

**EPISODE 597**

[INTRODUCTION]

[0:00:33.7]

**FT:** He's back. You're listening to So Money, I'm your host Farnoosh Torabi, he's back ladies and gentlemen. My friend James Altucher. You might know him, he's been on the show a couple of times and he is a top podcaster, has written several bestselling books, he's got a really funky hairdo and he's a really nice guy.

So happy to be able to reconnect with him, always up for the opportunity to have lunch or a podcast with James. He and I actually are meeting up for a third time on this show to talk about all the crazy stuff happening in the world, we do a lot of catching up.

Of course, we talk about money, we also talk about minimalism as James is now taking on a very minimalist lifestyle only living in Air BNB's. Talk about burning maid off, yeah, blast from the past. How did burning maid off actually get away with his crime for so many years.? Finally get the chance to ask James this question as he is the Wall Street whiz. Also, James kindly takes time to answer some of your personal, specific money questions.

Without further ado, here is the one and only James Altucher.

[INTERVIEW]

[0:01:45.3]

**FT:** James, welcome back.

[0:01:46.3]

**JA:** Farnoosh, I am so excited to be back on So Money.

[0:01:50.3]

**FT:** Third time's the charm.

[0:01:51.3]

**JA:** This is my third time on the show?

[0:01:52.6]

**FT:** Third time.

[0:01:53.9]

**JA:** You know who told me third time's the charm? I was getting a divorce and Kevin O'Leary, you know, the guy from shark tank.

[0:02:02.7]

**FT:** Yes, I know him well.

[0:02:04.0]

**JA:** He had just come to my podcast and he said, anybody getting a divorce is a failure, you just totally screwed up, I felt really bad about myself and it wasn't my – I don't want to say fault or anything. Divorces are complicated but I just felt like this failure.

[0:02:18.6]

**FT:** Why would he say something like that?

[0:02:20.3]

**JA:** Because for him, very important.

[0:02:22.5]

**FT:** Mr. Charming.

[0:02:23.2]

**JA:** No, he was a very good guy. I really liked him but his point was, you know, marriage is such an important decision, you should really do due diligence like you would with any other really important decision and if you get divorced, it might mean you didn't really do the appropriate due diligence you should have and now you're going to waste money.

[0:02:40.0]

**FT:** Spoken like a true business man.

[0:02:42.2]

**JA:** Yeah.

[0:02:42.7]

**FT:** But marriage is not a business, marriage is a very, gosh, it's an evolution.

[0:02:51.2]

**JA:** Right, it's true. That's a philosophy that worked for him and he wrote about it, he wrote a book about relationships, you think of him as a business guy. He wrote a book about relationships but it is kind of filtered by his business outlook or philosophy.

Then, I was feeling really depressed so I called Judy Bloom who was my favorite writer as a kid, she's written like a dozen books that just helped me survive childhood ranging from Tales of a Fourth Grader, Nothing to Blubber to Forever, to Later on Wifey.

I said to her, you know, I feel like...

[0:03:24.3]

**FT:** You just called her? You look her up on...

[0:03:26.8]

**JA:** Well because I was going to have her on my podcast.

[0:03:28.1]

**FT:** The phone book.

[0:03:30.4]

**JA:** I said to her, I feel like this failure, this is two divorces and is something wrong with me. She said, listen to me because I represent your entire childhood, right? Am I right? I said, yes, you do actually. She sold 150 million copies of her books and she said okay, I am married for the third time, I met my third husband in 1978, I've been married for 35 years, it's been great, third time's the charm. You're the second person that said that to me.

[0:04:01.2]

**FT:** Will you get married again is now the question.

[0:04:03.7]

**JA:** Well, we'll see but I do believe the third time's the charm.

[0:04:08.9]

**FT:** Well, I have to say, it's always awesome to catch up with you. We just sit, everyone listening. I'm in James' studio in Manhattan, he's much more professional and buttoned up than I am when it comes to podcasting.

Thanks for inviting me to your digs.

[0:04:21.3]

**JA:** I'm not so sure about that.

[0:04:24.6]

**FT:** We just got finished doing about an hour and a half on your show, I interviewed you for your podcast so everyone go listen to that and now, I thought, it would be fun to have you on So Money to talk more about money and finance and entrepreneurship and I actually reached out to a lot of the listeners for their biggest questions, a lot of them – they can't get enough. They cannot get enough of you.

[0:04:48.7]

**JA:** I appreciate it because I feel like I've been through so much financially, making money, losing a lot of money, dealing with not only personal finance issues but professional finance issues in terms of entrepreneurship and investing.

I even ran a hedge fund where I invested other people's money. I feel like I've got the full range. Plus, you and I together, we wrote about and spoke about finance for like almost a decade at thestreet.com and CNBC and other outlets. I haven't done as much finance lately although I'm still heavily involved in managing money and so on.

[0:05:25.4]

**FT:** Speaking of, when you Google James Altucher, I mentioned this on your podcast. When you type James, at least in my browser, when you type in James Altucher at Google, the next word that comes up automatically is podcast, the second one is net worth.

[0:05:40.9]

**JA:** That's funny.

[0:05:41.3]

**FT:** People are really curious about your net worth. Can you answer that for us here on the show? What's your net worth?

[0:05:47.4]

**JA:** Sure, I mean, it's a hard question to answer because I'm also an investor in a lot of companies. It really depends day by day how these companies are doing and also, what I kind of expect from these companies. I don't know.

[0:06:05.0]

**FT:** Seven figures, eight figures?

[0:06:06.4]

**JA:** Yeah, eight figures and just 10 million plus but it could be much lower, it just depends on how some of these private companies work out and I don't like to keep too much cash around. If I have cash, I invest it and invest in a company.

[0:06:20.4]

**FT:** Where do you keep your money? Do you have multiple bank accounts, do you...

[0:06:24.2]

**JA:** Yeah, I have multiple bank accounts and then also I'm invested in various like hedge funds or venture funds and then I invest my money and I invest in a lot of private companies. I'd rather invest in a private company where I know – you know, we talked about this before but where I know the CEO is smarter than me, I know the co-investors have done their due diligence and they're smarter than me so I'd rather do that than like for instance, buy a house where I'm a professional idiot for instance. Any place where I'm a professional idiot.

I don't invest my money. Then I also run my own business, that's doing very well, that's worth quite a bit.

[0:07:04.3]

**FT:** Do you ever take into consideration the political climate when you're putting your money somewhere, I mean, a lot of people right now are holding on to cash. Actually the personal state – no one's reporting this and I feel like this is a big headline.

I discovered just because I read a lot of the data, that household savings rate on average has been going up since November. Okay? Since November, because we don't like to save in this country, this isn't like, it doesn't sound like a lot but we're at six percent right now. We were at around four and a half, five percent in the fall and it's only going up.

I think that people are talking about Trumpageddon, they realize that we're in maybe a bubble, the stock market, it's getting very frothy that we're headed for a correction at the very least, a recession at worst. Knowing that, anticipating that, people are not willing to risk their money right now. What do you say to that and how are you going about your own financial planning right now?

[0:08:02.9]

**JA:** Well, I think nobody can – we all know this. Nobody can time the market, nobody could say, because Trump was elected, now things will go down. Just like you know, no president has ever determined the fate of the stock market.

Amazon, Apple, Google keep growing, Silicon Valley keeps making inventions, they have nothing to do with who is president and who is not president, they grow under a W, they grew under Bill Clinton, they grew under Barack Obama, they're going to grow under Trump.

Most companies don't really care who is president or who is not president and I think if you try to time the stock market, you end up losing because I remember, I actually, just this morning, just for the fun of it, I don't know why I did this, it's almost like I was being masochistic this morning.

I went on Zero Hedge which is that very negative finance website. I don't even want to call it a finance site, it's like this idiot...

