

FT: John Lee Dumas, welcome to So Money. Hey, John, are you prepared to be So Money?

JD: I am prepared to ignite so I hope there's no flammable money by me.

FT: We don't like to burn money around her but...

JD: Right, it's actually illegal.

FT: Yes, yes. Ladies and gentlemen, this is the great John Lee Dumas. He is the reason that I have launched this podcast. Now, I do credit a few people for teaching me and inspiring me along the way but, Mr. Dumas, you are my leader. I am your disciple. John Lee for President.

JD: Would you say like 80%?

FT: I would say over 80%. I'd say like 95%. I don't think because you really gave me the tools, you know, I should back track and say that I was on your podcast when I was launching my own book and I was so impressed with your professionalism, the energy, such a polished show coming from, you know, a traditional journalism background I really respected that off the bat. And then, getting to know you and knowing your business model and seeing just kind of the inroads that you've made for so many others to find their home in podcast land, really a gift that you've given us and I was inspired to do a podcast and look no further than to you as a leader and as a mentor. So, thank you, thank you very much.

JD: Well, it's awesome when I can see somebody actually take action and especially somebody like you, Farnoosh, who just has an amazing passion and vision and voice to share with the world and you're still daily, right?

FT: I am daily.

JD: You're so awesome. You are So Money and so awesome.

FT: Well, I go big or go home. And, speaking of, you know, Entrepreneur on Fire for you has really catalyzed so much in your professional life. You went from working for the man to starting your own daily podcast, generating millions in sales, inspiring thousands of others who do the same through your workshops, your webinars, your courses, you're leading a movement and it's all happened in a relatively short period of time in just a few years. So, what is next for you, John? I'm curious, when you look back on 2015, what do you want it to signify?

JD: I want 2015 to signify the year that Entrepreneur on Fire went even bigger in the free value that we give. You know, for me it started with the podcast giving free valuable consistent content 7 days a week. And, now 2015, I want to go bigger in that realm and that's what we're doing with freepodcastcourse.com which is completely free for people to create, grow and monetize their own podcast. We do the same thing with the webinarcourse.com and I just want to keep doing that, Farnoosh. For me, we have a great revenue generating machine right now and that's awesome. That's in place. But, now, how can I impact more people and how can I impact more voices like yours to get out there and have an incredible ripple effect because you, Farnoosh, are reaching people through your podcast that I never ever would have reached but now that ripple effect is just going out there. You know, you're inspiring people to do amazing things and that 3 degrees of separation I love and it's growing every day. So, how can I do that and to see that we've now had over 7,000

people go through free podcast course and that number's skyrocketing every day is just, it's what I live for now, what I love and I want to keep that pedal to the metal.

FT: So inspiring. It's similar to what many other entrepreneurs on this podcast have told me that they are dedicated to being not just go getters in life but go givers because that has reciprocity like nothing else. Alright, John, financial philosophy, what is your guiding money principle? You talked about this robust revenue stream that you got. We're going to get into it a little bit but I would love to hear, just off the bat, you know, what is your guiding financial principle, philosophy in life?

JD: I will say this, I am nowhere near the level of you as far as when it comes to just this genius financial mind but I usually do surprise some people when it comes to my financial know-how because a lot of people don't know that I did spend a number of years in corporate finance and I've actually always been really into finances and investing, etc. And, I'm a straight disciple of Jack Bower. He's been somebody I've read his books. I've been obsessed with his philosophy. I love what he's brought to the table with Vanguard and I am massive when it comes to dollar cost averaging into index fund and I know you've had Tony Robbins on the show and his book, Money, I consumed, honestly, in 3 days and that's a massive book but to me it was like candy because I just love that stuff and what I loved most about it was how it just confirmed the power of dollar cost averaging and index funds and diversifying and just being consistent with the compounds, interest that's just growing off of your investments. And so, to me, that's my philosophy, dollar cost averaging into index funds. I love how it's conservative while at the same time it gives great room for growth and that's what I call my core, Farnoosh. That's like 80% of my money. I do love the explore side of it which is my 20% and I have a couple of flyers out there like with the Facebook, the Apple, well, it's not Twitter but I have a Facebook, Apple, Amazon and Google are kind of my 4 flyers where they could in 20 years be at zero but I think one of them will at least be a 10 or 100x.

