

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520



Mark Lane:

When I was at John Deere, I was working, what was it, like 3000 hours a year for \$40,000, whereas a hotel deal earlier this year made 85,000 on it, and I didn't have any more than a couple hours invested. So I love that stuff. I love just knowing that I'm condensing time or if nothing else, I'm giving myself more time back. When I look at the fact that I have to sell 6,000 hours of my time for that same amount of money, I'm like, I could never, ever go back to work. Once you do stuff like that, you feel sorry for other people that are willing to, you're like they just don't know.

David Phelps:

This episode is for those of you who are striving for a better life, not just for yourself, but for your family, the impact you want to have and the legacy you want to leave. My guest today has grit. He's had losses and struggles, but used pivotal moments in his life as opportunities to climb higher. Mark Lane has inspired me and I hope will inspire you with the determination to continue walking down the path to creating your own success. As a real estate investor and founder of Mark Lane education, Mark is passionate about sharing the real estate and wealth building strategies he has used to go from factory worker to multimillionaire. This is a guy who values the hustle of real estate, but realizes it's not everything focusing on quality over quantity. He finds high value deals and spends as little as a few hours to earn more than \$80,000 on each deal.

In this episode, expect to hear the kind of motivation it takes to change your life. The number one commonality of all successful entrepreneurs and business owners. Why just making more money is not enough to create your dream life. Why increasing the value of your time should be a priority. What aspiring entrepreneurs need to create success and much more. Please welcome Mr. Mark Lay. Mark, it's great to have you on today. I've been a big fan and really a follower of yours for quite some time. You've got, I think, a very interesting backstory. I mean a lot of people do that have risen up in life and life. We've all gone through some sort of challenges, particularly those of us who desire to take our life in our hands a little bit more from an advocacy standpoint and not just be under the jurisdiction of other people.

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David Phelps:

In other words, we talk about having freedom and being entrepreneurs, and we both know, and people listening today know that that takes a lot to do what we do because there's always challenges in life. Anytime you're trying to make something, build something, solve problems in the marketplace, which is what a business does, it comes with challenges. But I think you and I would both say, and probably people listening today would say rewards are mighty, but you have to just be prepared for some downturns, some setbacks along the way. Is that a fair statement?

Mark Lane:

Absolutely.

David Phelps:

Okay. I want to make sure we're on the same page. I thought you'd probably agree. Alright, so let's go back into your history a little bit. You grew up in Des Moines, right? That's where you're from and you're there today. You graduated high school and then you took on some different jobs as a lot of us did, right? Talk a little bit about your early years coming out of high school. What was your direction? What was on your mind at that time? Is it just, Hey, I graduated school and I need to just go be productive and earn some money? What was your thinking?

Mark Lane:

Yeah, basically, so I was never a big proponent of school. I never enjoyed it, didn't really want to go to college. Of course, my parents, parents were pretty blue collar, and so they thought they bought into that life. That's what I needed to do. And so my mom really was trying to push me into college. I worked for a couple years after high school, which by the way, I graduated in '96, so I'm 46 years old. So ran out of high school or within a couple of years she wanted me to go to college, and I was like, don't try community college. Wasn't that excited about it. At that point in my life, I was really big into fitness and I wanted to get into the fitness industry, and at that time I was thinking a personal trainer. So I kind of started going down that path of exercise science type degree, led me into community college, about a year and a half, and I hated it.

I hated sitting there all day, just learning stuff that I didn't feel appealed to me. And so I was going for the associate of arts degree. So then I ended up working out at a different gym, and the owner, he could tell I knew what I was doing. I had been training for years, and he's like, you realize you don't need a college degree to be a personal trainer. I said, no, I didn't realize that. And he said, I would hire you right now if you had the right certification. And I said, well, tell me more. So anyway, that led me down the path of being a personal trainer. So I went and got a couple of the best certifications there are, which it's just a little bit of training, a couple of classes. So I got those, did some personal training. Come to find out it was a little bit more sales than anything else.

Do you train, but you got to keep the clients going, and so you got to sell in order to keep them. And at that point in my life, didn't know anything about sales, wasn't in interest at all, tried the electrical trade. I tried just miscellaneous jobs.

