



THE LANDGEEK

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

Today's Guest: [Paul Thompson](#)

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 for today's podcast simply because he shares so much with Scott Todd. But before we talk to our guest, I'd be remiss if I didn't properly introduce 'the Professor', 'the Brain', 'the Mini Bat'; Scott Todd from ScottTodd.net, LandModo.com and most importantly if you're not automating your Craigslist and your Facebook postings, PostingDomination.com/TheLandGeek. Scott Todd, how are you?

Scott: Mark, I'm great. How are you?

Mark: I'm good. I'm getting back into the whole Whim Hof thing. So, Matt Phoebes at Bootcamp gave me this book by his cousin Scott Carney, *Whatever Doesn't Kill You* and it's like the whole thing about him going up Mt. Kilimanjaro with Whim Hof with like no shirt on. So, now my wife thinks I'm crazy because I'm always cold like because I'm taking the cold showers and like I go to hug her she's like, "You're freezing." But it's all good.

Scott: I couldn't do it, Mark. I couldn't do it.

Mark: You're going to do it. I'm going to motivate you.

Scott: No, it's ridiculous.

Mark: It's not. Well, I'll tell you what's ridiculous is how comfortable you are. You are too comfortable.

Scott: Too comfortable, yeah.

Mark: Too comfortable, it's not good. You've got to get out of your comfortable zone. All right, enough of my issues. Let's talk to our guest Paul Thompson from PaulDavidThompson.com. He used to have a corporate day job, now he is a fulltime real estate investor who lives to help others to find their way. Scott Todd, does that sound familiar? Paul Thompson is turning his personal story of screening 20 deals in his first 18 months of investing into an inspiration to others.

When Paul realized that the perfect time to start investing was never going to come, he just jumped in. Now doing about three deals per month, Paul is able to help himself as well as helping others build wealth with passive income. Today we're going to learn how Paul acquires his sweetest deals through various networking strategies; he's going to share with us how you can enhance your communications to overcome a variety of challenges real estate investors face marketing to sellers in the digital age. It's all about having the right geeky tools. Paul Thompson is like our guy. So Paul, how are you?

Paul: I'm fantastic. Thanks for having me today.

Mark: Phenomenal, phenomenal. So Paul, let's just rewind the tape and tell us a little bit about your sort of metamorphosis if you will from corporate lackey to free real estate investor.

Paul: Yeah. So, I was probably like many people you talk to; we have the traditional American plan or I had the traditional American plan. I went and got a college degree and got a job and my plan was over. I remember thinking I was a little bit depressed when that first happened. I remember I wasn't sure what to do with my life anymore. I was just kind of unfulfilled and unrewarded but then you just kind of work your way into work and you find that that's not all that bad and you just kind of do your thing. You start earning your paycheck, and you get married, you have your mortgage or whatever and life goes on and about 15 years into that I realized that I was just trapped in this what I called the real-world matrix; I was exchanging my time for money.

We all have these ideas and this visions and this hopes for something more or something greater that you could do, but you're confined by all this time that you have to spend and corporate America will just spit you up or chew you up and spit you out. They just keep pressing and every year your benefits get a little bit less and you might not even go up the corporate ladder like I did that. I found out I was middle-management and that I was on the ladder but my ladder was on the wrong wall and it just hit me. I was like if I'm ever going to do anything different I have got to figure out a way to earn income that isn't completely dependent on me going into this corporation. Because I knew if I were to get laid off or my company would get acquired, then I would have to either move to a different place or change industry.

So, I decided to change industries because I wanted to stay in Little Rock this is home for me, it's where my family and my wife's family are from and I don't want to move. It's important to me to be around the people that matter to me and I didn't want that to be controlled by the some corporation that I am just a called equation to.

Mark: Scott Todd, does this hit home?

Scott: Yeah, I mean it does. Like I packed up and moved. Like you know I chased the dream and I think that what happens is... like for me I went out on this period where like I didn't know what I wanted to be. Like I was doing the corporate job thing and I didn't know where I could go, like I didn't know what I could become and I remember I was this boss. Like he was a really good boss at one time and he was like what do you see yourself in five years and I'm like I honestly don't know. And he's like really? I'm like really and he's like you don't have a career goal? I'm like I don't know what I can do because and gave him all these other things and he said you could have my job in 5 years. And I'm like what! And he's like yeah, you can do it and the mere fact that he believed that I could do it all over sudden man I was a man on a mission. Like I was marching to like I'm going to go do this and so then I chased dream.

