

EPISODE 374

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[INTRODUCTION]

[0:01:36.7]

FT: Welcome back to So Money everyone. Millionaire week continues and today we have a special guest. I'm reconnecting with this person actually. Aaron LaPedis, He's someone I interviewed years ago back when I was working on a show called Financially Fit with Yahoo, many of you remember me from that, many of you don't. It was a fun time and I got to travel around the country interviewing people who had some really cool financial lifestyles.

Like people who lived in tiny homes, people who have retired by 40 and then Aaron was somebody that was the "Garage Sale Millionaire". So he's a millionaire next door who has really

created wealth for himself through finding really interesting stuff and then reselling it. Whether it's on eBay or to individuals, on Craigslist, he's from Denver and he's the author of *Garage Sale Millionaire*, it's a bestselling book.

Now he's working on a second book, a children's book dedicated to his son and all kids out there who have autism. It's called *A Boy Named Penguin*. That comes out very soon so stay tuned for more information on that. Aaron is really taking advantage of his millionaire status, he's doing what he loves. Right now, he's running an art gallery in Denver, he's writing the children's book that he is very passionate about, he's out there giving speeches. He is living the life he deserves because he has actually put in the hard work.

So we're going to talk about how he actually became a garage sale expert. How may be you and I could learn a thing or two about what to pick up at the next yard sale so we can cash in and maybe someday become millionaires off of this as well. We also talk about how yes, he attributes a lot of his financial success to making the right calls, being diligent and having this kind of garage sale savvy.

But also because he encountered a very life threatening moment in his life and that also catalyzed him to really make the most of not just his finances of course but of his overall life and happiness. So very excited to introduce this person to all of us and to hear his story.

Here is Aaron LaPedis, our millionaire next door.

[INTERVIEW]

[0:03:46.5]

FT: Aaron LaPedis, welcome to So Money. It's so nice to reconnect listeners. Listeners, I know Aaron, I've known him for a few years now, he is a fantastic guy, a garage sale millionaire as it is, that's how we actually connected. I was at Yahoo doing a story about interesting people that are doing fascinating things with money and you came up naturally as a garage sale millionaire. So That's where we're going to start but first I want to just welcome you to the show and say welcome to Podcast land, this is your first podcast.

[0:04:18.0]

AL: It is, I'm really excited. I don't know really what to expect but I'm loving right now every minute of it.

[0:04:24.2]

FT: Well, let me tell you, put on your seatbelt. No, it's all good, we're all friends here on So Money and it's a really warm and cozy place and hopefully you'll enjoy the next 30 minutes as I know the listeners will definitely enjoy it, we have a lot of rabid listeners on So Money. People who binge listen to this show, it's daily. Thank you to everyone who is tuning in right now.

Aaron, let's catch up. I haven't seen you in a few years, you wear many hats, right? You have the one brand of yours which is *The Garage Sale Millionaire*, a bestselling book. You had the show on PBS for a decade and then of course you have the art gallery in Denver. You have a new book out coming on April about your son growing up as a kid, still a kid, with autism and how he's overcome challenges and how he's going to really be a role model for a lot of other kids that are "different".

Got to get into all of that with you, excited for that. But let's start with *The Garage Sale Millionaire*, this is millionaire week on So Money and we're talking to millionaires next door. You are a millionaire next door of sorts and a garage sale millionaire at that. How did that even become what you were known for?

[0:05:33.4]

AL: It was a very fun time in my life. I was nine or 10 and I wanted more toys just like any kid and my mother wanted to draw a line in the sand and say, "Aaron, you have enough toys, you don't play with the toys you have now, but I'm willing to make a deal. That deal is, we're going to sell the toys you don't want, I'm even going to sell a few things that I don't want and we're going to take," — because the whole concept of selling I didn't really understand.

I go, "Okay mom, explain the selling part," and she goes, "Well we're going to take all this items, put it on our front lawn, we're going to put little signs around the neighborhood and let people know we're having a garage sale and people are going to come to our house and actually buy stuff we don't want."