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

Mark Lane:

So I kind of ran through the job market doing all kinds of different jobs, everything from forklift driver or working at restaurants trying to find my way. Without the college degree, I didn't. It was entry level stuff. Very late twenties. I was working a grocery store, was kind of trying to work my way up into more of a store director type of position, which that would pay very well. It was thought of very highly, but had to have college degree, had to have all the training, all that stuff, had to be able to relocate multiple times. I couldn't do that because I had stepdaughters who had their dad in town. Just wasn't an option. If I can't move up, there's really no future for me here, which led me to quitting. And I went and worked at a factory at John Deere, which led me into back into physical labor, working inside the plant, so sling and steel all day. Had that job for about another couple years, and then that was the last job I had, which before I got into real estate,

David Phelps:

If you're interested in learning how to invest safely and profitably during any economy, any market cycle, whether it's up, down, good or bad, then just download my free report, the full cycle investing report below. There's been a lot of half cycle investors who have profited immensely, made great Gains in the last 15 years during the bull market we've had. However, the markets are changing. They always do. There's going to be a day of reckoning. You can either be prepared, take advantage of the opportunities and protect your wealth, or put your head in the sand and do so many other people, wonder what happened. If you'd like to be on the front edge of the things that are coming in the future, just download my free report, the full cycle investor report in the description below. So now we got to learn about the transition to real estate. What sparked that move?

Mark Lane:

Yeah, so that was, if we're lucky, we have a pivotal point in our life. That was my first pivotal point in my life. It really just came down to, I came home late one night. It was, let's just say midnight. I can't remember exactly, but I think I must've been working the second shift. Came home late one night, and I was at a point in my life where I had, I was very broke even though I was working what most people would consider a good job, I never had enough money at the end of the month type of thing. I just never had enough. Didn't matter how many hours I worked, and which by the way, I was working consistently 60 hours plus. I had many hours of over 80 hours a week or many weeks of over 80 hours. One, I wasn't fulfilled, I was dead broke, didn't have any direction.

And looking at my future, I'm looking at these guys that have been there for 20, 30 years. I'm like, I don't want this life. I mean, they are beat up. They're depressed, their bodies are ruined, their bodies, they're old. I don't mean that in a negative way, but they're, they're run rundown and stuff. They would talk about, they'd be excited about going to the casino on Friday night type of thing. It's like that wasn't the life I wanted. So anyway, I just found myself getting further and further depressed, realizing that this was my future. And so I came home again late one night, put my lunchbox on the counter. I would go upstairs and my wife at the time now ex-wife was in bed with my daughter who, Isabelle, who's now 17, she was probably between, let's just say two years old at the time, sit down next to my daughter and I'm kind of rubbing my hands through her hair.

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

Mark Lane:

And I got hit with a very real vision of her growing up to be exactly like I was at that moment, which was dead broke, no direction, pressed all the thankss. And it was one thing for me to walk through those steps and to have to wake up day after day and go to a dead end job and not be able to provide for my family. But the thought of seeing my daughter in the future, living that same life, that was something I couldn't handle. I was crying again, rubbing my hands through her hair, and I just made a vow at that moment that I was going to change my family's life forever. I like to call it, it was a cellular conviction. It was so deep in my cells that I knew at that moment. And by waking up the next morning, I absolutely knew that my life would be changed. I didn't know. I didn't know what my direction was going to be, but I knew that it would be different.

David Phelps:

So what happened the next morning?

Mark Lane:

Well, the next morning, nothing really happened. I went back to work and kept doing the same thing, but I was inspired. I knew something was coming in my way. It's like, how did I know that? I don't know. I just knew that something was in my path. And I happened to wake up unusually early, let's say like two to three weeks later. And I was watching a real estate infomercial, Dean Grazi, he's selling one of his books on real estate investing, and it caught my attention. He's a fantastic salesman. So he got on him for that. Yeah, I ended up buying the book. I was like, what do I have to lose? It's \$15. So I bought the book. A week later I get it, and I read it cover to cover within about a week and I'm like, man, I kind of get this.

This kind of makes sense to me. And so that was my first introduction into self-development, personal growth type thing. I had never been into any type of self-education outside of school, so I hadn't read a book in 15 years or whatever it was up to that point. So that started me on that path and that created the hunger. So right after that book, I went and found another one, bought that book, which led me to another one, and then by a third or fourth book read the Rich Dad Poor Dad book, set My Life on Fire just like it has many others. That's when I got bit by the bug. I knew that I wanted to be an entrepreneur. Real estate seemed like the right path for me. But then it took probably two years from that point until I actually got started in real estate.

