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**John:** I didn't just want wealth, I didn't just want financial freedom, I needed financial freedom. If I didn't get out of this mess of financial struggle and worry, every day of my life, a part of me would die. And I knew that by 30, so I set that as a goal. And really, when you set a goal like that, I mean, the next 20 years, just fill up with the kind of activities that earns that kind of goals. So, at the age of 49, I retired then, I reached a pretty big goal of financial freedom. I did set a big number for that.

**Narrator:** You're listening to the Millionaires Unveiled Podcast, where you'll hear the stories and interviews of everyday millionaires, we'll unveil their decisions, their strategies, and their current portfolio allocation. Now to your hosts, Clark Sheffield, and Jace Mattinson.

**Jace:**Welcome back to another episode of the Millionaires Unveiled Podcast, this is episode number 145. Clark, how's it going? What's going on in your world?

**Clark:**Good, doing well. We just finished two interviews here tonight, so I have another couple fun interview coming up. We interviewed a guy who came over to the States in high school and lost a job, right, kind of bounced around schools, lost a job, ended up homeless, and then was able to find a job and now he's just reached millionaire status. So, that'll be a fun interview, also interviewed a solid guy from out west who has some real estate and also has a corporate job and has built it up on the side. So, I'm doing well, some interesting things coming up with the show, too.

**Jace:**Yeah, I must say right now, just given the interviews we've done during the pandemic, I'm probably more stoked with our pipeline of interviewees and guests that we'll be releasing over the next several months, than probably ever before in the history of the show. And, you know, with that, we've had some great response, you know, just in the last couple weeks, and even the month, with people writing in and, you know, wanting to be on the show, and guests, and other people, listeners, fans of the show and ideas and everything. And we appreciate all those insights and obviously, you know, we've got the website here, it's been a long, long, long project that we'll be getting, we're already in some new things. So, a lot of exciting things happening in the MU world. You know, we were talking a little bit before the show, there's this article running around on Forbes right now pretty recent, called why college is never coming back? We've got all sorts of people all over the country right now, deciding what they're going to do with their schools, whether they're going to come back or not, whether it's going to be in person, whether it's going to be on zoom, or how it's going to be. And let me just read a couple excerpts from this, it said, "here's some great news, one of America's most broken industries is finally being exposed as a sham and make no mistake, the end of college as we know it, is a great thing". And it goes in to describe, you know, all the different colleges and how much money it costs and everything else. And the conclusion is basically, hey, look, you know, there's going to be a lot of colleges that don't make it through this pandemic, your schools, your top schools like Harvard, Yale, Stanford, they're always going to track kids and have huge tuition. But for a lot of them, as the author calls a standard issue of degrees for 10s of thousands of dollars, they're basically, you know, looked at as the new department stores.

**Clark:**Yeah, I think I'm with them in the last paragraph of that article, he mentions, the big ones are going to stick around but all the smaller ones that, you know, you maybe don't hear about as often. And I also I think the shift to community college is going to happen at some point, right? I think people are going to be able to just get education cheaper, and maybe the discrepancy in the quality of education between a community and a lesser known college right, starts to lessen a little bit.

**Jace:**Yeah, I mean, I think most people agree that the cost of college tuition has just gone on nearly out of control in most places. I mean, they always say, look, there's always scholarships, there's always in-state things if you go in-state. And, you know, there's all these programs for you to do, get your education cheaper. At the end of the day, the cost of tuition has skyrocketed, you know, relative to a lot of other things. But, you know, in in terms of inflation and everything, and you've got a lot of companies out to me, I think Elon Musk just said, look, I'm want to hire people for my AI team, and I don't even care if they graduate high school. He just wants people that have this skill set. So, as we see more and more of that, from some of these tech companies who seem to have a significant influence, do some of these liberal arts colleges, do some of these other schools, you know, become almost now, you know, obsolete, if you will. I mean, obviously, there's always going to be licensure for certain professions. You know, I think a doctor, you don't want a doctor operating on you that skipped college, right or skipped training in one way or another. I mean, that's--

**Clark:**That just went to the community college down the street because, like that commercial, right? You ever seen that commercial where he like walks in, I can't remember what it was for and the doctor walks in, he's like, oh, I just got reinstated, like you good with that? The guy, like just sits up in his bed, all nervous.

**Jace:**Yeah, exactly. I mean, there's lots of different things and I think, you know, some of these trainings, whether it's medical or something else, obviously evolve over time. And one of those is formal education, higher education and skill set as it relates to technology. You know, we always say that 10 years ago, you know, majority of the jobs didn't even exist that exists today. And I think, at this speed that we are moving in the economy in the world and technology in general, I mean, it seems ever more than maybe it's not a decade, maybe it's five years, that some of these jobs and skills that you might have learned in school, you know, five years ago are irrelevant. And so, do we see a shift just in general, in the education sector as a whole? It'll be interesting to see and watch as this pandemic plays out? And if some of these, call them tier two, tier three, you know, schools maybe don't survive.

