

EPISODE 314

[INTRODUCTION]

[00:00:33]

FT: Welcome back to So Money everyone. I'm your host Farnoosh Torabi. Voice is feeling a lot better, and this is an interview that I'd scheduled to record earlier in the week, but I had lost my voice completely so our guest today was very flexible with his schedule, thank you. And we made it happen. The show went on!

Today's guest wears many hats. He's a certified financial advisor, syndicated radio host of The Rich Life and bestselling author of the book *The Rich Life: 10 Investments for true wealth*. Beau Henderson writes and speaks globally on the topic of creating financial success and living a fulfilled life. And he's helped over 3,000 families discover their true relationship with money.

He's given them the tools to live a healthy, wealthy, and fulfilled life and he gives us some of those tools on this episode. We talk about raising your financial IQ and the one discipline that he things guarantees success.

Here is Beau Henderson

[INTERVIEW]

[00:01:29]

FT: Beau Henderson, welcome to So Money. Excited to have you on the show. Congratulations on all the success of The Rich Life Podcast, book. Looking forward to diving into all of that with you. Welcome to So Money.

[00:01:40]

BH: Hey Farnoosh. I'm excited! I've been looking forward to being on So Money for a while now.

[00:01:44]

FT: We've had some opportunities to connect. I guess we know some mutual friends, acquaintances, Tom Corley who's been on this show and Adrienne Dorison who's been on this show. Both, all of them know us so it was only a matter of time until we connected.

[00:01:59]

BH: That's right.

[00:02:00]

FT: Tell me a little bit about *The Rich Life*? This is something you've been working on aggressively and passionately for a while now. It's a multiple of things. You know it's your syndicated radio show, also it carries the title of your bestselling book. Tell me a little bit about "The Rich Life" concept? Everybody wants the rich life, what is it in your terms?

[00:02:23]

BH: It's almost, Farnoosh it's almost a play on words in that I've been in the role of financial advisor for 15 years now, running a firm in Atlanta and about seven years into the business I was burning out. I was almost tired of that business because to be successful and to continue to take it to another level, I was having to run systems and meetings and I was missing out on that initial core connection and relationship with a client I wanted.

The more clients I worked with, something I noticed, it kind of broke my heart, is so many people out there today, they're just kind of sleepwalking through lives. In the roles of a mother, a student, a father, and employee, et cetera, et cetera. They're so caught up in that role that they're just kind of living through the week to get to the weekend, or maybe through life to get to retirement, whatever that is.

And it became crystal clear to me as maybe I should start spending the rest of my career moving forward, is helping people reunite what it is that lights them up, what it is that makes their life meaningful, and then let's use your assets and resources to start creating and moving towards that. And that's where it started, and then it just kind of snowballed from there.

[00:03:28]

FT: So it's really peeling back those layers, and I find what you're saying is totally true in my work too. I refer to those folks as "money zombies".

[00:03:38]

BH: That's right.

[00:03:39]

FT: You know you're just walking through life, going through the motions but not really giving your money meaning and stepping into your financial life and owning it. So what do you find is often the best strategy that you help your clients implement to get them over that hump, to get them to wake up and snap out of it?

[00:04:00]

BH: Usually it's a mind-shifting conversation that revolves around clarity. And it's just this clarity around, "Okay, let's put away your financial statements for just a minute, and let's have a conversation. And let's get crystal clear, and sometimes this is the hard part, let's get real honest about where you are now." Because most people aren't necessarily where they wanna be right now.

But let's be real honest with that. Let's not play the ostrich with putting your head in the sand technique and hope everything turns out alright. Where are you now financially? Where are you now in your life? Okay." For some people, just getting clear on that Farnoosh, is so relieving. Just to be honest and see where you really stand.

And then the second piece is, "Let's get crystal clear on where it is you wanna go, because if we can do those two things that most people don't ever do that." We did a little research, we ran a 1,000 clients through, and one out of 20 clients actually knew their numbers. They knew what was coming in and what was going out. So if you actually have clarity around your situation, then we can come up with a plan to move towards that.

