

FT: Jack Canfield, welcome to So Money, such an honor to have you on the show.

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JC: Well, it's my pleasure to be with you. Thanks for having me.

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FT: Congratulations, the 10th anniversary of The Success Principles and I should tell listeners that there are 100 pages of additional material, a whole new section offering guidance to success in the digital age. It's a tremendous book and no doubt went on to sell, you know, countless copies when it originally published. One of my favorite aspects of the book, Jack, is how you touch on personal financial success which is really what this show is all about. So, I would love to start by asking you a personal question, you know, the book is filled with numerous principles, many of them which apply to building wealth and achieving financial greatness. In your personal life though, Jack, what would you say is the number 1 principle that helps to guide your financial decision making?

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JC: I would say that basically, you know, I value what I provide people more than the money I make so I've always been a believer, if you create more value you'll make more money. And so, for me, I mean I do I put away 20% of all my income into growth in terms of stocks and bonds and real estate and so forth and so on. I had learned that early on from my mentor, W. Clement Stone, who told me, he had me read a book and it just basically said that you've got to put away 10 to 20% of your income. And so, I've been doing that since I was in my 20s. So, as far as protecting my wealth and building my wealth, I do that. And, the other thing I do is I truly believe in reinvesting into yourself as well. So, I put a lot of my money into my own company in the beginning and grew that but I think that, you know, I just believe that anything's possible and I've never, I mean I remember when we were, you know, writing the Chicken Soup for the Soul books and we had literally no money to pay the toner bill for our Xerox machine and we needed it because we were reprinting copies of the book to send out to publishers and we would just get on the phone and we were so convinced that we were going to make a lot of money that we were able to convince other people of that. So, I've always been very optimistic and believe you should act as if you already are wealthy. And then, that vibration will attract wealth to you.

[02:20]

FT: As you say in your book, you get what you focus on. But, I'd like to put a little bit of devil's advocate there because I think that society, you know, I'm not of this belief but there are many who believe that when you focus too much on money, right, too much on earning and this goal of becoming wealthy that it implies that you're greedy, that you care too much about money and not enough about people. Is this such as a limiting belief as you talk about in your book and if so, how do you get over that? How do you make peace with that?

[02:52]

JC: Well, it comes up quite often with my students, you know, who feel that if you're into money it means that you're greedy or money is not spiritual or any of those kind of things and, you know, I've

made tens of millions of dollars, you know, close to a hundred million and the reality is I can do a lot more good in the world than someone who's making \$50,000 a year. You know, I've built schools in Africa. We've drilled wells in Africa. I have supported microloans to people all around the world. I've given a hundred thousand dollars to The Pachamama Alliance that allows us to sustain our ecological, you know, balance in the world by working in the rainforest and protecting it from oil drilling. Those are things you can't do if you don't have money. I am very generous with my staff. We have 15% profit share. One year my receptionist made \$70,000 in bonus money. So, the reality is that, when you have money you can do good things. I always say money amplifies what you already are. So, if you're a greedy, control oriented person, you're going to have a lot more money to be greedy and controlling with. If you're a generous loving kind person, you're going to have a lot more money to be loving and kind with. So, I don't think money corrupts you. I think it just expands what you already are and I grew up in a family that practiced, you know, generosity and we tithe through our church and so on and so forth. So, I think money's just energy, just like a, you know, I always say "Guns don't shoot people, people do." Money is just energy. It's like electricity. You can take that electricity. You can kill someone on an electric chair, retake that same electricity and make the most beautiful light show where you can create laser therapy and heal, you know, people that have cataracts in their eyes. So, it really depends on what you do with it. It has no control over you. You have control over it.

[04:37]

FT: And, you yourself, I like to ask guests sometimes to go down memory lane a little bit and share with us how they became the financial mindset they are today, how they inherited certain mindsets and philosophies and decision making around money. I was listening to your podcast earlier today, on James Altucher's podcast I should say, your interview with him and you went down memory lane to kind of a more challenging part of your life, you know, when you were going through personal hard times, recently divorced, wife got \$8 million in cash and you said that you went through a little bit of a depression, you were angry, you were upset. You were wearing your shirts 3 days in a row because you couldn't afford the dry cleaning. And so, please take us back to that moment just to share with us how you overcame that episode in your life and what was the lesson learned?