I moved multiple times to go chase that dream because he was a guy that told me you could be like me one day and I'm like that's great. So now, I had a mission, I had a plan and I went executed on it and then you get that and it's funny because like I remember like okay today I got promoted to VP and like literally nothing changed, like my life did not change. You think like my life is going to change over this thing and then you realize like your life doesn't change you're still the same person you were, you basically have the same job that you had like nothing else changed. You might have more responsibility and then what have you chased? Like you've chased this

magical mystery career thing and then at the end as you said when they're done with you they are done with you and that's really what I experienced was I saw the writing on the wall like this isn't going to go well. You could start to see the signs and I'm like I better do something different.

To your point like no one is going to knock at your door one day and say, "Hey, I'm here to take you to your new career." You either have to like say this is what I'm doing and you make the decision to split or you wait until the man tells you like we're done. Like we're done working together and then all over sudden because you didn't prepare for that change you now chase the next corporate job and I think that you have to make the decision like I'm done. Like I'm done I'm going to go do my own thing.

Mark: Yeah. Paul, I thought it was really interesting you were like I was in the corporate matrix if you will.

Paul: Yeah.

Mark: I do think that for those of you who haven't seen *The Matrix*, it's basically about the story that it's in this sort of dystopian world and we're just human beings are simply batteries for the robots and a mentor the guy Morpheus goes and frees people's minds and they start living in the real world, which isn't so great but they're free. So, luckily for us the real world for us is great as opposed to what I would consider the cultural matrix which should be mom and dad raise you to get a good education, get a good job, work those good jobs for 40+ years and then retire to Florida and die. So, Paul, where were you on that cultural matrix where the level of difficulty to free yourself because like you said you were married correct?

Paul: Mmmh.

Mark: Kids?

Paul: Yeah, two kids.

Mark: Two kids. I'm assuming a mortgage.

Paul: Yeah.

Mark: Yeah, so you've got responsibilities. It's not like you're a 22 year old kid that can live on Robin and do a Silicon Valley startup if it doesn't go well there's really not that big of consequences. So, how did you escape the cultural matrix if you will and take that risk and for yourself? Like what were more some of the mindsets that you had to go and shift to and was there

any kind of catalysts? Like for me it was *Rich Dad Poor Dad* that kind of really helped me. For Scott I was like his Morpheus because I was able to quit my job in 18 months. He beat me 17 months, three days I don't want to talk about that. So, for you what was it?

Paul: Well, I had a similar moment when I was coming back from a vacation and I had to leave. We were there for 10 days at the beach and we considered the idea of staying longer but I just shut down because I had to go back to work. I had enough money, my wife doesn't work she stays home with the kids and both my kids were off for schools it was summer time. So, there was nothing that kept us from not being able to go other than I had to go back and check back into matrix. So, it was like vacations are really just like furloughs from your jail cell, and I just never ever wanted to have to ask permission of anybody else to spend more time with my family again.

So, that was the driving force between why I wanted to change things but then I had to figure out how. So, I went through the gamut of you know what are the alternatives. You know I considered starting a franchise or buying a franchise with my retirement money. I just looked through a lot of different options and the only thing that I came to that I could step my way into without taking a leap and having to build the plane way down was real estate. I could buy a deal and see how it goes, make a little money, and then buy the next deal. Then I just kind of kept doing that and with any sort of success it compounds. When you get a little bit of momentum each subsequent deal gets a little bit better. So, once you get those first few deals under your belt and then you actually make money at it then you really feel like the wind is in your sails and things get much easier from there.

Mark: All right, phenomenal. So, what is your real estate model?

Paul: Mine's a single family, buy and hold. I do a lot of other creative techniques but that's the central pillar of passive income is from rental income or from interest from money I loan or from setting up notes in my either outside of my taxable accounts or in my self-directed accounts.