[0:09:03.8]

**FT:** It's like US Weekly for finance nerds.

[0:09:05.2]

**JA:** It's like I don't even know what it's like. I can't even compare it to anything.

[0:09:10.1]

**FT:** Wait, what's it called again?

[0:09:11.7]

**JA:** Zero Hedge.

[0:09:11.9]

**FT:** Zero Hedge.

[0:09:13.5]



**JA:** You must know it.

[0:09:13.8]

**FT:** I've never heard of it.

[0:09:15.0]

**JA:** It's been around for a while, it's popular but I Googled my name, I didn't Google my name, I searched my name on it and I saw there was a lot of people who were trashing me in 2010 and 2011 because I said, within the next five years, there's going to be down 20,000 and they were all like, James Altucher is a douche bag, that guy is an idiot. He's an ugly stupid jerk yeah.

They were all treasury, 100%, not a single person said, well he might be right and now we're down 20,000 is there one apology? Is there one person who said well I guess he's right, no. Zero. All this people who think they're so smart and like we're going to save our money now because Donald Trump's going to bring us to nuclear war.

If there's a nuclear war, what good is saving your money? I don't know. I'm not saying put all your money in the stock market, I'm just saying, always have your money working for you but more importantly, always have ideas working for you.

Don't think scarcity, don't think my god, I better save now because this is going to be less opportunities for money. Let's not forget, the federal government printed up trillions of dollars over the past 10 years, that money is still kind of in banks or in the banking system, it's still ready to kind of float out there and if you have good ideas and you're creative, whether as an investor as an owner of something, you'll get a hold of some of those extra dollars that are out there and has nothing to do with whether the market goes up or down.

Meanwhile, the market keeps going up. If there's inflation, the market's going up, if there is an increase in productivity and technology which everyone expects the market's going to go up.

If there is any kind of tax cuts which whether or not Trump does this, I don't know but the market will go up on that because corporations will have higher profits, I don't know if tax cuts are a good thing or bad thing but if there are tax cuts, the market's probably going to go up. In general, the market over history, if you ever bet against the market, today, the market is within 1% of all time high's or maybe it's at all time high's, I don't know.

If you ever bet against the market, before today, you're down money.

[0:11:16.9]

**FT:** Some of my listeners have student loans as do many people in this country and you know, people in their 40's and 50's are still dealing with their student loans and I know you are anti college at this point but if you – you brought up bail outs. Do you think that the government should bail out borrowers of student loans? Those who can never pay them back.

I mean, they're quick to bail out AIG and some of the big banks, why not bail out your citizens who are basically financially bankrupt, they can't build businesses, they can't help the economy because they're just so deep in the student loan crisis?

[0:11:54.6]

**JA:** Yeah, you know, it's funny because I very specifically remember, you and I have had this conversation, not the bail out but the college conversation back in 2006 or 2007 and my opinion then was considered ridiculous, of course people have to go to college because how are they going to get a job otherwise but just yesterday, Ernst Young, the top accounting firm in the country said, they're not even going to ask you anymore if you have a college degree.

Google no longer asks if you have a college degree. Now, most kids still go to college, student loan debt, that's why student loan debt is higher than ever, tuitions have gone up because the government back student loans and you're not allowed to default on student loans even in a bankruptcy. College presidents have intelligently decided, let's scam kids and the government are the two most obvious choices to scam and let's raise tuitions faster than inflation and they've been doing this every year since 1977 without fail.

I mean, tiny liberal arts colleges are 70,000 a year, you have to make like a million bucks to send one kid to college practically.

[0:13:03.3]

**FT:** And you graduate having no hard skills and not to say that there's no value in studying literature and art history and there's other advantages I think going to going away to college, you can make the argument that you're meeting people, you're experiencing life in a new way and a new light, you get enlightened but at the end of the day, what's the return on that investment.

If you can't make money and if you're so set back because you have \$100,000, \$200,000 on student loans. Where does that leave you?

[0:13:31.8]

**JA:** Right, it used to be. Look, look at many of the greatest entrepreneurs in history. Many of them started their businesses in their 20's because they weren't bogged down by student loan debt. Bill Gates, Mark Zuckerberg, all these people, Steve Jobs, they weren't bogged down by student loan debt. Now, there is statistical evidence which I don't argue with that if you went to college in the 70's that now you're probably making more money than the people who didn't go to college in the 70's.

There's a lot of things wrong with that statistical study and it probably doesn't apply to now because college and experience are so different now, now there's so many opportunities for online learning like I spoke to a guy last year, Scott Young who because MIT's entire course catalog is online, videos, homework, test, everything. He finished a computer science degree at MIT in one year. The whole thing, he took every course, he took every test, he did very homework assignment and they grade it, whatever.

He just didn't get the certificate but he got all the knowledge, he just did it in one year but still, some people need that certificate but really, for computer programming, they just want to make sure you have the skills, they don't want to make sure you have a degree.

A degree means nothing. Where in an idea based economy and a skill based economy, not a certificate based economy. We used to be in a certificate based economy, it's just not true anymore. I do think most students feel like for social reasons and for fear reasons, they should go to college, all their friends are going to college, they don't want to be left out.

It's the last time they hang out with people their age. Most of my friends, I don't even know if I have any friends my exact age. As you get older, you start having friends who are not your age, who are not from your same neighborhood, you all go to college with.

Again, you're right. I have employees, they're experts on writing, finance, sales, the latest internet marketing, all of these things that are not taught in college at all because a lot of the skills were actually created yesterday and they have to keep up with them on a daily basis, what they're good at is learning and having the personal network of what was created yesterday and you build that on the job with whatever career you're going to be in.

[0:15:45.3]

**FT:** You still have to get an education right? You can't just assume that I'm not going to go to college, I'm just going to start working. You could do that but you have to learn something. If you want to learn to code, you got to go to coding school.

[0:15:58.4]

**JA:** No because okay, you mind if I give an example?

[0:16:00.8]

**FT:** Yeah, please.

[0:16:01.3]

**JA:** I studied computer science in college.

[0:16:03.7]

**FT:** At Carnegie Melon.

[0:16:05.2]

**JA:** Cornell undergrad. People were going to say, now he doesn't want kids to go to college because he gets to be better than them.

[0:16:11.5]

**FT:** You'll not be giving a commencement speech at Cornell anytime soon.

[0:16:15.5]

**JA:** I one time spoke at a Cornell event and I said, my computer science degree was a waste and there was a computer science professor also in the panel and she made fun of me, I had to tell this exact story I'm going to tell you.

I got a computer science degree at Cornell, put in my 10,000 hours programming, went to graduate school for computer science, put in probably another 10,000 hours, then I actually got a real job in the real world, I was working at HBO in their IT department and their computer department.

My programming skills were so bad and this is after graduate school and undergrad at the two best computer science schools in the country or in the top 10. My computer programming skills were so bad, they had to send me to remedial classes at a local AT&T facility...

[0:16:58.3]

**FT:** Where did everybody else learned how to code?

[0:17:00.3]

**JA:** On the job. They all learned on the job and then finally I learned at this facility, taking a remedial classes.

[0:17:05.4]

**FT:** Well would you have gotten the job if you didn't have the degree?

[0:17:09.4]

**JA:** No because I'll tell you why I got the job. I left graduate school and I started working in the art department at Carnegie Mellon, helping them figure out what virtual reality was going to look like, this was like over 20 years ago and HBO wanted to get into virtual reality so they offered me a job.

Still, I had to program and I had no skills so I finally had to learn by taking these remedial classes and then I got obsessed with it and so when you get obsessed with something and you're on the job and I wanted to be the best and then I started building websites for other companies on the side so I had to learn to be really fast because I was working my full time job and then on the side I had side gigs doing programming.

I had to really get good and fast and smart about it and use yesterday's technology. Not the old school text book technology they were teaching in college. Again, I learned everything and then I decided I didn't want to do computers at all, I wanted to be a writer.