I was just perplexed, amazed, excited that people would buy stuff that we don't anymore and really give us money and then I go, "Mommy, what would we do with all that money that we get?" She goes, "That's it. I will give you all the money to go to the local toy store and buy whatever you want." That's what hooked me.

[0:06:44.9]

FT: Sold!

[0:06:45.9]

AL: Right there, Yup. We had our first garage sale and my parents said, "You know, everything's going well, Aaron, we have to go inside and make lunch," and I go, "But daddy, what happens if somebody wants something and what do I say?" They go, "Son, it's very simple, whatever they want, all you need to say is, tell me what you want and what you're willing to make an offer for it."

I go, "That's all I have to do? What you're willing to make an offer for it?" I go, "Great, I can do that," and so my parents — it was towards the end of the garage sale, we didn't have much stuff left but we had a rush of people came and I was there by myself and people would ask for stuff that I didn't have on the lawn. Some people asked for a nightstand, some people asked for a lamp. So I ran inside and got it.

[0:07:38.2]

FT: Wait, how old were you again?

[0:07:40.6]

AL: I went right inside the house. I think I was nine or 10 at that time and pulled it out and I said, “What would you make me an offer for this?” And they made me an offer and my parents came out literally a 45 minutes later, I do not know what they were making. And I had all this, my pockets were full of cash and they were so proud of me until that night when they walked around the house and found half their furniture gone.

[0:08:10.4]

FT: Yeah, how was that? Did you get grounded for like a month?

[0:08:16.5]

AL: Yeah, they couldn't be that mad at me but literally I probably sold I don't know, two, \$3,000 worth of furniture for about \$120.

[0:08:27.0]

FT: Oh my gosh. You can't even buy an air mattress for that.

[0:08:31.7]

AL: I know, but it was what — you know I got so excited and my dad ultimately was proud of me because he told me just to handle it, to ask them to make an offer and I did exactly what he said and kind of the crux of it was it gave me the bug right there. That's what turned on the switch for me was the excitement, the adrenaline of making money for the first time and I did it by myself.

[0:09:04.1]

FT: Then after that, what happened? When you caught the bug, what was the next phase of the garage sale millionaire's journey to becoming the millionaire?

[0:09:14.3]

AL: So I talked to my parents and doing a garage sale every year and after the second one, I wanted to start to go to other people's garage sales. And I start to realize how good garage sales were done and why the bad ones didn't work. I was buying at garage sales and I started to learn about negotiation, which when you're 10 or 11, to be able to negotiate, it's a powerful tool that you'll use your whole life.

So many people today cannot negotiate so they get taken advantage of or they pay too much money on things. Well I learned how to negotiate very early. So I started buying stuff like coins and baseball cards and stamps. I was doing so much, garage sales, weren't getting me what I wanted. My dad showed me the classified ads and then we'd go to people's houses or the back of a Burger King parking lot to buy coins.

Which, let's just say, for my dad, he was not too excited, I had pockets of cash and I was looking at coins. So my dad said, every weekend for him was very exciting. That's how I did it. I kept on flipping my profits, buying more coins, baseball cards, comic books. Everything that I loved and Farnoosh, this is kind of going to be what I might be saying throughout our talk.

I had a passion that grew into a livelihood and when you have that passion, when you have that fire in your belly, nothing will stop you and that's what happened with the garage sale. The whole thing had more garage sales, I learned how to put stuff, I learned how to take little ads. I would go to state sales and little mom and pop stores that were selling second hand stuff. That's what I did through my teenage years and currently this is what I do, now I do it for fun.

[0:11:19.4]

FT: Yeah, I remember when we went to Denver to film with you, you took me to a Salvation Army I think it was right?

[0:11:27.4]

AL: Yup. It was a goodwill store.

