Building Financial Security and Freedom - Business vs Employee vs Investing - Anna Kelley: Ep #507

Full Episode Transcript

With Your Host

Dr. David Phelps

[Dentist Freedom Blueprint](#) **with Dr. David Phelps**

Building Financial Security and Freedom - Business vs Employee vs Investing - Anna Kelley: Ep #507

Anna Kelley: I never sought out to be wealthy. I really didn't. That's like the icing on the cake, right? It's the safety. But really what I sought from the very beginning was I want to be home with my kids. I don't want to be a latchkey kid. My mom did the best she could, but she worked three jobs. I was the oldest of six kids, and so I babysat. I never saw my mom, right? And so I didn't want that for my kids. It was always about, for me, let's get just enough that I can be home with my kids.

"David was of course a dentist, but he was a very sophisticated real estate investor. He had run with a circle of probably the most sophisticated housebuyer types in the country."

"David is a student of the game."

"I would never say this about most people. I would get in a foxhole with David."

"His knowledge is unreal. I mean, it's off the charts."

"This is not some person in front of you going, 'Yeah, just give me your money and I'm going to invest it in real estate.' It's way more elevated than that."

"The most common message I get, 'I want to thank you so much for introducing me to Dr. Phelps because my wife and I—we went to Freedom Founders. We're on a path. We're going to be financially free. We are going to retire sooner. We are going to be happier. This changed our life.'"

Anna Kelley: I never sought out to be wealthy. I really didn't. That's like the icing on the cake, right? It's the safety. But really what I sought from the very beginning was I want to be home with my kids. I don't want to be a latchkey kid. My mom did the best she could, but she worked three jobs. I was the oldest of six kids, and so I babysat. I never saw my mom, right? And so I didn't want that for my kids. It was always about, for me, let's get just enough that I can be home with my kids.

David Phelps: We had our nationwide Fall Member Event for Freedom Founders last week. And it always re-energizes and reminds me why I do what I do in helping others take charge of their finances and create more freedom in their lives. More freedom of time is what I'm always looking for. At this event, I had a particularly interesting conversation on stage with my good friend, Anna Kelley.

Building Financial Security and Freedom - Business vs Employee vs Investing - Anna Kelley: Ep #507

Bye. Anna has been a recurring guest on this podcast. And although this was originally for our live membership, I thought it would be helpful to speak to you as an investor who will also be confronted with much volatility in the coming months. In this episode, Anna Kelley and I speak about why Anna felt real estate was the best avenue to pursue even while her husband owned and ran a chiropractic practice, while she herself was working in private corporate banking for AIG. The first step everyone needs to take to create wealth. Anna's checklist for how she makes any investment, and ensures her money is protected, and why renting has become a trend in this country and much, much more.

Please welcome my good friend, Anna Kelley.

Anna Kelley: I started out knowing nothing about money. So I grew up in Section 8 housing. My mom was a leasing agent and apartment manager in a Section 8 housing complex in San Antonio, Texas. I'm a Texan and glad to be back, but I knew nothing about money. What I did know is that I did not want to ever be in a situation where I was in an abusive marriage like my mom and not be able to leave. I'm like, I need to figure out how to have enough money that I can be independent. And so I did start thinking at about age 15. How can I be the best at everything I did, get great grades, learn everything I can and be successful so I can be safe and independent.

So I graduated from college, worked full-time while I went to school in Houston. And then I came out of school and I went to work for Bank of America in their financial advisory department as a private banker. And that's the first time that I learned anything about money and finances. And I didn't learn anything about budgeting.

I only learned about securities. What do you invest in when you have money? And I married a chiropractor who, we were dating his last year in chiropractic college, and he came out of school with $120,000 of school debt, which I thought at that time was astronomical. I heard half a million dollars yesterday and I almost fell out of my chair.

We have got to figure out how to pay off the school loans so that I can have kids and I can be home with my kids. During that time, my husband and I got married and we went through Dave Ramsey's Financial Peace University at my church and that was the first time, even though I was already a private banker, that I really learned about living below my means and getting on a budget.

