

EPISODE 324

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FT: Welcome back to So Money everyone. I'm your host Farnoosh Torabi. Today we're closing out our year end reviews. Tomorrow we're back to our regularly scheduled Ask Farnoosh episodes. I've had such a fun time this week reminiscing and looking back at some of the great interviews of this year. Now before we jump into today's theme of the "Greatest Lessons Learned from Failure" I want to wish you all a Happy, So Money New Year filled with health, wealth and success. I hope you all have a great time celebrating today, tonight. I'll be having an early celebration at home. Some families in my building are getting together and doing a potluck on the second floor, which is out common space and we'll be joining in on the fun there so the kids can run around and the parents can have some adult beverages as we need it.

Alright, on with the show. Today, as I mentioned, we're going to highlighting the greatest lessons some of my top guests have learned from their own failures. This is a standard So Money question, "What's your biggest financial failure?" And we've heard some really astounding stories when it comes to that on this show. Kicking off the theme today a look back at my interview with Dave Asprey, author of *The Bulletproof Diet*. This man lost \$6 million dollars at a young age, I mean can you even imagine accumulating that much money at a young age, but then losing it. That's Dave Asprey. Take a listen.

[EXERPT FROM EPISODE 11]

[0:03:00]

FT: Very, very, very cool. Okay, money memories, Dave. Let's talk about an experience that you had, perhaps in your childhood, perhaps more recent, that was very influential in how now you think about money and manage your financial life. Take us there.

[0:03:17]

DA: Back when I was 26, 27, when I made that \$6 million, it's remarkable to think you're done. You can do whatever you wanna do for the rest of your life, and then to lose that. It's actually really traumatic. Even the WHO, a list of traumas, it says, losing masses of money like that is like losing a family member in terms of the psychological stress you go through. And I remember back then, that when I had \$6 million on paper and some substantial amount in the bank, that I thought, "You know, I'll be done when I make 10." And I know when I would have got to 10 it would've been at 20. And so you can always be chasing it, and it goes straight back to that Labrador in your head that's looking for the stick and something else.

So, the bottom line is that a lot of people already have enough money, that it's not about the money anymore. It's about something else. And what it's become about for me is, money, as soon as you have your base needs met, money is a tool, and for me it's a tool to help other people. And different people have different desires for money and I realize for me to achieve some of the goals that I have, it will take money, and I have no guilt or reservations about that. When I was younger, and I look at why I was going for that six or that \$10 million, it was a fear

and a want, and like a psychological trap that I'd built for myself, what the Buddhists would call "grasping". And when I stopped doing that and I started looking at this and saying, "I'm really fortunate and how can I help the most people?" [chuckle] And I realized that having a team supporting me, lets me do more good.

So I apply money to having my team support me. And that has been really transformative, and it's helped accelerate what I do with Bulletproof a lot. It's helped me reach more people, and I get messages every day from people who lost a bunch of weight, or their brains work again and things like that, and I think that that helps make the world I live in, and the world my kids are gonna grow up in, a better place. So, for me, that losing money, feeling like, honestly, I was gonna die I was losing so much money, you go through this horrible trauma. In retrospect, it was a good thing because it taught me both to respect and not to fear either money or the lack of it.

[0:05:39]

FT: *And so this might categorize this a financial fail, you could say, right? But I'm curious how was it that you actually lost the money? How did you fail at keeping that money in the bank?*

[0:05:51]

DA: *My career accelerated quite a lot at that time. I was the youngest guy in the company to attend board meetings at a \$36 billion company, in terms of our market cap, doing a billion dollars a year in revenue. And this is Exodus Communications, if anyone is wondering. Google's first servers were in our building. This was like a foundational part of the Internet as we know it today. And I was in charge of due diligence for our M&A. So, when we wanted to buy a company, I was the guy who'd go in and say, "Is this technology gonna work for us? Yes or no?"*

And because of that, I knew all of the upcoming acquisitions. So, I was blacked out. It was illegal for me to trade my stock. And when those stocks started to teeter, what I should have done was quit my job, sold all of my shares and retired. Instead, what I did, is I said, "I can't do that. I might lose an additional \$4 million in uninvested equity or something." So I stayed at the company when the stock dropped from \$60 a share to \$5 a share, and it was illegal for me to trade it.

Yep. In retrospect, I did that because it was fear of not getting everything that made me do that, even though another perspective would have been like, "I have enough money. I can do whatever I want. I should just walk away today." And I could have done that. And for six months, I didn't walk away today. And every day, I was worth less and less in the bank account. And that was a grinding down, horrible feeling. And there's another thing, I don't think I've ever talked about this. I was with some online broker, and this is going back 15 years, all my brokers still used paper statements and stuff, and it was a very cutting edge one that let me do options and all this stuff.

