



THE LANDGEEK

The Art of Passive Income Podcast **With Mark Podolsky and Scott Todd**

Today's Guest: [Alex Grodnik](#)

Transcript

Mark: Hey, it's Mark Podolsky, The Land Geek with your favorite nichey real estate website, www.TheLandGeek.com. And I'm really excited to talk to today's guests. It's going to be really, really a phenomenal interview. But before I talk to Alex, I just want to remind everybody that today's podcast is sponsored by GeekPay.io the only automated set it and forget it system that manages lenders and borrowers monthly note payments. Get your first note free at TheLandGeek.com/GeekPay.io.

So, today's guest is Alex Grodnik. If you don't know who Alex is, he began his career as an analyst at JP Morgan Private Bank and after completing the program he moved into investment banking at Houlihan Lokey in their restructuring group. Alex went on to work at a pioneering digital media firm before getting his MBA at UCLA Anderson. He grew up in Park City, Utah and loves to ski and golf and he has a great podcast as well The WSO Podcast. Alex Grodnik, how are you?

Alex: I am good, Mark. Thanks for having me.

Mark: Not a problem. So Alex, tell us about just your whole journey of getting into what pretty much everyone would consider the pinnacle of high finance which is investment banking correct or private equity or hedge funds. So, what made you want to go to JP Morgan Private Bank and Houlihan Lokey, and then what made you sort of exit?

Alex: Sure. My whole kind of life was built to getting into working on Wall Street. I knew from a young age that that was kind of what I wanted to do. Whereas, I never knew anyone who actually did it, I just knew that that sounded cool and sexy. My parents are entrepreneurs, their parents are entrepreneurs, my aunts and uncles are entrepreneurs. So, no one had really ever gone and worked for a big company and my parents were always telling me, "Oh, you got to go work for a big company." My mom still thinks it's like, "Oh, you go work for a big company and that's it. Like that will be your career and it's set and they'll pay for everything." Maybe it was like that 40 years ago but not quite the same way today.

So, I grew up in Park City, Utah far, far away from Wall Street so, I just kind of set out on this march to go get one of these investment banking job. What that looked like for undergrad is I went to a school outside of Philadelphia called Lehigh and they had a pretty good finance program. That's where I studied and then the idea was go get a job on Wall Street which the plan was going well, but then, the financial collapse happened right when I was graduating in 2009. Mark, it's like a funny story but our career fair was the day after Bear Stearns collapsed.

Mark: No way. That's crazy.

Alex: So, not a lot of employers. It was actually pretty depressing. There were the booths for Morgan Stanley and Goldman Sachs and none of them even showed up. So, it was like, "Man, what am I going to do now? Am I going to get a job at Starbucks? Am I going to get a job at all?" But just like anything else, you set your mind to something and you just don't take "No" for an answer. So, I started my cold email campaign and dozens and dozens of cold emails a day, I think hundreds and hundreds overall.

But somehow, I weaseled my way into an analyst recruiting program at JP Morgan and it wasn't in their investment bank it was in their asset management group which in 2009 was actually 50 percent of JP Morgan's net income and on a normal year, it's like 10 percent. So, this group was like

doing really well. It was what's called a flight to quality. Everyone was afraid they said, "Oh, let me move my money in JP Morgan. They're not going to go out of business."

So, they hired this big analyst class and a lot of the people that probably would have worked in investment banking that year, I went to go work in asset management and the job was originally supposed to be in New York and I got to New York on my first day of training after graduating from school. So excited, so happy, and fortunate to have this job and they said, "Alex, we don't have a spot for you in New York. You cannot have a job or you can go to a couple different places," none of which I had ever been to. So, after 10 weeks of training in New York in Brooklyn, I moved to Detroit and I had never been there before starting my first day of work. But it was kind of cool, I made some cool friends there, and I took the first level of the CFA there. But I quickly realized A, I don't want to be in Detroit; B, I don't want to be doing asset private wealth management anymore.