Building Financial Security and Freedom - Business vs Employee vs Investing - Anna Kelley: Ep #507

So we sacrificed a lot, lived on one income, and then I had a baby in 2003. And as much as I was corporately driven, and at that point I worked for AIG, we put together private placement investments for ultra-high net worth investors, and we put them in insurance policies so they could grow tax-free.

So I was at AIG and I made almost three and a half times what my husband did as an associate doctor. And so I couldn't be home with my kids and I just was like, how are we going to do this? How are we going to make enough to pay off the school loans and eventually start a practice? I started watching HGTV flip this house stuff that was all starting the year I was on bed rest with my baby.

And I thought, how hard could that be? I could flip two houses and make six figures a year, and let's just try it. So we decided to flip a historic home in the Heights in Houston, Texas, way above our abilities because we knew nothing about housing. I knew about decorating and money, right? So we flipped a house, got a traditional mortgage, and we lost money in a year of our life doing it.

And my husband said, “We are never doing that again.” So I said, “Well, if we're not going to do that, then you have to figure out how to make more money than me. So why don't you start your practice?” We worked for another year, paid off his school loans, and we relocated to Palmyra, Pennsylvania, one town over from Hershey, where he is from, and we started his chiropractic business.

So, I was still working at AIG. I begged them to let me try working from home. They had no work from home employees at that point. And because my job was so complicated and hard to train and duplicate, we did a lot of offshore investments and things like that. They let me try work from home. So, we moved with my 10-month-old and 3-year-old baby in with my in-laws, sold my house, and bought a practice.

And I saw that there was lots of space for lease, but I was afraid to lose my job and for his practice to go under because we knew 90% of businesses fail the first few years. So I saw on Main Street in this little bitty town, a building for sale. Good, you know, traffic and it had an office on the bottom and apartments on top and apartments behind it.

And we had two rentals before, so I knew it's not terrible to have tenants. And so we bought the building and I knew that it would at least cover the mortgage of his practice if his practice didn't do well. And after a year of living with my in-laws, we decided we needed to move out. And I saw a little four-unit apartment for sale, and it was a big step back for us from a big house in Houston, but I grew up in Section 8 housing, I'm like, we can do anything for a couple years.

So we bought a four-unit, lived in one of the units, and we learned to really be landlords. During that time, my husband's practice did really well the first year and a half, and I thought, oh, I'll be able to retire in a year and be home with my kids. Well, little did I know the GFC would happen the next year.

So we started the business in ‘07 with $700,000 in debt and in ‘08 everything crashed. I worked for AIG. I was told I was probably losing my job. I lost three-quarters of my 401k almost overnight and his business started to suffer. People started popping aspirin or Tylenol and not coming in until they were in a lot of pain, and insurance reimbursements started to really go down quite significantly. So it was just very much a struggle. And I realized about a year in after the GFC, I couldn't trust my 401k. I couldn't trust working for a big company. I couldn't trust having a small business. We knew a lot about investing, but I knew nothing about the economy, not really, other than Economics 101.

So we were blindsided by the financial crisis. And I just cried and cried and thought we tried to do everything right, and yet nothing has gone well. But what did go well is my tenants were still paying rent. So I took 50,000 left of my 401k, that's all I had left, and I bought another four-unit. And I figured that would be enough.

I'd make $1,000 a month on that four-unit to cover diapers for my new third baby that I was surprised to be carrying that same week of the GFC. So that was kind of my aha moment that I have to figure out how to build passive income outside of my husband's practice, outside of my job at AIG, and it started us on the path of buying rentals.

Long story short, it took a decade of 70 to 80 hours a week because I was running my husband's practice during the day. He wanted to be the doctor. He was not trained on marketing and billing and HR and all of those other things you have to do. Hated it, and he thought I was better at it. So we did it together.

I worked, then we had the apartments at night, and it was really hard. Like our marriage was struggling. I was telling him what to do all day at the practice and then with the apartments and different things. But by the grace of God we made it. We bought a hundred units in that 10-year period. And that 100 units is what allowed me to retire, making well above what I did at AIG, and that was five and a half years ago.