I was doing a lot of stuff of just trying on my own, outputting out random bandit, putting flyers out, just stuff that nothing worked just because I wasn't doing the right stuff. The excitement had eventually died down. The books got put on the shelf and I kept working. And then we got laid off from the factory, had a garage sale, and I was cleaning stuff out, and I came across those books again and started going through 'em again and got inspired again. And then that led me to, I think it was a commercial or something about one of the Rich Dad seminars coming into town. So I went to that and didn't have any money to build, sign up for any education, but I met a guy that did and met him at the event. So he signed up for the education. His partner that he was going to bring on board was his 85-year-old dad, and his dad says, I don't have the energy for this. And so he saw me at the event. He's like, mark, guy seems to have a lot of energy, seems to be pretty inspired. Why don't you give Mark a call and see if he'd be interested in joining up with you? So that kind of felt like a godsend. It's like I didn't have the education, but I had the hunger and the drive. So that ex-partner, Greg invited me to join the education with him. I jumped on board and couple those things. Rest is history.

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

David Phelps:

There's a lot there that I'm sure people picked up. Some of it. I don't want to miss it and I want to just kind of take you back. So you talked about a pivotal point in one's life, and I agree. I think it's what we do with those, right? To your credit, you have those moments where you feel like, as you said, you were there working hard, rubbing your fingers through your young daughters here and just realizing you didn't want her to fall into the same life construct that you had. That was your motivation. It wasn't so much about you. You would do what you have to do, but you were thinking about her and that's what motivated you to at least look and see what else is out there. Not took another couple of years to get back to it again, but I guess the layoff was the next impetus to make a move. Now you find the books again on sale and it's like, okay, you've got to take action.

Mark Lane:

And that action taking is what got me on board with him. And I think I got a little bit of that mixed up. But the way it happened was him and I had stayed in touch exchange phone numbers at the events, stay in touch. And so it was about a month later, he had bought the education. He hadn't even signed up for any of the classes yet. He spent an entire month kind of trying to figure out what he wanted his business cards to look like. He was piddling. And here I was. I didn't buy any education. I didn't know anything of what I was doing. And I was out sending faxes to real estate brokers and I was like,

David Phelps:

You didn't have your business card yet, did you?

Mark Lane:

Yeah, I was like, business card. Two days though. It's just take action. So I was taking the crazy action and he noticed that and he said, man, I've, I've got a good job. I've got stability. I've got good credit. I don't have the time or the energy that you have. Why don't we team up? It was great. It was good. Synergy is what I needed. And then just take that a little bit further. That lasted about a year. And so the first year we purchased, I think about a dozen houses, maybe it'll touch under that 10, something like that. Ended up building up a relatively small renting portfolio, which wasn't really the right direction for us to go into because neither one of us really had much cash or anything. And then we ended up flipping a few houses at the end, couple with him and a couple with other partner.

So by the end of a year, maybe a year and a half-ish, something like that, I now had the experience because I was the boots on the ground. I was the one doing everything. So I was like, I wanted to go faster, I want to do more. And he's kind of like, Hey, we're doing fine. And of course he was at a job 48 plus hours a week and I was like, man, I've now done dozen plus real estate deals. I know how to do this. I can go faster. So I ended up breaking off that partnership with him at that timeframe where again, a year plus, got a little bit of a payout from the rentals, not much, but also had some cash from the few flips that we had done. And I was like, I mean, I was fueled. I wanted to go faster. So I ended up going out and finding a couple other lenders, hard money lenders that I recruited. And so now I was a hundred percent. And so then that second year, I think I'd flipped maybe 20, 25 houses, something like that. And then it was rolling

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

David Phelps:

Context. Were these wholesale assignment flips or were you actually renovating and selling retail?

Mark Lane:

I was fixing and flipping just about everything. No team. It was 100% me and I was hustling. And I think of around maybe the third year or so, then I started learning how to wholesale and started integrating that into my tool belt as well.

David Phelps:

Let's take it on down the road. Obviously, even in that first year with buying a few rentals and doing a few flips with your original partner, I assume you had made as much, if not more than your salary.