So, I actually moved with J.P. Morgan out to Los Angeles, finished the three-year analyst program there and I was still super focused on getting that investment banking job. So, I made some calls around town, had my boss at JP Morgan, make some calls around town, and it just so happened that Houlihan Lokey in their restructuring group had a need. They had to fire an analyst and so, I was lucky. I got his spot and then, it was exactly what I wanted. I'm working till 4:00 or 5:00 AM, every single night getting that exact corporate finance as kind of as you said it top of the food chain deal exposure where you're talking with management teams and CEOs and hedge funds and boards of directors, really, really cool. You get a great skill set. They say it's like dog years. You get seven years of experience for every one year of work.

But, I quickly realized that you know this is cool, I'm happy that I was able to do this. It's so funny. You work your whole life to get something and then it's like, "Man, maybe this isn't right for me." I mentioned everyone in my family is entrepreneurs, that's what I am, too. I didn't know it at the time, but I wasn't good at working in a very defined role and having been told what to do all day and every day and, "Here's how you're going to do it." I thought "Oh, what about this idea? What about that idea?" They would say, "No, this is your job as an investment banking analyst or an associate."

So, I went to go with one more company basically, doing internal investment banking for the digital media company. But then, it was time for business school. I thought, "I am an entrepreneur. None of these jobs have really been right for me. Let's go to business school and kind of find myself find what is right for me." I graduated last May and so now, I got my hands in a few different entrepreneurial endeavors.

Mark: So, the big take-away from that story for me is this idea of mis-wanting where oftentimes in life we think we want one thing, we get it and it ends up that's not what we wanted. Oftentimes, it takes a lot of courage to even have that awareness of, "Wait a second, I worked really hard for this, now I have it in and now I'm not happy." Our whole lives, I don't know about you, like, for my parent's happiness wasn't really even in our vocabulary, it was more about security, right? So when you told your parents, "Hey, I climbed up to the top of the finance food chain, and now I'm not happy", what did they say?

Alex: You're totally right, this is like this conundrum that you have of trying to please others versus trying to please yourself. Yes, I was working for these prestigious firms with lots of people who went to Harvard and Wharton and their path to success is going to be a straight line up. I mean, if there is such a thing. But from the outside, these jobs are very appealing and very competitive and people put a high value on them. But, I think it's important, it's also very, very hard to figure out what you want. Everyone in society the society puts so many wants, pressures, and needs on every one of us that it's tough to differentiate what you actually want versus what society tells you that you want. So, it's kind of this soul-searching process of figuring out what your goals are and what you want to do. I'm actually reading this book it's called *Principles* by Ray Dalio the Bridgewater founder, right now.

Mark: I read it, great book.

Alex: Yeah and he lays out, I mean I'm early in it, but he lays out how to set goals for what you want. So, that's kind of what I strived to do in business school was to figure out who I am and what I want.

Mark: So in business school, what did you learn?

Alex: So, business school is a very cool experience. It's two-year time when you get to be really selfish focused on yourself. You also have an email just from a school. So you have a student account, you can email people, and

add from a UCLA email address. I found that CEOs and everyone was very responsive to grab me a coffee or sit down with you, you take trips, and you meet new people; it's a pretty awesome experience. I mean it's very, very expensive, but it's tough to regret it I think in the long run.

But the most impactful moment of my business school experience happened in one of the softer classes. It was like a leadership type class and the professor had us write down a few instances when we felt like we were being our most authentic self. He defined authentic self as firing on all cylinders, feeling like you're using all of your facilities, really just you're fully passionate and fully engaged.

So fine, so we had a few minutes in class, and I'm writing down all these times and okay, so now, I have a list of three four or five times and I'm looking at them and I'm like, "Man, every single one of these times I'm starting a business, I'm doing something entrepreneurial." Still, up until that point, I thought I was trying to go get another job like just to level up from business school like go get a job in private equity or higher up in an investment bank and right at that moment I said, "Wow, my path is not right. This is what's right. I'm an entrepreneur. This is when I'm happy and fulfilled." So now, before business, I left the job that was paying me lots of money and had prestige to go to business school, pay \$100,000 and come out with a job that pays me hundreds of dollars per week and has very little prestige in the beginning right now. But outside of the money aspect, I'm like checking all of my fulfillment boxes right now. I'm engaged. So, I think I'm on the right path now.