And then after that, I did joint ventures with two partners for another 200 units. So we own about 300 units that we live on. That's our main income in Pennsylvania. And then in 2018, 2019, I started syndicating much larger apartment buildings and started a coaching business and a mastermind to teach real estate investors how to buy investments actively or passively on the side to create passive income, and that's where we are today.

David Phelps: It's an amazing story.

Anna Kelley: Oh, my husband retired too. Two and a half years ago. That's so that was like *woohoo*.

David Phelps: Oh, that's right. Retired him out. So many similarities in our story, at least the reason why, and I think the compound effect of making moves in a tangible asset class is something that we both found work, but it took time.

And the challenges sometimes would set us back on our heels and make us think, well, why am I trying to do this? You said something interesting, Anna, and that is you couldn't trust your 401k. You couldn't necessarily trust a job, even with a big corporate giant like Bank of America or AIG, because you have no control, but apparently, you did trust yourself.

You trusted yourself and your resiliency and your understanding. In this case, where we came from is this tangible asset called real estate. Not HGTV, you know, flip the house thing, but the long term, the wealth-building aspect. It does work, but it takes work to do it. You said something else I think was really important is living below your means.

In other words, there's a presupposition that if you're in a high-paying job, as you were, or your husband's in a profession, doctor, health profession, some kind of high-level career, you should have it made and you should be okay. And too many people take that in their head and say, “Well, I have. I've paid the price. I've gone through school and all this hard work. I should be able to live up here. Well, my 401k will eventually be there for me if I just put some money there." And we realized that's not true. In fact, it's less true if it ever was today going forward than it is right now. You said you grew up in poverty, so it wasn't so hard for you to go back and say, "Hey, I've been there and done that."

But for people, let's say kids, your kids saw you work hard and I think they have an appreciation. I want to talk about your kids a little bit because what you're teaching them, but for people that have been living a good life and to take a step back, how important is it to go back and say, what can I adjust in my lifestyle that will allow me to take what I have, whatever that is, and compound it forward? What do you say to that? I think that's the key here that a lot of people don't see that they can do that and you can.

Anna Kelley: It's so important. I tell everybody, whether young or old, anybody I talk to. Building wealth really is, it's a simple equation. It's live below your means while you work to expand your means.

And it's that simple. And you can't save your way to retirement, but if you're always adjusting your living expenses to what you make, you'll never have extra to invest in your retirement. And so I moved out of apartments when I was 15. I moved in with my dad in Houston. So I had a nice home at that point.

And I had a nice home when we first got married. So it was a big step back, but I think it gave me the understanding that I really don't need all the flashy stuff I think I need to be happy and content. I wanted to be home with my babies more than I wanted a big fancy house, more than I wanted a new car.

And so for me, it was all about what can I do to get home with my kids so they're not raised as latchkey kids. And so, I think you have to have a why that's bigger than today. And you have to be willing to live, you know, Dave Ramsey says, "Live like no one else today so you can live like no one else tomorrow."

But we're impatient. And it is hard. And when you've built all this stuff up, I mean, I dreamed of that house. I wanted that house. Eventually, though, I rented a nicer house than I could have owned while I continued to build real estate on the side so that I could then have that lifestyle and I wouldn't trade it for anything.

We still lived well, but we just didn't have the bigger house, but it's super important. We still live well below our means and we continue to invest. And now I invest more and more passively. So when I make money in syndications or my coaching business, I either go buy a property, a newer property, or I invest in a lot of passive income private placement opportunities so that I can continue to build that wealth in the future when I don't know whether I will want to or will. We don't know what the future holds. Continue to build active income.

David Phelps: Well, there's a phase transition we go through early in life. We know we have to go out and do the work. What do we do as we evolve through life? Many of us here want to escape the chair to some degree, right? But we still have to have our assets working for us.

