

## EPISODE 1471

**Mark Willis (MW):** If you're taxed in retirement, you're gonna have a finite amount of money to take out of there, and the government's gonna be a partner with you in that retirement fund. All of those characteristics or attributes that your money now has will impact your relationship with money, right?

Conversely, if you have your money in what we call a "bank on yourself", designed whole life insurance policy, that's maximizing the cash accumulation and the buildup of wealth in there, minimizing the commissions, now you've got your money in something that's growing stably with guarantees built in that you can access when you're 27 years old or 77 years old.

**Sam Rust (SR):** This is your daily Real Estate Syndication Show. I'm your host, Sam Rust. Joining us today is Mark Willis, who is a certified financial planner, a three-time number one bestselling author and the owner of Late Growth Financial Services, a financial firm in Chicago, Illinois. As co-host of the Not Your average Financial podcast, Mark shares some of his strategies for investing in real estate, paying for college without going broke, which is harder to do these days. And creating an income in retirement that you will not outlive.

**SR:** Mark works with people who want to grow their wealth in waves that are safe and predictable to become their own source of financing and to create tax-free income in retirement. It's quite the bio, Mark. Thanks for joining us on the show today.

**MW:** My pleasure, Sam. Thanks so much.

**SR:** So as I was getting ready for this show, I couldn't help but notice that the header photo on your LinkedIn profile is a picture of an airplane hangar with a couple of twin engine planes. I have to ask, are you an aviator? Are you into the- Have you caught the aviation bug? How sick are we? What's the fever like? Tell, let's talk about this a little bit.

**MW:** Well, let me just say it this way. I was helping my buddy get his pilot's license, and he was giving me free lessons up in the air. So no, I'm not a pilot myself yet, but that picture was taken in a small little airport, west of Chicago, downtown, about two hours drive through traffic, and he and I got up in the air. And within about 15 minutes we were flying over all that nasty traffic and back over the beautiful Lake Michigan in 15 minutes. What took us two hours to drive? And right there that sold me on. That's the best way to travel is via air. And I'll say this as a kind of a preamble to our discussion today.

**MW:** Many people's financial life. I've had the privilege of working with folks all over the country, you know, from real estate investors, to business professionals to NFL Super Bowl champions. But most people I work with just want a little bit more of a tailwind in their financial life. They feel like they've got headwinds of debt. They've got headwinds of the world economy. They've got interest rates rising on their

mortgages, and they're not sure, you know, they're not capable of knowing the future. They feel like maybe they're just airplanes getting pushed backwards. As hard as they might be pushing that little airplane, they're trying to reach for that rate of return on their mutual funds and their 401k.

**MW:** Unfortunate reality is most of us are getting pushed in the face with headwinds like wars in Eastern Europe and inflation and more and more of the people I get to meet with over phone or over Zoom, they're all saying the same thing. Mark, what's coming next? And we just don't know. And that's the problem. We don't have those radars like we do on the airplanes to know what's coming next. What we have to do is figure out a way to get the tailwind behind us so we can fly with not just the engine of our little airplane, but with the power of the wind behind us.

**SR:** Yeah. I think that it's really important to think about your relationship to money that way and, and your relationship to investing. There's a lot of different ways to invest capital, but can you invest where there's a wind at your back where you're, you're going with the tide instead of trying to row against it? In a recent podcast that you were interviewed on, you said if you boil it all down, it starts, it all starts with your relationship with money. I think that's a really good question, and I wanted to turn that on you. You're asking a lot of people that question, You're a certified financial planner. You've seen all the things that people do to be successful with money. You've seen a lot of the things that people do to be unsuccessful with money. What is your relationship with money?

**MW:** Oh, that's a thoughtful question that honestly takes some time to think. Most people deal with money every day. It's half of every transaction in the world. And yet, who has ever really stopped to say what they believe about money? What is their relationship with money really like? In fact, I was kind of dumbfounded that I'd gone these many years without having any kind of purpose statement for my money. Maybe you have one for your business. Do you have a purpose statement for your business? I hope you do. What about your marriage? Good. Good, good. What about your marriage? What about your parenting?

