put their sales hat on and then sell you something, whatever that is.

I'm not saying that financial advisers don't deserve to get paid. I'm talking about the standard in which they operate under. You have to work with a fee only financial adviser. It's a much cleaner way of doing business. You know exactly what you're paying and the adviser has your best interest at heart. That's number one.

[0:14:07.5]

FT: Great point. Okay. Moving on to number two.

[0:14:09.0]

JK: My mini rant number two; I can't stand it when people go on and they're thinking of hiring like an accountant or an attorney or a bookkeeper or a financial adviser, and all these service people start out and be like, "We've been in business for 40 years and we manage \$40 billion," and blah-blah-blah, and it's always about them. They're trying to impress you on like how long they've been doing their thing and how much money they manage or what their experience is. I think that's just like — That's not at the core of what really needs to happen between a client and especially a financial adviser.

The kind of things that you need to be looking for when you're sitting down with a financial adviser is the questions that they ask you. Not the questions that you need to think about asking them. Observe and watch their process in getting to know you. Do they care about your money or do they care about you and your financial life? That's huge.

[0:15:11.8]

FT: Amen, Justin. I was on a meeting once. I was doing the rounds, because I was trying to find a financial adviser and there's one meeting that I had, and I walked away with the same feeling

that you described. They were like, “We’ve been in business for 50 years.” I was in this board room that had a mahogany table that was about 300-feet long and I’m like, “Is those what basically I’m —“ My money is going for the depreciation of this table, and they just showed me stock chart after stock chart and I was like, “Okay, thanks, but no thanks.”

I’m sure that there’s a client for them. I wasn’t the client. I hear you. That pitch is common. That’s a very common pitch. We sort of think that that is then therefore like the way that we measure a firm’s success and their success in working with clients, but it’s not true.

What should you be hearing that’s a good sign?

[0:16:15.9]

JK: I like questions that are like, “So tell me about yourself. Why are you seeking out a financial adviser? What is it that you’re trying to accomplish? If you had all the money in the world, what would you do with your life?” Like if money wasn’t anything? Let’s get to the core of what’s someone wants for their life. Let’s connect with them and get real clear on what they’re trying to accomplish and make them feel like we get them.

[0:16:42.0]

FT: That is ultimately my financial adviser asked me. What would be your ideal scenario when it comes to you and your money? I said, “I just want to get to a place where I don’t have to really worry about how my money is serving me and providing for me and that it’s going to be there when I need today, tomorrow and in the future.” She was like, “Okay. We can work with that.” Then I got excited.

Yes, the good ones are out there. Obviously, Justin, you’re busy. You work with a lot of clients who love you. Then of course we talked about other resources here on the show, whether that’s XY Planning Network, cfp.net, to find a certified financial planner. Also, ask around. Ask your friends, family, colleagues who they work with. Do they like these people? And do your due diligence.

Okay. We have another question here from Steve about holiday tips. I want to expand this to even holiday gifts, especially if you're a business owner or you run your own enterprise, even if you just have a side hustle and you've got a lot of people that you work. What's the protocol, and then how do you budget for this?

[0:17:53.3]

JK: Yeah, I want to answer this by saying, number one; consult with your accountant to make sure that you could write off the gifts that you want to give, because most of the time when you give gifts and you classify it as a gift in your business, the maximum gift that you're allowed to give is 25 bucks.

If you get something, like a hundred dollar gift, you could only write off \$25 worth of it. You got to get a little creative with it and get some buy-in with your CPA as to what you really can write off, and I'm not saying you should break the law, but you just want to be mindful of that. That's number one; if you're going to give a gift as a business owner, as a business expense.

Another flipside, let's just say you want to give your spouse a gift, your kids a gift, your aunt a gift, your parents, whatever it is. What this means is you literally have to take the money out of your business, so it's no longer available to use in your business and it needs to come out of your business into a personal account and then you need to buy gifts from there. The question is; how much can you afford to take out of your business, especially around this time? What's supposed to happen is you can see what you're going to owe in April for taxes, that you got to make sure that you have enough saved for taxes and maybe you wanted to do a vacation, and now I'm hitting you with this gift stuff. A lot of things that are coming to the forefront within two or three months and you need to really plan for that.

[0:19:16.1]

FT: All right. It sounds like there's a lot of emotions at play, because it's the holidays after all, but if you're looking to build a business and nurture these relationships — Gifts aren't everything, but it's a nice gesture. How do you — Any advice around kind of how to give gifts that maybe

they're not super expensive? Maybe you want take that \$25 figure, because that's really what the IRS allows for, but what can you really gift for \$25?