**Clark:**Yeah. And the other the other thing that could take it there is everything being more digital, and more technology based, right? Some of these, you could have more, like you used to have, I mean, you still do have but it used to be more popular to go to trade schools right to become a plumber or a welder for some of these, more blue collar jobs. But now, you could have, I mean, you have coding schools, right and those are becoming popular, whereas 15, 20 years ago, it wasn't really talked about as much. So, I think the technology stuff could really change the traditional model as well. But anyway, just some interesting article we came across

**Jace:**Yeah, totally. I know I wish I would have spent a couple more years in school learning accounting instead of studying whatever else other, all the other classes they made me. Anyway, last week we had Chris Hogan, he graciously donated two Everyday Millionaire books and one Retired Inspired book. Thank you to all those who responded to the giveaway, we had more entries than we've ever had before for a giveaway, so we thank you for that. Those that have won have been notified. On today's show, we have John, John has a net worth of 5.4 million. He has a majority of his net worth in real estate. John's journey started with the book Think and Grow Rich when he was super young. He started out as a chiropractor with typical student debt and worked in that profession for many years, talks about not being able to pay for a pizza as he struggled in his 20s and early 30s. He ended up reaching financial freedom at 49 and then retired, and when he retired, he wrote a book with his son or for his son called The Wealthy Gardener. It's going to be me a great episode with John. Once again, we've got several multifamily opportunities in the pipeline. If you're interested, reach out to us, millionairesunveiled@gmail.com. Also, we appreciate all those tuning in week after week. If you enjoy the show, we'd appreciate you leaving a five-star review on either iTunes or Stitcher, helps us grow the show and continue to reach new millionaire interviewees. Without any further delay, let's get in today's episode with John. John, do you want to just give us a little bit about your background and kind of what you're up to now?

**John:**Absolutely Jace. A little bit about my background is I'm just a guy that grew up in a middle class, small town, Pennsylvania, I went to a Catholic grade school, to Catholic High School. I was just like every other middle-class kid, outside of Pittsburgh growing up. I had a book I read at the age of 20 that changed me from every other middle class kid growing up, the book was, Think and Grow Rich by Napoleon Hill and that was really the start, I look at that as a start of my journey toward financial freedom. It exposed me to a whole philosophy of success that was unlike anything we ever see from our culture in the middle class. And it exposed me to bigger possibilities, quite frankly. I learned a lot about it, the education of financial achievement but still I had to suffer. I went into my 20s, I graduated from chiropractic college at the age of 24, I graduated with $200,000 worth of student loans in today's dollars, I worked that practice for four years, I sold it and moved across the country, I set up another practice from scratch. I worked that one, in the same decade, we got married, we had two kids, the kids had colic. And when I look back at that decade, it was just tired. We're tired, we're weary, we're financially stressed and there were times we didn't know how to pay for a pizza. And it was just a good decade to be over. So, we got through the 30s, the 20s, I mean, somehow, a lot of financial struggle. By the time I hit 30, I just knew concrete, I knew exactly what I needed. I didn't just want wealth, I didn't just want financial freedom, I needed financial freedom. If I didn't get out of this mess of financial struggle and worry, every day of my life, a part of me would die. And I knew that by 30. So, I set that as a goal. And really, when you set a goal like that, I mean, the next 20 years, just fill up with the kind of activities that you keep, that earns that kind of goal. So, at the age of 49, I reached a pretty big goal of financial freedom, I did set a big number for that. I retired then from the chiropractic business, I retired then from a lot of other businesses that I kind of got myself into, well, I could just say one other and then I went down to the basement and I wrote my own book. You know there's a lot of learning going on and I wrote a book for my son, he was just about ready to graduate from college himself and it was just very, very important to me that as he comes out in the world, he's not going to suffer quite as much as me. I think as parents, we all have that feeling where we want to pass something down to the next generation. And I might have done that in a little more unique way than most. But I basically wrote a book over three years, he and I wrote it together, called the Wealthy Gardener: Lessons on Prosperity Between Father and Son, we published that, it became a bestseller. It's sold to foreign countries and now penguin took it over and here we are. So, that's the overview of my story.

**Jace:**Wow. And we'll get more into your story, John, but first, I kind of want to get into your net worth, where are you sitting today?

**John:** You know, whenever we got ready for this, I would say that I had to dig into it. You know, sometimes you lose track and so yes, I was saying worth 5.4 million right now. That's what it looked like, when I went on the net worth, yeah.

**Jace:**And what's the breakup of that 5 million?

**John:**I'm almost exclusively real estate, you might as well look at it like that, because the money that's parked on the sidelines, is waiting for real estate, you know, so, I consider myself 100% in for real estate. I was after a passive income, to be honest with you, it was I wasn't looking for, you know, a bunch of gold or a flow of river, my goal was to have a passive income of $220,000 every year. I wanted that, I set that goal at 30 when I was dead, broke, I reached that goal at 49 and I retired. So, to me, it was all about passive income. And I know we talk about net worth and that's a great way to chart and track things. But I was always had my eye on the river, how much passive is coming to me, that was always my number.

**Jace:**Yeah, I think you bring up an interesting point there, you know, we kind of get into this discussion net worth and our podcast is built on it. And a lot of times, you know, maybe we lose the boat, really, what we're looking at is what kind of stream is that going to create and it's just part of the scorecard that we can use as a finite number. But you're right, like that 220 is kind of what gave you that financial freedom. It's not necessarily that 5 million, right?

**John:** Absolutely. But, I'll agree with you, the net worth is the number because you can chart the stupidity or the value of your choices based on a net worth, it's really indicative of your day to day decisions. So, absolutely, that's a good barometer for us to have in front of our eyes all the time, you know, you buy a swimming pool, you take out a house, a home equity loan to do it, you know, you start to see how those things work, net worth is an excellent thing to do. I was just wasn't going to live on net worth, in my middle class, in where I was coming from, I couldn't earn enough money, I didn't think to actually live on to, I couldn't create a stream from my savings, from the amount of money, I can save, a number of 5.4 million that has a lot to do with real estate. And you know, buying distressed properties and fixing them up. And there's a lot to that. It's not just like grabbing money at the end of the day from your nine to five job and throwing it into stocks. I couldn't have done it that way. I wasn't earning that kind of money.