Mark Lane:

I quit my job before we even did any deals. Yeah, I'm pretty sure that's the way it went. My wife at the time went back to work. She was a nanny. So I had quit my job so that I could focus a hundred percent on real estate. I know my personality and I knew that's what I had to do, just put my back against the wall and go all in. And she went back to work. She stayed at home while our daughter was born and until I had quit mine, my job. So she went back to work as a nanny and she was making 600 bucks a week. So we were a family of five living off of \$2,400 a month. I looked back, I'm like, I don't know how we did that. I just dunno. It was tight. So I was all in. And so we were just making a ton of offers. I mean, I was going fast doing everything I could to generate because I needed to. The first year, no, I didn't make hardly anything. So when we were buying the rentals, there was no cash coming to me. And in fact, we had a mentor as part of the education, and he came to town. He said, mark needs to be getting paid because he's running the business. And my partner said, no, I gave him free education. He doesn't get paid. And the mentor knew. He's like, Mark's not going to stick around.

David Phelps:

This partnership's not going to work. Yes,

Mark Lane:

Which he didn't. So once we had the rentals, those weren't really paying us anything. It was just they're sucking cash at least in the beginning. And so once I flipped those four, two with my partner, two with another guy, that was the first big money I'd ever seen. And I said, I need more of this. And so that's when I sold out of the rentals and I got 30 grand from those, had the cash from the flips, and I said, then I was like, all right, let's flip as many as I can flip.

David Phelps:

So I know a lot of the conversation that I say, a lot of us, it doesn't matter whether you're in real estate or you're in business or whatever, but we often talk about the reason why to look at both income, which is what feeds us. That's the oxygen that feeds our family, our lifestyle, whatever we decide that to be, but also the growth or equity side, the net worth side. So talk about how you started to look at that in your own life. Obviously early on you had to replace your job money. I mean, that's number one. You just got to have burn money. At what point did you start looking at and how did you go about sizing up how you're going to start building that net worth side? How'd that start to build for you?

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

Mark Lane:

Yeah, that's a good question. I was all income for probably the first five years, minimum, maybe up to six or seven years. I'd made a lot of money. I mean, within five years, I'd 10 X my income. When I was at the factory, I was making 40,000 a year, and then I got to the point where I was making 400,000 a year, 10 x my income, and I was still broke. And so I remember looking at that one day and saying, how am I still in this place? Which that was probably somewhere between year five and seven. How am I still broke? And granted, we had a better lifestyle, better vacations. Kids were now in private school. Our life had changed some, but I still didn't really have any net worth. I didn't really have cash in the bank. And so that was the pivotal point, my next one where I said, how does wealth actually get created?

How does a person actually become wealthy versus just making money? I hadn't mastered the skill of making money, but I'd figured it out to a certain degree, at least one skillset. And so it was at that point, again, year five to seven, somewhere in that timeframe, I said, I got to study this. I got to figure out how the wealthy get wealthy. And so I just started again, just like I consumed everything I could to learn how to make money. I started consuming everything I could to learn how to keep money and make it grow. So yeah, kind of went down that path. I started understanding different insurance policies, started understanding, building up rentals, starting understanding taxes differently, protecting my money, just all those different pieces, and it took a little while. One of the things I did that I think really helped is somewhere again, the same timeframe, year five to seven, somewhere around there I'd made enough money to where I paid off my house free, clear, and it was a nice house, but I got a point where I had zero debt. I had my house paid off, had 250,000 in the bank, and I didn't really have anything to pay anymore. So that was a point where I could start building my net worth relatively easy without anything stopping me. So I'd say that's the point where I started focusing more on that end of 2019. I got divorced, had to sell the house, lost all my cash, all that stuff. So that took me backwards a little ways. Massively increased since then. So yeah, it's been a little bit of a journey.

David Phelps:

Here's my special request of you, my avid and loyal and faithful listeners of the thousands of listeners I've had in 2024, less than 10% of you are subscribed to the podcast. That means 90% of you are listening to my podcast, and yet you're not subscribed. Why not? Well, it's just because you haven't taken the time to do it. I know I get busy to the same thing and I fail to subscribe to the content that I like. So if you enjoyed or found my content helpful, clicking the subscribe or follow button right now will help the algorithms push my content to more people who can find it just as valuable. Plus, if you are a subscriber, you ensure you won't miss any of my content or updates as soon as they come out. I'm personally excited about the upcoming guests books and projects that I'm working on, and sincerely don't want you to miss out on any of them. So hit that subscribe button. Stay tuned for more. Now, back to our conversation and your net worth building comes from holding rentals primarily? Yeah. Yeah,

Mark Lane:

As far as for me, yeah, that's the large majority of it. We like to hold, I say we as essentially my family, but we like to hold a nice good quality rental properties. So almost all of my properties are owned in the nicer suburbs of Des Moines. They're 350,000 houses. We're tracked really good tenants, so I'm not really in the volume game. I don't really have the need to go out, try to accumulate hundreds of 'em, but for me getting to that 50 mark 50, of course at that point there'll be 400,000 houses, but 50 of 'em and then probably start working on getting 'em paid off.