So that's really where most, whether it's coaching, whether it's financial planning, whatever it is we do it's usually a conversation around, "Let's just be real. You gotta be real to live rich," that's kind of a catch phrase that's come up on the radio. But, "Let's get crystal clear," and then we can actually create a plan to move towards something."

[00:05:17]

FT: Differences between men and women, have you noticed, as far as getting to that clarity I'm curious what sort of gender differences you have come across in your work when it comes to money?

[00:05:28]

BH: You're gonna love this; women are smarter, they get it a lot quicker.

[00:05:31]

FT: Yes! [Laughs]

[00:05:32]

BH: There you go, I said it. I said it.

[00:05:34]

FT: High five!

[00:05:35]

BH: So yeah, yeah exactly. So women get this message a little more. Guys it takes a little more peeling back the layers to realize, "You know what? When I really get down to it, it is those memories with my kids one day that's going to be meaningful. It is making sure that in climbing the corporate ladder I don't lose my family in the process." When they're really honest, the guys get it. But the women, they just seem to be little bit more intuitive and tap into that quicker that money is tool to live life.

[00:06:05]

FT: Yes. Well that's encouraging. Your book, *The Rich Life: 10 Investments for true wealth*, there are a lot of gems in this book. One of the things that I would love for you to share, because it's such a tease, you talk about the one discipline that guarantees success. Can you tell me what that is? Can I implement that relatively soon?

[00:06:28]

BH: Absolutely. And here's the thing about this discipline is that it works with money, it works with our physical health, it works with our relationships, and I learned this from a master teacher a dozen years ago and it's this concept of hard easy. And the idea, it sounds simple but nobody really does it hardly anymore, is when you do the hard thing now, you can have the easier things in the future. And unfortunately our society's more wired to seek out the easy thing now, and that insures the rest of our life's harder in the future.

And you think about that, if we spend our money now, it's going to be hard on us later. If we save now, it'll be easier later. Kind of, you can see how it will parallel.

[00:07:08]

FT: Yes, well we often give the advice, "Address the low-hanging fruit first." Because maybe that gives you the motivation to then tackle the bigger things in you life, the bigger issues. But you're saying, you need to do it the reverse.

[00:07:20]

BH: That's right, that's right. Now if, think about — the best example I think that makes this clear is think about physical health. I could go to the gym, I could eat right and there's a price to that. It's not pleasant, I have to get up early and all that. But if I don't pay that price, that hard thing now, there's gonna be a bigger cost in the future with failed health, heart attacks, et cetera, et cetera. Same thing with money. If we don't do the things now, build the foundation now, we're just kind of delaying the inevitable and we're gonna make it harder on ourselves later.

[00:07:50]

FT: What's your money mantra? Your one financial philosophy that you find yourself repeating on your show, to your clients, and to yourself?

[00:07:58]

BH: The money mantra would have to be, we've been kind of hitting around it. I see people give so much energy to money because it only comes up in their lives in negative conversations and negative situations is that money is simply, money is only a tool to live well if we use it right.

[00:08:17]

FT: I thought you had a little bit more to say, but I love it.

[00:08:18]

BH: No, no succinct. You know, money is simply a tool.

[00:08:22]

FT: Succinct, you gave it to me. I like that. It's a tool and that last part, if you know what you want, that's the hard part sometimes. But the fun part too because it doesn't really have to do with money, it really has to do with personal desires.

[00:08:37]

BH: Right. You know money, we want money. And I think that's where we mess up sometimes. We think, I mean we're sold this from the time we're very young, that money will equal happiness. Money, if we have enough stuff we'll be happy but if we really think about why we want money and we really, we dig a little deeper, and that's usually all this involves is just digging a little deeper.

If we take that next step it's typically what we believe money will do for us. Do we think it's gonna find us a happier relationship, do we think it's gonna buy us this car that's gonna magically make us happy and people love us? What is it we think money's gonna do for us? And I think people give it this power that it doesn't necessarily have.

[00:09:16]

FT: When you were a child Beau, tell us a little bit about your environment and how money played a role in your upbringing and maybe if there was a memory that really sticks out that you, we talked earlier about how as children during our formative years money is really a powerful concept, it can be. So for you, what was your greatest money memory?