[05:37]

JC: Well, I got divorced about 17 years ago and basically what happened was I was very upset by the whole thing because my wife got a really good lawyer and I had done a number of things to make it fair. I bought her a house. It was supposed to go against the settlement but because I didn't have any in writing it was considered a gift and not part of our mutual estate. There were a lot of things that were very upsetting to me and very angering to me. Well, the main part was my business was valued at the same amount of money as all of our equity. And so, basically, she got all the cash, the bonds, the stocks, the property and stuff and I got to keep my job. And, at first I was really resentful about that and then later, I mean looking back on this, this is probably the best thing that ever happened to me because what happened was I was getting a little lazy. You know, when you've got about \$10 million in the bank, you don't have to work that hard. You can live off the interest and I was starting to not push myself as much as I'd done in building the Chicken Soup for the Soul franchise. And so, it forced me to, you know, really honker down and get creative again and I wanted to get back to that same level of wealth which I've done and I wanted to do it quickly. And so, I could

have afforded to send my shirts to the laundry but I didn't want to spend that money on that so I just wore things, you know, more often than I would and I ate less expensive food and I bought less expensive wine and, you know, whatever it was. But, the key thing was I said, "Okay, if I've done it once, I could do it again." You know, I run workshops for, one of the workshops I run you have to be a millionaire to be in it and there's 2 kinds of millionaires, a self-made millionaire and there're people who inherited or got a trust fund or whatever and you could take any of these self-made millionaires, drop them naked in any country in the world with no identity, no business connections, don't know the language and within 3 to 5 years, they'd be millionaires again because once you know how to do it, you can't not know how to do it. And so, as things evolve and change, you have to learn new things, like now, everything's digital and it wasn't, you know, 15 years ago. But, the point is it's a mindset. And so, my mindset was "Okay, you know, I'm resentful this happened. I need to let it go because I teach forgiveness." It took me about a month to really let it go. And then, one day I said, "You know, I'm spending time being angry about something I can't change." I don't know if you're familiar with Byron Katie's work, where she does this belief's work where you look at, I have a belief that that shouldn't have happened. I've a belief that my wife should have been more fair, whatever. And then, the question is "Is it really true? Can I absolutely know that my wife should have done this differently?" Well, no, I don't see it high enough in consciousness to know. Next question is "What do I experience when I hold on to that belief?" It was anger, pain, resentment, upset, you know, all of that. Who would I be without this belief? I would be someone who is happy, relaxed and getting along with my life. So, I went through that process and realized I needed to let it go and I did. And then, I started working on, that's really where The Success Principles book idea came from. I've had a successful life. I had to look back and say "What are the principles that got me to where I am?" And, in the process of doing that I said, "Wow, I need to share these principles with other people because they don't know these principles." I had lots of students who didn't know them. And so, I started to write the book and that book has been the other than the secret, that book has just taken me around the world. I've spoken now in 47 countries. A lot of times, they want me to do Success Principles. I just came back from a trip in the gulf where I spoke in Iran. I spoke in Oman. I spoke in Dubai. I spoke in Kuwait, Bahrain, you know, all the gulf countries. I would never have been asked to come and talk about Chicken Soup stories but I was asked to teach people about how to be more successful. I've spoken in, you know, Russia and so forth. So, it really was a gift and once I started looking back at the principles of believing what's possible, acting as if it's already a done deal, visualizing it, affirming it, you know, having a positive expectation and just, that's what really this book's about. It really saved my life by writing it and it also saved now, we sold 700,000 copies in 27 languages and I get stories from all over the world about people absolutely transform their life. I'll just tell you one real quick and then we'll move on. But, I was in the Philippines, in Manila, I was doing a seminar and the night before I got a book signing in a bookstore and this guy named John Calub interviewed me for a local newspaper and it was a great interview. It was really fun. He was a great interviewer. I said, "John, that could be the best interview I've ever had. How long have you been doing this?" He said, "You're my first interview." I said, "Get out of here. How is that possible?" He said, "Well, I just got a job, interview successful people for the newspaper. I lost my previous job. I'm couch surfing because I don't even, I haven't even got a first paycheck yet." And, I said, "John, how much money do you have?" He said, "I have \$2.38." I said, "Is that everything?" He said, "That's everything I have cash." I said, "I'm going to give you \$20 to buy you dinner." I bought him a copy of my book from the bookstore. I didn't have one of my own to give. I said, "Read this book. It'll change your life." That's the last I thought I'd ever see of him. I come back 2 years later to