Mark: That takes so much courage. I remember that when I was in investment banking with private equity groups and I hated it, right? I remember the thing I liked about my job is going to parties and when people would ask me what I do telling them that I was an investment banker and I worked with private equity groups of mergers and acquisitions. That was the only thing I liked about my job. It was very ego driven for me to the point where I had to be absolutely miserable until I had the courage to find something else. How often do you think that actually happens with people that they take things simply for ego because it sounds good and they're not fulfilled, or do you think you and I are more anomalies?

Alex: Fulfilling your ego is certainly a benefit to these jobs. I mean, that's certainly a checkmark mark on people's fulfillment lists is, "Do I have a sexy

job that I can tell people?" I mean, I live in LA and that is a huge piece of people's intrinsic worth, their extrinsic worth to others. That's sad because at the end of the day it's you have to be happy with yourself and what you're doing, and I'm much, much happier now. But, you see it.

I mean, it's also a taking risk thing. I was making great money and I had a prestigious job. Like most people I think would say, "Okay, like, I can do this, I'm going to hang out." I mean, granted you have to work 100 hours a week to do it, but I'm going to stay here. Change is hard and I like my ego being stroked. So I said, "Yes, change is hard, but I want to brave it and I want to give up the ego thing and you know, all the exposure that I have to other cool people and set out on a path that's right for me." But that path is certainly not right for everyone. It's filled with risk and uncertainty and so, there's no easy way to do it. Making money and finding your self-worth and your passions there's no like hacks to doing this. It's all hard work. That's what life is. That's what it's about.

Mark: What advice do you think you'd give your younger self from say 10 years ago?

Alex: You know, when I first went... So, growing up I was the entrepreneur kid. I was like door to door selling crap and starting carwashes and taxi. I grew up in Park City, Utah and I started a taxi business during Sundance Film Festival 10 years before Uber was invented and now Uber brings cars into Sundance. But I was on this entrepreneurial path and I was making money, I was fulfilled and then, I went to college and I let my mind get filled up with other people's wants and wishes. I didn't waste 10 years of my life, but I kind of spent 10 years of my life fulfilling other people's wants.

So, if I could go back, I don't know that I would say, "Oh, don't go to college, don't get an education, don't go get these great experiences." I mean, granted investment is an incredible experience. I would say my whole career and now is built upon that. People hire me now because they like that skill set. They like that I work hard. They like that I know how to dissect companies and build financial statement models and all that. So, I wouldn't change doing investment banking, but there's something to be said for just following your passions right off the bat. If you don't know what you want to do then, yes, college and working for other people are great. But, if you do know what you want to do, just do it and put one foot in from the other every day and just don't take no for an answer.

Mark: I love that. Our background is so similar; it's like scary because when I was a kid, I was the kid with a lemonade stand and then I would go door to door with, you know, before like the big cookies I'd go around and give everybody free samples of the big cookie and then during graduation, birthdays, I had Big Guy Cookie Company and I had all profit because I'd use my parents like flour and sugar and eggs and butter and I'd go around and sell cookies. Then in high school, I was like, the corsage guy. I was like, the corsage mafia. So, you had to go through me if you wanted to get flowers for homecoming or prom or whatever it was. Then yeah, I got to college and I did the exact same thing.

It's really, really interesting how that kind of happens and then it's kind of you realize, "Oh wow, wait, I was really happy as a kid." It's almost like, you look back at what you liked to do as a kid; as an adult, to kind of figure things out for yourself. So, what advice would you give that person who's let's say, in the cubicle right now at Proctor and Gamble, I love picking up Proctor and Gamble and they feel like a cog in the wheel and they don't know how they're going to get out, right? Because they're not like super young, maybe they've got responsibilities, they have got a mortgage, they've got kids, they've got a spouse, and how do they start dipping their toes in the water to fulfill their passion? How do they become an Alex Grodnik?

