



THE LANDGEEK

The Art of Passive Income Podcast With Mark Podolsky, AKA The Land Geek

Today's Guest: [Kathy Longo](#)

Transcript

Mark: Hey, this is Mark Podolsky with your favorite nichey real estate website www.TheLandGeek.com and Scott Todd is out today, but that just means we get to go to our guest even quicker. So without further ado, our guest today is Kathy Longo.

Now if you don't know Kathy she is a certified financial planner, a chartered advisor in philanthropy which sounds really cool - like just a giver, a certified divorce financial analyst which sounds even cooler, because let's face it that's like a big part of the population we don't even talk about that a lot and what goes on with that. With over 25 years of wealth management experience she is the founder and president of Flourish Wealth Management - an independent boutique wealth management firm in the Minneapolis area. Before launching Flourish in 2014, Kathy worked as a wealth manager, financial planner and firm manager in companies of varying sizes in both Chicago and Minneapolis. Kathy Longo, how are you?

Kathy: I'm great. Thanks for having me.

Mark: Well, I'm also glad that you could take time to talk to us about wealth management because in our niche we're always about building wealth, passive income, but there are always places where we want to round out those edges if you will. So I think it's really important to kind of learn more

about wealth management in these different areas and kind of go a little deeper into it. So let's just kind of rewind the tape, what got you involved in wealth management?

Kathy: Well, I felt so fortunate I just simply stumbled across wealth management as a major, I still can't believe that. Way back when I majored in wealth management at Purdue University there were only a dozen schools that had a major in financial planning. So I was economics major, stumbled across this class called Personal Finance and couldn't believe you do this for a living, I loved the idea of helping people with their money.

Mark: Wow. So by the way, I don't know if you knew this, but I graduated from IU, I'm a Hoosier. So now, the podcast is really going to get contentious.

Kathy: Yes, oh no.

Mark: Oh no. So what are some of the things that you see as problematic when you meet with a client?

Kathy: One of the big things that I see with clients is that people are not talking enough about money so they really don't have a good connection to their own money story, where their money is. Money can get caught up in emotions because money can be really emotional for people and people have a hard time talking about money. So I think that blockage, it prevents them from moving forward with good financial decisions.

Mark: So just emotionally getting caught up with it. So we're going to look at certain avatars of emotional blockages, right? You might have the spender, the saver, and then along that spectrum what do you have in between. What do you see that's most common that you see?

Kathy: Yeah. So I think, really what you say the spender, the saver and then you have them getting married to another and what comes to be in that marriage as we talked about divorce or you did an intro that mentioned divorce affects so many people but money can be rooted in fear. Fear of not having enough, fear of making the wrong decisions, it can be issues of control; trying to use it to control one another in a marriage. There's so many different... you know it can be sad piece too. Sometimes money comes to us via like an inheritance we lose our parents, a divorce we go through this transition event. So there are so many more emotions and everyone has their own money story. You need to think about how you grew up and what are some of those early money messages you learnt from your

parents and how your parents treated money? You take those into your own adulthood and your own relationships.

Mark: Right. Scott Todd, you jumped on.

Scott: Hey. How is it going, man?

Kathy: Hi Scott.

Scott: Kathy, how are you?

Mark: So Scott, meet Kathy. We were just talking about one of your favorite subjects.

Scott: Oh yeah.

Mark: Money.

Scott: Money is good.

Mark: Yeah. Money is good. So Kathy is in wealth management, Scott.

Scott: Okay.

Mark: And we might as well just pick on you.

Scott: Pick on me?

Mark: Yeah. All right, in your relationship - because Kathy works a lot with couples unfortunately sometimes with divorce - who is the spender and who is the saver?

Scott: Oh. Well, I would say sadly, that I'm the spender and I would say that my wife is a saver. She does not want to really spend money. I'm like, oh we should do this or we should do that; so I think that I would fall into the spender category.

Mark: So Kathy, how would you advise Scott and his wife to start a productive conversation about this, so that they can build wealth yet at the same time Scott can take more flying lessons?

Kathy: So, do the different styles get in the way of how you approach money and setting financial goals for your relationship?

Scott: Ah no, because I would say that... So it's not like I'm... We save. So like we're on the same page as like we will save we have a plan for that. I actually create the plan; so like I kind of manage the money. So I'm like here's what we're going to do, here's how we're going to plan, here's what we're going to do, but then at the same time I filter in things that I want, things that we want. You know like we're going to go do this and she's like okay we're going to go do that.