And the reports from them, I'm like, "I have a couple grand there. So at least I have enough to take care of the basics." There was a margin on that account that I didn't even know about because I wasn't managing the stuff tightly, and because I was too stubborn and fearful to hire someone to help me manage it, that the margin that I didn't even know I was using, consumed most of the account before I noticed, which was sort of like my safety net went away, because I wasn't paying attention to it. And today, the advise that it translates to is hire a professional to pay attention to the stuff that you're not paying attention to.

So, that's why I have a CPA. A lot of people don't have a CPA. They don't have a good financial guidance, they sort of do their stuff themselves. My perspective is that I don't love that and it's not a unique value that I have. So I pay someone to do it and whether they do it better than me, or not quite as good as I would do it, I don't have to think about it anymore and that frees me up to create something new.

[0:08:31]

FT: *And how did you determine who would be your CPA? Did you go through a long list? Did you interview thoroughly?*

[0:08:37]

DA: *I didn't interview well enough and it actually took me quite a while, probably, three of four tries, before I found a team that I wanted to work with, and I say "team", it's a small office kind of thing. But that is, it's a risk. I've had some over the years who probably cost me a substantial*

amount of money because I didn't choose well. And that's also a fear that I had is that, "I can't trust anyone with this." But if you don't find people that you can trust, then well you may have trust issues or you may just not know how to hire a competent people.

[END OF EXCERPT]

[0:09:12]

FT: That is Episode 11 with Dave Asprey. Now we're going to take a look back at my interview with Natalie Jill. She is also in the health space, a fitness entrepreneur. I interviewed her back on Episode 172. This woman has an incredible, incredible story. She lost a tremendous amount of money following her divorce. She was a million dollars in debt, and had many obstacles to overcome including her own weight challenges. She's one of those guests I, to this day, reference in conversations with others when the topic of perseverance or single parenting comes up. I mean this is just a story of stories. Let's take a listen.

[EXCERPT FROM EPISODE 172]

[0:09:51]

FT: *You've had quite the journey, Ms Jill. I'm just looking at your bio, learning about you through our mutual friend and, as I mentioned in the introduction, you lost your house, your retirement, you ended your marriage, you gained a lot of weight. A lot of people would've just gone down that depression rabbit hole. How did you find the emotional willpower to just say, "You know what? I'm better than this, I can do better than this, I will see the other side of this." What was that moment? Was it just a moment, or were there moments?*

[00:10:29]

NJ: *You know, first I wanna say, I'm just like everybody else. So I'm not some superhero that just doesn't deal with depression or rock bottom or bad situations. I found myself really falling down, as you called it, the rabbit hole. For about a year, it was gradually declining. And it was really weird because it was a time in my life where I was supposed to be, by everybody else's*

measures, super happy. I had this great job, I had this, what looked like this really nice house, and a happy marriage, the two dogs, the picket fence, the whole 9 yards. And I'm pregnant with my first daughter and I'd always wanted a baby.

So from the outside looking in, people thought I was very happy and I was conflicted because I thought I should be. I thought, "What's wrong with me? I have everything I thought I wanted." But I was being torn up inside because there was a lot of secrets people did not know about me because I was in that world that so many get caught up in, of trying to be that perfect person. You don't wanna let people know that you don't have it together. And what I mean by that is I had a lot of financial stress going on. We had definitely fallen into the "biting off way more than we could have chewed".

I was in an unhappy marriage - we were both unhappy - fighting all the time. You add the pregnancy hormones on top of it. I was not motivated with my job all of sudden, I started feeling trapped. That I had this life everyone else wanted me to live, and I wasn't happy. So it started there, and then what happened was I, during my pregnancy obviously turning to comfort foods, gaining a lot of weight, not doing my regular workout stuff, which is all normal stuff when you're pregnant. A lot of people say, "Well I went through that too." But I started to become this person that I didn't recognize, just more of a lazy — I describe it, just depressed, didn't wanna get outta bed. Just wanted to eat all the time, comfort food, didn't wanna move, fighting with my husband at the time.

So when my daughter was born, everything just kinda came crashing down. When we filed for divorce we didn't have a choice, we had to. It was just not gonna be a healthy environment to stay married for my daughter, and we both agreed on that and I had never experienced in my life this financial stress. And when I say financial stress — I know a lot of people say, "Oh, but you know you had the house, the cars, or whatever." What people don't realize is if you do bite off more than you can chew, and a lot of people do that, you can start getting suffocated by that.