[00:09:37]

BH: I do remember early in life stress and tension in my house and my parents fighting about money and it kind of transcended to me because it took me a long time to realize that money wasn't this thing that only came up in bad situations and bad scenarios. But actually have a better story about a different, a positive story too if I can add a second real quick.

My mom will tell me and laugh today that people will ask, "When did I make the shift to become an entrepreneur and run these businesses and learn the power of money and compound interest and building things?" But apparently mom got a call from second grade in elementary school and the principal called because I was actually taking powdered Gatorade to elementary school and selling it by the scoop out on the playground. [Laughter]

[00:10:25]

FT: Were you pouring it into their palms, or did you actually cups at least?

[00:10:29]

BH: We had cups. I'd give them a scoop, yeah there you go.

[00:10:33]

FT: And what was your profit margin?

[00:10:34]

BH: Well it was amazing. I think, because I didn't even pay for the powdered Gatorade, so it was probably 1000%.

[00:10:41]

FT: 1000%! What did you do with the money?

[00:10:44]

BH: Well I would save it for a while because it's easy when you're a kid and you don't have expenses, you just save your money and only spend money that hopefully parents or grandparents might help you with. So I saved a lot when I was a kid. It was when I grew up and had expenses I kind of had to relearn that habit.

[00:10:57]

FT: Ah, so relearning the habit. So maybe this transitions us well into this question; what would you say is your biggest money mistake, failure? What happened and what did you learn?

[00:11:09]

BH: Oh that's a good one, let me get in the right moment for this cause this goes back. Now really, the biggest mistake I made was getting outside of my lane of expertise and this was after a few years into the financial planning profession. Things were going good, the business was growing, and I had the bright idea, "I'm doing so good with that, why don't I partner with this guy that approached me and develop a real estate subdivision?" And long story short..

[00:11:36]

FT: Okay well two things already are jumping out as red flags; going into business with your friend, and then real estate, which can have it's pros and cons.

[00:11:44]

BH: Yeah. And keep in mind, I was 23-24 at the time too, so I knew everything, right? I didn't have enough life to realize what I needed to learn yet. So I went into that deal, the partner skipped town and we found out, this was just before 2007-2008 when the price of materials went up, the real estate market went down. And through that, literally it took me almost five years to pay and work through all the debt that accumulated from that subdivision going under.

And what it did for me, the lesson it taught me was understanding who you're partnering with for one, that first red flag we saw. But the other was, I understood risk in a new way that made me a better investor, a better coach, and a better advisor because until that point my life really, I had no really bad risk story or scenario I'd felt personally. So when I saw that happen in my own life, it actually made me better about helping people make sure they're protected against the things that can happen, not just what you hope will happen.

[00:12:44]

FT: Did it impact your impression of working with friends and real estate? Not together, but separately?

[00:12:52]

BH: It did impact my impression on being very careful and cautious on who you partner with and in business you have to take extra levels of precaution beyond a handshake and somebody's word. That was the big lesson there. Real estate, I still believe and I still use as a tool in the overall picture, but it also taught me how big of a trap it can be if it's not used right.

[00:13:20]

FT: Yes, and being "house rich, cash poor" as the saying goes.

[00:13:23]

BH: Right, exactly.

[00:13:24]

FT: Alright, let's flip it and talk success Beau. What's your So Money moment? I ask guests on this show to share their proudest financial moment. Take us there, capture it for us, cause we wanna celebrate it again.

[00:13:36]

BH: The biggest financial moment, let's see. This past year our firm has grown, it was 13 years just me and an assistant. Now there's nine of us.

[00:13:45]

FT: Wow.

[00:13:46]

BH: We started growing, so we had a record year revenue wise, which was a big moment. But what I'm most excited about is as the firm grows it's allowed me time to go back and deliver financial literacy to middle and high school kids. And we got in front of over 2,000 kids this year and that's something I'm partnering with with Tom Corley, by the way. We're gonna make it our mission to get in front of a million kids by the time we're done with that mission.