When we work our assets, we're right there and we have our hands on it and we're the operator and that's the control that we get. And I think there's a point where you want to have that control. At some point, you want to buy back more time so you become maybe a little bit more passive. I say semi-active.

I think passive is the wrong word because I don't think we can afford to be passive in our life in much of anything. So when you're looking for a place to put some of your capital where you don't want to be the operator, how do you source that opportunity? Because that's a lot of what we do today.

It's certainly what I do. I personally don't want to go out and syndicate. That's just not where I am in my life. We've talked a lot about due diligence this weekend, but from your eyes, what do you look for?

Anna Kelley: So primarily, I think it's really, really important. I loved Gary Wood's presentation yesterday. I'm an economic and data nerd.

I learned because I was so blindsided by 2008 that I better become a student of the economy. The economy will make or break you no matter what you're invested in if you don't know what's coming, and you're not positioning yourself and pivoting where you need to based on what's happening in the economy.

So number one, I look at the macroeconomic environment and I say, where do I think things are headed, and if things are headed in a bad direction, let's say we're going to have a deep recession or you're going to have a flat decade of stagflation or more inflation, what kind of things are going to protect me and hedge against either recession or inflation?

Then I look at what locations are going to be resilient in any kind of economic environment. And again, I'm very conservative because I've lost a lot by not knowing the economic environment. So I'm probably more conservative than most people are, even though people would say private placement investing is risky.

I want to look at what areas, what parts of the country are going to have really strong, resilient GDP. Dallas, Texas, for example, I think it's the fifth largest economy in the world. I invest in this general area because it's so pro-growth, pro-business, it incentivizes with tax dollars businesses to come, people to come, which is going to keep that economic growth humming.

And so, I want to invest in opportunities located in parts of the country that are growing safe, conservative, low crime, good schools, good jobs. Then I look at what is a necessity, David, versus what is discretionary. So, for example, as much as my husband would hate to hear me say this, to some extent, a chiropractor is discretionary.

Because in a recession, what did people do? They popped pills. And then they only came when they were in really bad pain. I don't know if you have patients that don't come for dentistry because they can't afford it, so they wait until their cavity is really bad and they have an abscess. But, you look at necessary businesses versus discretionary.

So today, we have 70% of the American population living check to check, no matter the income level. 50% of the population has less than $500 saved. That's a huge number. So, if we have hard economic times, what are they going to pay for? They're going to pay for the necessities. So I want to invest in things that people need, not things that are a necessity or that could change and the demand go away.

I look at those things. Then it's, and this is probably as important if not more, it's the operator. The operator of this particular investment, how long have they been in the business? Maybe they are not at the same level they are today, haven't been there for 25 years. But have they been investing in real estate for 25 years?

Have they been investing in the oil and gas business for 25 years? Have they been investing in precious metals like David McIlvany's family for 30, 40, 50 years? So I want an operator that has gone through good times and bad times, has weathered those storms, and is de-risking that investment for me that has some knowledge of, “Here's the risks, and here's how I'm mitigating them.” Those things are really important.

David Phelps: And speaking about investing in what's necessary, what's essential, I think you mentioned earlier this morning that during the GFC, the great financial crisis 2008, when nobody had any money and banks weren't lending, but you had your rentals and your rentals were positioned for, I would just call it affordability.

People always are going to need a roof over their head and just tell us what you told us this morning about the fact that the tenants would keep paying as long as you were in the right demographic.

Anna Kelley: Sure. I was worried about our apartments as all of this stuff was happening. But what I noticed is that my tenants were all paying.

I was 99% occupied at all times. I wasn't really pushing rents because I knew they might move, but the nice thing, and it's an important issue as well as supply and demand, economics 101. So if you're in an area that has a whole lot of new housing and there's not a lot of people there, you're not going to do as well. But if you're investing in real estate, everyone needs a roof over their heads. They always will need a roof over their head, which is why residential housing, whether it's a single-family home or an apartment building is always going to be a necessity. But in my area, we have a hard barrier to development, a hard barrier to entry.