**MW:** I know you're a very intentional parent, you know, and you read books about it as well. So what about money? Do you have a financial statement of purpose? And No. I spent some time thinking about this, and I don't have this all figured out and I'm still working on it, but my draft as of today, I wanted to keep it simple but I wanted abundant time, energy, and attention for my family, mainly outside serving community. That's what money is for me right now. Why do I work for this thing called money? Why does money work for me? Why am I doing my business? Why am I participating in this world economy? I could be out on a mountain somewhere just living with goats and horses and off the grid and all that.

**MW:** But I engage this thing called money for that purpose, for abundance in time, energy, and attention for my family, mainly outside serving community. Could that change in the future? Sure. But that's where it's at today. How about you, Sam? Do you have a, maybe a working definition of what you're doing with this thing called Money ?

**SR:** It's a very good question, and I don't have as pithy an answer as you do, but I'm pretty intentional, my wife and I, to view money as a tool, right.

**MW:** That's great.

**SR:** And I think that's what your statement captures, right? That you're trying to use money to acquire time, energy, and attention. And I would say the very, very same thing. I believe that I need to be a good steward of what I've been given ultimately from God. And so part of that is money. A big part of that is money, and I believe that I've been gifted to make money, but we're gonna use that to further those goals.

**MW:** That's great.

**SR**BBB

**MW:** Sam, I can tell, although you didn't have, as you said, a pithy response. You know, honestly, you don't need to have a fancy mission statement in bronze, you know, behind your desk or whatever. But I think all of us could benefit from more thoughtful reflection on this thing called money. See, too often I meet people who come to my office or they meet with me over the phone or whatever, and it's clear to me that they are living out someone else's financial plan.

**MW:** That somebody else cares more about their money than they do and they're just getting the 401k cuz they were told to do that at work. Or they have their home paid off because that's what everyone does, right? Well, is that a good idea? Well, maybe. Maybe. But have you really thought about what you want your money doing for you? Or have you outsourced your thought process to Wall Street? Or have you outsourced your thought process to your investment guy or gal? And that's where the danger is. I don't want to be anybody's money guru. You need to be your own money guru. I'll help you get some frameworks around the thinking process.

**MW:** And in fact, there's a great book out there that I'm rereading again. It's by Keith Cunningham. It's called The Road Less Stupid. And it's a great book on just thinking. A thoughtful process about how to act like there's very little thinking that actually happens in our world today. Look at politics. Goodness gracious. Look at the economy. Look at the Federal Reserve. There's very little thoughtfulness happening, I believe in this world today. And quite candidly, in my own mind too, most of what I think of as thinking is really just pain avoidance. If I really am honest with myself, I think to myself, oh man, I got that tax bill coming up. And then I think, Man, the Chicago Bears are doing terrible this year, and I'm off to the next thing, right?

**MW:** So you really have to get a workflow around your brain. Your thought process could actually be done in a more encompassing, thoughtful, reflective way. And out of that, you might discover that you have beliefs about money that you never expected. You might realize that, hey, you know what? The 401K wasn't written on the tablets of stone with Moses coming down from Mount Sinai. Maybe there's something a little better out there than the 401k, for example, just as one example. By thinking you might actually take some control over your financial life, get that

financial tailwind that we're talking about there, whereas most people are chasing a rate of return. Maybe you have something more valuable to look forward in your relationship with money.

**SR:** I love that, and I wanted to follow up on that with something that you said. Basically, you were talking about how you need to train, We need to train our brain to have better processes so that we can think in a linear, logical way. I'm putting some words in your mouth and maybe expanding on it a little bit but that sounds really good, and I would generally agree with that. It's hard to do, right? Because we live in a world that runs at a frenetic pace and it's designed to keep you from thinking as much as possible. So what are some really practical things that you have done to kind of step out of the pattern that the world tries to put us in and build your process as you're thinking from the ground up.

**MW:** Well, there's a whole process here, which we probably don't have time to get into Sam, but you ask a great question and that's actually the first step to thinking is to find the unasked question. That's a discipline, is to find the unasked question. Usually, we think to ourself, hey, what needs to be fixed? What's in my business that needs to be fixed? What's in my marriage that needs to be fixed? There's a great YouTube video out there where the man is trying to tell his significant other, hey, there's a, there's a nail in your head. And she's saying, no, there's, we need to focus on our relationship. I just have this increasing headache every time I'm around you. And he's like, But there's a nail in your head. When we realize, when we overlook problem and just focus on the symptom, we might miss the real problem.