Alex: Let me tell you how to get yourself on the path to making hundreds of dollars per week. So, this is one, of the things we talked about on my podcast is that it's always easy or easier to go from a big company to a small company. So, you work at Proctor and Gamble, you're getting great skill sets, great connections, and like people value that name. It means something. Versus, if you start your career off working out your garage for some no-name thing it fails, granted you probably got some good life lessons and good tools, but no one's going to put any value on that. So, it's always easier to go from a big company to a small company so you have that on your side.

I would say, the other main takeaway from my podcast is that no one has any clue what they're doing in the beginning and in life, you either a doer or you're not. If you're a doer then every day you wake up and you put one foot in front of the other and you have got no idea what you're doing but you're learning and you're failing and you're succeeding and you're failing,

but you're just moving forward every day. The non-doers wake up and say, "You know, I don't know how to do that. I don't know how to code. I don't know how to build a website. I don't know how to make a podcast so, I'm just not going to do it." That's the differentiator between the people that have incredible success and the people that just you know work for somebody else. Which is still good like the world needs tons of you that work for other people and the risk is not for everybody.

But if the risk is for you then, you need to just start taking baby steps every day. Like, when I started my podcast I had no idea. I knew I liked listening to podcasts, I didn't know what it entailed making one. I didn't know what it entailed building a website for one or getting guests for one, and you just start doing it. All over sudden it's like a little snowball running down a hill, all of a sudden it starts to get bigger and bigger. People start listening to it and they tell their friends, and before you know it you have something. But it would never be anything if you didn't put opportunity ahead of uncertainty. You know it's hard taking that first step.

Mark: I love that putting opportunity ahead of uncertainty. That's a Tweetable quote for sure. So, Alex, you mentioned the word success and what you think of when you hear the word successful?

Alex: You know you said earlier, Mark that earlier generations never really thought about happiness. They thought, "Do I have a job? Is it a stable job? Am I putting food on the table for my family? Check, check, check. Okay, then that's my life." Versus my generation, these younger generations we're all caught up and are we maximizing every day; and are we fulfilled, are we happy, does my office have a yoga room and do I get cold pressed coffee at my office? So, you just need figure out what's right for you.

For me, I am a hustler. I'm not a guy that functions well being told what to do all day long. I like shooting from the hip and figuring out new ways to do things, talking with people, and pounding the pavement; but that's not right for everyone, but it's right for me. So, I'm taking a swing for the fences right now, if it works great, if it doesn't work all have learned a lot. I'm learning just as much going through my startup stuff right now as I did in investment banking. But if it doesn't work, I think that's kind of what the MBA is good for. I can fall back on that. I'm sure I can always get some kind of corporate job but hopefully, I don't have to do that.

Mark: Yeah, it's so funny it reminds me of the book I'm writing right now, that is the companion book to my first book *Dirt Rich*. So, *Dirt Rich* is about how I create passive income with land investing. It kind of talks about my story and it's more of like a business how to book, right? But the companion book is called *Coax the Cat* and it really talks about those sorts of softer principles about okay, now you've got money and you're still not happy, right? What are the things that are really going to help keep you fulfilled? So, I talk a lot about gratitude, mindfulness, and deepening relationships and then, I had somebody asked me like, "Well, who are you to write this book? Like, why are you writing this?" I'm like, "Well, I know I'm probably not the right person to be writing it, but why not because it's my story and I don't know I'm just doing it." It's kind of like that's the great thing about living in today's world is anything you want to do now you don't need permission. You can just do it, right?

Alex: Yep. They aren't these old gatekeepers. You want to make a short film and put it on YouTube, free, easy boom. You want to make a podcast and talk with interesting people? Do it. You want or write a book self-publish Amazon? Do it. Like there's nothing stopping you from doing any of these things.