[0:18:07.1]

**FT:** You pivoted a lot and I want to ask you about that because right now I think a lot of people are having like an existential crisis about what they're doing with their lives, I get a lot of

questions from listeners who are working at a desk job, they want to be out there in a bigger way, they don't know how to do it, they don't know how to make transitions.

I think the transition is always really hard because it usually means giving up something, it means adjusting, it means...

[0:18:29.1]

**JA:** It usually means that it doesn't necessarily mean that but go ahead.

[0:18:32.8]

**FT:** Yeah, how do you get the confidence but also, plan of action to make pivots? When you go, I don't want to be a computer science geek anymore, I want to do, I want to write. Is it a personality thing? You just have to be willing to know that if I'm going to fail, I'll still be okay.

[0:18:47.7]

**JA:** Yeah, you're going to fail. And failing is a hard word. Failing sucks, like nobody wants to fail, failing means you're a drug addict, alcoholic and you lose all your jobs and lost all your money and lost your family and you're in the gutter, shooting up with a needle.

[0:19:06.5]

**FT:** Tony Robins would say you could still win.

[0:19:08.4]

**JA:** You could still win even from there, yes. Look, I've been there and I've still come back from that. In general, let's view the word as an experiment. You're working your desk job and you're saying, I can't do this forever, I'm going to really end my life saying I worked in a cubicle for 40 years, no.

First off, job turn is greater than that now than it's ever been before. People stay in jobs on average about four years and really it's much less for most people. Let's just say you're thinking, what should I do? Well, there's lots of ways to experiment. I was at a point where I had no idea what I was going to do, I had failed at a business, I had lost all my money, I was losing my house but I had to do something.

I had two little babies and I had no job, nobody's returning my calls because I had lost — they all invested in my business and my business failed. I've talked about this before but I started writing down 10 ideas a day just to improve my creativity.

Creativity is a muscle, you have to exercise it but I've written about that before, I won't go over that again. The question is — people say ideas are a dime in a dozen, execution is everything. I'm going to call a little bit of BS on that. A good idea is hard to have so you have to really have a strong creativity muscle just like working out in the gym, you don't need to have like strong muscles to lift cars but it's healthy to work out in the gym and it's healthy to exercise your creativity muscle.

Then when you have a good idea, even a bad idea, you have to know how to execute it. Execution ideas are a subset of ideas. For instance, I had a bad idea for a business just the other day, I was talking to a friend of mine and he told me, I joked about him and his girlfriend. We're going steady now.

He just started riffing on a business idea, let's make a Going Steady app. You know, you download the app, let's say I'm him and you're the girlfriend, you download the app, I'll download the Going Steady app, we'll connect to each other and now we say we're going steady. Now we can share that in Twitter and Facebook and whatever and to our friends.

Then also, the Going Steady app deletes all the dating apps on our phones and if we ever download a dating app, it emails the other person and says, Farnoosh just downloaded Tinder, you should know.

[0:21:31.3]



**FT:** He's got a wondering eye that James.

[0:21:33.3]

**JA:** Or, if you ever disconnect from me on the Going Steady app then I get informed by email. We were just talking and then he went off, he said, this is a great idea, we absolutely have to do it. Then he goes off to his thing, I go off to my thing. Okay, I went off to my thing, I specked out the idea, what each button would look like on a Going Steady app where all the functionality was, took me about a half hour.

I went on freelancer.com, I signed up, I posted a spec, 15 people bid on the job from all these different countries and I started through text boxes, interviewing them and it turns out you could do this on Android this app but you can't do it on the iPhone because the iPhone and one app can't see what the other apps on your phone are, there's extra privacy. It was a bad idea and I couldn't execute on it.

But, I wrote to my friend who we came with it. He said, that's the difference between you and me, I'm a lazy sack of shit and you actually tried to turn this into a business, it took me 45 minutes to vet whether this was a good idea.

If I had said yes, I would have spent 600 bucks and just outsourced, two weeks later, the company promised to have the app done, upload it to the iTunes store and the Google play store and even begin marketing it. For just \$600 in two weeks, now maybe they were over promising, maybe it would have taken a month, maybe I would have to manage a little bit more but it's relatively easy to get started, you just have to say okay.

Let's just take the next step and...

[0:23:14.2]

**FT:** It is a person, it has to be in your DNA because I think that there are people who have a lot of ideas, they have a lot of aspirations, they think their ticket has to be money. Once I make the money, once I get a raise, once I win the lottery, all my dreams will come true.

[0:23:29.3]

**JA:** Look, there's something where I could have started a whole thing for 600 bucks, maybe it would have worked, maybe it wouldn't have but for 600 bucks, I'll experiment like that, I'll do one experiment like that for a month.

[0:23:39.1]

**FT:** How would you characterize that person who is waiting for the windfall to be able to – to motivate them to do something...

[0:23:45.5]

**JA:** I would say they're just wrong.

[0:23:46.3]

**FT:** They're just wrong.

[0:23:47.2]

**JA:** Yeah, I would say, exercise your doing muscle. I'll give you another example, I was having lunch with a friend of mine, he was in the business of putting ads on YouTube channels. He worked for a company that did put ads on YouTube channels and he said boy, I'd really like to create my own YouTube show. I have this idea of creating YouTube of videos of gamers. I'm like, well why don't you do it? He said, well, I have to raise money and buy the equipment and stuff.

I said, well give me your phone for a second and he gives me his phone, it's the latest iPhone and I said, this phone has a better video camera on it than all the video cameras that made all the best movies in history. This video camera is better than the video camera that made the Godfather, that made Laurence of Arabia, that made Star Wars. Why don't you just use the video on this phone and put an ad on Craigslist, I need some good video gamers, I'm going to

take videos of you and start a YouTube channel and just see, that will take you like an hour or two of time and don't give the excuse you don't have the video equipment.

People have exercised their excuse muscle very well but they don't exercise their doing muscle and by the way, it's just a matter of writing down execution steps and that exercises, the execution muscle. I'll give you another example. Have you ever seen the Eric Andre show?

[0:25:03.4]

**FT:** No.

[0:25:04.7]

**JA:** I just started watching this and it's...

[0:25:05.5]

**FT:** Where is it? On Netflix?

[0:25:07.0]

**JA:** It's on Comedy Central, Adult Swim.

[0:25:08.6]

**FT:** Okay.

[0:25:10.0]

**JA:** It wasn't always.

[0:25:11.9]

**FT:** I caught the cord but I don't have cable.

[0:25:14.2]

**JA:** The guy, well you could see a lot of clips on YouTube but the guy was like a bike messenger and he used his final \$200, he rented the back of the room in a bodega and he got a Styrofoam desk and he got some random guest to come on, he called a publicist and he said, I'm running a talk show and he got some publicist to send over some semi famous reality show guest and he just created the most hilarious version of a late-night talk show that he could think of.

He totally like freaks out all of his guests. He did that completely on his own with his last \$200, he had no money left, he literally biked it over to comedy central, showed them this hilarious video of what he did. Now he's in his 4<sup>th</sup> season of his show. The best stories...

[0:26:02.2]

**FT:** It's on a lot of examples but I think that there's something to be said about just starting small, using your own resources, whatever they are, create – and these days – you have Wi-Fi and you have a phone and you have writing skills or you're able bodied, there's a lot you can do to get out there and get an audience and if you're interested in becoming a public figure of some sort and then these bigger networks, they want social proof, they don't want to like – what do networks do? They do a pilot first.

But if you've already piloted your stuff essentially right? You've test marketed it, you've shown, built this audience, I'm likeable then they're more than willing to take a chance on you.

[0:26:45.3]

**FT:** Yeah, you know, look, I just gave anecdotes and someone can say, he just gave anecdotes that doesn't always work.

[0:26:50.6]

**JA:** Justin Bieber started that way. Yeah, Justin Bieber was just doing YouTube videos and then Scooter Bronze saw them and Scooter Bronze was like, hey, move into my house.