**Jace:**Yeah, we're going to get into some of that too. But so, you do have some liquid, is that correct? It's not 100% real estate?

**John:** Yes, exactly. I have 800,000 sitting on the sidelines, not knowing exactly what to do with it right now.

**Jace:**And do you put that into the market or is that just straight cash?

**John:**It is a federal money market account, maybe. It's sitting on the sidelines over there with my brokerage company there. So, it can go in instantly. But it's sitting there on the sidelines and it's not as bad as a money market but it's close, you know, so, you know, that's the question like, is money on the sidelines really a terrible idea? You know, versus, you got to get it. Well, you got to get it in when it's a good price. Yeah, I'm for you there. But what if we don't know what to buy right now? You know, this is kind of a difficult time for us to know when to buy and what to buy. And what an interesting day to talk about this, right, with the markets.

**Jace:** Exactly. You know, I was telling Clark earlier. I'm very happy. I've got a bunch of cash right now sitting on the sidelines, right. I think anyone who does would be. Granted I've got enough market exposure too but it's an interesting conversation. You don't even ride that wave and you never have really, correct?

**John:** Oh, I've rode it. Yeah, I rode it. I was all into rental real estate forever, in fact, you guys are CPAs and you'll love this story. Because I was getting my rental real estate going, I was starting to see how, you know, starting to work, it's starting to snowball through the 2000s. Like after the around the around 2006, I'm starting to see the value of putting money into a flip and getting money back and all of a sudden, boy, I'm earning 30% on a four month, you know, a period of time on my money. I'm starting to see how it works in my business and I will tell you this, I went in, all in 2007, I saw I had a better use for my money than in the market and I'm staring at that, I'm getting, I'm running out of money to invest. And so, I'm looking at my 401k and I'm looking at my Roth and I'm looking at my wife 401k and my wife's Roth, and I'm thinking of what I can do outside of here, and like we talked previously, my accountant's a stud, just one of the smartest, brilliant guys I know, I didn't tell him, basically grabbed all that money, I took it out, I took my penalties, and I started using it for my rental real estate. Because I had a place for it, you know, it's not like I grabbed it and went on a ship tour, I could put that money to work and I thought I could get 30% returns on that money. So, I could have a rational excuse for it but man, I'll tell you what, the gods were really shining on me because I took it out in August of 2007, just go back there and look at stock market. I mean, by the time I told my accountant, the stock market had lost more than 30%, so he couldn't really want too much to me, right. His head wanted to blow off but I can say but Dave, look,  I actually, I took like penalties, but it's not as bad as if I would have left it in and so it was beautiful.

**Clark:**How much did you pull out; how much was in there?

John: I would say, there was probably 210, total, all over the place, in different funds, and whatever that breaks down to and 30% penalties and all that kind of paying, you know? I had a place for it, where I could see it earning a lot of money and multiplying and actually multiplying that money over the next four years. So, it wasn't as dumb and crazy as it sounds. People think that you're a risk taker when you do stuff like that. Well, you're a risk taker if you don't know what you're doing. But you know, I had a pretty good history by then, so it felt safe to me,

**Clark:**So, let me just, you guys were just talking about this briefly, we're recording this March 9, 2020. It'll launch much after that, so we're right in the middle of this Coronavirus stuff, right, the last month the S&P is down almost 19%, I believe, does it make you want to put some of that money in or do you think it's going to keep dropping? I guess the question is, does where the market is at today, does it make you want to go back into the equities or not so much?

**John:**You know, my problem is, I've been through these things before and I've done this where you start putting, okay, yeah, look at this as 20% down, good time to go in, right. So, you start putting a little bit of money in, you start dollar cost averaging. Well, it can continue to tank on you man, and you can, all of a sudden, you're just, you're out of money, and it's still going down. So, no, I'm not there yet. I would say that I can't help it. I mean, everybody has a certain mindset going into the market and I'm just not good for the market. Like, that's, I think the value of having an accountant, the value of an accountant or a financial, you know, help is that people like me, who want to pull the trigger really quick, and get the hell out of there and run with their money, you'll have like a barrier between that emotion and the action. When you have somebody working with you. I'm not good for it. I can tell you; I like control. I don't like the idea that somebody sneezes, and all of a sudden Apple stock is less. It's not for me, but I see that a lot of people, you know, do a lot of things. And for me, I used my money in a business that doesn't look appealing to a lot of other people because it's you know, rental real estate, it's not an asset class to me, it's really a side business.

**Clark:**You're totally right there because there's people that say I don't want to invest in the market, because I can't control it. And then there's people that say, I don't want to do rental real estate because I don't want the job and I don't want to deal with the headache, right and I don't want to receive calls when I'm on vacation.

**John:** You know you got to make a decision and that decision is you're going to choose worry, or you're going to choose work, take your pick, and I chose work.

**Clark:** And then the other thing with the market is for the last week or two, right, people have been saying, oh, it's such a buying opportunity, it's drop, it's down 5%, right? Oh, my heavens, it's down. 8%, buy, buy, buy, dollar cost and every day and now you're down 18, right? And so, I mean, you never know.