[0:11:31.4]

FT: Goodwill store. You do this, you go there and you kind of see what they have and sometimes you find something that's really valuable as I say, one person's junk is another person's treasure. What's been the most, the best ROI as far as finding something at a garage sale or on an estate sale and then going and selling it? What's been the best return on your investment through a second hand store or estate sale?

[0:11:55.6]

AL: First I like to just say that a lot of people have the Storage Wars mentality and believe, I think a lot of your listeners know about Storage Wars on TV, it's a reality show, it is not truthful. It's a reality show that is, it's TV. A lot of people go in to thinking that you go into a goodwill or a Salvation Army store or buy a storage unit and you'll find the first thing you walk in, you'll find something you'll pay \$5 for and it's going to be worth a couple of thousand dollars.

Well that kind of mentality is not reality. I would say one of my favorite finds was a tin toy from 1932-33 that I picked up for I think 12 or \$13 and within about a week, I flipped it on eBay for almost a thousand dollars.

[0:12:58.3]

FT: Okay, what was this again? A tin toy, tell us a little bit about it, the description. Can we do this? Can I do this?

[0:13:06.1]

AL: So tin toys were really popular back in the early 1900's and a lot of them, because of the world war two and world war one, a lot of them got brought over from Germany and Europe and brought over to the united states and a lot of them are really intricate and I'm not saying that America didn't make them but this one happened to be from Germany.

A lot of them are windable and they're made out of metal, thin tin and they do amazing thing. This one happened to have a monkey on a motorcycle and actually he was clapping his hands while the motorcycle was moving forward.

They have one with planes, with the prop going round and round, they are absolutely an amazing toy that was made such a long time ago and they're so intricate and the craze has been for a long time, and they can go anywhere from \$5 for several thousands of dollars depending on how rare they are.

So I was lucky that I'd seen this tin toy before and it was an easy flip for me. That's one of my more favorite stories. I've done things for auctions and different things that I've made a lot more money but that's my favorite story.

[0:14:20.6]

FT: At what point did you look in the bank account and realized, "Oh, how about that? I got a million dollars and it's all thanks to my garage sale treasures."

[0:14:31.4]

AL: You know, it was actually my father because I would buy coins and at one point I just started not flipping them anymore and keeping them. I had huge vault at the bank that was at one time I had four of those little things you pull out those little mini vaults that you go to the bank and keep your collectibles. Four huge ones filled up with silver and gold coins. It wasn't in my bank account, I guess I trusted a vault more than a bank account.

And so that's where all my money was, it was in actual gold and silver coins and a lot of my coins I still have. Because I'm a collector and a lot of times collectors don't like to sell and we do it for a bigger reason but I think I realized that I was a millionaire when my father kind of had an idea when I was 24 when he calculated how much I had to pay in taxes and what I had stored away.

He was blown away because he said, "Son, I can't believe this," and he was way up in the federal government at that time for HHS, Health and Human Services and he at 24, he was assistant director at Health and Human Services and he says, "Son, I can't believe this but I realize right now you make more than I do a year."

And then between that and what I made a year and then what I have accumulated, it was — 'cause I never added it up. I think a true entrepreneur, he's not all about at target that he sets for himself because he wants to go further and further and do more. It's about creating and I wasn't big into being a millionaire, that was not my goal, it just so happened to, I became one early on.

[0:16:37.0]

FT: That's fascinating. Obviously your passion drove this, I don't think that anybody could replicate your journey unless they, it sounds like they started young like you did, unless they were relentless about it. I mean you started with your garage sale at home that evolved into other people's garage sales, that evolved into estate sales and the coin collection and eBay.

You started when you were so young and then of course now, a lot of this stuff can be found online. Can you give us some pointers maybe, for listeners and myself included, as to how to really find the items that probably could go for a lot of money, where to find these things? We all think about baseball cards and the usual suspects when it comes to collectibles but what sells, what resells the best I should say?