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

David Phelps:

Yeah, no, it's great. It's a great plan. You went through a pretty significant, pretty severe health crisis.

Mark Lane:

Yeah, I'll try and keep it short. It can get really deep, but first of all, I'm still going through it. I'm still recovering, and I probably still have another year of recovery left. I basically had a health crash started in September of last year, 2023. What it really comes down to is just a, it's a dysfunction of the nervous system. Nervous system gets hypersensitive and can go into what's called freeze mode where it starts to shut down almost everything else in the body so that the nervous can heal, but the nervous system doesn't heal in weeks or months. It heals in years. So it takes a long time for this to all process and take place, but it just absolutely crazy symptoms and stuff to go through what it wish on anybody. So I was out of work for essentially four months, and then the climb back was slow of sometimes I could only work for an hour or two per day.

Some days I'd have a little more energy, I'd put in more time. So that all basically took place from end of last year through even still through this year, this month for example, I hadn't worked much just because that fatigue's really been kicking in. So yeah, it taught me a lot. It taught me one that I really need to have a good cash position. Last year from September through basically January, I was still trying to employ my assistant, still had my own bills to pay, so I still had some overhead, even though we have relatively low overhead compared to a lot of people, but it still sucked cash out and for the fact that I'm the earner, I'm the income generator of the business and of my family, there was no income being generated outside of me, so it was just every month there was just money gushing out of the account.

And so that taught me how important it's to have a strong cash position. Everybody's got their different opinion of how much, but more is better to put it lightly. It also taught me how much I need good strong cash flowing rental properties, and right now, mine are all leveraged. They're great properties. We've got about a 65% loan to value throughout the portfolio, but I want to get a lower and I want to start getting some 'em paid off because we really don't cash flow that much from the portfolio right now. It's just a net worth play at this point. But going through that taught me I need to get to the point where all my expenses are covered from my cashflow and generously not squeaking by, but generously. So it'll take a while. But it most definitely taught me that there's things that can happen outside of our control. I mean, I've always been strong and athletic and healthy. Never would've thought something like this would happen to me and to be knocked down for a year and probably closer or two by the time this is done, we just can't know what the future holds for us.

David Phelps:

What's the strategy mark for increasing the cashflow? Is it too aggressively or on some aggressive basis, pay down some of the house leverage on specific houses and snowball it? Or is it a combination of several things? I'm just curious.

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

Mark Lane:

So right now, we got pretty aggressive on rental last year and this year, which sucked a lot of our cash out. So literally right now we're in cash mode again of let's get cash replenished, get it built back up, get us back into a good position, and then I'll probably still be in growth mode with the rental properties for probably the next three to five years at least for single family wise. And then, I don't know, it's hard to know. I feel like my life changes so much every five years to where I might go in commercial a little bit. I might just go into principal, pay down, start paying off the rentals. I don't really know. I want to get that cashflow higher, but at the same time, I love the rental properties we do. They're just such good quality homes and they attract great tenants. We have very, very easy system and easy business to manage, but they also don't cashflow very much right now. So when I'm looking at that, I'm saying, we can handle this right now. We need to have more cash on hand to offset our lack of cashflow, but eventually, once these things start to get paid off, they're going to pay really well.

David Phelps:

I know that one of your stepdaughters said Tiana is working in the business, right?

Mark Lane:

Yeah.

David Phelps:

What would you say through your own life lens, going back to when you said based on the provocation of your parents, go get an education, go to college, and you went, but nothing applied and you hadn't read a book in 15 years, but then you found some books that were about personal growth and mindset and how that really started to change your life got you into real estate, and I know you're an avid reader today. Talk a little bit about what you think about the current lack of financial education, financial acumen, financial literacy, not just in young people, but gosh, throughout the nation. What's your insights on that and where do you think people could or should focus to better themselves in life rather than just trying to grind it out somewhere?

Mark Lane:

It's really interesting. I heard a stat not too long ago that only about 5% of the population is ambitious. So that's a really interesting stat to me of why are those 5% or those 5%, the entrepreneurs and the salespeople, I don't know how that ends up equating, but a relatively low percentage is ambitious. So those people that aren't ambitious, will they have a drive and a hunger for financial literacy and financial education if they're just going to work a job and take care of their family and pay the bills? Probably not. Why would they dig into self-development financial education if they don't have the hunger for it?