Adam Braun who I don't know if...

[0:27:01.8]

**FT:** Yeah, I just had him on my podcast.

[0:27:03.3]

**JA:** Yeah, Adam and Scooter were like in bunk beds together growing up and then Adam and Justin Bieber and then Justin Bieber becomes this huge hit.

[0:27:11.3]

**FT:** I had this big epiphany when I was interviewing Adam Braun, he grew up in Greenwich Connecticut, the richest town in the country, maybe the world. I had this epiphany. I thought okay, what's the best way to raise ambitious kids right? I think you move to the richest part of the world but you give them nothing.

In other words, you don't spoil them, you don't want them to live like their friends and yeah, they probably had a nice house and they had nice things but Adam remembers always working, he remembers Hanukah the second out of Hanukah, his parents said, you're not getting anything tonight, you're going to give.

And ever other night for the next eight nights, we're going to give you something and then the next night we need to decide where we're going to donate our money.

[0:27:52.8]

**JA:** That's a good thing.

[0:27:53.7]

**FT:** Right? It's like, showing them what potential is right? They live next to these millionaires, billionaires, rich kids and but we're not allowed to themselves act and play rich because it wasn't their money it was their parent's money.

[0:28:09.6]

**JA:** You know, a lot of people ask about this like what's the best way to raise kids now? My kids were raised dead broke because I went broke when they were babies and we had to move to an area that wasn't known for being well off and then I then had ups and then I got broke again and they've seen big houses, small, dead broke, they've been scared just like I've been scared, they're a product of divorce but what I would do with my kids is we'd walk up and down the street and I would say to them for each business, tell me why this business is going to either succeed or fail.

They would analyze. There once a business in my town called Dolls and Balls and they sold dolls for girls and balls for guys, basketballs, baseballs, everything. I'm like, is this business going to succeed to my daughter Josie?

She was six years old and she said, well, she had a very cute little voice now, she doesn't, she's 18 but she said well, it's got to be for either girls or boys, I don't want to go on a boy's store.

She was right, within six months, that store was dead and then on Shark Tank, we'd watch Shark Tank, the guy would pitch the business, I would pause it, what's this guy asking for, how should he pitch it, is this a good idea or not?

I never lecture my kids, I have discussions with them.

[0:29:31.8]

**FT:** You ask them questions.

[0:29:32.8]

**JA:** Then I show them by example, I'll let them come to a podcast and listen in on now I'm talking to Farnoosh who has done a TV show, has a podcast and you've really chosen yourself, you were an employee at the street.com, they didn't want you to write a book and be your own brand...

[0:29:49.9]

**FT:** They laid me off.

[0:29:51.1]

**JA:** Yeah. They were afraid of Farnoosh as supposed to she's an employee, low level at the street.com. You did your own book, you started pitching your own shows, you started going on all the TV networks, you made your own podcast which is very successful, you do all of these things which are incredible and you did it yourself.

If you relied on the street.com to say hey, make a TV show for me, that never would have happened.

[0:30:16.2]

**FT:** Never asked for permission.

[0:30:17.5]

**JA:** Yeah.

[0:30:18.0]

**FT:** Ask for forgiveness.

[0:30:19.8]

**JA:** That's the case, it's not anecdotal, that's a case a 100% of the time. Peter Thiel, worth 10 billion dollars, first investor in Facebook, first investor in Palantir which is worth 20 billion dollars now, creator of PayPal, started a Great Hedge fund, he was a lawyer okay? He went to Grey College, got his law degree, I think at Stanford, worked for the best law firm in the country, I think Scadden Arps or Steven and Kramer, one of those S law firms.

He quit and all the partners were like, why are you quitting, you're going to make a million a year in a few years and he's like, I can't do it anymore and he was the smartest guy at the best law firm and he took risks. PayPal almost went out of business, they were up against X.com run by a young man named Elon Musk and then EBay which is a multi-Billion-dollar company started competing against them.

He did the smart thing, he merged all of them and then he just keeps on taking those risks and he gets wealthier and wealthier. 100% of the time, it's some back door way, it's never like up through college that I'm going to work for Venture Capital firm then I'm going to start a company, then I'm going to be a billionaire, that's the rare anecdote.

The real stories are all the people who take risks and do something a little bit out of the box and find the back door way into an industry.

[0:31:36.6]

**FT:** Okay, finish this sentence for me, two sentences. At best, money can help you, fill in the blanks.

[0:31:43.9]

**JA:** I think money can help you find a sense of freedom like I don't have to worry about money but that means different things to different people. I don't have any possessions, I don't own a house, I don't own a car, I don't own anything. I don't go out and buy anything. But I like having to know that I can survive.



Now, I'm a little paranoid because I've gotten broke so many times, I get really paranoid and I get a scarcity complex about money.

[0:32:15.8]

**FT:** Which we've talked about on the very first time you were on the show.

[0:32:19.2]

**JA:** Yeah, I'm always afraid I'm going to go broke.

[0:32:21.1]

**FT:** Because your father had...

[0:32:23.4]

**JA:** My father went broke, lost everything.

[0:32:25.2]

**FT:** You kind of continued that as an adult too?

[0:32:28.1]

**JA:** Yeah, I was afraid of turning into him, he had a nervous breakdown and then a stroke while arguing about money and then he died. Money killed him and worrying about money killed him and then he left my mom and all this debt that I had to help her with and just money like destroyed my family and it destroyed me for so long, destroyed my...

Hopefully not destroy my kids but – so freedom for me might mean, can I survive 30 years from now? Well I might be dead in 30 years so I'm a bit irrational. I think if you have the freedom to make choices that you want to make then that's good.

Some people only need money for six months then they know, in six months if I don't have it I'll get another freelance job and I'll get the money or I don't have that much responsibility so I'll get another job for a while and then I'll take off to Thailand and travel around the world.

I know people who make little money and then they move to Columbia. Columbia used to be – you think of it as there's all the drug cartels. No, all the drug cartels have been cleaned out, you can move to a city like Cali in Columbia, get a penthouse for \$50,000, live on \$3 a day and there's so many Ex-patriots now who make like some money and move to a cheaper place because we live in a globalized world.

There's many more, I don't know how much people need, there's no such thing as the number anymore because it's different for each person and everybody's sense of what freedom means is different.

[0:33:47.6]

**FT:** Yeah, the other fill in the blank was, at worst, money can and I think you kind of went over that. It can destroy you.

[0:33:56.1]

**JA:** At worst, money can make you think that your job is done as a human. The first time I sold my company, I thought, that's it, I've learned everything I ever needed to learn because now I've made money, I don't need to get any healthier, I don't need to have better friends because now people are going to like me because of money, I don't have to work for it, I don't need to be creative anymore because I was creative and it made me money.

I'm just now going to enjoy the fruits of my money. As soon as I started thinking of that, that was my peak in money and I went straight down and lost everything so fast, it was like, I was suicidal, maybe 12 months later because I had zero, after having money for generations.

Money can convince you, you know, a lot of people equate net worth with self-worth and a lot of people are convinced that if their net worth is high, their self-worth must be high too so they

don't have to work on self-worth anymore. Being human and reinventing is a nonstop job until you die or else you lose your health, you lose your creativity, you lose your sense of who you are as an evolving human being and you lose your friendships, you lose your sense of how you should behave in the world around you. So money should just be a side effect of providing a service, you love providing that helps other people. Money is just a side effect nothing else and it's a way to pay the bills depending on what your bills are, make your bills as low as possible.

[0:35:21.4]

**FT:** Culturally, we talk about money as a metric for success. So when I have people on this podcast in their bio it will say, "I am a seven figure entrepreneur. I started a \$10 million company" we use figures to validate our work and our purpose and should we stop doing that?