**John:**Well, that's when you turn the TV off, you know, they call them the marketeers, you know, shout and shout and shout and making you know, we're all watching. They're talking the words like plummet. I can't take it, I I need to have some control of my life and, and I realized smarter people than me are in the market. But knowing my personality, I can handle the work, I can handle the stress of real estate, I'm not a good worrier.

**Clark:**Yeah. So, I want to dive into that real estate, obviously, because it's such, it's majority, significant, right, almost all of your portfolio. But just backing up really quick before we do, how did this all get started? You kind of alluded to it at the beginning, you had $200,000 in student loan debt. What did that moment come? Was there a moment, was there a year? I know you said later in your 20s, right, where you're talking about you couldn't scrape together money to buy a pizza, when did that moment come for you and you said I've got to figure it out. And I'm going to be financially independent, or I'm going to do this a different way?

**John:** One of the worst things in my life, I've set for an entire day beside a tombstone in a cemetery. I was 30 years old, it was a sunny day, went for a walk, sat down beside my grandfather's tombstone. I sat there thinking that I just gave the last 10 years of my life, trading my hours for dollars. And while you know, I kept a roof over our head, I had nothing to show for it. And I just couldn't, that was the day that I really realized how I could be a wage slave for the rest of my life. I'll never forget that day. And the reason I say that is because I was sitting beside the tombstone of my grandfather, my grandfather was a coal miner. You know, we're from Western Pennsylvania, he went down into a hole every day then came out 10 hours later dirty. He did that for 40 years. And you know what, he died of black lung disease. And he left his family in absolute poverty. And he gave his life, he had a responsible life. He took care of his kids, he did everything, was, you know, he did the proper thing, the responsible thing. But the sad thing is, he turned down a major league baseball offer when he was 20, he decided to do the right thing to help his family. There wasn't any money in baseball back then. But then he went into the coal mines and he gave 40 years of his life, to die, and to die broke. And I said, you know what, I just felt a camaraderie right there that day. And I say this, I'm going to do the responsible thing too, I'm also going to take care of my family. But there's no way I'm going to end like that. I'm going to change the story of our of our family, and our family is not going to just live an expensive lifestyle, or we spend what we get, our family is going to overcome finances, we're going to attack this financial condition and we're going to win. That was my goal. I felt a resolve that day, that was a before and after in my life and that's when I really made, you know, people talk about mindset, they talk about having confidence and determination and persistence. I think a moment comes where you're changed and that was my day of being changed. I wasn't that kid in the 20s anymore, that was going to take this crap anymore, I was going to set out and yeah, my life did take off in that direction. Rental real estate became a big part of it, because I wasn't earning enough money to save enough, you know and retire, so I had to pursue that. If it was more work, it was more work. My kids were going to see me sacrifice, I pursued real estate and it got me there by the age of 50. And I should say this, it got my kids out of college as well, without any student debt along the way. So, they would have a much better start than me. And so, that's what rental real estate did to me.

**Clark:**Well, thank you. First of all, I appreciate you sharing that. So, you're 30 years old at that time, right, what were you making?

**John:**I was always, making in terms of income, probably about $110,000, that's the average income of an average chiropractor. I was an average chiropractor. However, family of four, my wife is staying home with the kids, we were consuming a good portion of that. So, at the end of a month, you know, we're talking about saving $1,000, 500 bucks, or nothing at all, you know, it was tough. And so, I needed to put the pedal down. I would say after that time, we talked right there, about that day in the in the cemetery, that was a pivotal day for me, I put the pedal down, I got determined, in the next five years, I always said that you can transform your life in the next five years, I did start adding 20 hours of my free time to real estate, I would go around and look at houses. And that's how you get started. You know, I can borrow money, I could do whatever I wanted, I could do things like that just to get the ball rolling. But then it can start rolling pretty quickly too. So, I put the pedal down in my chiropractic clinic and I started increasing a lot more. I got that up to $220,000 after five years, just by working like an ox, and working till 10 o'clock at night, and then investing on my free time. So, that's what happens when you change your mindset, sit in a cemetery all day and say, not for me, I'm just not going through this. I'm not going to live that life.

**Clark:** And then you retired from your chiropractic job at what age?

**John:**49 years old.

**Clark:** Okay. And so, that day after you sat there and you kind of came to that realization, did you know it was going to be real estate or did you just say, I got to figure out what it's going to be and I'm going to figure out how to do it?

**John:**I suspected it would be real estate because you know, I suspected real estate, my parents had a couple duplexes, I'm aware of the numbers in this area. We're in a rural area, it's not going to be like glamorous by stores and that kind of, we're nice by nature. We have a beautiful area and the gold in these mountains is the rental real estate. I'm aware of that. Like we have a good rent to buy ratio here, it's very rare. And I was aware of that all along so if I wanted to put the pedal down on anything, I didn't know how I would take off in real estate. I didn't know how I'd be so well suited to it. But I did realize that was the opportunity, sitting right in front of my face, should I want it. So, yeah, I went into it thinking that.