[0:17:27.6]

AL: First, when I was collecting because you mentioned eBay, there was no eBay, there was no email and Farnoosh, I think...

[0:17:36.6]

FT: There were no podcasts either.

[0:17:39.2]

AL: Exactly. So this was even before your time, and I was doing it, I have to believe the hard way, and because the way I sold it, I had to actually go in to people's stores and resell it or I had to take ads out, classified ads and that's actually how I did. But going to your thing about the best way to find a deal, first, you should become an expert in something that you really like. I love coins, I also love historical memorabilia.

The biggest thing, people don't believe this but 50% of what's on eBay gets sold, resold on eBay. That's a kind of mind-blowing because people would say, "If they're selling it, why would you buy it and then re-list it?" It's because a lot of things on eBay either don't have a good picture that doesn't promote the piece properly. The description is absolutely wrong and you realize what they have is something else that's more valuable. They have it underpriced.

Those things, eBay is a treasure trove of finding out good deals but the way you do that is you become an expert in what you love. I love tin toys, historical memorabilia. So when I see something that is mis-priced and mis-documented, I will do my research with the people on eBay, I will email them, ask more questions just to make sure that it's what I think it is, make sure that I'm able to return it in case it isn't.

That's very crucial is to protect yourself on eBay and then when I buy it, I inspect it really quickly and then I will either hold onto it for a little while and then I eventually will re-list it. Either on eBay or on a bigger auction house that gets a lot higher end people looking at it.

[0:19:33.7]

FT: That's interesting. So make sure you can return the item, look for things that aren't listed very — maybe the words were not the best, they were under selling it perhaps a little bit, you think?

[0:19:45.9]

AL: Animation sells, a lot of people don't — they find these sales, they clean out their parent's house, they find it at a garage sale and everybody knows the term a sericel. They'll use that

term and they think sericel, that's what I have. And so they'll show a picture of it and since I am an expert in animation sells, I've handled, my gallery started it as an animation gallery. I'll realize that never came out as an inexpensive seri sell.

Basically a sericel is like a poster in the animation world. It's very inexpensive, it's worth — it came out at a \$150 or so but when they don't know what they have, very good chance I've seen lots of cells that weren't sericel, they were actually hand painted limited edition sales. Somebody actually hand painted the back of it, it got numbered.

Instead of being worth \$150, they're worth \$1,500 or \$3,000. It's just that minor nuance that people are searching and they wouldn't even think for looking for Disney sericels but by looking at why I look, because people every day mis-list what they have. Because they're such in a rush to put stuff on eBay and they don't take their time and that's one of my biggest tips is that if you don't know what you have, don't sell it until you do.

[0:21:14.6]

FT: Wow, yeah hold your breath for as long as you can.

[0:21:18.1]

AL: Absolutely.

[0:21:19.7]

FT: This expertise of yours led to a PBS show called Collect This. Then of course your book *Garage Sale Millionaire*. Where is your hobby, your passion, your expertise taking you today? What's going on right now with your garage sale prowess?

[0:21:39.9]

AL: I will be asked to speak about collecting and making money the way that I started and that's fun. Doing speaking gigs is a lot of fun. I still have kind of gone a different direction, Farnoosh,

for a person who has wrote several books, I got the bug to want to write another book and I wanted to write out the genre of the garage sale and write a cartoon book for about my son. I kind of still go to garage sales but I don't do it as much as I like because of life being so busy.

[0:22:15.1]

FT: Yes, and you own a gallery in Denver, we bought a couple of pieces of art from you, thank you. Yeah, you have a fun life and of course you have a new book coming out now about autism and it's a children's book, tell us about that.

[0:22:29.6]

AL: It's called *A Boy Named Penguin* and my son who is on the spectrum of autism is inflicted with it, he is high functioning, meaning that he is high IQ, the can speak, but socially he is not in tuned with what everything going around him. Logan has attached himself to penguins. He wants to be a penguin, he loves penguins, he waddles like a penguin. All these things.