[0:35:37.8]

**JA:** No, I'll give you a specific example and then more general answer. I was writing a lot about entrepreneurship in my books and for Tech Crunch and other places because I have started a bunch of companies and some have worked and most have failed and here's what I learned and so, two and a half years or less than two and a half years ago, I wanted to see. I hadn't started a company in a while.

I wanted to see okay I am going to start a company and see what happens. Does my advice still work? So I started it in early 2015. 2015 we had 15 million revenues and 1.6 million in profits. 2016 with similar revenues but the profits went up to a million in profits. This year we'll do even better and I applied all of my theories about entrepreneurship. So I wanted to know if I was right now, if I could do it again and I was able to.

It was relatively, I don't want to say easy because there's problems every day. Every single day there's problems in entrepreneurship but in the general case and I wanted to answer the general case but I answered specifically but – oh you said basically do you judge your success by money.

[0:36:49.1]

**FT:** Or should we because we do it so often, is that a bad behavior?

[0:36:53.3]

**JA:** So you judge your success as a business. I don't even know if you judge your success as a business by money.

[0:36:58.7]

**FT:** I mean if you are a publically traded company that will absolutely how you market.

[0:37:03.8]

**JA:** Investors will judge it if your stock is going up but that's why a lot of companies don't want to go public.

[0:37:07.0]

**FT:** But as humans, as creative types, as people who are clear ambitious.

[0:37:12.7]

**JA:** No. The answer is no because you mentioned like let's take artist as an example. So a huge percentage of the population would like to be more creative and artistic and let's say you're a writer, a big award for writers is the National Book Award. So the National Book Award winners this year, the National Book Award winner before he won the award, I forget who it was, sold 2,500 copies of his book.

[0:37:36.3]

**FT:** That's it?

[0:37:36.8]

**JA:** That's it.

[0:37:37.5]

**FT:** I've sold more books than that.

[0:37:39.4]

**JA:** Right, so you can't judge but clearly, some panel of judges that were judging literary success which is where this person –

[0:37:45.6]

**FT:** That's awesome. I'm really happy to hear that.

[0:37:47.2]

**JA:** Yeah and there's a lot of metrics for success. He wanted literary success. J.K. Rowling wanted commercial success. E.L. James wanted commercial success so they sold hundreds of millions of copies of their books and made movies. So there's different types of success and the great thing about being humans is that we're not in one tribe. So if we're all in one tribe, there would be 30 of us and it would go from alpha to omega and it's very clear who's the alpha and who's at the bottom and who's the omega.

And that's for males and females but I could be in today, I'm in the podcasting tribe. So I want to do the best podcast possible. So our two podcasts go up in our podcasting tribe but then later, I'll be in the writing tribe and I want readers for my writing. So we're great as humans because what made our species so special is that we can go from tribe to tribe and adapt very quickly and then change.

We always need metrics for it to judge ourselves because the whole alpha-omega thing is built into our DNA but we can quickly go to many tribes all the time and diversify the tribes that we are trying to get better in and the tribe that we're the best in and there's all these

neurochemicals to encourage us in each situation we're in. As you get better you have a serotonin boost. As you are the best, you get dopamine boost.

As you are accepted by the tribe you get an oxytocin boost and if I get cortisol in let's say the podcast is horrible, okay forget it –

[0:39:12.0]

**FT:** That's quite the cocktail of hormones.

[0:39:14.0]

**JA:** Yes but if you are in a tribe where it is not going so well, "Oh I lost money trading today. Okay I am going to write about it and people are going to relate and I am going to do that" or "I'm going to try something new, standup comedy so at the beginning of a learning curve and I am going to get good at that" and there's all sorts of things we can try and do and experiment and money is only a metric in very few cases really.

[0:39:36.2]

**FT:** It's short lived that stimulus that you get from that boost of whatever like, "Oh I made a million dollars" or "I've made my first paycheck. I made money, I am profitable" it's short lived because ultimately you have to sustain.

[0:39:47.8]

**JA:** Yeah and not only that, most of the things that we enjoy have nothing to do with money. Let's say I want to get better at Ping-Pong. Let's say you are better than me at Ping-Pong and I would love to be better than you at Ping-Pong, tonight –

[0:39:57.8]

**FT:** You might be better than me at Ping-Pong.

[0:39:59.5]

**JA:** We'll let's say you are better than me.

[0:40:01.4]

**FT:** I'm going to guess yes.

[0:40:02.4]

**JA:** Tonight with minimal amount of money I'm going to take a Ping-Pong lesson from a better Ping-Pong player and I'll learn to beat Farnoosh in Ping-Pong and that has nothing to do with money but it will make me feel good because I am feeling competitive with you on Ping-Pong or whatever my interest is. So most things we do in life have nothing to do with money anyway. It's just that we all measure.

The newspapers measures it, advertising measures it, our parents measure it, our schools measure it because we don't want to be poor and impoverished and homeless so we have this fear and scarcity thing but you have to train yourself to have more of an abundance feeling.

[0:40:39.1]

**FT:** So you invest in yourself, you invest in businesses, you invest in the stock market, is that it? What do you think people should not be investing in?

[0:40:50.1]

**JA:** I don't know. I don't think you –

[0:40:52.4]

**FT:** Like art, real estate, people write in and they're like, "I want to go international and buy a house and make it into a rental, should I do that?" I'm like, "You're asking me?" You are not doing the right due diligence.

[0:41:03.0]

**JA:** Well, I think you should always invest in things you enjoy. So I don't enjoy real estate and clearly real estate is good for some people and not good for others. So I know a guy who invests successfully in foreign real estate, I asked them "What's your technique?" he told me his technique and it was amazing and I went to another guy and he said, "Look here's this guy's technique, you should do this" and they're like, "Oh I don't want to travel to these other countries".

So for some people it didn't work but art is a really scary thing to invest in and you have to really know what you're doing and very rare. I would say one tenth of one tenth of one tenth of 1% know what they're doing. Most people will lose money on art. Wine some people invest in, that's the craziest investment I have ever heard. Some people have invested in gold and done well. I think that's a crazy investment.

To me it's just a rock and we don't know how currency is going to evolve with both paper currency and Bit Coin. We just don't really know how it's going to evolve. I think you invest in things that you love and you enjoy and are an expert in or if you invest in people who are smarter than you which I think is even better then you could piggy back then and then just do the things you enjoy.

Most people don't enjoy investing. I don't enjoy investing so I'll just say, "Okay, you are smarter than me at private companies" so you tell me where to put the money and I'll do it" and I just trust other people who are smarter than me to help me. Warren Buffett is smarter than me, I will look at Warren Buffett's portfolio, okay I like those stocks. Warren Buffett is in them it's good enough for me or Peter Thiel and his private companies I get to invest, good enough for me.

[0:42:39.6]

**FT:** It's also your stomach for risk. Some things are far riskier than others and not only objectively risky but what's scary to you is not the same for everybody.



[0:42:52.8]

**JA:** Yeah like angel investing. Investing in a private company is scary because you're never going to get out of it. I have invested in companies in 2007 that I am still invested in. It's 2017, it's 10 years later so does that mean they're a failure? No, actually that means they're a success. They have been in business for 10 years growing. I actually don't want my money back because they're growing so much faster than the stock market.

Where else am I going to put my money that grows like that? So you have to have also a timeline preferences and diversify according to timeline. In the stock market you can pull your money out, real estate you can't. Real estate strikes me as crazy but that's just me. You put all of your money and then you borrow five times that amount and then you put it in something that is totally in liquid, you can't just get your money out of it.

And then when you do need your money out which has happened to me twice when I really needed it, that was when the real estate market goes crashing so I couldn't get my money out and here I was leveraged and the IRS was after me and the property taxes and I needed the cash that I put into this business, into the house and maintenance costs were not what I expected and I couldn't rent it because everything was crazy. So to me real estate is crazy. I don't do it but some people do.

[0:44:08.9]

**FT:** I want to share an anecdote. We were talking about on your podcast, I was surprised to hear this that you met Bernie Madoff?