**Clark:**So, then, walk me through here, how did it start and maybe your first deal or two?

**John:**Okay, first of all, pedal down, I'm increasing myself from 110,000 up to 220,000. First deal is me walking into about 20 houses with a realtor and I'm trying like hell to pretend like I know what I'm doing. But I really did, I approached this like a business, I approach this like I went to school and I knew, I had an accounting system set up before I even bought my first one. I walked into one of these houses, these foreclosures after the first 20 and all of a sudden, it jumps out at you like there's nothing wrong with this one. And every other one you walk through; you gain the experience of seeing what's wrong with rentals. And when you walk into one there's nothing wrong with, huh, so I'm looking and looking and looking, and I'm baffled. I guess this is the one we buy. But still, I bought it for $38,000 and my hands shook, and I had sweat coming off of me and it was terrible. And now I can buy, you know, $300,000 properties and I don't feel that way. I don't even have to tell my wife now. But back then, it just about killed me. That's the truth of it.

**Jace:** And like, what was that?

**John:**Two-bedroom, two-bath, yeah. But you know, being the idiot, I moved in the first drug dealer, they called on the phone, and they trashed the unit. And I'm down 4000 after one year. So, here we go.

**Jace:**Did you pay all cash for it?

**John:** Yeah, in all cash and then I would fix it up with more cash. And then I would refinance out, right? So, let's say I go in with 38,000, I put 12 into it. Now I'm at 50. So, I can go to the bank, I think the thing would appraise for 80,000 at that point, that's what you're looking for, that rare one that will appraise up, right, is mispriced, just like a stock. And so, I can go in and get a get a loan, I can bring that loan back, refinance, get my money back and go on to the next one. And that's how the ball starts rolling right there for me.

**Clark:** And what did that rent? I mean, maybe you don't remember particularly that one. But what do you kind of look for? How much did that rent for, how much did it net after a mortgage payment?

**John:** You know what, well after a mortgage payment, I never, with mortgage and with financing, I never would accept 25%, less than 25% around here, never, cash on cash, we can get 12 to 14%. Let's say we have no mortgage, and we have no loans, we have nothing like that, we're going in my cash in and my cash out, we're looking at 12 to 14, and it should be like that, it should be much greater than stocks, because it's more of a pain to you. It's not passive, you know, it's actually works. So, it should, you should make more. But I would say that with, I've never bought a property in this area, with financing where I didn't have at least 25 to 30, at least percent return.

**Clark:**Yeah. So, just maybe for somebody who's not familiar cash on cash, right, let's just call it $100,000, you put into something, if you're expecting 12 or 14% cash on cash, it means you expect 12,000 or 14,000 back annually. And then if you lever that, so you buy something worth 100,000, but you only put 70,000 down, right, you can earn 12 or $14,000 a month, and so your returns increase and your cash on cash increases, because you're putting less cash into the deal. So, now, John, big picture here, what's your portfolio, your real estate portfolio like?

**John:**I've had 110 units, they're mixed all between those first, single families and duplexes that I buy, I have a 30 unit, 10 unit, a little bit of everything, honestly. And what I'm trying to do is just, I'm trying to get away from the harder ones, you know, the tougher neighborhoods, the farther away properties and I'm buying properties that are closer to my house so I'm slowly easing this into an easier transition of a business, but it's a little bit of everything.

**Clark:** And do you self manage all of that?

**John:** Yeah, I do, and it's not as hard as you think, you know, people that work full time jobs, you know, they're putting in 40 to 50 hours. This, when you get this rule and write in it, keep in mind when you're talking about rental real estate, I always think we're talking about the same thing and we might be talking about 20 different things, you know, somebody might buy junkers, somebody might live really glamorous one, somebody might--. I have really good properties, I have solid ones that are in demand, you know, so therefore I can get the good tenants. Therefore, it's a much easier deal for me, I have very few people that I wouldn't invite over to Thanksgiving, that's the kind of properties I have. So, because I have that, it's a much easier deal. And so, yeah, I can manage myself, I did buy the 30 unit so that I can move in a secretary up there. And she's going to take care of all the paperwork and that's in the transitions. So, yeah, I bought that one not even looking for a profit. I bought that one look into employee people with the profit.

**Jace:** John, that's pretty unusual, you got to admit that you're buying 50, ,60 $70,000 houses or 40, right $38,000 house on your first one in there and they're all people that you get along great with, right?

**John:** You know something, in real estate, the only thing, anybody out there thinking about getting the real estate, just write this down, the only thing you can control is who goes in that house. Once they're in that house, you're not 100% in control anymore. And so, yeah, because I have the luxury now of some excess cash flow, I can sit on a property forever. I used to be stupid and try to rush somebody into that property. They might be marginally good, they might not be, you know what happen since, you get them into that first month and you feel this sense of joy, you celebrate, the place isn't vacant now, it's like well, guess what? That person comes out, they stuck you for the last three months of rent, they left the place like a pigsty. And all of a sudden, you're down to thousand dollars, so no, no, no, I hold off, I only bring in the good people. I would keep those places vacant forever if I wanted to and they never stay, you know because I have good places, you have nice, clean places.

**Clark:**And what is your average one- or two-bedroom apartment or house rent for?

**John:** Single family house or duplex?

**Clark:** Yeah, single family.

**John:** I would say a two bedroom in our area would go for about 700, single family house, about 700 rent, some people would tell you more but there, but again, you're talking about the market determines that, far more that we do, yeah, you can make it 850. But they'll be out real, quick or you can make it 700 and they might last five years. And so, what's the better deal? You'll find out that there's a sweet spot that keeps them the longest, but doesn't give it to them? You know, so you're always looking for that sweet spot.