[0:19:44.9]

JK: Actually, I've listed a few amazing talks and read some articles about gifts. I actually think what works for me is something that you can give that's really genuine and thought out to the person that you're giving the gift to. A Starbucks gift card is very generic. It doesn't make someone feel like you really get them and are buying them something that they love.

What I have done? A family picture. A donation to their charity that they really like. A book that speaks to them. Something like that.

[0:20:17.1]

FT: Yeah, a book is great. A book that speaks to them or a magazine subscription. Sometimes you can get them like a one month of a some sort of like box of the month club that maybe they're really into wine or they're really into desserts or whatever. Then if they like, they can continue to subscribe on their dime, but at least you've given them like kind of an introduction to it. Those are always fun and those can be really inexpensive, like 10, 20 bucks a month.

[0:20:42.5]

JK: You know when you get like a holiday card and it's from like some business, like imprinted, season's greetings with the name of the firm or the guy or whatever with like no signature, you're like, "Did they really think about any — Come on!"

[0:20:55.7]

FT: I know. I get that sometimes. They will remain anonymous, but I get them, and I'm just kind of like, "Sometimes I get duplicates."

[0:21:03.6]

JK: You're very important.

[0:21:04.6]

FT: Yeah. Like one on a Tuesday and then one the next week. I'm like, "Really? How automated did you make this?" Yeah. Either do nothing or do something with a little bit of thought and a little bit of touch. Thank you for those ideas. Those were really great.

All right. We have a question from Speak Pipe here from Jasmine. It's about real estate, and I'm a home owner. Do you own a home?

[0:21:30.2]

JK: Yes.

[0:21:30.6]

FT: Maybe we can help her out. Here we go. Here's Jasmine and her question.

[0:21:34.2]

Jasmine: Hello, Farnoosh. My name is Jasmine Gibson. My husband and I, our main goal is financial freedom, which we are trying to reach as soon as possible. We have decided that real estate is the way to go. We have done what you call a live-in home flip and now our house is under contract and once it close, we will make about 30,00, which the most money we have made in our life so far. Now, we are pregnant with our first child. We are trying to figure out what should we do. Should we buy a duplex or a triplex and live in one side and rent the other side out, or should we buy a new home and then purchase a rental property? We both work at the United States Post Office and together we make about \$100,000 a year. We just wanted to know which way should we go.

[0:22:40.3]

FT: Okidoki. She's got a baby on the way and wondering also at the same how to go about becoming a landlord essentially, right? Should they rent out the other side of this duplex/triplex, or buy a home and then get another rental property, rent that out. I sort of feel like you got a lot going on in your life with this baby soon and it's one thing to want to buy a home during all of these. It's a lot to take on, but then also to become a landlord too, they're brave.

I think that maybe having proximity to your tenants would be helpful at least in the beginning as you're also working and having a family and you just become home owners yourself. Just my two cents.

[0:23:24.4]

JK: Yeah. I think that real estate is a very philosophical argument. I can give you six reasons why to do it and six reasons why not in terms of buying an investment property or buying a home. If it was me, I would buy a house. I want to raise my family. I want to own my own house. I want to pay my mortgage down, and I want to do it that way, but maybe you buy a duplex or a triplex. I think that's also a smart thing to do, versus buying another house, because if you buy another house, it's a separate property. It's not part of your existing property that you can see, right? Then you have to manage that. If those people can't pay that mortgage on your investment property, you're now on the hook for that. You're on the hook for your own house and then you're on the hook for the other one, and you need to make sure that you can adequately service both of those mortgages for a specific period of time. Usually, with a duplex or triplex, it's a little easier. The payment isn't as high.

[0:24:21.1]

FT: Right. Again, you have that proximity to your tenant, can make for things like even just — Because now you're the landlord. You have to make time for things that break or repairs, things like that, and you can definitely hire someone that's still be kind of the middle person, but it helps to be accessible to them. I think I would also that, Jasmine, not to rush into things. It sounds like she's really excited about the money that they have made, the profit from this live-in

home flip, this \$30,000, and being pregnant, they kind of want to put that money to use in and invest it, but I also think that it's worth waiting.

They are a family unit and you just never know what's on the other side of having a family. That money could be money that you could just hold on to for now and then do something with it once you realize how life materializes after having the baby, and maybe you'd be thankful that you didn't rush into buying a home at this timeframe, because you just never know where life will take you.