So there's not a lot of apartments. And so it's mostly older buildings that have been renovated that people live in, people in the middle-income class. I've had doctors at Hershey Med rent a small apartment from me because they sold their house. Maybe they went through a divorce. They don't want the house.

They might not be there a long time, but I had a really diverse economic area with a lot of different industry and not a lot of supply of housing. So we stayed full. And if you're investing in areas with low crime and good schools, people will not move. They will stay there for the jobs. They'll stay to keep their kids in a good school and they will stay if you're good to them and provide nice, clean, safe housing.

Building Financial Security and Freedom - Business vs Employee vs Investing - Anna Kelley: Ep #507

And so it was an aha moment for me that, wow, my tenants are still paying. This is a real necessity and they will continue to live in my apartments. And since 2007, I've been 99% occupied in Hershey, Pennsylvania. Not the same in some of my big city larger apartments where there's a lot of development and your average vacancy rate's about 10%.

But even then, if you provide good housing in a safe, clean area, you will always have renters if the area is growing.

David Phelps: And if you've made the acquisition correctly, you finance correctly, you're not over-leveraged, you've got the room to shift with the market when the market shifts, again, there's always gonna be somebody willing to pay a reasonable or affordable amount to have shelter over their head. That's just the key aspect of investing.

Anna Kelley: And especially now, and I think going forward, housing is really unaffordable and the taxes and the insurance are not going to start coming back down. And so generally, you don't have a major housing correction, and I don't think we're going to nationwide. I mean, there are definitely some pockets of the country that got overpriced, but the rent-to-purchase ratio, the cost of ownership of a home versus renting that same home, almost 1500 dollars difference in certain part of the country.

So just like we chose to rent a house while I was buying real estate. It was smarter than owning the house. And so I think we're going to become even more of a renter nation and people are going to need even more housing. So I'm very bullish on providing housing and investments that are in apartments, as long as they're in really good areas with great operators.

And to your point, David, as fixed debt for as long term as possible, because the variable rate debt really is what has sidelined and unfortunately lost a lot of money for a lot of investors because they simply couldn't refinance the debt because on paper the properties are worth less right now and any new buyers making less profit on that because they're having to put more money down at a higher interest rate.

But if you get good fixed debt and you're offered an opportunity with a really experienced operator in a really great area and they have a fixed rate loan, it really de-risks that for you as a passive investor.

Building Financial Security and Freedom - Business vs Employee vs Investing - Anna Kelley: Ep #507

David Phelps: I want to go back to living below our means and not letting our lifestyle expand with our earnings or even our investments.

I did the same thing. We took the earnings from our early investments, our properties, and we reinvested back in again. Either acquiring more properties or, in my case, I just paid off loans. You can do some of both. But the point I'm making is there's a compound effect to doing that. And that's the way it is in anything in life.

You start out and the habits you develop early don't necessarily show anything at the beginning, but we're impatient people as a society. We want to see quick, instant things happening. Where was it? If you can kind of think back, ‘cause for me, there was an inflection point. There was a hockey stick where I'm just plotting along, plotting along, really nothing's changing. My equity is building, my cash flow is building, but I'm pouring it back in, pouring it back in to build more momentum. Did you see a point where you could see that kind of a hockey stick where things really started to move? Do you remember about when that was?

Anna Kelley: We started with a negative $700,000 net worth in 2007 because we were starting the business.

So not just poor, but like really poor. And it was 2018, I wasn't looking at my PFS. I was doing most, mostly private lending because banks were saying no. So I wasn't really looking at my PFS. I was just looking at when am I going to have $180,000 in cash flow to be able to leave my job. That was the goal.

David Phelps: Okay, so I'm going to make that point. You had a number.

Anna Kelley: Oh, yes.

David Phelps: You had a number. Yes. Alright.

Anna Kelley: When am I going to have that much? I had four kids, self-insured, medical, all that, wanted a vacation, all that. That was my number. It took me 10 years and 100 units to get to that number when I retired from AIG. And I realized when I did my PFS for my bank, we're millionaires. We didn't feel like millionaires.