**Jace:**Yeah. So, real estate value total, what's the value of all that real estate?

**John:** You know, what, when you guys are asking about this, you're CPAs and I'm like, man, I feel like I'm going into my accountant here. So, this is a terrible thing. I went to my computer, I look for my cell and the thing disappeared, I don't even know where it is. It's, so, I think that it got erased and I have to go through my whole net worth again.

**Clark:**No, you're good, let's do it this way. Are you levered at all, how levered are you?

**John:** 300,000, I have on my 30 unit. But the 30 unit's worth a million. So, but yeah, everything but $800,000 is in real estate, you know, that's what I know.

**Jace:**So, are you not levered because you've chosen to not take out loans at all, when you purchase these properties or is it because you've owned a lot of them for a long time, and you've been able to pay off that loan and have just chosen not to refinance out of it?

**John:**No, I could not have bought this many properties without leverage, you know, so people thought, you know, I know there's different views on this, if you're, you know, debt can burn down your house or it can warm your house if you contain it in a fireplace, you know, but it's just like a fire, you know, I get it. I am a very disciplined person. I'm, you know, I like the accountants, we think alike so that I can control debt well, so no, I'm maxed out as much debt as I possibly could. And I understand that flies in the face of a lot of people who are conservative, but I was very conservative with my debt too, you know, so I could have never grown. I mean, to put that kind of money in initially, I'd be breaking in two houses right on the front, you know, on the front end of this.

**Jace:** So, does it make you want to refi out and buy more?

**John:**No, it doesn't. Let's say that. I sometimes say it like this, I'm not the richest guy in the world but I am far richer than I need to be. I say that if you're sitting at a buffet and you have all the food you want, what are you fighting for three more plates for, you can't even eat what you have. Like I have, right now I have a river coming to me of $20,000 a month, that was my goal and my family lives on 80,000 a year. And so, there comes a point when you know, you're smart to be able to do this but it takes wisdom to know when it's done. And then you can move on to better things like I would have never had time to write for three years, 50 hours a week writing a book called the Wealthy Gardener that became a bestseller. I would never have time to do that. If I didn't know when it was time to put on the brakes. You have to know when you've reached your goal and you got to know your why, it's important. Okay, I want this money but why do you want it? I want this money so I can have time and freedom so that I can, you know, protect my family. Okay, check, check, check. I think I got that. What do you want time and freedom for? I think I'd like to have a book; I think I'd like to write a book to my son, I think I can do that. I think I could combine everything I've ever learned in my whole life, put it in a book, and I think it could benefit him. And those are the kind of things that are your gifts when you win this thing called financial freedom. You can now do what you want. And you're going to find that chasing these rainbows isn't enough, the unoccupied hours isn't enough. You're going to want purpose. You're going to want meaning. That's what human beings are wired for.

**Jace:**John, you got to admit this is pretty crazy. So, you got this big portfolio, you manage it. How do you deal with traveling or leaving, or do you leave? What's kind of situation there?

**John:** You know what, we're so spoiled, right? My parents never had a cell phone. So, like, now I get a text from a tenant, they say, toilet clogged, let's say. Well, I grab that text and I forward it to a handyman. I have five of them on deck, right? I'll see who's available right now. It's about that easy. The only thing I have to watch out for is whenever I'm sending out, I sent out this this massive number of invoices at the start the week, and start of the month, and sometimes I get those in the mail, I would say for the old people, they send them in the mail, so I have to be around to get those in the bank. But 80% of my people, 80% of my tenants, it's just auto withdrawal. So, it's just automatic. It's really easy with a website, it's really easy with phones to not get overwhelmed, you can do a lot of things efficiently.

**Jace:**Yeah, I think it's pretty remarkable that that you built this portfolio. So, John, where do you kind of go from here? I mean, you've won the game. Do you have anything that you're trying to accomplish? Is there anything out there that you know, big purchases that you want to make with this cash flow or what's kind of the deal there?

**John:**And now you get to the bottom of it, right. So, I think there's a misperception about how, you know, people look for financial freedom and they they're going after some sort of a goal like that. Sometimes to earn financial freedom we have to become less materialistic, that's the irony of it. That's what people don't understand. I love reading I love exercising, those are free. We have a lake house, I get on there and we're going to put our pontoon in, in about a month. Well, that's kind of free too. So, no, I don't, I would like to pursue the meaning of this wealthy gardener book, it's stricken home, for a lot of people in unexpected ways. I'm getting a lot of letters from prisoners that are using the book in the prison systems as a, as an education for finances. I'm getting letters from ministers that are using it in churches, and it's a strange thing how this is evolving. So, I'm not sure if that becomes the next for me, you know, that's so possible.

**Clark:**Let me just interrupt you, tell us for somebody who hasn't read it yet or isn't familiar, tell us about that book? Well, I mean, what is it, what kind of gave you the idea, you said all the life lessons that you want to leave your son, but give us an overview of what somebody can find in there?