**MW:** So most of the time we chase after the symptoms. I can't fit into my pants anymore, or I don't have as much in my retirement account as I want to. Or whatever your quote problem is, it's most of the time a symptom of trying to solve the wrong problem and we're asking the wrong question that leads us to the action. Okay. So most of the time, if we could focus on thinking through what are some of the best ways to ask the right question, I found instead of saying something like, hey, I feel poor. You might start with the phrase, why am I feeling poor? That's a good start. But an even better way to ask that question is how might I dot, dot, dot so that I can dot, dot, dot, whatever that, whatever it is you're trying to solve. How might I increase my revenue by \$20,000 a month so that I can increase my footprint in my business and build our profits?

**MW:** Maybe that's one way you could ask a better question. The brain when it's asked a question, it immediately starts looking for a solution. But if the question asked is the wrong question, you'll go chasing the wrong solution. Does that make sense, Sam? If you go after the wrong thing, you'll chase the wrong answer.

**SR:** Yeah, I talk to people all the time about beginning with the end in mind, and I was at a real estate operators conference here recently, and there was a guy up on stage, he was the closing speaker and they were doing a q and a. And so he's 70 years old. He's redeveloped. This guy's redeveloped Turner Field, the old Atlanta Brave Stadium in downtown. Like he's done all this amazing stuff, but he said, you know, we have to make sure that we define winning well. And you ask the then what question. He's like, so many of us, you know, a lot of people listening to this podcast

are highly-driven individuals who want to better themselves, right? And, and that's, that's probably your ideal client, is something they may not know how, but they want to get better.

**SR:** But part of getting better is recognizing what game am I playing and do I want to win at that game? And so often we get caught up in, you know, in multifamily, this is how many units I want, this is how big we want our portfolio, this is what I want my net worth to be. This is how many people I wanna employ. But those are all self-made goals. In and of themselves, like, yeah, you might accomplish those, but that's not a goal, that's a metric. And what happens when you do hit that metric if you don't have something that's bigger beyond that? And I'm not talking about more units or more money, but, but something more in a, a more worthy standpoint. You're gonna be left empty and hollow. And so we have to make sure that we're playing the right game along the way in beginning with that end in mind,

**MW:** Well, Sam, and I like to also bring things right down the ladder for folks. So we've been talking sort of in the esoteric, you know, how's our mindset doing? That's a good, that's a good podcast episode. We could end it right there, but let me bring it down the ladder a few notches to something really tactical, really strategic, where you put your money will impact your relationship with money. So when you put me your money in a 401k, to use that example again, that's gonna change how you relate to this thing called money.

**MW:** If you can't touch it for 30 years, if you're penalized, if you take it too soon or wait too long, if you're taxed in a world where taxes might be going up in the future, if you're taxed in retirement, you're gonna have a finite amount of money to take out of there and the government's gonna be a partner with you in that retirement fund. All of those characteristics or attributes that your money now has will impact your relationship with money, right? Conversely, if you have your money in what we call a bank on yourself, designed whole life insurance policy, that's maximizing the cash accumulation and the buildup of wealth in there, minimizing the commissions. Now you've got your money in something that's growing stably with guarantees built in that you can access when you're 27 years old or 77 years old, does not matter.

**MW:** You can use it for whatever you want with no taxes due. Under most circumstances, you can get the cash out of there with no taxes due, and you can leave a legacy without having to fret about rates of return or picking the right stock or whatever. When you have your money in something like that, then everything else just becomes easier.

**MW:** Tim Ferris has a great question. He says, what's the one decision you can make that can make a thousand other decisions either easier or irrelevant? And because I set up policies for myself, my wife, my family, we now have a portfolio of these policies. It just makes our thought process about money and our relationship with money much more sane. That's the best word I can use. And sanity is a rare commodity in our world today, as you know. Right? The world having its hissy fit right now. The markets, as I looked at it today, the NASDAQ is down 31% on the year and people's retirements are dramatically impacted. That's, and that impacts people's financial life and their health.

**MW:** I was just reading, and I'll hush after this, I promise, but the Journal of American Medical Association just put out a report and they said that there's something known in the biological definition known as a wealth shock, and they define that as if you lose a hundred grand. Now, I don't know what it takes, what your income needs to be, but if you lose a hundred grand, whether it's through a divorce or a market loss, if you lose a hundred grand, you are four times more likely to have a heart attack and be admitted to a hospital than someone who did not have a wealth shock, which I found very intriguing.