FT: And, I think this is very much akin to your personality, John, I mean if I, I don't know you that well but I know kind of your work discipline and your work ethic and I know that you're a consistent person in your personal life, you know, whether it's you say something you're going to do it and you execute or you have a daily podcast, you know, I think there are parallels to how you kind of proceed in your personal life and how you proceed in your financial life which is always nice to see, especially when it's good habits.

JD: Yeah, I love good habits. I'm a big believer in that and I just see the value of that consistency and I'm really looking forward to the dividends it will reap down the line.

FT: Absolutely. Alright, take us back to little John Lee Dumas. Going down memory lane a bit, share with us your most vivid financial memory, the moment in your upbringing that really crystallized how, today as an adult you proceed with your finances.

JD: Okay, well, little John Lee Dumas had very chubby cheeks. I will say that, for sure. And, one thing that I feel very fortunate about is my parents and my father specifically was always incredibly transparent when it came to money and to finances. So, he would always be talking about money that he made or lost in the stock market, also money that he made as a lawyer too so I was always in the know and I understood that and I think that was huge for me because I started to realize that "Okay, I can learn from this." And so, when I was very young, my first real money memory is my Dad saying, "Listen, I am going to open up a Fidelity broker's account, under your name within my

account, and I'm going to give you a thousand dollars. Now, you can't take that thousand dollars out and do anything with it but you can invest in stocks. Like, I want you to go out and research companies and actually buy and sell." And, I was like, "Wow." Like, a thousand dollars at this very young age. I was like 8 or 9 years old. I mean that's, that might as well be a billion dollars because you can't even fathom buying that many baseball cards. Like, it just doesn't, it's not possible. So, I was just so excited about that. I thought I was like the richest kid in the world even though I couldn't touch that money for anything besides trading. When I went to work and I pulled open the, I'll never forget, I opened up the newspaper and for whatever reason, my philosophy, Farnoosh, was to find the biggest 52 week spread, like the stocks that were like all the way from \$3 to like \$50 in the course of...

FT: That's smart.

JD: Well, yeah, okay, maybe, you know, again I was clueless. I was like "Let's do the biggest spreads that they were \$3 and, you know, they went to \$52 but they are now somewhere in the bottom 25% of that." So, they were like maybe 10 or 16 now. So, they had stabilized from that low point but they still had recently in the past year been that high and I bought a few stocks. And then, the worst thing happens, they went up so I thought I knew what I was doing. I thought that I had developed the system. I'm like "Why isn't everybody as brilliant as me, this 8-year old?" And, you know, my father was like, "Whoa, that's pretty impressive, son." But, that didn't last. I lost almost all the money and I learned some great lessons.

FT: I have to say you're father, first of all, So Money, two, extremely progressive for a father and I suspect the '80s, the '90s, even today parents have such a hard time being transparent with their money with their kids. I just interviewed Ron Lieber of the New York Times who came out with a great book about unspooling your kids and one of his biggest tenants is you have to be transparent. And, now as an adult, John, I see where this is really paying off, I mean you're very transparent. You publish monthly revenue reports which I find tremendously frightening and I feel like in this culture, I mean for me and what you do, I mean I go through those reports, I'm like that's like candy to me. But, how do you find that sort of courage really to do that because I think we live in a culture, right, where money is kind of taboo and some people don't like to reveal how much they earn. They feel like it's very much in a lot of ways identifies who they are. Have you gotten any resistance to that like are kids from high school like snooping in on like "Wow, I didn't know John Lee makes this much." I mean I don't know, tell me a little bit about that because I find that so fascinating that you publish your monthly revenue reports.