[0:44:14.7]

**JA:** Yeah.

[0:44:15.3]

**FT:** And now he's in the headlines again mostly because they're in some movies –

[0:44:20.4]

**JA:** Yeah, Robert De Niro just played him on HBO.

[0:44:21.6]

**FT:** Wizard of Wall Street, the big question people still can't answer, a lot of people and I don't think I can really answer this is how did he get away with it?

[0:44:32.7]

**JA:** Okay. So I have encountered a lot of ponsy schemes Madoff is obviously the biggest –

[0:44:37.9]

**FT:** He didn't get away with it ultimately but he ran the NASDAQ, he had such prominent seats on Wall Street.

[0:44:44.2]

**JA:** Right, he created the NASDAQ. He created the idea of electronic exchanges. The New York Stock exchange was people in a pit yelling and screaming at each other. Bernie Madoff had the innovation to say, "No this could all be done by these new things called computers".

[0:44:58.6]

**FT:** He could have been doing so much more help and good instead he decided to scam people. I mean someone who could think up the NASDAQ is brilliant which is probably why he could do what he did.

[0:45:10.6]

**JA:** Or why he got away with it for so long and look, people knew he was a fraud like Harry Markopolos who was famous for exposing this as a fraud because here is a guy, Madoff, it was a very obvious thing when you look at it in retrospect, Madoff had supposedly \$60 billion in his fund and he claimed he was trading options but no. \$60 billion worth of options weren't even being traded. Nobody had even heard of him on the options floor. So clearly there was a fraud but nobody investigated so that was a huge one.

[0:45:42.4]

**FT:** Because he was so prominent and?

[0:45:45.3]

**JA:** Prominent and people thought they were going to maybe work for him after they work for the SCC so there was that. He always had that beta out. There are a lot of reasons why frauds get away with it. He had a certain charisma. I used to invest in a lot of Hedge Funds. I ran a fund of Hedge Funds which is a Hedge Fund that invested on other Hedge Funds. So I had the opportunity to do due diligence on hundreds and even a thousand very smart people running Hedge Funds and I saw tons of people I suspected were mini-Madoff's.

Mini-Ponzi schemes and not even mini like \$600 million worth, a \$1 billion worth. Madoff was a \$60 billion.

[0:46:22.9]

**FT:** 50 to \$60 billion.

[0:46:25.0]

**JA:** Yes, so he was hugely caught. I have seen people now, some of the people I thought were mini-Madoff's were caught. They paid a small fine and they got away with it because it's hard to catch and investigate and prosecute. So they paid fines, they settled and they disappeared with let's say a \$100 million in their pocket. So I saw so many people get away with the worst most disgusting stuff but Madoff got caught because he ran during –

[0:46:53.8]

**FT:** It was the recession, he was running out of money. I saw the movie.

[0:46:56.9]

**JA:** Yeah.

[0:46:57.7]

**FT:** I saw the Robert De Niro portrayal.

[0:46:59.4]

**JA:** The more interesting thing is how did it start and I think and no one really knows how it started but here's my theory is I think he equated net worth with self-worth. Everybody thought he was such a genius like, "Oh this guy started the NASDAQ and his parents probably thought he was smart and he probably was in a whole –"

[0:47:18.9]

**FT:** That's why you should never tell your child that –

[0:47:20.0]

**JA:** Yeah, "You're my little genius" like he probably had everyone think he must have been the biggest genius in the world so he probably started managing money and then one month whether it was in the 70's, 80's or 90's, we don't know, one month he probably had a bad month and he was probably so afraid, "Oh no everyone is going to think I'm stupid" and he probably lied about it that month and then the next month, he couldn't catch back up.

He probably lied about it again and then after two months, unless you just close down business you're in it for good now.

[0:47:49.1]

**FT:** Do you think it could happen again?

[0:47:50.5]

**JA:** Absolutely. I think it is a little more regulated but look, I'm sure every day Wall Street is probably 90% scam and 10% legit. A lot of it is grey area which is why it's so hard to prosecute and you can't – and being a whistle blower is a fulltime job because then you have people after you and you have to do all of these things and you can't just say, "Oh look at this guy, you have to show evidence".

So being a whistle blower which some people do is a fulltime job but I've definitely seen craziness and that's why I don't really like that industry in general. It's hard to compete because you don't know if you are competing against people who are breaking the law to get their returns.

[0:48:32.4]

**FT:** Last time you were on the show, since the last time you were on the show your lifestyle has changed a lot. You sold all your possessions which we talked about on your podcast.

[0:48:41.7]

**JA:** Sold or gave away, I didn't really sell them actually. I didn't made enough money off of them. I approached a friend of mine and I said, "I just don't want to deal any of these things" I have two of –

[0:48:50.7]

**FT:** But she sold it.

[0:48:51.8]

**JA:** She had the choice for all of my possessions, a 100% either sell, keep, sell and keep the money for yourself, keep for yourself or give away to charity or to a family or give away to your family or give away to a charity. She had those four choices and it took her about 10 days, every day.

[0:49:10.8]

**FT:** A hundred trash bags.

[0:49:12.1]

**JA:** Yeah, a 100 trash bags back and forth with 18 wheeler trucks and her whole family like she brought cousins, nephews, children, her husband like they were going through all my stuff. They really know my life inside and outwards. They were going through stuff I was surprised I still had lying around. It was disgusting but fortunately, she's still a good friend and didn't take pictures of everything.

[0:49:38.9]

**FT:** Well so extreme is this move, this pivot that you've made that the New York Times wrote about it. How did that feature come about? A lot of people want to get featured in the New York Times and you had a front page, I think it was the style section like primo real estate.

[0:49:53.5]

**JA:** Yeah, front page of the fashion/style section so I said to my girlfriend and I –

[0:50:00.1]

**FT:** You're joining us now Pamela.

[0:50:01.5]

**JA:** She's taking the video and I said to my kids, "Listen you can't argue with me about fashion now because I am known as a fashion icon. I am on the front page".

[0:50:11.4]

**FT:** I have shared the real estate with Anna Winter.

[0:50:13.3]

**JA:** I'm on the front page of the New York Times fashion section. I must be either gorgeous or a fashion icon so you choose but you have to listen to me now on fashion. They don't listen to me so but –

[0:50:26.4]

**FT:** How did that article come about?

[0:50:28.5]

**JA:** Well I had written about it and again not as "this is what you should do" I never give advice. I say advice is autobiography so this is what I did and these are the reasons why I did it so that's what I wrote about and then somebody picked up on that and then said they assumed the title of that article said "Self-help Guru Only Has 15 Possessions" and I tried to say don't use the word guru. I don't give advice.

[0:50:53.7]

**FT:** But you do, you've been giving advice for the last 30 minutes, autobiographical advice.

[0:50:56.8]

**JA:** But this is mostly what I do from myself, yes. So you could choose to do like I said about real estate. Some people like this idea, some people don't but he contacted me and thought it was interesting and would want to know why because in general people who have had some

financial success they usually get obsessed with buying the bigger houses, the bigger cars, going on fancy vacations, getting fancier clothes.

[0:51:23.3]

**FT:** I think that's your show idea downsizing.

[0:51:25.9]

**JA:** Maybe but I –

[0:51:26.7]

**FT:** You've done it and I think less is more. You can leverage the whole Marie Condo trend.

[0:51:35.6]

**JA:** Although and we've had this conversation, I don't like her view – I mean her view is fine but I don't subscribe to – her view is –

[0:51:45.8]

**FT:** There is a lot of interest in that is my point. I mean international bestselling book, people are fascinated with how less can be more.

[0:51:47.1]

**JA:** Yes, two million people in Japan bought that book. I don't know how many millions in America.

[0:51:55.4]

**FT:** Oprah liked it so.



[0:51:56.7]

**JA:** But her whole thing is like, “Put all your objects on the floor and if you love an object keep it or else throw it out” some of her points are really good like throw out your paperwork because it is all digital now and I’ve read the book. I like some of her approach and some of her approaches I don’t. My view is I don’t want anything. I only want to – experiences are greater than things. So the marginal benefit of happiness of owning a thing goes down very quickly.