I think it's one of those things like how can you create ambition in people? I don't know if you can, I just don't know if you can. I would say I think the best thing we as entrepreneurs can do is do the best that we can do and inspire people to where hopefully they see us and they say, I want to be like that. An example would be my nephew. I think he's 23, he's now wanting to get into real estate. He sees me doing it. He's seen the change. He's seen my life change and what I have and what's going on, our paydays, that kind of stuff, and he says, I want to be in real estate. Why would I go to college? Why would I go do something and make 60,000 a year when Mark is making \$60,000 in an hour type of thing?

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

Mark Lane:

I think that's one of the best things we can do is do the best we can ourselves, inspire people and not be so afraid to show it, and I don't mean in a boastful way of always trying to brag about and show how much we're making, but also at the same time not hiding it. Because I think so many of the wealthy do that, and rightfully so because everyone's in a so happy country, so they protect themselves. But it's really hard for people to be inspired if the people that are prospering don't allow it to be shown.

David Phelps:

Last question. What do you enjoy about the business of real estate, your current business model, what you've been building, what gives you enjoyment and satisfaction outside of the fact that you've created your own economy? You're not dependent upon anybody but yourself and what you've learned to do and the skill sets, but what do you love about real estate as a business and investment?

Mark Lane:

I still love the hustle. I know a lot of people talk against the hustle and you got to build the system. You got to build the team. Man, I love the hustle. I love doing deals. I love hustling. I love going out there. I love meeting with sellers. I love negotiating, putting deals together. I love just about every piece of it. Outside of any admin stuff, that's not my strength at all, but I'm a deal guy. I love doing deals. I love putting deals together. I love having the vision of transforming a property. I love how quickly and easily, I don't want to say easy in a negative sense, as in it's overly easy, but again, I look back my, and I'm kind of diverting here, but when I was at John Deere, I was working, what was it like 3000 hours a year for \$40,000, whereas a hotel deal earlier this year made 85,000 on it, and I didn't have any more than a couple hours invested. So I love that stuff. I love just knowing that I'm condensing time or if nothing else, I'm giving myself more time back. So when I look at the fact that I'd have to sell 6,000 hours of my time for that same amount of money, I'm like, I could never ever go back to work. Once you do stuff like that, you feel sorry for other people that are willing to, you are like, they just don't know.

Dr. David Phelps:

They just don't know. Well, it's always said that the more complex problems that you are able to solve, whoever is solving the higher your time value is, right? And so that's what you're doing. You're out there solving problems in the marketplace, and anybody can do this in any marketplace, whether it's real estate or otherwise, but find problems that other people need to be solved. If you enjoy solving those problems, you're right. It is fun. It's addicting to put things together to figure out how to create solutions that solve the biggest problems of somebody else, and you put something together that works for you and whoever else is part of the deal, a hard money lender, whoever it was going to be, and you're employing people at the same time and making housing as affordable as possible, creating for those who desire to rent, need to rent, and there's so many aspects to what you're doing on Main Street. No one even gets close to doing on Wall Street financial arbitrage. I mean, that's their game, but you're doing something that has real meaning in life, and I think that serves not only for you and your family and your independence you've created, but it's got to serve a lot of self-satisfaction for you just in your own soul. It has to.

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

Mark Lane:

Well, yeah. There's a couple pieces to it. One of just owning my time, especially right now as I'm still going through this, I allow myself to sleep in until I wake up. Sometimes that's 8:00 AM sometimes that's 10:00 AM I have control of my time almost this entire month. I've just spent either at home hanging out with my daughter. She doesn't remember me ever going to a job. She remembers me always being home like I've never worked too many hours. I've always spent enough time at home, always been present, and so when I look at that, she's going to not only remember that, but that's going to be normal for her, so it's not going to be normal for her whenever that time comes for her to be working. If she does to be spending all day and night at the office, she's going to be home with family because that's what she knows now, and she grows up seeing these deals being put together and saying, that's how dad makes money. He doesn't make it by going to a job. I love that part of it, of it's not just the financial legacy that I'm leaving behind for them, but it's also the tools and the know-how and what they've been exposed to is far different than what they ever would've been exposed to had I stayed in the job.