David Phelps: Your personal financial statement.

Building Financial Security and Freedom - Business vs Employee vs Investing - Anna Kelley: Ep #507

Anna Kelley: My personal financial statement.

David Phelps: You hadn't been looking at one because you didn't have to go to the bank to show that.

Anna Kelley: Correct. I was buying mostly creatively. And I had a local bank, but they were just asking me to send me my tax returns.

They weren't requiring a PFS. So when I realized like, wow, all these 10 years of hard work, I was just looking at the income because I was taught in private banking, you only look at one financial goal at a time as your primary. You either want income, growth, and appreciation or preservation. And at different points in life, you're going to have one of those things.

And my number one was the income. I need to replace my income. So I wasn't even thinking about the appreciation. I mean, I knew it was a piece of the investment, but I wasn't banking on appreciation. I was banking on the cash flow. So that was a big aha moment that because we didn't live on any of it, we reinvested all of it other than a little amount to pay for Christian school for my kids.

I took that out every month, and the rest went to buy more. So that was a big aha moment. And then, about three years into retirement, when I started syndicating, I realized we had an eight-figure net worth. And I was like, it went from poor and struggle for a decade, like really hard struggle for a decade, but then it snowballed because once you have that, I built so much equity, David, over that 10-year period as well, that I was able to take that equity then and then invest more and create even more cash flow.

So it took a good decade for us because I was a high-income earner. some people can replace their income with just a few rentals in a few years. They really can. But because we had so much debt, not only did we have to replace my income, David, but we had to pay off my husband's 700,000 business debt.

So it was like income enough to pay that off too. So it was a 10-year journey to the first, like, wow, we've done it. And then, another three years to like, I will never have to work another day of my life by the grace of God.

Building Financial Security and Freedom - Business vs Employee vs Investing - Anna Kelley: Ep #507

David Phelps: So I love the fact that you had a number and that's what we talk about in Freedom Founders.

What's your number? Your number can be a financial number. It can be an income replacement number. It can be a number based on how much time you want to recapture, but not having specificity in the goals you want., the whole game out there in the financial world today is, well, just accumulate and stack up as much as you can.

Where does that get us? It gets us to stay on our treadmill forever. There's opportunities that we go through life to have different milestones that allow us to have margin in our life. Even when you're not through with active income, you don't want to be through, or you're not through with life and living, but you have those places where you say, “I broke through that ceiling and that's just one more place where now I can expand my horizons. Doesn't mean I have to go make more or do more, but maybe I can have that time that I've been looking for and don't have to wait ‘til I'm 65 or 70 to finally have it.” That's what–and I think that's what you're sharing with us today is you had those goals that were set based on life goals in tandem with monetary goals.

Anna Kelley: And honestly, I never sought out to be wealthy. I really didn't. That's like the icing on the cake, right? It's the safety. But really what I sought from the very beginning was I want to be home with my kids. I don't want to be a latchkey kid. My mom did the best she could, but she worked three jobs. I was the oldest of six kids.

And so, I babysat. I never saw my mom, right? And so I didn't want that for my kids. It was always about, for me, let's get just enough that I can be home with my kids. And by the time that I did, because of all of the things that happened in the economy and our poor decisions to start a practice with debt at the peak of the economy, it took us all those years to make that happen.

But it really, for me, is all about freedom of my time and freedom of my relationships and freedom of location, to be able to be with the people that I love as much as I can. And so since Kent and I retired, the amount of time we've been able to spend with our kids, we had a lot of quantity time with our kids because they were at the practice and apartments and all this stuff, but we didn't enjoy it.

We didn't vacation. We should have prioritized that time freedom before we met our financial goals, but it was always about time for us and time for our relationships. And so you could do it with a lot less money, but really for me, it's about freedom more than it is money, and the money is just the tool that buys you the time freedom, the relationship freedom to do what you love and do the things that you really enjoy with the people that you want to.