JD: I'm a big believer that with great success, comes great responsibility and I have been very blessed to have achieved great success, thus far with Entrepreneur on Fire in a very short period of time and I do feel a sense of responsibility with that because I can remember so clearly when I was first getting my sea legs as an entrepreneur so to speak I stumbled upon, who is now my great friend, Pat Flynn, and I saw what he had been doing since around 2008. He had been publishing monthly income reports and it started back when he was making like 5 or 6K a month. And then, at the time that I found him, he was making like 20 or 30K a month and I was like "Wow, it is such a breath of fresh air that I can see that there are people in this online world that are just delivering value. They're being open, honest and transparent and making great revenue from that business model." And, that inspired me massively and gave me the courage to launch Entrepreneur on Fire.

And so, when I got to the point where I was generating decent revenue on a monthly basis, I said, “I feel a responsibility to share exactly what we’re doing generating this revenue as a podcaster for other podcasters so that they can emulate our successes.” But, as you know, Farnoosh, going through those income reports, we also talk about our failures, our flops and our mistakes which are really important because number one, we make a ton of those a month and if you can avoid the same pitfalls that we fell into then we’ve also done our job there as well. So, emulating the successes, avoiding the pitfalls, that’s the whole goal of the income report and I love doing a couple of things that I really feel make it even better. You know, for number one, I bring on my certified public accountant, my CPA, and he sits out there and he verifies the report because he has access to all of our accounts. You know, he runs all of our books and I love that we just right there put the stamp that, you know, here’s a certified accountant saying, “You know what, this is 100% legit.” This is me. And then, we even have him go above and beyond and give a tax tip because we can all use tax tips and learning from that realm as well and he’s a great entrepreneur who has actually rebranded himself to CPA on Fire because people just kept calling him the CPA on Fire because he was my accountant. So, now, he’s actually rebranded himself to that. So, definitely check out CPAonFire.com. Josh is a great guy. And, that was to me the responsibility that I owe to fellow and future podcasters, the people that were starting. I wanted to show them the path of what was

FT: I always imagine if everyone in this world walked around with their income on their t-shirt or across the forehead, right? For some people it’s worse than being naked.

JD: Yeah, yeah.

FT: So, thank you for being naked for all of us, John.

JD: I’m here, no short on, so I might as well take my pants off too.

FT: Whoa. Well, you mentioned failure and, yes, your income reports do complete transparency mentioned, the good with the bad, in your financial history though in your, you know, recent or more later on, what would you characterize as your biggest financial failure, what happened and how did you ultimately thrive?

JD: Well, so my biggest financial failure was really tough for me at that time and I’ll go back a little ways and this may be further back than you want me to go so let me know and then I can give you even a more recent one but when I got an Army ROTC scholarship to go to college, my father said, “Okay, like you’re not paying a cent to go to college so therefore this money that we saved for you is now yours. You can’t touch it ‘til you graduate but you can invest it.” You know, he was still kind of very forward thinking there. And, oh, invest I did and again the worst thing that could have happened happens, I invested in telecom right when telecom was booming and it just went through the roof. But then, you know, the flipside happens and I kept doubling down and doing some things that, you know, weren’t smart in hindsight and I lost much more than I made. And so, unfortunately when I graduated, that nest egg that could have been substantial because of bad decisions was and it really made me value money more but at the same time it definitely made me struggle in a lot of areas that I wouldn’t have had to struggle with had I just been smart with that money and not treated it so cavalierly. So, lessons were learned but that mistake, that failure definitely hurt.

FT: In hindsight, what do you wish you had done with that money?

JD: I wish I just invested it very conservatively in index funds and invested into the market by dollar cost averaging and not just popping it all in at once so I could have taken advantage of the upswing but also the downswing by buying more as the market was going down and buying less when the market was going up and dollar cost averaging into those funds, that was my wish.

FT: Is there any money left in that account, in your college account?

JD: Yeah, there is. Just because I've just used that as kind of my base account I've added everything on top of that since so it's kind of added from a lot of salary and hard work but not a lot of the original amount had, you know, remained at that time.