Manila, to do another workshop. He comes to the workshop, walks in, beautiful blue blazer with gray pants, a big gold logo on his pocket, nine guys behind him in polo shirts all with the same logo like an entourage and he's wearing gold Doc Martens shoes to which I thought was really cool. My kids had known. So, I said, "You look like that guy that interviewed me 2 years ago?" He said, "Yeah, I am." I said, "You look different." He said, "I am." I said, "What happened?" He said, "You gave me your book." And, I looked at him, I said, "This guy's a multi-millionaire. He's really successful. He's got a great wife, a great family. He looks healthy. He looks 10 years younger than he is, etc. I'm going to do everything that's in this book because I want to have the life he has." For one year, he did every single thing in my book. I don't know anyone who's read my book, there're 67 principles in it, whose done everything. He did. And now, he said, "I made a million last year. I have a condo at the beach. I have a house in town. I've got 2 cars. I have a boat. I have a radio show, a TV show and a book coming on and the number 1 Motivational Speaker in the Philippines and I get 600 to 1,000 people at every one of my workshops every week. And, I went, "John, amazing." And, that's what's possible when you apply principles, just whether the financial principles like you're teaching or whether they're total life principles including financial principles that are in my book, The Success Principles.

[12:05]

FT: Yeah, when you met him 2 years prior you recognized something in him, right, he had it and so what was that, like what made you think this guy is onto greatness and he didn't even probably know it yet.

[12:20]

JC: He didn't. I think what I noticed in him was a certain joie de vivre, a joy of life. He was charismatic in a way that he was, here he was with \$3 basically net worth and, excuse me, and he was fun and he was happy and he was, you know, I mean he was struggling. I don't think he knew what a great person he was. But, he just seemed to be a guy who loved life and who, he was authentic, he was transparent. He told me the truth about himself. He wasn't putting on airs. I think that's a really important thing. He was humble and he was hungry and I think that's what made him stand out to me. He reminded me of myself when I was that age.

[13:00]

FT: Yeah. What does wealthy mean to you and how do you educate people on how to embrace wealth? And, is this something that you learned as a child growing up or it's something that you studied and became an expert on?

[13:18]

JC: Well, wasn't my childhood, my dad made \$8,000 a year, that's 8 with 3 zeroes and we lived in a house I think that sold for \$12,000 when we moved, a very little small frame house in West Virginia, you know, one of the more impoverished states in the world and at least in the United States. And so, my dad was a very, he was kind of poverty conscious guy and he resented anyone who had money. So, it was not an easy thing for me to overcome that resentment of wealthy people. I got a scholarship to go to Harvard because I was smart. And, you know, I ended up with friends like Larry Rockefeller and people like that and I always was jealous they had all this money and I was on

scholarship. I had to work on the weekends and they didn't. You know, they'd take Spring Breaks like in Argentina on their ranches and I'd take a Spring Break working somewhere to make money to, you know, pay for my clothes and things so basically I had to learn it and I was fortunate that in 1969 I took a workshop in Chicago with a man named W. Clement Stone, who was worth \$600 million dollars and he had a foundation teaching people what he called achievement motivation and it was there that I learned that money and wealth was not a 4-letter word. I learned that that's just the power of your mind, 'what you believe is what you can achieve'. You know, Napoleon Hill 101, if you can conceive it and believe it, you can achieve it. And so, I started to practice these principles and my coach in that program because I took some more seminars with them, challenged me to set a goal. It was so big that I'd know it was only these principles that work. There I was making about 9,000 a year as a teacher and I took this course. I set a goal to make a hundred thousand dollars in one year. It took me 2 years to get there. But, I made \$93,237 or something like that and I was not upset. I said, "Wow, this stuff works." And so, ever since then I've been practicing his principles. Now, what wealth means to me to go back to the other part of your question is I think wealth is having enough money that you'd never consider money an issue. And so, for someone a poet up in New Hampshire in a may frame, that might be \$50,000 a year but for myself, you know, I need to have \$30 million producing money which produces \$1.8 million of the 6% compound rate which allows me to then pay the government their share and have million dollar a year lifestyle, without working. So, that's what wealth is to me. Now, I'd love to work so I keep working. I don't know if I'll ever retire but I don't have to. I can only do the things I want to do. I never have to do anything.