David Phelps:

Yeah, no question. Well, Mark Lane, you are a great role model for many people. Whoever has the blessing and privilege to be around you in what are form or fashion, I think you've really set such a stakes in the ground and have done an amazing job. I just want to wish you the best in your efforts to continue to maintain your health. I know that's something that when you can't control it, that can really take people down, but it sounds like you're at least headed in the right direction on that and just want to wish you all the best. Yeah, I

Mark Lane:

Appreciate David. Thank you.

David Phelps:

Mark said something in our conversation I want to emphasize and provide some clarity on. He said, many investors have huge success on a small scale. Then they try to scale and corporatize their business. This requires them to build huge teams and work on extremely thin margins. They end up sacrificing time and freedom in the pursuit of more money when time and freedom is what we all wanted when we started out. The question comes back to me is why do I think people get enamored with the hustle? Is there something to it that feels somewhat adjacent to fulfillment or achievements? I think this is a commonality for many of us who got started in life and we wanted to fulfill our dreams. We wanted to be our own boss and go into business or a entrepreneurship, a professional practice because that's what our freedom and our desires always banked on, and we got started in life and we have some success.

It's hard work. Yes, there is a hustle. There is a grind to those early years and anything that we strive to do on our own, then we get to a point where we're actually feeling some stability and security and that feels good. We feel like we're making it. We haven't made it whatever it is because we haven't defined what success means, and the problem is we get enamored by the numbers. We get enamored by other people. We get enamored by social media. We get enamored by other people's stories, and we don't know what's behind those stories. Typically, we see only the good side. Social media is really good about that, right? Showing the good side of everybody's life, but never showing the downside. I've had the privilege, and I say privilege because I wouldn't ever speak ill of anybody publicly, but I've had the privilege to be in spaces in groups of, I'd say highly successful people in many aspects of life.

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

David Phelps:

That being, showing the top line revenue numbers, showing the big life, the ability to finance a bigger lifestyle and look the part, and I'm not saying that everybody is just looking the part. I know there are some people who have actually done it, but I always say at what price? Getting bigger, scaling to be bigger because that's how society, and that's how many of our industries have deemed success can be the exact opposite. What we're looking for, and I've seen many people grow to this scale up type of a business where again, you're building up big infrastructure. You've got a lot of obligations, a lot of liabilities, and then when the market turns or changes, something shifts, the margins are so thin on these scaled up businesses that businesses often implode not only from a financial standpoint, but oftentimes in the person's own personal life, and that means family relationships.

Oftentimes, marriages don't make it through these seasons. I think the way to obviate this is you've got to have a board of advisors. You've got to have an informal board of advisors. You've got to have people around you, and I'm talking about small handful could be 3, 4, 5, 6, half a dozen, whatever you deem is right for you, but you've got to curate these people and have them weigh in on what you are doing or what I'm doing, because without that, it's easy to get off track and find ourselves down a path that we never thought we'd be down because we were drawn to something that we thought was going to be real and turn it turned out to be something clearly the opposite of what we desired in the first place. I am definitely an entrepreneur who loves to try new things. I'm always about trying new things.

I think that's part of the challenge of life is trying something new and it doesn't mean it has to be something new that's going to make me millions of more dollars. There comes a time in life when I think one has enough that's just for me. That may not be it for everybody. There are some people that really want to just make as much money as they can. That's okay. No judgment, as long as they're being truthful to themselves and to their families and to the other parts of life that many times I think go missing, so to each his own. But what I have to find is that, again, the guardrails that I have in place, the frameworks is I always have to look and say, where's my time going? What is the value of my time? And that doesn't mean just in making money or scaling up or creating higher profit margins or leveraging value of my time.

Also has to go into places of importance, and that means relationships, real relationships, not just business relationships. Those are fine. Those are good. Those are important. I'm talking about relationships with people that I want to look back in my life and say, those were amazing times. Hopefully number one, that's with my family. That would be number one. Who else beyond the family unit, who else do I want to look back in my life and say, wow, that was an amazing person. We had X number of years running together in and out. I've got those people in my life right now. Is that the end? No. I always look for more, but it's not, again, quantity. It's quality over quantity. That's one thing that we've brought up in the conversation that I had with Mark, his look for quality in life because at the end of the road, looking back, it's never going to be how many hours you worked, how many businesses you scaled up to how many millions of dollars of revenue or EBITDA or multiples that you gained.