FT: Right. Well, at least you had this experience relatively early on in your life not like when you're approaching retirement.

JD: Right.

FT: Which I can't say is true for everybody.

JD: I know.

FT: Let's flip it. Let's talk about success. Clearly, uber success with Entrepreneur on Fire, what would you say is your most definitively like your most definitive successful moment, financially speaking, what happened?

JD: So, I love telling stories and I'm glad that you are having people on your show tell stories as well. I believe going to that moment is so critical because we love stories as humans and for me, fortunately, that story was pretty recent. So, it's actually February 22nd of 2015, so you know, probably within a few weeks of this interview going live and it was a \$93,000 dollar day. So it was a massive day for our business and I can kind of give a little back story behind that. Just a couple of months ago we launched on that premise of free value, freepodcastcourse.com have put over 7,000 people through that course and is growing every single day and I said, "You know what, we have over 2200 now people in Podcaster's Paradise which is our community." That's a paid community that you're a part of, Farnoosh, where we have a Facebook group. We do monthly webinars. We've had like James Altucher, Tim Ferriss, like great, great people on and there's a ton of value there. But, people have that free option, free podcast course. So, I realized that, "Hey, number 1, we've added so much value recently in the Podcaster's Paradise, it's time to increase the price, which we do every so often." So, we send an e-mail out, just to people who had been through the free podcast course, that's 7,000 people and people who have signed up for past webinars for Paradise that haven't bought saying, "Hey, by the way, we are increasing the price in Paradise but if you jump in before 900PM tonight, you're going to get a 10-minute call with me, which I don't do one-on-one mentoring anymore so that was kind of a cool offer and you're going to get in before the price goes up forever." And, we thought that'd probably bring like 20 or 30 sales and just that day it brought in 80 sales at over \$1200 per sale, so.

FT: Whoa.

JD: Blew the roof off of our expectations. It was a massive income day of, again, right around \$93,000. But then, what's exciting, this is a 4-day promotion and the next 3 days we did 23, 24 and

17 sales respectively. So, overall in those 4 days we did over \$176,000 in sales for Podcaster's Paradise. Why? Because we offered incredibly free valuable content, free podcast course, we had a huge pent up amount of people who were just like "I love this value. John's giving great value for free. I'll join Paradise sometime, maybe not just right now." But then, they were like "Oh, the price is going up, I might as well lock in this lifetime membership now at the lowest price it's ever going to be offered." Boom. That was the biggest revenue day that we've ever had.

FT: And, I know this story because I'm on your e-mail list.

JD: Oh cool.

FT: And, I got the e-mail that you wrote kind of outlining this step by step. And, just to give listeners more context, John is being a little, he's being a little modest with this story because also what I love about you and this is going to transition us into my next question about habits, but I suspect one of your habits, it's really helping you achieve greatness is that you act upon your ideas quickly even if, you know, you don't have it all figured out and I remember this idea of raising the price and kind of doing this big promo came to while taking a hike and you sort of, you know, we took time to reflect but as soon as you got the idea it was like you didn't look back and I love that about you. I think that a lot of us are just scared to get started. But, you've somehow mastered that, you've overcome that fear.

JD: Speed of implementation, I think is incredibly important factor that entrepreneurs, if they don't have naturally, really have to adapt because, Farnoosh, we live in an incredibly fast moving ever changing world and if you have speed in implementation, yeah, you're going to make some mistakes, you're going to fail sometimes but you're going to learn from those mistakes and failures and every now and then you're going to hit on a homerun and those homeruns, they can pay off.

FT: So then, what would you say is your number one habit for keeping your finances in check and building your wealth?