Kathy: Yeah and sorry, I think that's okay. The piece I loved hearing is that you have a plan there, but I think with making sure. What I'll see with couples is that there can be a plan, but maybe one person really knows the plan and other one is as in tune to the day-to-day workings of the plan. So they may not hold the other person accountable for maybe some of their spending decisions. So making sure that there's some ground rules around spending decisions like okay anything over is it 250, is it 500, whatever works in your relationship that you've got to get buy-in from the other one so there is still that accountability. But he said the number one thing, which is saving and having a plan so that you make those goals happen you're well on your way to your solid financial future.

Mark: Yeah. Kathy, you know what keeps coming up, by the way infinite banking. I had a client send me a book about infinite banking and using life insurance as a vehicle to become like your own bank. Do you have any knowledge on this or thoughts about this?

Kathy: Not enough to be an expert in that conversation. I tend to believe insurance as more of for a set period of needs. I am a bigger fan of term insurance. I don't subscribe to insurance as the greatest investment vehicle. I think there's other areas to look for investment, but insurance does play a role on, especially a lot of people are still building their assets or they need some immediate liquidity that's where I think insurance has a better role for people.

Mark: Okay, great. Scott, do you know anything about infinite banking?

Scott: You know Mark, we've had a couple of guests on our podcasts that have come and like talked about how it's the greatest thing ever and you know... I've done some research on it, I'm not that necessarily versed in it, I'm not an expert in it, but I'll tell you it's not something that has ever really caught my attention. Like you obviously, buy like an insurance policy, you're doing the cash withdrawal on it so that you can do your investments banking, you own loans or whatever but I don't know I'm just not... To me you're paying fees that I don't know that you necessarily want to... like I

don't know. I think that you've got to look at it for each person individually. For me, I'm not sure that the fees would kind of justify it.

Mark: Right. So Kathy what are some of the worst advice you see or hear given in your area of expertise?

Kathy: Oh gosh, there's so much bad advice and there's so much secrecy because there's a lot of like keeping up with the Joneses and assuming that we should be able to do this because our neighbors they're doing this, why can't do this big trips or buy this really big cars. So I feel like people take advice with lack of information, so they're basing their own financial decisions on what they're seeing but not with a solid education or understanding of what their goals are.

So I think that's a mistake and I really do think it, as we started our conversation, it's rooted in not having enough money conversations. I think that people should be talking to their spouse. To their parents understanding what their parents' financial picture is and how that might impact them, to their kids; making sure that their kids are being prepared to deal with money and even with our friends. Even in conversations like this can start to encourage one another on what are you doing on your finances and come up with some great ideas.

Mark: Yeah, absolutely. I wanted to talk a little bit about divorce, because if you are a fan of Shark Tank you know, Kelvin O'Leary wrote a book and one of his themes was, one of the biggest financial decisions you'll ever make in your life is marrying your spouse. Because if you don't get that right and you don't have this sort of alignment financially, you are at risk of losing 50% of your net worth. It is something that I don't know about you, I think maybe a little bit of a taboo topic that a lot of people don't really discuss openly. So number one is, what is a certified divorce financial analyst? And then number two is, how does someone kind of help people through this messy part of their lives?

Kathy: Yeah. So a certified divorce financial analyst is an individual who has education and training and passed the test to be able to help people through the financial decisions through a divorce, because there's so much. When you go through a divorce you obviously think of an attorney to help along with those decisions, but attorneys might not have all the financial expertise and all assets are treated differently. So whether it's a retirement account to understand what that tax effect is, to whether it's real estate or land, understanding taxable accounts or romp accounts everything has a different tax impact and spousal maintenance is treated differently.

So it's really being able to put all of the numbers together, look at proposed settlements, really be able to help them understand the financial decisions as they're going through the divorce, so that they're not... Because again speaking to emotions, I've seen people want to rush into that final decision because it's uncomfortable having to be in this contentious environment, you know you're dealing with like issues with your children and how best to parent them and how to separate the finances and it's just a really emotional time. So having a level headed financial person who knows all the ins and outs can be a great team player to have in that divorce process.

Mark: Wow, that's great. Scott, have you ever heard of anything like that? I've never even heard of anything like it.

Scott: No, I haven't heard of anything like that.

Mark: Yeah. So hopefully, Scott and I won't need your services Kathy.

Kathy: Okay.

Scott: Yeah, hopefully we won't need it.

Mark: Yeah.

Kathy: It goes back to like when you think about if we were having more conversations as we were getting married and thinking about that right partner and understandings each other's values and history with money, we could potentially either come up with systems or get some of this conversations to make sure it's not a deal breaker, because money issues is one of the top reasons that people divorce. So we should be starting to talk about them. Maybe not on date number one but you know somewhere in those earlier dates in terms of how we approach money.