That's not going to be the measure that we measure our lives with. It could feel good at the time, but looking back, many, many people have looked back and said the same thing. That wasn't what it was all about. It was the journey. It was the challenges, but it was who I was doing it with and was I able to manage my family life and my personal relationships along the way. Not easy to do, but we have to be cognizant of that, and I think that's, again, we're having people that we can remain accountable to around us. Real people. As I said earlier, a board of advisors really key to have those people to help us answer to ourselves, am I doing the right thing at the right time? Often have the privilege of speaking to groups of younger people. We call them the next gen in our freedom founders community.

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

David Phelps:

I love sewing back to younger people because there were people in my life that I looked up to that did the same thing for me when I showed the curiosity in my early years in life and seeking to take the path that would give me what I wanted, even though I didn't always know what I wanted when I was younger, it was still people that gave me guidance and gave me a motivation, efficacy for my curiosity and my desire to mind my own frontier, so to speak. As an entrepreneur, I do tell young people that there is a sacrifice period. We all go through it. Investing in yourself, going through academic school, if that's what you need, going through the rigors of doing work later on in life, you'll find that that's not work that will provide you what you need, but at the time you've got to get through those early hurdles, so a sacrifice period is important.

The thing I tell people is you don't want to sacrifice your whole life. Not that I'm against work, a work ethic, but to get into a flow state. I just call it a flow state of where earlier in life one can be working. I say work in air quotes because for me, where I'm today is what I do. It's not work. I enjoy what I do. It's so much fun, but I didn't get there overnight. I didn't get there because of a degree path that I took. I got there because I always remained curious and I surrounded myself with other people who were in different walks of life, but also building I think the same desired path, and that is more freedom and optionality, not retirement, not looking to stop working, not looking to play golf seven days a week or lay on the beach, but the option to do things the way you want to do it.

That's true freedom in life, but again, we have to pay the price early on, so I would tell people the more that you can live within your means, meaning that you take as much discretionary income as you can, whatever you're doing in those early years, whatever your dollar per hour is, doesn't matter. You develop the habit not to live up to or particularly exceed your income levels, which many people do today because credit's open and easy to get. You've got to start a compound effect of learning how to invest money so that in a relatively short period of time that you have enough assets, that you've saved money for, assets that you invest in, that start producing income for you that you don't have to work for anymore. We call that oftentimes passive income, probably a misnomer. It's not entirely passive. You've got to do some work to make that happen, but it's assets that will produce for you so you don't have to work.

That's what gave me the optionality to leave my dental practice some 20 years ago when my daughter was very, very sick. I had that optionality because I worked hard early to build up those assets, and I worked hard in my practice as well to create the income, but I never exceeded that income. I had enough income, discretionary income that I could put into the right assets, so discipline early on in life, not exceeding your income level, taking as much of that income as you can to put it into investments, learning how to invest that money, these are all things you can do at the same time, it takes time to become good at all these things, but you can do it if you have a mindset not to be working for a retirement age, which I think is completely off the charts today. It's an old industrial age platform or a framework that no longer is viable today, particularly because the dynamics of society today are changing so quickly.

From \$40K to \$400K - Gaining More Money and Time with Real Estate - Mark Lane: Ep #520

David Phelps:

Nobody's getting into a career where you work 30, 35 years and get the gold watch and the pension plan. It's not there, so one has to stay on the forefront of the changes, the dynamics, always upping your own personal skill sets so that you can adapt and pivot at the right time and always bring the highest degree of value you can to whatever problems you're solving, services, products that you're providing to the marketplace, whether you're the entrepreneur, the business owner, or you're a vested, very capable employee in the right culture. It works both ways. Invest in yourself, be adaptable, be able to pivot, build assets outside of your primary income stream. You can live a life that no one else can live, but you've got to be focused to make it happen. Don't follow the path that everybody's following. That's my lesson in life. If you like this conversation, click that, subscribe or follow button.

It lets us know what you want to hear more of and pushes this episode out to more people. One more thing. One of the greatest joys in my life right now is helping others take control of their lives in every aspect and watching them reshape their lives. Most believe in order to do this, you must first achieve financial freedom, and yes, it's incredibly helpful once you no longer have to work for your income for yourself, however you can start making progress on your freedoms and your desired life today. Yes, achieving such a life requires getting your finances in order and replacing your income little by little, but it also requires mindset shifts, working with your spouse or significant other, having the hard conversations, getting educated and creating the relationships that will help you along the way. These are all keys I found in my life and I want you to have the same thing. If you're ready to take action and take control of your life today, then my team would love to discuss how we can help you. Go to freedomfounders.com/discover to schedule your call. That's freedomfounders.com/discover. I hope to hear from you soon.