But I can take a Ping-Pong lesson and I am just making that up, I could take a lesson in anything I enjoy, an archery lesson or whatever, a painting lesson, I could anticipate it, I’m going to have so much fun, I could do it. I am going to be a better painter, I can now paint at home and then afterwards I could look back I had this great experience or I went to see Louis C.K. before him and stand up live. It is a great experience.

So experiences for me are greater than things and I like to enjoy my life and not worry about how am I going to move all of these things, what am I going to buy, what am I going to get rid of, I don’t like to deal with that and so this guy heard about this and decided to write about it and it was a nice article.

[0:53:18.4]

**FT:** What was the best outcome from that article? Because sometimes people say that being featured on such a huge platform, making the New York Times bestseller list and better yet getting a feature in the New York Times, for some people it turns into a TV show. So did that happen?

[0:53:33.5]

**JA:** Yeah, so I am thinking about ideas. I mean we’ll see, I am thinking about ideas like that. I’ve been pitching different ideas and I think it helped – I have several books recent books that I have written that I really believe in. I won’t promote them but they all hit number one on Amazon. They are both fiction and non-fiction which is incredible to me that never happened before.

[0:53:54.2]

**FT:** You have fiction?

[0:53:55.2]

**JA:** Yeah, well meaning in the entire Amazon store, they'd beat out all the fiction and maybe all the non-fiction. They were number one in the store which had never happened to me before and so that was a nice thing and that still is kind of happening.

[0:54:07.8]

**FT:** More than Harry Potter and the Bible, that's incredible.

[0:54:10.2]

**JA:** Yeah, I was number one for like a day and –

[0:54:12.9]

**FT:** Which is the Bible is the number one selling book of all time.

[0:54:16.5]

**JA:** Of all time but not today.

[0:54:18.1]

**FT:** But not when you were number one on Amazon.

[0:54:19.3]

**JA:** Yeah but not when I was number one.

[0:54:20.3]

**FT:** People aren't buying their Bibles on Amazon though. I think they are buying them in Christian stores.

[0:54:23.7]

**JA:** That's probably true because the Bible is a hard thing to read on your Kindle.

[0:54:26.2]

**FT:** The Christian book market is huge.

[0:54:29.2]

**JA:** Zander Van is owned by a news corporation.

[0:54:31.8]

**FT:** Really? Oh.

[0:54:32.5]

**JA:** Yeah, most of the Bibles are sold by Rupert Murdoch.

[0:54:35.0]

**FT:** Of course.

[0:54:35.6]

**JA:** So Fox News makes their money on the Bible.

[0:54:37.7]

**FT:** I should have known that.

[0:54:39.1]

**JA:** But yeah, there was also I think a lot of people start listening to my podcast because they saw, I am interested in exploring different ways to live life where you can be not always happy but always experience wellbeing. So wellbeing is not about again, not about money but it's about your relationships and how good they are. It's about feeling a sense of significance, it's about improving at something you love and it's about having a sense of freedom.

And so all of these things helped me have those feelings, wellbeing has nothing to do with money but maybe people could say well money could buy some freedom. Only a little bit. Most people who are billionaires died with a lot of money in the bank. So money only bought them money. They didn't actually use that money to buy them freedom. They just used that money to buy money. So they put it in a bank and never use it.

[0:55:30.7]

**FT:** What are you going to do with your money? Are you going to give it to your kids? Are you going to donate it?

[0:55:34.2]

**JA:** All of it is going to my kids.

[0:55:35.7]

**FT:** Do you think that they are ready for it? Do you think they'd be mature enough to handle it?

[0:55:39.6]

**JA:** I don't even care.

[0:55:41.6]

**FT:** Do you have any rules or regulations around the money?

[0:55:43.2]

**JA:** They see how I live. You can never tell anyone what to do, nobody. Imagine this, let's say your best friend tells you "My husband is cheating on me and beating me, what should I do?" you would say the obvious which is "Leave him now and he's no good for you. Leave him" how many people actually listen to that advice? Six months later you go to your friend like, "Oh my husband and I we made up, we're back together again".

People don't listen to advice so what I do with my kids is I let them see by example both the good and the bad and the ugly with me and I have one rule which is if they want a connection, sometimes I have the connection, sometimes I don't but I will introduce them to somebody once and then after that if they ask me, "Can you introduce me again?" No. I already made the intro, you can now write to them and say I met you through James.

Here's my idea, be creative, come up with 10 ideas for them like I do and work for it. Earn your respect from these people I introduced you to and don't embarrass me but in general, I try to live by example. For money, I don't care at all because if I – maybe I won't even die with any money but if I do, they could just have it. I don't care. I'll be dead, they could start taking drugs and ruin their lives.

[0:57:02.4]

**FT:** No, no, no.

[0:57:03.1]

**JA:** Yeah, hopefully they won't. I don't think they will.

[0:57:04.8]

**FT:** Pamela and I are shaking our heads no.

[0:57:06.0]

**JA:** I don't think they will but I'll be dead, it won't matter to me.

[0:57:10.4]

**FT:** I'm sure and I've met your daughters although it was a while ago but you do a nice job of keeping us posted on some of their accomplishments and they're doing really well.

[0:57:20.2]

**JA:** I just introduced my 18 year old who was looking for an internship and job for the summer and I introduced her the onetime to a guy who's running a virtual reality event Space. You can go downtown and try all the headsets and experience all these virtual realities and now she's got this internship and she's so excited. It was a great thing for her. She never even knew what a virtual reality was and she's reading Ready Player One, the science fiction book about it.

[0:57:42.1]

**FT:** Did they go to college?

[0:57:43.4]

**JA:** They're in high school right now. The older one wants to go to college. I'm hoping this virtual reality experience will dissuade her but we'll see.

[0:57:52.8]

**FT:** But you'll be okay if she still wants to go.

[0:57:56.0]

**JA:** She's 18.

[0:57:56.8]

**FT:** That's going to hurt your brand.

[0:57:58.3]

**JA:** It will. It will.

[0:58:00.2]

**FT:** That is not good for the James Altucher brand.

[0:58:01.9]

**JA:** I should argue with her like people are going to think I'm a hypocrite but she's 18. She's an adult, what can I do? Am I going to lock her in a cage?

[0:58:12.1]

**FT:** Well look, she's going to graduate with no debt. I don't think it's time wasted.

[0:58:16.8]

**JA:** Yeah, I mean I'm against it and she knows all the reasons why I'm against it and she's seen my book. I don't know if she's read it. I have a book for alternatives to college which was the number one book under College in Amazon for a long time. She's got all the information and I try to expose her to as many experience as possible. Here's what I've done, I have offered her what I call the Altucher Fellowship.

Which is I said, "I'm only offering it to you. You win, I'm not offering it to anyone else" which is, "Here is a brick of cash and the only thing you have to do is watch a movie with me every single day and then we talk about it and then you could do whatever else you want for the rest of the day".

[0:58:55.4]

**FT:** And you are paying her to do this?

[0:58:58.9]

**JA:** Yeah.

[0:58:59.2]

**FT:** Can I do this?

[0:59:00.3]

**JA:** No, she's the only one.

[0:59:02.0]

**FT:** She's the only one but your other daughter doesn't get it.

[0:59:03.5]

**JA:** We'll she's 15. So she'll get that offer too.

[0:59:05.6]

**FT:** Okay maybe when she's ready. Someone asked and I will end on this, would you ever mentor anyone for free? A random person.