Any more thoughts?

[0:25:28.7]

JK: Yes. Number one; you've bought a house, you've flipped it, you've made 30 grand. That's great. What about in the sideways to down real estate market? Then you're stuck in that house. You can't get the money out. Your fulltime job is at the post office, and on top of that you want to buy homes and flip them. A In a really, really good real estate market, you could make a lot of money, but if it turns, the liquidity will dry up. You could lose your equity and then you might not have the money to buy a house, and then you're going to be renting and then you might say, "Oh, had we own something, we could write off the interest, build equity," blah-blah-blah. You just want to get really, really clear on what your priorities are. I'm not saying you shouldn't do it, but look at the flipside on what could go wrong.

[0:26:13.7]

FT: Yeah. Real estate, it's a great kind of long term buy and hold proposition. I think that they were lucky in having to come out of that flip scenario, cash flow positive and having a profit, but that's not always the case. Don't let that become the rule of thumb and the protocol. It's not always like that. Hopefully you'll have a lot of prosperity in all of the financial endeavors that you take on, including real estate, but I think that at this stage two in your life, when you are going to be having a family, raising a family, better to be a little more prudent.

Justin, this time of year, especially with the news coming out about tax codes, changing and tax laws changing, as a small business owner, what's your advice? What's your financial advice for business owners going into the New Year as far as maybe just — Let's just tackle the tax variable. What are some ways to prepare for that and what do you think is going to happen?

[0:27:14.1]

JK: I think that they'll be some sort of compromise. Maybe they lower tax rates by 1% to 3%, but if they do that, they're going to have to take some — Either raise social security or lengthen it. They got to somehow pay for the tax cuts, and I think a deal will get done, but it will be a little bit of a tax cut, a benefit for most people, but they're going to have to pay for it somehow. What I would recommend business owners do is have a conversation with their accountants and just ask for — I actually do this every quarter. I would ask them, "What percent of my sales do I need to set aside for taxes?" Not, "What percent of your profits?" but "What percent of your sales?" So you can come up with a system of as you're bringing in money to your business, how much do you need to set aside and put in a separate bank account to pay taxes?

[0:28:06.4]

FT: Right. Hopefully, a lot of us are just paying quarterly as supposed to once a year. That will become a more recurring practice. With my CPA, we pay the IRS every quarter and she's in the habit of asking me about my income, because I forecast a certain income, but then of course things can change or I get paid late or I get paid early. That is a moving target. Yeah, if you're not already on social service system where you're paying your taxes quarterly, or even just like you, putting aside money every pay check, every sales paycheck, that you do that going into the new year as things are very murky right now.

[0:28:49.2]

JK: Yeah. You could maybe mitigate yourself and change entities from a sole proprietorship to an S-corp, pay yourself a salary once a month, get some tax withholding in there. Also, just for like this time of year, maybe you need to increase your expenses to reduce your profitable net income this year, which would then reduce your taxes owed in April.

[0:29:09.6]

FT: You probably get a lot of questions about — Especially for new entrepreneurs, new business owners, like, “How do I actually create a wall between my personal spending and my business spending.” I think it could get actually challenging when you’re married. I think when you have a partner and you have kids, then you really need to compartmentalize and create strict boundaries. When you’re starting out, what are some good ways to adjust to that separation?

[0:29:34.7]

JK: I think having a set of books for your business is huge. Then number two; you really have to get clear on how much money can I take out of my business to live for personally? When you move the money, when you log on to like BofA, Wells Fargo or Chase, you like transfer money for your business to personal, how much can you afford to each month and what is your personal monthly nut? Is your business generating enough income to support the lifestyle that you have personally? Maybe your spouse can help you bring in more. Maybe you need to cut back on something personally. Maybe you need to cut back on something in business. Maybe you’re throwing money away in your business and you need to take more money out to live personally. It’s kind of like getting your head out of the sand and owning the fact that you have to be aware of what’s going on with the numbers in both your personal life and your business.

This is generally where it can get a little overwhelming for people, and I’m like, “You know what? Just have a glass of wine. Take it one sip at a time. You totally got this.”

[0:30:39.0]

FT: Can I just say something else too? I feel as though we sometimes compete against each other as business owners, especially within the same category or sales, product, that we feel like, “Oh, well. This person is making seven figures and this person is making \$6 million and I’m only making \$500,000 or I’m not making —” No one is really talking about margins. We’re always talking about sales, even when we’re reporting on big companies, like Warby Parker.