Mark: Okay, great, great. What's some of the worst advice you hear given regarding buying and holding single family homes?

Paul: I think a lot of people confuse values of houses. When you talking about single family houses especially, there are two different markets. There's the market that most of us are familiar with that we go and buy and we use our comps based on what other people around us are buying for and that is not the market that you're in. That's the one that you're competing

with but that's not the market you're in. When you're looking to buy properties, you're only looking to buy cash flow. That's all that matters.

So, people a lot of times get confused, "Oh well, this property I can buy for \$100, \$150 whatever and I can rent it for 1800 and the mortgage payment is you know 1200." That's not really cash flow. Over the long term if you're able to sustain the mortgage, you'll come out ahead probably but that's not a cash flow. That's probably feeding an alligator for five or ten years before it wins at the end. And a lot of people get to build a house of cards by paying way too much for properties that aren't based on the fundamental dynamics of what true free cash flow is.

Mark: Interesting. Scott Todd?

Scott: No, I think you're right. I think that it's funny because you know like I remember watching Carleton Sheets like back in the day and Carleton he's like, "Oh man, all you got to do is make a \$100 a month positive cash flow." When you look at that, like you said it's like a house of cards. Like a \$100 a month on a house is not a lot of money. That's not I don't know. It seems like you got to buy a lot of houses, deploy a lot of capital to make \$100 at a time it doesn't work. So, you think well okay we will do over time the rent rents will go u. There is no guarantee of that, right? You know there's no guarantee to anything. So, I think if you approach it from that aspect, you're going to be in trouble.

Paul: Yeah and that's actually how I would say I started but that's not the way I would recommend people starting. People get way too hung up on how many doors do you have or how many deals have you done. That makes for good click bait type marketing and interesting conversations but then when you actually get somebody into the conversation you really talk about, it's about cash flow. I mean would you rather have ten doors that are completely paid for and making you \$10,000 a month or would you rather have a 100 doors that are heavily leveraged only making \$10,000 a month. I mean it doesn't make sense. I mean it's more about the cash flow that you have not the amount of doors you control.

Scott: I had a neighbor once that he's an older guy retired and his wife and one day I'm talking to him like hey. His name is Jack. I'm like, "Jack, what did you do for a living?" You know I know you're retired, but what did you do?" He said, "I was a real estate attorney." I'm like, "Oh, that's cool. He's like, "Yeah, you know I did it for many years." I'm like "Well, do you still do anything with real estate? He's like, "Well, the way I live today is back in the 2008 meltdown you know financial meltdown, I went and I bought 15

duplexes for \$75000 a piece". And I'm like, "Oh, did you mortgage those?" He's like, "No, I paid cash for them."

So, he waited for the market dip, he paid cash for them. He's like, "You know after repairs whatever, some management expenses, I probably make you know 700 bucks a month per unit." But there's no paying out to the bank. It's all his. It really just does make sense. I mean like you can go and you can get leverage to get the doors. And you know he's got 30 doors. But look at it all paid off right, right? He's living that money will come in for the rest of their lives.

Paul: For sure.

Mark: So Paul, I always like to pick on Procter and Gamble. I'm sitting in my cubicle in Procter and Gamble and I'm listening to this podcast. I'm like, "Well, I want to be Paul Thompson, but I've got two kids. I've got a spouse. I've got a mortgage. I just can't quit." Right?

Paul: Right.

Mark: What would be your advice to that person as far as creating the right mindset to escape the matrix as well as how do you do it?

Paul: Yeah, you have to change this concept and this thought of that time is equal to money. It's a flawed mindset. Time is certainly valuable. In fact, it's invaluable but when you are trapped in this matrix type thinking of always trying to exchange your time for money, it's a losing proposition. You have to figure out how to make money when you're sleeping. If you can go to bed each night and wake up the next morning a little bit richer, then that's how you're going to get ahead. You have to figure out a way to replace your earnings now with some sort of other income that's passive.