**John:**Well, basically, the Wealthy Gardener, what was important to me was to be able to impact my son and drive the lessons deeper, the goal was to try to formulate a parable, a story, if you will, just like a good novelist can put a story together that actually affects us on an emotional level. That was my idea of the Wealthy Gardener, you know, the garden has always been a metaphor for a person's time on Earth, always been attracted to that idea, you know, we can shape our garden if we're willing to sacrifice and we reap what we sow, those kind of things. So, hopefully, I created a character in the Wealthy Gardener that shows us how to do that. But, in addition to that, my vision was to just encompass, imagine, like all the timeless principles that we all go through in life, we all, we read a million books, we can't remember everything we've learned. But I imagined we could put all the timeless principles and condense them into like a volume. And then I would just throw out 70% of them and just stick with the timeless success principles that mattered most in my own life. That was where it was for me because it was a long journey. And I thought that, you know, I know that the numbers mean a lot for our finances. But I really believe that there's a philosophy and a behavior and a psychology that matters even more when it comes to financial success and beating this financial condition that we're all up against. And so, I put all these timeless principles together and I outlined this book, and I basically imagined the timeless story wrapped around timeless principles. And that was the whole goal. And that's what I was after, I created a book of life lessons, you know, between a father and a son, and I wrapped it around the story of a wealthy gardener, and I held my breath. And it's, it's been a five-star Amazon thing ever since. Like I said, it was a best seller last year, unexpectedly sold 50,000. That was unexpected. And so, it's kind of taken off on an energy of its own. And I'm seeing it help with people that, you know, I was that person that was struggling once and so, I definitely have a soft spot for that. I have some empathy for the person out there struggling, that has ambition, and is struggling. You know, that's the person.

**Jace:**Yeah. So, what's your advice to them, John, somebody who's listening to this and has maybe, you know, connects with you how you did, when you were 30 years old and they say I want to get out of it or maybe they're 40, right and they feel like they may be getting a late start, what's your advice to somebody like that?

**John:** What's my advice is to basically first, take control of your mind, kind of like I did at the age of 30. I mean, I can speak from experience, before 30, I was kind of all over the place mentally, I wasn't sure, I wasn't a singular on a goal. After 30, I knew what I wanted. And if you really just plot my life, and you sit me against all my friends, and 20 years goes by for all of us, what's the big difference? Like I'm not more talented than them, we're equal there. They have just as much intelligence, if not more, what's the difference? I mean, I was thinking about wealth the whole way. I was filling up my days because of my intention with the kind of things that earns wealth. I would say that don't kick yourself in the butt. First of all, you know, forgive yourself for where you are. I think that's always been a hard one for me. I always wanted to beat myself up for it. But forgive yourself and start here and just say, okay, it's my turn to learn. You can learn your way out of anything. And you can work your way out of anything, but you got to sacrifice. As long as you know, the sacrifice is temporary, you'll do it. I think people would sacrifice 5 years, if they just know it's 5 years, all out the way, the way we can do it in life. Between 30 and 35 for me, it was a world of difference. I was lost at 30 and I was on my way by 35. You can turn it around fast, but you got to give your free hours, plus your work hours, that's what I say.

**Clark:**Wow, good advice. So, let me just jump into some rapid-fire questions here before you close and I'm going to add a couple here. How old were you when you became a millionaire, do you remember?

**John:** I would say mid to early 40s.

**Clark:** Is there something or a couple things that you can pinpoint? Obviously, you just mentioned it with being driven and focused and intentional. Are there a couple things that you can say, hey, that's what led to my success? Was it that work ethic and intentionality? Was it being able to find these good real estate opportunities?

**John:**I believe that you can find success in a million different avenues. I think that the means to success can vary wildly. And I can only imagine what the background, you would be fantastic to talk to about that, you interview people time after time and I'm sure you don't see commonality among how we do it. But I think there's certain principles. That's why I wrote a book on that. It's like the philosophies. There’re principles that do matter, like absolute faith, yeah, that's, check that one off, listen to your inner voice at times. Yeah, check that off. But don't listen to it too much. You know, keep it in check with your logical self. Yeah, check that off. Look at your schedule, absolutely. You know what, if you want to use your full potential, look at your schedule, show me your schedule, and I'll show you your future, your schedule. So, there's like a number of things like that, it's almost like a puzzle and there's just not one key, you know, you can drop the ball in certain areas.

**Clark:**Yeah, I want to ask you, I'm just kind of looking through this list of rapid fire questions but I came across this other question and it's something that we often get asked, and I think you'd be someone good to talk about it. A lot of people here, a lot of the millionaires that we interview, where both of the spouses are working, right, and they're able to really build up their income quickly and make a lot and you mentioned that your wife was a stay at home mom, right? Obviously, you were still able to get to well over $5 million and climbing. I guess, the inside of that decision, was it a financial decision? Was it a family decision? Did you think, hey, maybe she should work a few more years, so we can build it up, any advice you could share there?

**John:** Yeah, no, she, I gave her that ability. You know, I don't know, when I got married, I can remember when I'm 23 years old, I had a big dream for my life. That dream included my wife. And so, I just felt like, yeah, I can do this, you know, I can make this happen. I think, she then, reciprocated by allowing me to work like a mule. You know, it takes a lot of sacrifice and it takes a lot of time where you have to sit down with your spouse, and I think you have to communicate a lot. People always talk about you're a workaholic, yeah, well, that's called sacrifice and it used to be called a virtue, you know, you're out of balance, yeah, that's called contributing and actually going for the things that might help your family. But you've got to talk to your family about those things and so if I did anything right there, I would say that I always included her. She knew my fears, as did my children, they knew my fears, they knew my intentions, they knew what was possible to go wrong in my life and why I was sacrificing. I included them so that my life became an education for my kids and my wife had sympathy toward what I was doing, because she understood exactly why I was getting home at 10 o'clock sometimes, or taking off on a Sunday morning to go check out a rental. So, we worked as a team that way, you know, she gave a lot and I gave a lot, to get where we are.