David Phelps: I usually don't riff or talk about the nitty gritty details of investing. The technical aspect of investing, if you will, I could get into that. And I do occasionally when I think it's helpful to paint an image or an example, but I have found that it's more helpful for more people to discuss the bigger picture first, the reason why, and the principles that always work. Most people get lost in the tactics, in the weeds, and the bright, shiny objects. They never discover why they can't reach their big-picture goals. It's the principles, the concepts, the guide, your strategies, and then determine the best tactics to use.

Not the other way around. This is also how you should approach investing in real estate. For example, for income replacement or expansion of freedom and protection of legacy, start with principles that will guide you. In your specific situation, perhaps in your specific location, even in your specific investments and your timeline.

That's why I want to share a guiding principle checklist to help you decide whether any investment is worth your time, your effort, and your capital. I actually share in my new book, Building Your Financial Ark, which you can find a link to in the description below. Here's my under-the-hood, quick checklist for any investment opportunity.

Investors looking to discern quality from salesmanship should focus their due diligence on the following areas. Number one, seek alignment of interests. Look for investment opportunities where the incentives of all parties involved are aligned with the success and sustainability of the particular project.

Number two, demand transparency. Insist on clear, transparent communication regarding fees, the structure of the investment, and the long term strategy. This is so, so important and so many times it's left out of the actual opening in the conversations and the pitch deck of a particular project.

Compare the fee structures. Don't just assume or take it on faith that fees are industry normative. Research and get counsel. Consider whether the fee structure properly incentivizes the sponsor to ensure the project is profitable for the investors. Beware of affiliated party relationships. Read or have someone competent. Review the legal offering and look for affiliate commissions and payouts that may strip the distributions to you the passive limited partner.

Understand your rights as a limited partner. Understand the scope of control that the GP, the general partner, and the co-GP have and under what circumstances they can be overruled or removed and replaced if necessary. Again, this is so important and oftentimes is completely missed in the offering documents that are provided to you as the limited partner.

Educate yourself. Arm yourself with knowledge about different investment models and their implications to make the most informed decisions. Finally, look for long-term players. Evaluate the experience of all GPs, that's general partners or sponsors, in the deal and look for operators doing business for the long haul.

Building collaborative relationships with long-term, full-cycle operators is the pathway to success and profitability. I'll stick on this one just a little bit more. There's a lot of people who got into the game of real estate and syndicating and raising capital in just the last few years when money's been free and easy and capital's been cheap to get.

These operators, most of them have all the right intentions, but they don't have the experience and are not playing for long haul. Many of them have to keep the money moving and find more deals to invest in because they want the fees on the front end of syndications. Be very wary of people who don't have the commensurate ability to run their finances and their corporate structure to maintain the long haul.

Many people are in for the short term and this is where deals go bad. Hope this helps you stay on the forefront of your freedom. I'm here to help you along the way. I'll see you next time.

My new book, Building Your Financial Ark: How to Survive and Thrive During the Next Economic Storm just released on Amazon. My team and I have been working on this book for months. None of us ever imagined that launching this book would coincide with two major hurricanes hitting our Southern coasts, impacting thousands of families. Some of our very own Freedom Founders members have been affected by and my heart goes out to all of them.

Building Financial Security and Freedom - Business vs Employee vs Investing - Anna Kelley: Ep #507

I believe that there are no coincidences in life. This is an opportunity for us to stand together to support those who are affected. In light of this, I've decided to donate 100% of this book's launch proceeds to hurricane relief efforts. Right now, the storm isn't just metaphorical. It's real. By purchasing Building Your Financial Ark, you'll be supporting families who have lost homes, Lost businesses, and livelihoods, while also gaining tools to secure your own financial future.

One of the themes I touch on in the book is developing a strong network of relationships that you can depend on through the storms of life. This is an opportunity to put that advice into action. Go to www.FinancialArkBook.com to order your copy right now and 100 percent of the proceeds will go toward helping families and communities rebuild their lives after the storms.

That's FinancialArkBook.com. Remember, true wealth is measured in relationships. It's who, not what. Treasure your loved ones. Stay safe.