Now it may not be passive, to begin with. It takes a lot of effort on the front end. I use the term, create your escape velocity. You want to get out of the gravity well of the Earth's orbit by doing a lot of effort on the front end. But once you get out of the Earth's orbit then it's very easy to maintain your height. That's what you've got to do. You've got to launch a business. You've got to start some sort of investment. You've got to do some sort of side hustle that you start with the end in mind where when you get there you will have some sort of residual streams of income. I mean I don't care about the asset class you're talking about. Figure out something that you can understand, invest in yourself, and start investing so that you don't have to be invested in with your time all the time.

Mark: I love it. I love it. So, let's get geeky. Scott, I know this is going to make you happy. All right let's talk about some of the right tools to start finding real estate investors in the digital age and sellers in the digital age. What are your favorite geeky digital tools right now?

Paul: Is that to Scott or is that to me?

Mark: Oh no, that's you. I know what his Scott's are.

Paul: So, is this the tools to find other investors or to start your business?

Mark: Either one.

Paul: Okay. Well, one I'll give you a kind of a technique that I don't think a lot of people are figuring out yet. Craigslist is a lot of places where people go to get free leads. Craigslist is getting really scammy. So, I suggest that Facebook is actually taking over the place. Facebook Marketplace and Facebook Messenger is the place to be right now to find really anybody you want whatever business you're in. But specifically, if you're looking for motivated sellers, a lot of people are out there. If you are putting a message out there on Facebook Marketplace or on your profile page and on Facebook Messenger that you're in this business of buying and selling real estate or doing land or whatever your niche is going to be, put it out there and use Facebook Messenger to send follow up message to people. You can automate this. It's very inexpensive to do so. You can hire somebody or you can figure out how to do it yourself. More people will answer to a Facebook Messenger on their phone faster than anything else. It is the single best way to reach out to people these days.

Mark: Facebook Messenger. Scott Todd, what are your thoughts?

Scott: I mean yeah, I still do a lot of Craigslist and Craigslist you know does have a lot of spammers at the end really it is the market. Like if you're looking for people that are going to sell you properties, you know I've never really tried... I mean I have tried to post like ads out to say like I buy land or whatever in different cities. I don't really get a lot of responses back on that and probably on that aspect Facebook is good. Where I get a lot of pushback on Facebook is when you try to sell, people just want to hate you, man. Like social media to me is not very social. It's kind of like antisocial. They just want to hate on you, lots of haters there. So, you know I think it depends on your market and your effort and kind of the approach that you take, but not a bad idea.

Paul: It is about the approach I agree with you. You don't want to be spammy on Facebook because then people will just un-friend you. You want to turn around and figure out what the other person wants. Lead with service. How can you help somebody? I'm looking to help somebody find some raw land for a cabin in the Ozarks. Do you know anybody who has anything like that out there for sale? That would be a good way to get started.

Mark: All right, fantastic, fantastic and I'm from St. Louis. I love the Ozarks.

Paul: Yeah.

Mark: Yeah. I love the show Ozark which by the way is not really filmed in the Ozarks.

Paul: It is not?

Scott: It's in Georgia.

Mark: It's in Georgia but it looks just like the Ozarks.

Paul: Yes, it does.

Mark: All right. Let's not get off topic here because Paul, we're at that point now the podcast where we're going to put you on the spot and ask you for your tip of the week – a website, a resource, a book, something actionable where the Art of Passive Income listeners can go right now – improve their businesses and improve their lives. What have you got?

Paul: Well, I would say it's a book that has not gotten enough attention that I think it's worth. This is a book called *The Big Leap* by Gay Hendricks. Have you guys heard of it?

Mark: I have heard of it.

Paul: Yeah. It is probably and in my business now it is probably the book that has kind of allowed me to break through that. It's given me the vernacular for the limiting beliefs that we have that are limiting problems. So, if anybody else is having trouble thinking big enough or when they do, they self-sabotage that might be a good book to help work through what's going on in your inner psyche that's keeping you from taking your next big leap.

Mark: Wow. All right, it's a New York Times bestseller. How to go beyond your internal limits release outdated fears and learn a whole new set of powerful skills and habits to liberate your authentic greatness. Fans of Wayne Dyer, Eckhart Tolle, Marianne Williamson, and Gabriel Bernstein will discover a way to break down the walls to a better life. You sure this isn't too woo-woo Paul? As soon as I see Wayne Dyer, I start thinking woo-woo.