[15:54]

FT: Earning is really important to you and it's something that you educate all your students on, all your readers on more so than obsessing over how to save which I think is a real cultural kind of, it's a paradigm, right? You have to, a lot of people in this country is obsessed with nickel and diming their budget but you think it's better and perhaps even easier to earn more, right?

[16:20]

JC: I do. I do. I do. You know, there's a lot of things you can do. You've heard the multiple streams of income, MSI, so you can have a lot of things working for you. You can have a 9 to 5 job. You could be working in a multi level marketing network, marketing company. You could have real estate working for you. I mean, you know, Rich Dad Poor Dad have assets that are making money not spending money on them. And so, if you read the book, The Millionaire Next Door, a lot of these people didn't buy a new car every year. That makes sense. We don't need a new car every year. If you start to spend money for ostentatiousness, you pretty much lost the point of the whole thing. So, you know, Sam Walton drove a truck his whole life and he certainly spend money but he didn't waste it. So, I think that earning money is not as complicated as we think it is. There's a lot of passive ways to do it. You know, when the recession happened for instance, there was a woman, everyone was like downsizing, not investing as much, people were getting laid off and all that. And, you know, there's always, I always think about it, you find a need and fill it, find a need and fill it. So, what happened was everyone started going on eBay selling everything they had in order to get through the recession. This lady opened up a little shop, you know, in her home. It says "Bring your stuff to this storefront which she created in her house and I'll ship anything you sell on eBay." And so, she was making a lot of money just basically charging people for wrapping and, you know, bubble wrapping

and shipping UPS and whatever figuring out all that, that they didn't want to know or didn't know how to do. Another person saw that all the people that were getting thrown out of their homes basically were trashing those homes, you know, because they were so angry about, you know, their mortgage not working anymore and we couldn't pay the mortgage. So, she calls the banks who's having trouble selling these properties because the banks are not into refurbishing properties and says "I'm starting a cleaning service. If you get your house trashed, I will come and clean it up. I'll work with carpenters that can fix things if they took all the cabinets off the wall, whatever." She ended up having 12 employees. So, the reality is there's always a way to make money. I don't care where you are. Money is made by ideas and then acting on those ideas.

[18:28]

FT: Prior to Chicken Soup for the Soul, prior to The Success Principles, Jack Canfield is trying to, you know, build his wealth, make his career, build his brand, his business and along the way I presume you might have made a few missteps, financial missteps as we all do as we're starting out. I ask this of all my guests because I think it's very revealing. What was your biggest financial failure and how did you overcome it?

[18:51]

JC: You know, I think most of my financial failures came when I tried to do something that wasn't aligned with my purpose. My purpose is to inspire and empower people to live their highest vision in a context of love and joy. So, whenever I was working on that, whether it was writing books to developing audio programs, running seminars, doing coaching programs, I was always making money. I was on purpose. Whenever I would delve off into 'Hey, Jack, there's this really cool idea, we can make a lot of money really quick doing this.' I got involved in some multi-level marketing companies, didn't realize how much work it was and lost money because I bought a lot of product, you know, it was a term called garage qualified. You had all these products in your garage and you didn't have any people to sell them to. Today, in the internet, you know, it's all drop, ship and stuff so it's not big a deal. But, the other thing was we decided to create a portal, kind of like AOL and which will be a human potential portal. We had no business doing that. We didn't know enough about it. AOL was like cleaning up everywhere. For years, AOL was putting free CDs and DVDs inside of magazines just to build their base. We didn't have the money to kind of do that. We lost \$30,000. I did another thing where we invested \$300,000 in an infomercial, didn't know that business well enough to be playing. And so, you know, I made some big investments that didn't work out. I've invested in companies I never should have invested in because I didn't know them. You know, the richest people in the world tell you, "Don't invest in business that you don't fully understand." And, I didn't do the due diligence I should have done. So, lots of fifty and a hundred thousand dollar investments that turned into nothing. So, I don't do that anymore. I actually have one guy who manages my money with me and he knows X times more than I do. He used to work at Deutsche Bank and is an extremely brilliant guy, so I let him do what he knows how to do. He runs everything by me and I usually say, "Well, what would you do if it was your money?" And, he tells me and I say do that and we've had a great run. So, it's like don't try to be an expert in areas you're not experts in, use the experts. You know, educate yourself. I've read all these books on money, including Tony Robbins' new book on money. So, I want to know what's going on but I can't spend 8 hours a day studying it like my friend, Kelly, can.