Mark: All right. Well, Scott and I have teenagers so how would you advise our teenagers as they go into the dating world, what would be like let's say it's date number four or date number five what would be some questions you'd want to ask to sort of probe to see you do our values align?

Kathy: Yeah. You know you could talk about, these are kind of always in general questions but you know how do your parents treat money? Like do your parents talk about money? What kind of rules do your parents put around it? What expectations, depending if like they're heading into college? What are your parent's plans for college education and how did they approach it? How do your parents treat credit cards? You can get a lot of

like, are your parents spenders or savers? And you can kind of start to have these conversations about what's like your experience.

Everyone seems to have like an earliest money memory or their first experience earning money. Can you tell me about your first time earning money? What's one of your earliest memories or what lessons did your mom or dad teach you? So there's lots of ways to approach it, and in like a fun way to learn about how they grew money and how they think about it right now. And then as you get a little bit older, you know, hey, what's your credit score? Let's reveal, let's run our credit reports together and see what's out there because I've had couples come up and run that and find some big surprises where they didn't realize the person they are with had run out \$30,000 of debt by credit card debt.

Mark: Wow. These are really good questions. I'm going to save this for [00:14:55] [indiscernible].

Kathy: Yeah, and student loans, too. You know, you think about the challenges kids coming out of college right now with a lot of debt and that is going to impact I'm going into relationship being able to potentially buy a house together, be able to even invest in the near-term assets, they having to focus so much on paying down that debt. So it's not to say that you allow people a lot of debt, but you need to go with eyes wide open.

Mark: I agree.

Scott: So Mark, I have a question. Like at your family, in your household, like how freely to your children do you discuss like income? Like money coming in the door like is that normal piece of your conversation or is that like a taboo subject with your family?

Mark: I don't really discuss it openly with the kids. I do sort of you know, because I am a big reader I give them books all the time but I don't think they ever open but maybe they'll thumb through it. I think they know you know just through osmosis, how I feel about money. You know I'll always talk about saving, saving. When it comes to college, look we've been saving since you were born, we have a 529 plan. Every single month your mom and I automatically save right, but other than that we don't talk a lot about income and certainly you know my oldest works and if he wants something he's got to buy it for the most part.

Scott: So like, what I've started doing is, because like before I did land full-time like talk, salary was off the table. Like we didn't talk about it but obviously the kids knew, oh we're doing well because we keep moving, dad

keeps on getting promoted, it's no problem but then what I started doing really with my daughter because I think she gets it. She has a job now and so she knows like, man this is what I make an hour. So the mere fact that I like buy a \$100 pair of shoe, she's like holy cow that's 10 hours of my working or whatever it works out to be. So now, all of a sudden she puts a value on things that are being purchased, like she's equated to how long she has to work.

So now, what I started doing Mark, is I started taking like a daily glimpse or like for example, we went through a Tampa Bay Buccaneers football game a few weeks ago and while I was sitting there I like get in my phone, I scroll down and like refreshes and I'm like, oh look at this I just made like \$1200. You know \$1200 just came in and she's like stop it. But I'm trying to show her like, look the money just doesn't show up right, like you have to really command your soldiers; the money that you save is your soldiers. So the more soldiers or the more employees that you can put out there to work and then you go deploy them to go bring you back more money like that's the way I see money.

So I try to educate my children on the fact that look you've got to work for money, like in the in the beginning you've got to build wealth and now one is just going to come and ring your door bell and throw money at you. But the more assets that you can buy, land for us that will bring more of these dollars back for you it becomes a genius thing. So now, all of a sudden her mindset shifted to say, wow I'm keeping some money in savings but how do I deploy that to go get a bigger yield on my money? So now, we're having a conversation of yield and you know IRR and loans and all of these conversations that I never had with my parents but now I'm 18 she's getting like the benefit of that piece. I've got to believe like she's excited now to start investing her money with the dedication that she's going to put these dollar bills to work and they're going to go work for her for the rest of her life. I think that's kind of a cool transformation.

Mark: Yeah, that's really cool. Kathy, what are your thoughts on that?

Kathy: I think that's awesome. I think you're normalizing the conversation; you're using every day experiences and your experience being an investor to put that into just that's part of life. So you're thinking about more opportunities of how to make your money work harder and you can use it even in like spending choices too, because it's investing and how you look at spending choices or whether it's, these are our goals for the year and what you're looking to achieve and do periodic updates when you're doing your tax return and talk about like, what the tax return to get like the specifics of the numbers. But all of the stuff that we do that is related to finances we

can just normalize the conversations and say, oh yeah I just sent in money to my retirement plan or I was looking at the medical benefits or changing this, this is how I think about it. You're creating an opportunity for her to ask questions, absorb that information.