I profiled those to founders and they run a hugely successfully business, but a lot of the articles and ink and everywhere else is like, “Oh! They’re a billion dollar company.” I’m like, “But are they profitable?” They weren’t for a while, yet we were still giving them this award for generating a billion, which is a fete. I get it. But at the end of day, what matters is how much you take home. We don’t talk about that enough. I think that sometimes we are competing on false numbers, right? That if your margins are like 50% and then another business is 10%, well who cares what they’re bringing in sales?

[0:31:49.6]

JK: Farnoosh, I love the profit rant. I’m 100% with you, literally. I think it’s all about profits.

[0:31:56.4]

FT: But no one wants to reveal profits, because then it’s like the emperor has no clothes.

[0:32:01.9]

JK: That’s right. Especially with people celebrating these big launches on stuff. How much should they actually come home with?

[0:32:10.2]

FT: No. I don’t know. Gary Vaynerchuk, he’s a character, but one of the things that I love that he preaches is about — This, again, applies to any business owner of any size and scale. How do you know when to hire an outsource? It feels though a lot of times we — I don’t want to say a lot of times, but I know some business owners that have so many people on payroll or they have all these freelancers working for them, and I’m like, “Okay. That’s nice if you have that, but do you really need it?” I feel like you should really only hire — He says you should only hire in pain. When there’s a pain to address. Like, “Oh my gosh! I’m dying here. I need a copywriter,” or “I’m dying here. I need someone to help me with X, Y or Z.” That’s when you know it’s worth it to invest in the hired help, but when you’re just sort of surrounding yourself with assistants and interns and people that you’re getting coffee, it’s like, “Hmm, can’t you just get your own coffee?”

[0:33:05.8]

JK: Yeah. I think you're on to something. I think it really has to do with as you hire each person in your business, you want to make sure that the business's profits can catch up and be more profitable, because I've seen people hire five people and then it doesn't work and then they're like, "Aah!" So afraid and scared and don't want to hire anyone ever again. I believe in hiring one person at a time, making sure that it works and then moving on to the next thing.

Do we have time for a mini rant three on hiring?

[0:33:36.8]

FT: Yeah. Okay. I love you. Go ahead.

[0:33:39.0]

JK: People will hire admins, right? Virtual assistants, admins, all of those people, and then they'll invest in that admin and they'll be like, "Oh, I didn't make any more money. It didn't work," blah-blah-blah. I'm like, "Whose responsibility was it to make more money?" They're like, "Me." I'm like, "What did you do with that free time?" They're like, "I don't know."

A lot of times we hire people where the ROI isn't based on the person who we're hiring. It's actually based on us. We're the one who's in charge and responsible to make sure that we get an ROI, because we're delegating something that's not in our unique ability, which means it's on us. It's not on the admin. It's not on the VA. It's on us to make hay while we have more time.

[0:34:22.0]

FT: Right, and then what you do with that time is really the question. We just think, "Oh, we have more time. That's winning." I'm like, "Well, it is, but even better if you're using that time, like you say, to leverage your unique qualities to go out there and actually bring in more money so that that hire pays for itself and then some."

Justin Krane, thank you so much. Tell us a little bit more about your business. Your book is called *Money, You Got This*, which is just brilliant. Of course, you are the money strategist for business owners. Any updates that we should tell listeners about?

[0:35:01.2]

JK: Nothing. I think that just really focusing on the financial life that you want for yourself. Getting really, really clear about it. We're coming up on the beginning of the year. It's a great time to plan and set the intention of what you want for your life. I believe that each of us has the power to have the financial life that we want.

[0:35:22.6]

FT: Everyone, In you're in luck, because Justin offers a free strategy session on his site if you go to jkrane.com, and Krane is with a K. You can learn more about him, his book, he's got a blog, and he also has a free strategy session. So please check that out. Justin, wishing you and your family an awesome holiday season. I would say relax, but it sounds like you're ahead of me there. Smart one, going on a vacation before everybody else takes off for the end of the year. Do you have any big plans?

[0:35:56.4]

JK: No. This is a busy time for financial advisors. We do a lot of tax planning. A lot of just end of the year stuff. I'm going to go away for a few days. I think we're going to go to Napa, my wife and I, for a few days. It's a busy time for us.

[0:36:12.3]

FT: All right. Good luck with everything. Wishing you continued success in the New Year, Justin. Thanks for coming back on the show.

[0:36:18.3]

JK: Thanks, Farnoosh.

[END]