[00:14:12]

FT: Excellent. And many listeners know Tom Corley was a guest on So Money, he is an expert on Rich Habits and his work has gone, can I say viral? [Laughs]

[00:14:22]

BH: Absolutely.

[00:14:23]

FT: It's trending for sure, and I remember working with him long ago for a Yahoo! piece, which I like to say was very helpful in his continuation of his work. And Dave Ramsey caught it and well needless to say the rest is history. So I'm happy that the two of you have connected. It's gonna be very powerful and fun! You two are a little fun group. I mean I can see how that could be very entertaining for young kids.

[00:14:50]

BH: Oh yeah, it's fun and that's what I realized. I like to speak in public and I realized if I could hold the attention of a 17 year old kid for 45 minutes I could probably speak to just about anybody.

[00:15:01]

FT: You could change the world. [Laughter]

[00:15:04]

BH: I look at it as a challenge in a way, but you know the deal with that financial literacy, what I realized too Farnoosh is if I look back 30 years from now and we've had bestselling books, the podcast, radio show, all that's done great. That's cool stuff. Those were cool goals we accomplished. But if we look back and we're able to say, "We impacted or delivered financial literacy to a million kids," I know some lives were changed and it's gonna last beyond us. And that's what excites me about that part.

[00:15:30]

FT: Quite the legacy. Hey Beau, tell me about a habit that you have, a financial habit that you practice with consciousness and with regularity that helps you with your financial health?

[00:15:41]

BH: It is just, I track everything. At the end of the day I reconcile every receipt, every — and I still do it old school. I still do it on paper because there's something about kind of touching it that makes it real and makes it sink into my brain. So it's just, I log and track everything, and the more I know what's coming in and what's going out, the more I can control what goes towards my goals and the things I'm trying to accomplish.

[00:16:05]

FT: Now you have your personal budget, and then you have your business expenses, how do you reconcile those two? I find that with entrepreneurs, and I speak personally to this, it's hard to compartmentalize in some ways. Like, "This is the money that's gonna be just for my business, and then this is the money for my family and our personal expenses." And when you

say you track everything, do you have any help with the tracking? Cause I can only imagine how many expenses pile up at some point because of the fact that you have a business as well.

[00:16:36]

BH: Yeah and you know that's been, this is a bad word, but co-mingling was a hard thing not to do all the years that it was just me and maybe an assistant. But when this past year when we added other advisors we had to start breaking that out. So the one way our office manager does take all the office expenses, the only way I figured out to keep it completely separate is to literally have the company pay me an amount to my personal account that's my spending money. So basically I pay myself a salary.

[00:17:04]

FT: Right. Which I do as well. Oh yeah that definitely helps a lot because now you're like, "Okay, this is tangible, not just guessing anymore." We're gonna do some, this is fun for the end of the show, it's called "So Money fill in the blanks" [Laughter]. Do you do anything on your show that's kind of a lighter way to end the show that's a round robin of sorts?

[00:17:26]

BH: Yeah we'll do kind o fa little bit of a rapid fire of some fun questions.

[00:17:28]

FT: Yeah, okay. Well so here's my version.

[00:17:29]

BH: Okay.

[00:17:30]

FT: If I won the lottery tomorrow, the first thing I would do is _____.

[00:17:34]

BH: Wow, the first thing — you know, my mind was going to find something noble. I would take about a six week vacation I believe. I've been pushing hard for about six years. I think maybe Costa Rica for about a month and a half. Something like that.

[00:17:48]

FT: Wow, you could definitely do a lot good time in Costa Rica. I believe it's the only country that has all of the ecospheres.

[00:17:56]

BH: Ah.

[00:17:58]

FT: So you got volcanos, and beaches, and rainforests, and deserts all in one country, it's pretty fascinating and I've gone once, but it was not enough. So I can see six weeks being a good time.

[00:18:12]

BH: Now that's definitely on my list, Costa Rica. Has been for a while.

[00:18:16]

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

[00:18:20]

BH: Good help. And that's another learned lesson, having the right person in the office manager role, having the right, clean people as far as accountants, attorneys, they save a lot of money and keep me from having to do it all anyway.