Scott: Yeah.

Mark: That's great. So Kathy, what are some of your most gifted or recommended books when it comes to wealth management?

Kathy: I love a whole bunch of them. One would be my own book that I just wrote with which is: *Flourish Financially* and that book is really written. It's not the nitty-gritty of the money and how that all needs to play out, but it's thinking about your values, your history with money, all of the key transitions to plan for in life whether it's retirement, career, death, divorce and then getting ready for all those conversations with people. So I think that's a great like overview that's missing, where a lot of what I saw in a lot of the investing books are a little bit more focused on just the nitty-gritty of the numbers and how those work and for some people that's not their first approachable book to understanding their own thoughts about money.

Mark: Yeah, I know absolutely. So we're at that point now, Kathy, where we're going to ask you for your tip of the week. I think your mentorship has been great but now I'm going to ask you for one more tip: a website, another book, something actionable for the Art of Passive Income listeners to go improve their businesses, improve their lives. What have you got?

Kathy: Yeah, so I'm going to send them to Financial Readiness Test. It's an assessment that can be found on KathyLongo.com K-A-T-H-Y-L-O-N-G-O.com all right. When you open you'll find it but it's just a nice overview that will score where you're at in terms of your financial readiness for success.

Mark: Nice, nice. Scott, I mean you jumped, should I even ask you for a tip of the week?

Scott: Oh I'm ready, man. I'm excited about it. You ready?

Mark: Amazing.

Scott: Like this is one that I mean, I don't know if we've ever talked about it, but man I really have been using this and I really like it, it's called Privacy.com. Privacy.com and what that is, it's basically a website that you can go to, you link it to a bank account and you can literally go there and create credit card numbers on the fly that's linked back to your checking

account. So basically, what this does is, let's just say that you sign up for a free trial somewhere and they want a credit card. You're like I don't want it; forget about a free trial, cancelling them and all these other stuff. You go on there, you put a limit. You say like hey \$1, \$2 well then you give them this credit card number and you can make it a single-use or dedicated to a specific party and then what happens is it goes on there, it does the free trial but because it is a single-use credit card they can't charge you again it's over, it's gone and you can try it out not have to worry about it and if you want to continue using it, great. You can put in a real credit card number or go back into Privacy and create a credit card that is dedicated to that specific person.

So with all these credit card hacks and everything like that, man you don't have to worry about your data being exposed. If Amazon gets exposed you just go kill the Amazon credit card or credit card that you're using through Privacy you mix it and it's really, really good for VAs too. You know, like you need a VA to go do something for you no problem, here's a credit card number they use it one time. The other day I put a... my son wanted to order a pizza and I didn't want to give my credit card number to him and so I'm like here I've got a credit card number for you. So I go there I put a limit of \$30, one-time use credit card number, I text it to him, he goes he spends like \$20 on the pizza and it's done. The card \$20 and it is gone. Like it didn't even go up to the \$30, it's not like he had \$30 to spend. He used it one time and whatever balance was left was there. So think about that in terms of giving something to your VA or something.

Mark: Wow. This is phenomenal.

Scott: And it's free.

Mark: It's free. Kathy, what do you think?

Kathy: I think that's a great idea and especially with cyber security and safety right now that's an awesome way to go about it and dealing it with your online identity credit card numbers.

Mark: Well, I wish I knew about these years ago, I've been an identity theft victim for years now. In fact I keep getting things like the guy is going to jail.

Mark: Yeah, in Mohave County of all counties. Isn't that funny?

Scott: That's funny.

Mark: So my tip of the week is, learn more about becoming wealthy, getting your emotions in check about money go to FlourishWealthManagement.com. Learn more about Kathy and how she can help you, FlourishWealthManagement.com.

I'll have a link to that as well, and I do want to remind the listeners the only way, the only way we're going to get the quality of guests like a Kathy Longo from FlourishWealthManagement.com is if you can 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 the \$97 *Passive Income Launch Kit* course. So please do that, it really helps.

Also, if you haven't checked out the book lately, *Dirt Rich* on Amazon is still available. Please write a review it always helps as well. Also, just while I'm plugging away check out Scott Todd give him some love. Go to ScottTodd.net, LandModo.com and most importantly if you're not automating your Craigslist and your Facebook postings PostingsDomination.com/TheLandGeek. Kathy Longo, are we good?

Kathy: We're great. Thanks for have me.

Mark: Thanks so much for sharing. Scott Todd, are we good?

Scott: Mark, we're great.

Mark: All right. Well, I want to thank the listeners again, I want to thank Kathy Longo and let...

Scott: Freedom...

Mark & Scott: Ring.

Mark: Thanks everybody.

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