Paul: It's pretty woo-woo out there. He has this thing about Einstein time that's pretty woo-woo well that I'm not sure I really follow. But what he does is he gives you these vernacular for this idea of how many times have you been a situation where you knew you could've done something but you just have these inner doubts that he refers to as like your inner thermostat that psychologically you feel comfortable so are you're trying to protect yourself. It's self-sabotage that we do for some reason that I'm not sure I understand. Then he also has this concept of working in your zone of genius. Most of us are working in the zone of competence or excellence and not in our zone of genius.

Mark: How do you get to your zone of genius?

Paul: You got to read the book and go through the process of asking yourself what actually lights you up.

Mark: Okay, I like it. I like it. Scott Todd, what's your tip of the week?

Scott: Oh, man. So, Mark, I am now beginning to migrate over to a service called Live Agent. So it's LADesk.com, L-A like Live Agent Desk.com. Basically what this thing does is you know I know you know about Unicom, right? So, think of like Unicom I guess if you will. But the thing is that what's cool about this is that you can bring in different types of chat all into one dashboard. So, you take your social media chats and you bring it into one dashboard. All my texting that I do in my business like all these numbers I have for texting, I bring it into one dashboard. It all comes into the LA dashboard and also you can get a widget so that when someone's on your website, of course, they can chat and it all comes into the LA dashboard. So, it brings in multi-communication channels all into one. Check it out.

Mark: So, now wait who answers the call?

Scott: My team, my team.

Mark: Your team. So, your team goes in here logs it and it's all in one place. So instead of them logging into Facebook or Gmail or whatever, it's all right here.

Scott: Yes, it brings it all in together, brings it all into one and it's pretty cool.

Mark: I'm starting my free trial.

Scott: If you act quickly, you can go to AppSumo and you can pay like \$59 for two for lifetime.

Mark: I'm going to right away. I love AppSumo.

Scott: Check it out.

Mark: All right, sign in, then I just go to my login?

Scott: To AppSumo?

Mark: Yeah.

Scott: Yeah, you've got to find it on sale in AppSumo and then buy it there.

Mark: Here it is. Don't let your... Wait, hold on. I'm already in there. I'm going to browse. This stuff is great. I buy things on AppSumo I don't even use just in case one day.

Scott: Just in case.

Mark: All right. So, here's Live Agent. Learn more. All right, I'm clicking buy now.

Scott: I could just send you affiliate leaks from AppSumo, Mark. I will probably be able to-

Mark: No, it's great. Secure check out and it's done. I just bought it. That was easy. Okay, so for those of you that don't have an AppSumo account, please get it. It's really easy. There have got to be amazing deals. You just never know. Like I know for me like I was paying monthly for Slidebean and then they had an AppSumo deal for lifetime and I just did it. Shout out to Nine for finding that for me. Paul Thompson, guess what? As good as a tip of the week was for Scott Todd, I think I still have the best tip of the week. Learn more about Paul Thompson at PaulDavidThompson.com, PaulDavidThompson.com and see if he can actually be your Sherpa to help you unplug from the corporate matrix.

I also want to thank all the listeners and remind them the only way, the only way we're going to get the quality of guests like a Paul Thompson 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 podcasts. Send us a screenshot of that review to support at Support@TheLandGeek.com. We're going to send you for free our \$ 97 *Passive Income Launch Kit* course.

Also, I just want to remind everybody today's podcast is sponsored by Flight School. Have Scott Todd be your Sherpa up the land investing mountain. He will get you there quickly, safely efficiently. You won't freeze to death. It's amazing. Learn more. Just go to TheLandGeek.com/Training. Schedule a call with 'The Zen Master' Mike Zaino or Scott 'The Nite Cap Meister' Bossman? Paul Thompson, are we good.

Paul: Good to go. Thanks so much.

Mark: Scott Todd, are we good?

Scott: We are good, Mark.

Mark: All right. Thanks, everybody and let ...

Scott: Freedom

Mark and Scott: Ring.

Mark: Thanks, everybody.

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