And I remember not being able to pay my mortgage and feeling that full pressure of being house-poor, and having these bills come in and stressing out that if, "Oh my gosh, if I pay this bill I'm not gonna know how I'm gonna buy food or put gas in my car. How will I get help with my daughter? How will I buy diapers if I pay for my mortgage right now?" It was that weird place I

had never thought I would be. And I had to make a very rough decision to one: take a voluntary job demotion because I was travelling so much and I thought, "If I'm gonna be a single mom I can't be jumping on a plane constantly," and that hurt me more financially.

And then the housing market crashed and I couldn't sell my house. Cause I thought, "I'll sell my house and go someplace smaller." Couldn't sell it, so I had to make a decision to stop paying my mortgage. And it was really scary but I did it, I had to and what I didn't realize at the time is you can have perfect credit your whole life, you can never be late on a bill! You miss a big mortgage payment, everything's gonna start falling apart.

[0:14:01]

FT: Yeah.

[0:14:02]

NJ: *[Chuckles] So I remember going to the gas station and putting my credit card in and it was declined. And that was my first sense of, "Oh my gosh, I'm actually gonna be powerless right now. I didn't pay my bills and now I don't have credit, and what am I gonna do?" That was the first thought of, "I'm in deep problems right now." And you asked about moments, there was another moment I was walking my daughter and my dogs, she's in the stroller and I'm walking, and I'm crying as I'm walking thinking, "My gosh, anyone who sees me would think I'm having this perfect life right now, I'm just not."*

And I caught a glimpse of myself in one of those windows that looks like a mirror that you see your reflection, and I just didn't recognize who I was. I was really overweight all of a sudden and I had things hanging on me that I didn't think belong there and I looked old and haggard. I just didn't recognize who I was and that's when I got home and put my daughter down for a nap and I had one of those ugly cries and just thought, "I don't really know who I am right now.

I used to be this person striving to be perfection," you know, I was so self-righteous about it all and thought, "Gosh, everyone should have the happy marriage and the perfect house and the nice car and look like this." And all of a sudden it was like, "Who was all of that for? Who am I?

And I don't have any friends to talk to about this and this is just bad." And that was my rock bottom.

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FT: *You hit rock bottom!*

[0:15:31]

NJ: *I remember so clearly. And when you said, "What did you do to pull yourself out?" Well, what I did — this was spiralling down hill for about a year. But there was about a three months of, "This is really bad." And I didn't even wanna be here, but I had a daughter, and that was what was keeping me getting up in the days. That was all I cared about, was my daughter. And I remember thinking in that rock bottom moment that day, "What did I used to tell people in corporate when I was the sales leader and motivating people? How did I get people fired up each day and to think about going after goals?"*

And I though, "You know, I used to tell them, talking about writing out goals and making a vision board. But I'd never actually done it myself." And I just starting thinking about that and I said, "I'm gonna just do what I used to tell people! So I did. I sat down, I remember I picked short term, long term, and fantasy. And I started with fantasy and I said, "If I could have like this new perfect life, what would I be?" And I just wrote out crazy things, things that I thought were impossible, but I didn't care. What would it be? What would it look like? And then I went from...

[0:16:37]

FT: *Well what was on the list? What was on the fantasy list?*

[00:16:39]

NJ: *I had like, I would love the way that I looked so much so that I would be a fitness model. I thought, "That's really random!" Here I am in my late 30's and completely outta shape and I thought, "That would be a fantasy. I'd love the way I look and I'd be a fitness model on the cover*

of a magazine." I just thought that'd be cool. "I could have a house that I could afford and not be stressed about, where I could look at the ocean everyday," I thought that was one of the things. And then I thought, "I could be in a really happy relationship again and this person would love my daughter." And then I said, "I would want to know that I made a million dollars that I made on my own that is not something I had to do for somebody else, it was something I created and did." That was a fantasy, a million dollars. And that I would have no debt. A list of things like that.

And I put lots of pictures of happy couples, happy mom and daughter, this ocean view. I put a million dollar picture, and I still have this vision board picture. I still have the vision board. I wrote a list of my goals and then I started making a vision board. I said, "Okay, if I'm not living this right now I need to look at it everyday and I wanna know what's possible." So I started tearing out of magazines, all of these little images, and made a vision board. And I put that up on my wall so I could see it every single day. And that's how I started.