[00:18:35]

FT: Now when you spend a lot of money, like if there's one item that you splurge on but it's your splurge, you love it, you wouldn't have it any other way, maybe others would look at that and go, "Wow that's so frivolous," but for you it is part of what makes you happy, if we're allowed to say that. What's your biggest splurge?

[00:18:53]

BH: I've got two, and I'll share them real quick. One's coffee. I just, I have a hard time giving that up. I've given up about going from two to three a day to one to two, which has helped. But the other, this is kind of a double-edged sword. The other's education. I spend so much money learning because I love to learn and then go on the radio show and share what I'm learning. But if I'm not careful, I'll pull away from work and that budget can run up pretty quick.

[00:19:13]

FT: So what kind of education, like online courses? Books?

[00:19:16]

BH: Yes, reading audible books at the gym, courses, going to events to network, learning about behavioural financial is what actually fascinates me so I'm really big into those topics about why we do what we do when it comes to money.

[00:19:33]

FT: Wow, me too. I could go — I could spend a lot of time on that. I think that's fascinating; the psychology behind money.

[00:19:39]

BH: Yeah, yeah. And that'll be another show, but that's — it is. The money's pretty much math, that's not really hard. It's why we do what we do, and sometimes mess it up and sometimes get it wrong and sometimes get it right.

[00:19:51]

FT: Yes. Okay, when I was growing up, the one thing I wish I had learned about money is _____.

[00:19:56]

BH: When I was growing up when I was younger, I wish I understood compound interest. When I was selling that powdered Gatorade, I would've gone ahead and invested that in an S&P 500 fund for a while.

[00:20:08]

FT: Well so how would you actually explain that to seven or eight year old? I feel as though while it's a very simple concept as adults to comprehend and get excited over, for a seven or eight year old, how do you drive that power home to show how powerful compound interest can be? Do you do a game where you're like, "Well for every penny you save I'll give you two pennies," I mean that's an exaggerated compound interest but it's illustrating what it could potentially do.

[00:20:34]

BH: You know I think there's creative ways to do that. To say, "Hey, we could take this \$5 today and go buy this, or at the end of the year you could get this bike." And just show that by waiting, with kids what I find Farnoosh is it's more conceptual. If I can just get a kid to learn, "Okay if I make \$10, if I spend \$7 and do save and maybe give some of the rest, have a formula for myself." And a lot of that comes into also having parents involved. Cause it goes a long way

when a parent is actively involved and looking for teachable moments when it comes to money and their kids.

[00:21:08]

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

[00:21:12]

BH: I like to give to, I give to a lot of local — I do local ministries and local things in town. Whether it's feeding people whether it's donating back to getting the financial literacy into our local school systems, and maybe good or bad, I kind of like to see the impact somewhat of what we're giving to and kind of having an idea of that it's actually going to where we think it's going.

[00:21:40]

FT: And last but not least, I'm Beau Henderson, I'm So Money because _____.

[00:21:47]

BH: I am So Money because I believe you can have success with both money and life.

[00:21:53]

FT: Thank you so much Beau. That went fast, but jam-packed. Thank you so much for bringing it this conversation, and to this episode.

[00:22:02]

BH: Oh I had a blast.

[00:22:04]

FT: Tell us what's next for you? We're closing in on the year, 2016 is around the corner. What sort of things do you have on tap in the new year that we could look out for?

[00:22:14]

BH: Sure. We're still kind of in hard push for "The Rich Life" book and I'm happy to say since July I believe we've grossed over 20,000 copies sold. So really having a good push that that and anybody that wants to check that out, LifelifeBook.com, we have that out there. and then going into next year, gearing up for another book and an event next fall. And other than that, a lot of radio shows, and a lot of helping clients along the way.

[00:22:41]

FT: Fantastic. Well hey, cheers to that. We love forward to all of those great events and your name out there more, and more, and more in the new year. We'll be keeping an eye out for you and Merry holidays. Merry, merry!

[00:22:54]

BH: Hey, Farnoosh. Thanks I had a blast.

[END]