[21:10]

FT: I think that's so true and so many of my listeners are curious about working with a financial adviser or working with a business partner or getting an accountant and they're not sure if it's worth the investment because, yeah, it's technically stuff that you could figure out on your own if you had the time, but often you don't have the time, right, and you don't know all the answers.

[21:32]

JC: It's true. I mean if you're someone who has all day long and you want to sit there and, you know, be on one of these programs that allows you to watch the green arrows and the red arrows going up and tells you when to buy and sell and you want to trade and you can be currency trader, whatever, I have friends who are currency traders and make a lot of money but they're doing it 8 hours a day. It doesn't interest me the least, you know, I definitely know enough about not being stupid anymore. I know a lot about the stock market and a lot about bonds. I know how to balance things, all of that and I know I get good stock tips. I bought Apple at a really good price. My advisor didn't want me too. I said, "I'm going to overrule you on this one." I said, "I've been in an Apple store in San Francisco 3 days in a row, you couldn't get in the store." I said, "That's like Starbucks. When there's always a line, invest." And so, I did and, you know, tripled my money and the stocks [inaudible – 22:18] and now they're paying it, you know, dividends out and so forth. But, generally, you know, you go with people you know and ideas you know and businesses you know and don't get into things you don't and I think, I teach that success is a team sport. One of the chapters in The Success Principles, success is a team sport and you need to surround yourself with a team of experts, bankers, accountants, investment advisers, you know, people that know what they're doing and then work with them on a regular basis and has to be a consistent touch point. Like, I touch in with this guy every month for a half day meeting and probably he calls me every other week with some information around a decision I need to make but you want to not pay attention. My friend, Matt Weinstein, he runs a company called Playfair, invested with Bernie Madoff and literally his wife is also an author and she has all these books on relationships, have done very, very well. They had millions of dollars with Bernie Madoff and when that happened they lost everything, I mean everything. He was down in Arctica on a cruise to see the penguins and they called him on the ship and said, "This is what happened." His wife told him and he said, "Well, we better get off this call because it's costing us \$20 a minute." I mean that's how broke they were at that point.

[23:32]

FT: Oh my gosh.

[23:33]

JC: Now, they had had built back because he has written two bestsellers since then. He's expanded his company but, you know, imagine losing like 13 million dollars and literally never seeing it again. So, that's he wasn't paying attention, you know, and they always say when it seems too good to be true, usually is. So, you got to monitor that which you are responsible for.

[23:56]

FT: I was going to ask you about habits but it sounds like you really just delve into that for me. Your habit is being in touch consistently with advisors and team members that can help you make the best decisions.

[24:09]

JC: Yeah and I also have an accountant in my company that also is my personal accountant so I get monthly reports of how I'm doing, if I'm overspending in my categories of very clean budgets and every once in a while to say to my wife, "We bought enough clothes and need to wait for 2 months." You know, and she'd do.

[24:26]

FT: Do you really have to say that?

[24:28]

JC: I really say that because, you know, we have a budget for art, for furniture, for travel, for our children, gifts that we give to philanthropy. We give away a lot of money to great causes and, you know, so it's not a small budget but the point is I'm not in the position where I could just do anything I want because I want to do it but I think you have to be more conscious than that. Otherwise, all of a sudden you bought, I was in Maui a couple of weeks ago at a conference that I put on every year for the transformation leadership council and one of my friends bought a \$70,000 piece of art that Anthony Hopkins, the actor, painted and I would have loved to have bought a piece of art right there but we'd already spent our art budget for the year. So, it's like I like to live within a certain level of, I call it sanity. So, you don't just go down the road and spend money because I have a life-long plan of what I want to do with my money and how it's going to be divided up when I die and so on and so forth and I'm very conscious about it.