[0:17:59]

FT: *And then what were the steps that you took? So I get the vision board, I'm a big fan of visualization. It's a huge way to motivate yourself and keep you focused. But then what was the first thing that you actually did that moved the needle in a material way?*

[00:18:14]

NJ: *Sure. What moved the needle was, when I wrote down those goals, I started with the fantasy and made the vision board. But then I made long term, and I said "Ok, if these were going to be a possibility, what would have to happen in the next year?" That was my long term — what would need to happen in the next year? And I listed things like, I didn't say how I would do it, but I just listed. "Well, I have to get in shape," right? That was first. [Both chuckle] "I'd have to somehow find an affordable house." I just started listing what would have to happen. I listed that.*

And then I broke it down day to day, and I tried to detach myself from the long term and fantasy at that point. I said, "If I were gonna just do three things everyday, three things that would move me in the direction of those things, what would they be?" I just wanted to list like, a list of like 30

things I could do that if I pulled three of those everyday it would get me towards the goal. And I wrote thing like — they were specific, but they were not too specific that they wouldn't happen.

I said things like, "I'm gonna drink more water. I'm gonna move my body everyday." I wrote things like - I didn't say anything I wouldn't do, I didn't say things like, "I'm not gonna eat sugar or fat." I said things that I was gonna add. "I'm gonna eat seven fruits and vegetables everyday. [Chuckles] I'm going to read everyday a little bit more about the best nutrition. I added all these little things that I could add every day. "I'm gonna wake up and actually get dressed, not just be in my pajamas all day." [Laughs] I just listed things like that.

[END OF EXCERPT]

[0:19:47]

FT: Love that story right? Natalie Jill, complete poster woman for triumphant perseverance and hard work. I find that what she did to get herself out of the debt and of the depression was so liberating to hear. She really overcame this mess all by herself and look at her now, in the best shape of her life, leading an uber successful business.

Next up, let's talk about failure with Ramit Sethi. He's a good friend, one of my mentors. He's the author of the New York Times bestseller *I Will Teach you To Be Rich*. This is Episode 85. Ramit's mistake cost him six figures.

[EXCERPT FROM EPISODE 85]

[0:20:23]

FT: *What would you say is your number one financial failure? What happened, what went wrong and how did you overcome it?*

[0:20:31]

RS: *I think the failure's just — I think failures are very consistent, actually. If you're trying to do new things, you're going to fail a lot. In fact, I have a tag in my Gmail account called failures, and my belief is if I'm not adding something to the folder every so often then I'm not trying hard enough. The first financial failure that I can remember was, speaking of scholarships, the first scholarship check I got was for \$2,000. I believe it was \$2,000 or \$5,000 and they wrote that check to me, directly to me. They sent me a check.*

That's a lot of money for a 17-year old and, you know, it's 1999, 2000, stock market is on fire, what do I do? I turn around and take that money and invest it straight in the stock market and I lost half of it almost overnight. I still remember some of the stocks I invested in Excite at Home, bankrupt, JDSU, bankrupt. And, I mean, first of all, investing in stocks isn't even what most individual investors should do. So, what the hell was I doing? I lost that money and I said, "Alright, I better learn how money works." But, the failures have only gotten bigger.

Just two years ago, we made a bad technology decision for my business and it cost us \$100,000. That was the price of the contract. We didn't even use the software once, but we had already signed the contract and I said, I tried to be nice, "Hey guys, can you just refund our money?" They're like, "Sorry, no." And, that was a \$100,000 mistake. So, you know, I try to minimize mistakes but I also recognize that as you grow and as you're trying new things, sometimes mistakes are inevitable. That's okay, as long as you're not bringing the whole company or bringing your own personal, you know, fortune down with it.

[0:22:18]

FT: *I would have still gone crazy and bad crazy with that company. I would have been like, "Give me my money." I mean...*

[0:22:25]

RS: *You know what, you know what the crazy thing was?*

[0:22:26]

FT: Yeah?

[0:22:27]

RS: *There was nobody to blame but myself. I had put someone in-charge of it. I hadn't done correct oversight of his work and, and of course, he, I fired him immediately. But, there was no one else to own up to it except me and I had to laugh because what else are you going to do, I signed the contract, the company is technically right. You know, of course, it would have been nice for them to give me my money back but it's, you know, it's business. And, I said, "Guess what? I'll never make that mistake again." So, I think — my friend said it very well, he said, "I don't mind making a mistake once but I will never make it twice."*

[END OF EXCERPT]

[0:23:00]

FT: I love the idea that Ramit has, to visualize our failures, put them in a folder in his email. I mean you don't want to harp on your failures, but you do want to remember that lesson so that it doesn't happen again, right? And as he says, it's a sign of working harder.

Now we're going to end our Year End Wrap Up with how we started the year, with my first guest Tony Robbins. He shares some important advice with listeners on overcoming your fears and dealing with failure. And I had asked listeners for their questions going into the show. Let's take a listen.