**Jace:** I appreciate you sharing that. Thank you. And it's kind of an odd question, but one that comes up a lot. So, thank you. Has all this success and, you know, fortune, I guess right over $5 million, has it affected your happiness levels, your confidence levels? Has it changed you as a person at all?

**John:** No, you know what you have to be successful before you get the money, to be honest with you. That's how you get it. Like you, it's a delayed reaction. You know, the wealth comes from you being confident earlier on in your life, there's a lag to this kind of stuff. So, you have to be performing effectively, you have to be confident there. So, that's a whole one question, right? Do you, in terms of how, am I as a performer or how do I feel confident wise? No. Do I feel happier with the money? Yes, absolutely. 100%, yes. And the reason is, I don't have to worry. People always say money won't make you happy. Well, it can buy you a worry-free day, one after the other. And I can tell you, I love the fact that if I'm burned out tomorrow, I can take my dog for a walk. Yeah, absolutely. The freedom, yeah, that makes you happier, absolutely. My daughter has to go back to medical school. Can I help her? Yes. Does that make me happy? Absolutely. It makes me happy. It makes me so gratified; I sacrificed those years. So, yeah, money can make you happy. I don't want to hear it from other people.

**Jace:**Do your friends and obviously your immediate family does, does your extended family, if you have any of your friends, do they know about your wealth?

**John:** Ah, probably not, until I wrote this book. I was a real under the radar guy. You know, I was telling you guys, I love my accountant. I love my accountant because he's the only guy who ever knew. Like if you're doing this right, the world doesn't see it. You know, I'm the I'm the typical Millionaire Next Door, kind of guy, you know, I'm minding my own business, I have good friends. But no, you don't include them in that because you're earning more than them and you're doing things that make them uncomfortable. So, you respect that. But man, I struggle with my accountant. I was like, my wife thinks I'm nuts. Like, I'm so excited because that person gets to see what I'm doing. It's like, that's my report card now, you know, it's like, finally somebody sees this. But no, if you're doing it right, it's invisible.

**Jace:** So, this is the guy that does your taxes, I assume. I'm just curious, how much do you pay for your taxes?

**John:**Ah, jeez, you know, who's listening here? Yeah, I could tell you this, one of the greatest things about real estate, one of the greatest things is the tax write offs that you do get. So, it's certainly a low, I'll say this. It's a low bracket, because of depreciation is a fantastic invisible force in this world. Yeah, I love depreciation.

**Clark:**Okay, let me ask you a couple more here, most expensive car that you've ever purchased?

**John:** I'm driving it right now, $25,000, white Jeep Grand Cherokee.

**Clark:**Okay, any just in closing here, any mistakes you've made, or any final words of advice in closing, you know, obviously, a great book out there with lots of advice, any last piece that you'd want to share?

**John:** You know, my life wasn't the story of like the bankruptcy that came back from it. I was just the guy with the family who just lived and plotted forward, lived a consistent life, did things consistently right, of course, you make mistakes here and there with investments but those aren't the kind of things you're talking about. I will say that if I look back over my life, and I have any regret whatsoever, I will say that I worry too much. Even though, it was my job to have confidence. I just worried, I was always in a state of fear, there's always a trepidation that it might not work. And you know, that just steals joy from your life, you know, somehow, you have to find a balance between going after what you want and finding peace where you are. Like, that's a certain balance. And I would say, sometimes, maybe I drove too hard and that's my mistake, not at some sort of calamity through finance, but more of a philosophical mistake where I--.

**Clark:**It's hard though, John, right? Because you're young, and you're worried that you can't make it, you're worried that you're not going to get to where you want to be, you're worried you won't have enough, you know, how do you overcome that when you're not to where you're at?

**John:**That's exactly it. And that's me busting my ass looking backwards, right. So, I'm at 50, I made it and I'm saying, you know, you really should have enjoyed the roses along the way. Well, okay, guess what? I was in a lot of debt back then when I was standing beside those roses, you know, and then there's, you never know how it's going to work out, you know? Have you ever seen Steve Jobs in a Stanford address, you know, the, and he talks about how, yeah, it all makes sense looking backwards? The dots all add up, then and, man, it's so true. But yeah, still, I do think that you can live your life without fear. It's your job too, you know, you shouldn't be a little boat on the waves. And so, that's what I would do differently.

**Clark:** Wow, great advice. And just lastly, here, you had 200,000 in student loans, how long did it take you to pay it off?

**John:** You know, 33 and let me answer that in a in a more in a more revealing way, probably around the age of 33. And so, the way I look at it, we talk about opportunity costs in life, I was broke at the age of 18, I was back to broke at 33. You guys are the accountants how many years is that? So, 18 to 33, 15 years, it took me 15 years to get back to being broke from the age of, because I was broke at 18 and I went through all those years, getting myself in debt, getting myself out of debt, that kind of stuff. So, yeah, that was the opportunity cost of college for me, but that college did earn money.

**Clark:** Wow, pretty amazing story, John, thanks so much for coming on. We're so appreciative of your time. We've taken enough of it tonight. So, thanks again, everybody. That's John, net worth of over 5 million, 5.3 ish to be exact, thanks for coming on the show tonight.

**John:** Thank you.

**Jace:**Thanks, John.

**Narrator:**Thanks for listening to the Millionaires Unveiled Podcast with Clark Sheffield and Jace Mattinson. For more stories, investment opportunities and information, check out our website at millionairesunveiled.com. See you next time when you'll hear from another everyday millionaire.