Mark: Yeah exactly, exactly. So, Alex, we are at that point now in the podcast where we put you on the spot. I'm going to ask you for your tip of the week a website, a resource, a book. I think your mentorship has been great for this podcast. I'm going to ask you for one more tip something actionable where The Art of Passive Income listeners can go right now. Improve their businesses, improve their lives. What do you got?

Alex: Yeah. So, it's called rejection therapy and basically, my whole discussion so far has talked about just not taking no for an answer and a way that you can start building up to not taking no for an answer is through what's called rejection therapy. The process is actively seeking out rejection every day and over time you become desensitized to the fear of it. So right now, everyone's afraid of hearing a no like no one likes getting told no. But once you start getting told no over and over and over the fear of it just goes away. So, the way it works is you start off asking someone for a stick of gum, or a high-five, or to take a selfie with you and over the course of this you're going to see you get a lot of yeses or a discount at a restaurant or I mean, there's a million examples of it.

But over time you desensitize yourself to the fear of rejection. Just like if you were a germaphobe you could put your hand on the railing of a subway or something and over time you're not going to be afraid of germs anymore, same thing here. So, desensitize yourself to the fear of it by asking for little things and over time, short amount of time one week, two weeks you can start to ask for raises at work or new jobs or someone to go on a date with you. It's amazing how quickly it works, and so most of the people try this for 30 days. You know on day zero, day one, it's hard to ask for a stick of gum. By day five, day six, it's easy to ask for a stick of gum and by day 14 it's easy to ask for anything. So, that's one that's my advice and that's my-ask-of-you to try.

Mark: My whole life has been delving into rejection therapy. So, I love that. We actually teach that in Flight School. Is there a resource that you would recommend where on day one it sort of prompts you ask for a stick of gum, day two ask for a discount at your favorite coffee shop, day three give someone a high five, day four collect five NOs, right? Something like that. Is there a resource like that?

Alex: I don't know of one, but people can email me Alex@WallStreetOasis.com, and I've talked about rejection therapy before and so, I've got expansive lists of things you can ask for. So, if you're striking out email me, I'll set you on the course to it.

Mark: Alex, we should do an app The Rejection Therapy app.

Alex: I like it.

Mark: Like, Headspace app where I do mindfulness meditation with this guy, kind of guiding me in all these little packs. Like, we could do a Rejection Therapy packages.

Alex: We should.

Mark: It's not a bad idea.

Alex: Yeah, okay. Let's discuss offline, Mark.

Mark: Another business.

Alex: Yeah.

Mark: All right, so, my tip of the week is learn more about Alex Grodnik and his podcasts at WallStreetOasis.com/Podcast, and I will have a link to it. But clearly, you can tell that Alex is a really bright guy and he's got great guests. I'm just looking at his site trading guru Gene Rubio, he had on a guy that just graduated from Wharton thinking it started up through YC which is very difficult to do. So just phenomenal, "How to become an entrepreneur from a founder of Google Voice." I mean this is a really, really a great podcast to start subscribing to and yours truly was on the podcast. Alex, I mean, I think we both agree probably the best interview you had, right?

Alex: Easily, Mark, easily.

Mark: Easily. See how I strike where you go.

Alex: You've got to do it some way.

Mark: It's so fragile, Alex. It's just so fragile. But, I really appreciate it for sure and I'm definitely the least accomplished of all the people on your podcast list so, I really appreciate you slamming it with me, thank you.

Alex: Well thank you, Mark. This was a lot of fun to do.

Mark: This was great. I want to remind the listeners the only way, the only way we're going to get the quality of guests like an Alex Grodnik for WallStreetOasis.com is if you do us three little favors. You've got to subscribe, you've got to rate, and you've got to review the podcast. Send us a screenshot of that review to Support@TheLandGeek.com. We're going to send you for free our \$97 *Passive Income Launch Kit* Course. So, please, do that and again this podcast is sponsored by GeekPay.io. Just go to TheLandGeek.com/GeekPay.io to set up your first note for free. Alex Grodnik, are we good?

Alex: We are good, Mark.

Mark: All right. Well, I want to thank everybody and let freedom ring. See you everybody next time.

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