[25:28]

FT: You said it. I think consciousness is key, whether you're making \$50,000 a year or \$500 million dollars a year, there has to be a level of consciousness as you say to keep sane, right. People think they'll win the lottery and then, you know, they can make any financial decisions that they want. They can spend, like there's, you know, like there's no tomorrow but then we know what happens to their winnings.

[25:51]

JC: Well, absolutely. You study this and you know that almost 90% of all lottery winners are bankrupt, not bankrupt but they've spent all the money.

[25:58]

FT: Sure.

[25:59]

JC: Within a couple of years and they bought their mother a house. They bought a, you know, Mercedes Benz, whatever and they never invested it. They didn't think about, you know, 'can this money make money?' That's really what you want your money doing for you.

[26:10]

FT: So, we started this conversation, Jack, you talked about being generous, being a giver as one of the tenants that you uphold and you're trying to achieve wealth and teaching wealth to others. So, I'd like to end on a question about giving as well. In your book, you talk about the importance of tithing and for those of us who may not have a lot to give, we can give in other ways, right, there's time, there's experience?

[26:37]

JC: Absolutely, absolutely. I tithe my time as well as my money. I do 10 free workshops a year for non-profit organizations and my normal speaking fee is \$30,000 a day in the United States and \$75,000 a day if I leave the country. And, I give away, you know, probably about \$300,000 worth of my time and I do it because it's easy to write a check assuming you have it. It's more of a commitment to show up and to show your expertise, to get down and dirty with the local people that are dealing with gangs or dealing with the homeless or whatever it might be and I find that that is really fulfilling for me to be with people that have less. And, there're all these books that are now being written about happiness and my experience is that I'm happiest when I'm serving, when I'm giving something away, when I'm helping someone who can't help themselves at some point. Now, I'm not into, you know, making people dependent. I'm into empowering people but there are many, many people, you know, who've been in car crashes, who husbands have left them and they're homeless on the street who don't have the skills they need at this point. So, we support a lot of education groups and, you know, my wife volunteers. She does, she goes into prisons and runs prisons programs called the Alternatives to Violence and she works with these people. They love her and they love the program because nobody goes to the prisons. These people are so lonely for anyone who cares because the guards often are more cruel than they are helpful. And so, she does that work. She's also a hospice worker. She works with people who are dying, you know, so she comes home from these things. Like, for 2 days she's so pumped, she's so up, you know, because of what she was able to help people do. So, yes, we can give away our time. We can give away our expertise. We donated almost a million books to people in prison. We won this big award which came with thousands of dollars and we didn't need the money so we challenged our publisher to sell us books at the printing cost and then to match the number of books we were giving out and then once we started doing that we actually promoted it and people started sending us checks to do more of it. So, every county jail and every prison in America has a Chicken Soup Library in it.

[28:46]

FT: I love that. I love that so much. Jack Canfield, thank you so much. The book, everyone, it's the 10th anniversary of The Success Principles: How to get from Where You Are to Where you Want to Be and, Jack, thanks for being with us today.

[28:59]

JC: My pleasure. Can I make a quick offer to your listeners?

[29:02]

FT: Yes, please.

[29:03]

JC: If you go to thesuccessprinciples.com or thesuccessprinciplesbook.com, you can buy the book through that portal and to Amazon.com or Barnesandnoble.com. But, what you'll get in addition are 5 bonuses. It's an hour long video of me, teaching about living by design instead of by default, an hour audio you can download which answers all the questions or the most asked about the principles in the book, a daily disciplines for success poster, the first 2 chapters of the book you can download immediately so you don't have to wait for Amazon to send you the book. And, an instant income business planner that's written by my partner Janet Switzer, who wrote a book called Instant Income and so nice bonuses worth over a hundred dollars if you would buy the book through there instead of just going directly to Amazon or your local bookstore.

[29:48]

FT: Fantastic. Okay, we will do that and I will put that on the website at SoMoneypodcast.com so everyone can reference it and make sure to get these goodies. Thank you so much, Jack Canfield. Have a great year.

[29:59]

JC: Oh, thank you, Farnoosh. I appreciate the opportunity.

[END]