[EXCERPT FROM EPISODE 1]

[0:23:32]

TR: *So what you have to do is you have to be honest with yourself about what's happening. You're really afraid to fail. That's just the truth. We all are. It's human nature. We're afraid that as long as they keep talking about the future, it's an exciting future. But what if I commit to it and it doesn't work, and now I gotta deal with the deepest fear all human beings have, I'm not enough.*

And if I'm not enough, the deeper fear is that I'm not worth loving. That's what we connect unconsciously as human beings.

And so, what you have to do is gotta say together, "You know what we're going to do? If I'm gonna try to make the perfect decision, I'll never make a decision." The most successful leaders on Earth, you are a leader if you can make decisions, because so few people do in this world today. People spread their preferences, they talk about what they want, they skate on the surface. They don't go deep and master anything. If you decide, "I'm going to make the tough decisions," then you're gonna be an effective leader.

And the first tough decision is in order to do something you've gotta give up other things. I gotta pick one thing. It's not going to be perfect, but I'm going to make it perfect. I gotta pick something that I'm driven by. And if you don't know what it is, you gotta pick one thing and go full towards at it. You got to give it its time. You've got to say, "I'm going to spend the next 18 months doing this. If I find out I'm wrong, I'm going to find out quicker than if I spend the next 18 months still looking at 15 opportunities." So I think the bottom line is you gotta face your fear, and the way to do that often is to turn fear on itself.

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FT: *And you say in your book, "Let your disappointments drive you to find new answers." I highlighted that and I have it stuck on my wall now.*

[0:24:58]

TR: *That's awesome.*

[0:24:59]

FT: *And now, Ray wants to know: "What is the best way to deal with your own fear of failure after a bankruptcy or other financial disaster?" And I picked this question because I think a lot of Americans are still suffering the aftermath of the great financial crash of 2008, 2009. And so, what do you say to these people who feel still financially fragile and vulnerable?*

[0:25:22]

TR: Well, I'd say to somebody of that nature that, again, you have two choices. You can do nothing and then we know what's gonna happen; you've already failed, because you're not gonna earn your way to a financial future, you're only gonna do it by taking earnings and converting yourself into an owner, into an investor or building a business, right? That's the only ways you're really gonna be able to do this. So I don't care what you've been through. It sounds horrible, but I've been through it as well. And I've had bigger fish to fry.

Somebody comes to me and says, "You have a tumor in your brain, you may die." You know, I've buried four parents, three fathers and a mother. I've been through so many things that quite frankly, we need to stop talking about the story of what we've been through, and we gotta focus on what it is we're gonna create. 'Cause anybody who really does go through an extreme stress and really deals with it and just stops telling the story about it, an interesting thing happens. Keep telling the story, every time you tell the story, you feel the fear again.

But you go, this happened one time, you don't talk about it anymore, you just focus on what you want to deliver, the game changes. And here's what happens when you make it through extreme stress, and by the way everybody is gonna go through it. Everyone's gonna lose a family member, everybody's gonna find a time where either you or someone you care about has a significant health challenge. Everyone's gonna face some ridiculous financial or job or career challenge. We're all gonna face it at some time, or you're gonna have somebody steal something. It's gonna happen. Aren't you glad you showed up at this positive podcast?

[0:26:36]

FT: That's right.

[0:26:38]

TR: But it's true. But it's true. So I'd say to that individual, "What you really gotta do is, is you've gotta put the story to bed." Divorce your story of your past and marry the truth of what you do

today is all that matters. If you marry the truth and act on the truth, your life will change. If you keep sharing the story, and by the way we do this 'cause we think if we tell people, "I really wanna do it, but I'm just fearful 'cause I lost all this money in the past," it gives us an excuse why we're not doing it now. It's not that we're weak, it's not that we have no guts, it's not that we have no courage, it's just this horrible thing happened to me. We all love to plan or point the finger to something we can't control that's not our fault.

[END OF EXCERPT]

[0:27:13]

FT: Gotta love Mr. Tony Robbins. Yo know, I actually went to one of his events, his Unleash the Power Within events this year. He has this brilliance of bringing clarity and motivation to his audience in the moment. I mean you go there, people have come from all over the world, all walks of life, they're walking into this event depressed, broken, needing some motivation. And he delivers it. It is like nothing else you'll witness.

Thank you to Tony Robbins for everything that he does, for helping put this podcast on the map. I hope you have a wonderful New Year's Eve. Tomorrow, Ask Farnoosh Returns. In the mean time, play it safe, see you back here tomorrow. Hope your night, your New Year's Eve, is So Money.

[END]