And one day I kind of woke up and realized, this is an idea for a book. Because he introduces himself, he will come up to people and say, my name is Logan but you can call me Penguin. That's how I got an idea, it's about this child who the way he handles and overcomes the surroundings that scares him is he becomes, in his mind, a penguin.

When things get really rough, he becomes super penguin and in real life, this is what Logan did. He dressed up as a penguin and take all his stuff to animals and they would go around the house and solve mysteries. So I related that to the book. When he gets stressed out, he will change into the super penguin and whatever the surrounding area is, like the zoo which is on the first book, he will go and solve the mystery or rescue something.

And then you will learn a little more about him and why he has to do this. And at the end of the book it talks about acceptance and is it okay for him to have to do this and his mom says, "Son, you know, you are a super penguin to me and whatever you do is quite okay," and then it's all about accepting kids, not only kids that are on the spectrum of autism but kids with any disability.

It could be an invisible disability like autism, dyslexia, many others that you can't actually see but ones that kids in wheelchairs, ones that can't walk right, ones that has Down syndrome. We have to accept every kid and treat them like an awesome individual and that's why I wrote the book.

[0:24:50.4]

FT: It's an important book, it comes out when? April 1st?

[0:24:53.7]

AL: April first to signify autism awareness month.

[0:24:57.1]

FT: And you're self-publishing, tell us where we can buy the book?

[0:25:00.9]

AL: It will be on Amazon, April 1st.

[0:25:03.6]

FT: Okay, we'll definitely be putting that on the website at SoMoneypodcast.com. I'm so happy you wrote that book. I've met your son, he's a joy. Kids are just so great, can't imagine life without kids. I mean, some days I don't want to be around them but...

[0:25:21.2]

AL: I hear you, you know, yours is only 20 months old and mine is going — he's having his 7th birthday here very soon.

[0:25:28.1]

FT: Wow, seven, I think he was three when I met him. Time flies.

[0:25:31.8]

AL: I know, it gets away from you too so be careful.

[0:25:35.6]

FT: Everyone says that. I know, I know. Aaron, it sounds like you're really doing what you love still and your success with reselling items, your garage sale expertise has really built a foundation for you where now you can kind of have a very meaningful and fun life. You can choose what you want to do, you have the art gallery, which is work but it's also I would say pretty cool and fun to run an art gallery.

Of course now you're deciding, "I want to write a book, I'm going to write a book about autism and it's going to be a children's book," and it's not something that you need to do to survive. This book will be great if it sells but it's more of a passion project that sounds like.

And so I feel like you've really gifted yourself a wonderful, fulfilling life that's on your terms, thanks to some really good strategy early on in life. Saving, being really smart with reinvesting the things that you were buying and reselling them. What would you say is the secret to your millionaire success?

[0:26:40.6]

AL: Farnoosh, I don't know if you know this but I turned 50 this year.

[0:26:44.5]

FT: I didn't, happy birthday.

[0:26:46.4]

AL: Thank you. Roughly, I would say seven years ago, it was almost all ending, the economy downturn, with economy downturn, my gallery, basically art was the last thing anybody needed to buy. With that, I had lots of buildings, I had spec homes, I had my commercial buildings and pretty much my gallery was worthless, my buildings were underwater, my wife was pregnant.

Let's see, what else did I have going? My father was ill and I was one serious stress case. I was pretty much in 30 days, this was all collapsing around me. My wife had to go to the hospital and she had to have an emergency gull bladder surgery because the baby wasn't growing and my wife was in distress.

So in December, I had a big thing of going on, I could lose my child, my wife could be severely injured, my gallery is — I was thinking, "Should I close it?" I was also thinking, "Do I file bankruptcy?" Because everything was crushing, coming down, coming down hard.