JD: I'm a big believer and this is another phrase that I learned from my father, "Spend less money than you make." And, it sounds so simple but why do so few Americans do it? I don't know. But, spend less money than you make, that's a habit that I've developed. Like, I make sure and I know we can talk about this coming up with a great tool that I use for this, but I make sure that my revenue far exceeds my monthly expenditures and I'm very cognitive of tracking that on a day to day basis. I don't even check in once a week. Like, I'm tracking this on a daily basis so I can always be tweaking and improving what we're doing to be maximizing money coming in and minimize money going out.

FT: Do you have a percentage that you save off the bat, some people it's 10%, for others it's 20%, do you have a number?

JD: My number is the biggest number I can possibly do. You know, that's really the true answer. I don't have a sit down percentage, just because I'm always looking to increase that and decrease the spending.

FT: Alright, John, almost done here. Let's talk So Money Fill in the Blanks. I'm going to start a sentence, it's this kind of I should say I got inspired because you have this, like kind of round robin rapid fire questions that you ask your guests on your podcast. So, it's like what can I do that's like

also fun and like a light way to end the show. So, I come up, I came up with kind of like these madlibs. So, finish the sentence first thing that comes to mind, don't over think it. If I won the lottery tomorrow, the first thing I would do is _____.

JD: I would add all of that money to my Fidelity account and just kind of smile because I would see the number get bigger which I enjoy. But then, my next plan would be the same day is to start slowly crafting a philanthropy plan. I've already started doing that even without having won the lottery but with the revenue that I have but I'm big on going from success to significance. Like, I feel honored that I've gone to success but now I want to know how I can move that to significance and that's going to be what I would definitely do with a lottery win.

FT: I love that. Success to Significance, I'm tweeting that.

JD: Oh, right. I'm going to like that tweet.

FT: My biggest guilty pleasure that I spend a lot of money on, probably too much but it's worth it for me is _____.

JD: Oh, and Kate will back me up here when I say this because she gets frustrated every month, it's Amazon in general. I just, whenever I need anything, I just buy it immediately on Amazon without even thinking. You know, I could buy the exact same thing for probably half as much down the road at Wal-Mart but forget about it, I am buying it on Amazon.

FT: Yeah, are you a prime member? I mean, like no brainer.

JD: Yeah, I'm going to be the first person that signs up for drone delivery when it happens.

FT: The one thing that I spend on that makes my life easier or better is _____.

JD: We have a housecleaner that comes in every 2 weeks and at first Kate was very resistant about that. She's saying "We're not going to get somebody." I'm like "Kate, your and my time is better spent doing things, serving Fire Nation, our audience. I want to have a beautifully cleaned and an immaculate house because I just think that way. That's kind of like my OCD. But, I don't want you or me to spend the time doing it."

FT: I hear that. And, I know you're father and your parents taught you a lot about kind of financial independence, growing up they were very transparent but one thing you wish you had known as a child growing up that you didn't necessarily get the education for, what was it?

JD: I definitely heard my father talking about it but I didn't get it so I didn't understand it until later in life and that was the power of compound interest.

FT: When I donate money, I like to give to _____ because _____.

JD: Pencils of Promise because they're awesome. I had the Founder of Pencils of Promise on my show, Adam Braun. He's just an amazing entrepreneur, about my age, like in his early to mid 30s and it's just doing some amazing things. We've already donated \$25,000 or pledged I should say \$25,000 to Pencils of Promise this year of 2015 to build a school in Africa which we're really excited about.

FT: That's amazing. Adam is so, so just such a leader, especially it's nice to have leaders that are like in our generation, you know, that they're our contemporaries.

JD: Oh yeah, aren't you in New York City?

FT: I am.

JD: Yeah, so he's right there too. Perfect.

FT: And, finally, John, I'm So Money, I'm John Lee Dumas, I'm So Money because _____.

JD: Because I'm swimming in it.

FT: I like that. That's a bold answer. And, we know to the penny how much you're swimming in because you've got those income reports but thank you for that.

JD: And, fortune favors the bald.

FT: John Lee Dumas, host of Entrepreneur on Fire, a pleasure, a privilege to have you on So Money. Thank you so much.

JD: Thanks, Farnoosh.