[0:59:13.1]

**JA:** Well I write every day and I think I've gained the most from virtual mentors like people I've read. Their great books and maybe I've had the opportunity to answer and ask them a couple of questions like I go on Twitter and for me, I go on Twitter and do Q&A's with people but I spend my creative time writing or podcasting. I feel that helps the most people or at least it helps me and I have people who work with me.

Who I guess they could view me as a mentor and sometimes I learn from them. I hire people who are better than me to do jobs so I learn from them. So mentorships are a two way street often and I find often with actual mentorships, eventually the student passes the mentor and often in my case where I've been the student, I don't end up being friends with the mentor.

[1:00:00.7]

**FT:** It is weird isn't it?

[1:00:02.4]

**JA:** I had a business once where four or five of my best employees left my business to start their own business and my partners were very upset but I was very encouraging like this is what they're supposed to do is go off and start their own business and create wealth, you can't be the only one to create wealth, you've got to help the people who help you.

In my business now, all of my employees are constantly exploring side opportunities, I'm sure they all, I'm sure they even secretly all have multiple sources of income because that's what I do. They see me do it, it can't be like I do it and my employees don't. I have to live by example.

[1:00:47.3]

**FT:** We thank you for it. Thanks so much. You are so inspiring, newsflash everyone listening. James and I are going to do an experiment like a kind of a weekly show together where we talk

about the headlines, the news, you know, you can send us your questions but we're going to try to keep it more current topic, topical...

[1:01:06.2]

**JA:** Headlines with Farnoosh.

[1:01:07.2]

**FT:** Headlines with Farnoosh and James.

[1:01:08.9]

**JA:** Yes.

[1:01:09.7]

**FT:** Live with Farnoosh and James.

[1:01:10.2]

**JA:** We got to think of a title.

[1:01:11.8]

**FT:** Then, the hope is that we will get picked up and syndicated on day time television.

[1:01:16.6]

**JA:** Yeah. We'll replace the Today's Show.

[1:01:19.9]

**FT:** Watch out Kelly and who's her host now?

[1:01:23.3]

**JA:** Ryan.

[1:01:23.6]

**FT:** Ryan Seacrest.

[1:01:24.2]

**JA:** Yeah, why did that happen?

[1:01:25.0]

**FT:** I don't like that.

[1:01:25.8]

**JA:** He's worth hundreds of millions of dollars, why would he do a day time show with Kelly Reepa?

[1:01:31.6]

**FT:** I think that it was – who knows what happened behind the scenes but I feel as though...

[1:01:35.5]

**JA:** It's not that fun, I watched a clip.

[1:01:36.3]

**FT:** It's not fun, I don't...

[1:01:38.5]

**JA:** They're like a pigeon is flying around and they're trying to catch it, this doesn't seem fun.

[1:01:41.4]

**FT:** I liked the rotating hot seat, I liked Kelly with different cohosts, I liked that. That was a great – kept it fresh all the time and you don't get too attached and she still gets to be the queen bee. I don't know.

[1:01:55.8]

**JA:** It's not like people forgot who he was, I mean, he was the voice of American Idol right?

[1:02:00.1]

**FT:** Doesn't he have enough jobs.

[1:02:01.5]

**JA:** Yeah, he produced and created all the Kardashian shows. Seriously Farnoosh, why do you think he did it? Why do people do that extra thing to have relevance.

[1:02:12.7]

**FT:** Because first of all, it's an hour a day of work okay? He probably make a nice 20 mil.

[1:02:19.6]

**JA:** You think he makes that much from that?

[1:02:21.2]

**FT:** Yeah. I mean, one of the top shows in its timeslot if not all of day time. It's very lucrative, it's been going on for I mean, Michael Galman knows what he's doing, it's very successful.

[1:02:34.4]

**JA:** Have you been on the show?

[1:02:35.7]

**FT:** I've been on the show with Regis, I've been on the show it Michael. Stray hand, I haven't been on yet with this new cast of hosts but I think that it does very well, I think he's going to make a lot of money, I think it's going to elevate his profile even more believe it or not, I mean, who doesn't know Ryan Seacrest at this point but I think it's also potentially fun, not bad right? To come on and like chat with Kelly who I think I love.

I think she's really sweet and smart and interesting. Yeah, I think it also gives him a chance to live in New York, maybe he's wanted to do that for a while, so there's got to have been some personal reasons but I think that he loves the spotlight and this is a great...

[1:03:19.0]

**JA:** Yeah, I guess it's an hour every morning in front of an audience he's probably not used to like at all, it's mostly women audience watching that show.

[1:03:25.6]

**FT:** Mostly, yeah.

[1:03:27.2]

**JA:** Which is probably different than the American Idol audience, I don't know.

[1:03:29.4]

**FT:** Well, and it's easy for him because he's already talking to a lot of this guests on his radio show or just in his day to day business so I think the show is hoping to leverage his relationships with a lot of this big stars to bring them on their show and compete with other shows in that timeslot.

There had to have been some good reasons.

[1:03:47.2]

**JA:** Yeah, all right. I'll go on that.

[1:03:50.2]

**FT:** I was still hoping for Anderson Cooper but he's got a good thing at CNN.

[1:03:53.1]

**JA:** Yeah, he like dominates CNN. Have you ever been on his show?

[1:03:57.5]

**FT:** I've been on his talk show which ran for two years, the talk shows are very tough to crack. The talk show model is very tough. You know, everyone from Katie Kirk to Anderson Cooper to Meredith Viera have tried and been unsuccessful.

[1:04:12.2]

**JA:** Have you been on Katie Kirk's, does she still do her Yahoo show? What's she doing now?

[1:04:16.4]

**FT:** She's at Yahoo, I was leaving as she was coming. So Katie Kirk was like the new...

[1:04:21.7]

**JA:** Farnoosh.

[1:04:23.0]

**FT:** No way. I mean, Katie's doing so many – no, not even close. When the new CEO came.

[1:04:30.0]

**JA:** Marisa Myer.

[1:04:30.4]

**FT:** Marisa Myer. Yeah. Is she still there?

[1:04:34.1]

**JA:** You know, it's now part of Verizon but I don't know if that deal is closed so I don't know.

[1:04:39.1]

**FT:** It was just everything changed overnight and we know, I had a great run there and I had lots of great friends there, I felt like we built a really great thing for Yahoo in terms of content and just people were loving our shows and videos and they just decided that that was not the direction they wanted to take Yahoo.

They brought in these big names like Katie Couric and Bobby Brown to run their beauty vertical and I felt like that was a different generation of celebrity and brand that was not the Yahoo viewer or reader.

You know, it was like, I think the model was, let's just bring in this really big famous people, pay them big salaries.

[1:05:22.8]

**JA:** Is Katie still there?

[1:05:23.4]

**FT:** She's still there, yeah.

[1:05:24.8]

**JA:** You should have her on your show here.

[1:05:27.0]

**FT:** I don't know if she would come on.

[1:05:28.7]

**JA:** She would.

[1:05:28.9]

**FT:** I don't know, I'm pretty small, I'm a small potato.

[1:05:31.0]

**JA:** You're not small. How tall are you?

[1:05:34.7]

**FT:** I'm five four.

[1:05:36.0]

**JA:** A little smaller than me but...



[1:05:37.2]

**FT:** I think she's my height.

[1:05:37.9]

**JA:** Not that much smaller.

[1:05:39.0]

**FT:** You know, literally, she's the same height as me but I don't know, that might be a little strange. I don't know. We got more to discuss on our weekly show that we're launching. I've had a lot of stories that I haven't shared yet with the American people.

[1:05:54.6]

**JA:** Yeah, we'll share them, we'll do this again.

[1:05:56.8]

**FT:** And the international people, we're like in a lot of countries right? Alright James, thank you so much.

[1:06:02.0]

**JA:** Number 87 countries, So Money.

[1:06:03.9]

**FT:** Yeah, well. People need to know about their finances. Thanks.

[1:06:08.7]

**JA:** Thank you Farnoosh for having me on and once again, third time's the charm.

[END]