A few weeks after that, after my wife got out of surgery which it went well and we were just kind of on the wait to see if our baby was growing and was going to rebound from the surgery because at the time it hadn't grown at all for several weeks. I had a massive heart attack January, 5th of 2009. When I woke up after in the emergency room, I had three heart attacks.

Believe it or not, my wife was pregnant so I drove myself to the hospital because I did not want my wife to understand what was going on to add more stress to what was going on with her because we were worried that she was going to truly still lose the baby or it was going to come early. So I told her, I felt discomfort and we called the doctor and the doctor over the phone said I was having a heart attack, I lied to my wife and said it was indigestion and they needed to check me out.

So I got to the hospital and had a couple more heart attacks in the waiting room, they got me in, I had a stent put in and when they had me under, and I woke up with a stent, I go, "I guess it wasn't that bad since I'm here, I was able to wake up." And they go, "Well, that's all true but if this would have happened a few months later, you would have been dead," because I was 99%

blocked on my left arterial descending artery and it was a life changing experience to know that at 43, I could have died.

It was a turning point for me because I realized I was given another chance at life. The doctor was amazed to have an artery 99% blocked and actually Farnoosh, that artery is called the Widow Maker and they didn't call it that title for nothing, it's basically, once that's blocked, you're done. I kind of came out of that on fire, I was given a second chance.

And so I just got the fire back in my belly again, the excitement and not to be so far down and yes I was down but I wasn't out and I got the excitement and what I needed to just work harder, be happy that I was alive, and I was able to turn it all around and my baby did come a month early but he came out healthy.

My wife is fine and I start to put more time and energy in my gallery and knowing that the economy was not going to stay like this forever and if I could just hold on, and I talked to my banks to hold on and I worked everything out and I turned it around, it's because I gave up hope but I got it back.

I think that's a lesson a lot of your listeners are going to have that some of them, our economy is not perfect and there's going to be still high's and low's that they just can't give up hope and if they just find something that gets them reignited and the passion back into what they're doing, they'll make it through the hard times.

[0:31:53.4]

FT: Remember that life is short. I mean you had a real face with death and a lot of us I think take life for granted, we take the things that we're grateful for, we don't really recognize regularly and I think that your story is really hopefully for everybody else we don't have to get to an extreme point like that to have that kind of a wakeup call but hearing you talk about how you overcame that is just remarkable. It puts things in perspective definitely for me, I have to say, to hear your story.

[0:32:26.2]

AL: It is one that kind of shocks people for several reasons. I was 43 and people say, “Stress can kill.” I’m the person to look at as the poster child on that because stress almost killed me, I could not take it anymore.

[0:32:45.0]

FT: Oh my gosh.

[0:32:46.1]

AL: My body just felt like it had to shut down and a lot of people, they don’t need to go through this. Life is short. They need to figure out, don’t sweat the small stuff. If you didn’t have a good day, you got a chance next day to go after it again and take it from a different angle, ask for help.

A lot of time what I did not do is I didn’t ask for help. I put it all on my shoulders. There’s so many things that I could have changed and that was one of them. That to look for family members, friends and see what people around you in your network could help you do to move forward and get to your goal.

[0:33:29.3]

FT: Well Aaron, I wish I could talk to you for another half an hour but we’re both very busy and maybe I’ll have you back on again because I feel like there’s so much more that you have to share, but for now let’s leave people wanting more. Go to Amazon on April 1st and check out *A Boy Named Penguin*, I cannot wait for that book to come out.

If you’re more interested also in Aaron’s garage sale experiences, his advice for how to make money reselling other people’s stuff, which I think this world, there’s no end to other people’s stuff. We have too many things in our basements and our attics, garages, storage bins.

Garage Sale Millionaire is out and it's an award winning book and of course if you're in Denver, check out Fascination Street Fine Art Gallery and say hi to Aaron. Thank you so much for joining us, I'm really happy we were able to reconnect.

[0:34:22.8]

AL: Sounds good Farnoosh, thank you for giving me the opportunity to be on your podcast.

[END]