**MW:** But it just goes to show that your relationship with money can impact even your physical being. Okay, so this stuff matters. Where you keep your money makes your life different, makes your relationship with money different.

**SR:** Oh, that's really interesting. Before we started recording, cuz we've had other investor or other folks on who've talked about infinite banking. So I think our audience is somewhat familiar with the idea, but you said you are the USDA organic of infinite banking, which is a mixing of metaphors that I didn't think I was gonna hear today. So I appreciate that and maybe you could expound on that a little bit for our audience.

**MW:** Well, I'll even mix it again. How about this? When you get into an elevator, what are you doing? Generally speaking, you just get into the elevator and you push a button and up you go right up to your friend's house or whatever. But what you're really doing is you're putting your faith and trust your very life into the hands of a complete stranger. Right? You know, if it was an engineered. Building with proper certification from the engineer who designed that elevator. If he was an elevator tech that had all the right specifications and credentials, then you can about put your faith and trust that you can push that button and not have to think too much where you're going up the elevator. On the other side, if Uncle Jerry made this building and was the architect and the engineer of your elevator, who's Uncle Jerry? I don't know. Man, if you push that button, you might be a lookout below plunge, right? It might not be designed correctly, and that's never more true than with financial products.

**MW:** I found this as a certified financial planner. Surprisingly, Sam, there are 400,000 life insurance agents in the United States, 400,000. That's one for about every 800 Americans. Now, if there were 400,000 elevator technicians without really any certifications to back them, except maybe a two month to train for it license, how confident would you be getting into any random elevator?

**SR:** Not very.

**MW:** Yeah, me neither. It takes about two months to study to get your life insurance license, and then it takes about 10 seconds to create a YouTube channel. And that's how long some people take to set themselves up as a infinite banking expert. I hate to be this crass, but there is no industry standard for the words infinite banking. It's like the word Kleenex or Xerox. There's no certification. There's no program. There's no qualifications around those words. And so many people I've met who thought they had an infinite banking quote unquote type whole life policy actually had indexed

universal life or variable universal life. They had a taxable endowment contract that they didn't expect. Their policy was getting more expensive every single year. They had 15 year surrender charges. It was gonna lapse on them and become a taxable nightmare for them. So this is just some of what I've seen looking at over a thousand of these policies from folks who thought they had quote unquote infinite banking.

**MW:** What I have found in the only credentialing program in the industry and this niche part of the financial universe is something known as the Bank on Yourself Certification Professionals Program, and it was done as a result of this very problem. The guy who started infinite banking, his name was Nelson Nash, and he did a great job evangelizing the concept, getting the word out that, hey, you can use life insurance as basically a wealth receptacle and as a tool for financing your major purchases. It's an ingenious concept, and he got the word out like an evangelist, right? But he was not a shepherd. That just wasn't his calling. So he didn't IP the stuff. He didn't put trademark around it. He didn't pre-protect the genius that he had shared with the world. He just wanted the world to know. What happened after that was what we now see. Just about anybody can call themselves an infinite banking this, or family wealth banking that, or whatever you wanna call it.

**MW:** The only credentialed process, the only kind that has any kind of trademark or protection around it for the general public is Bank on Yourself, The Bank on Yourself Professionals Program. There's about 200 who've been certified and authorized by bank on yourself to wear that title. We can now say to the general public, Hey, if you need what Nelson was talking about in his book, or Pamela Ellen talks about in her book, if you want that, then work with a bank on yourself. Professional, and I hate to say it that boldly, but I've seen too many flat tires on people's financial life. They were just trying to do the right thing. They just wanted to push that button on the elevator, you know? But unless it's USDA organic, all you're getting is all natural .

**SR:** Well, I appreciate you going in and drawing that distinction. That's helpful for our audience. Mark, you know, as we maybe pivot just slightly, you've talked a lot about interest rates in the fed and the federal reserve and inflation and inflation as a hidden tax. I wonder if you, maybe you could expound specifically on inflation as a hidden. And where we go from here as individuals, how can we prepare ourself to outperform when there's all these headwinds in the major macro markets right now?

**MW:** Well, there's been an increase in the money supply for sure, since COVID, but really well before that. We're talking the last 20 years we've had extremely low interest rates and the increase in the money supply clear back to 2008. Where we thought quantitative easing from the Federal Reserve was gonna be a one in done thing. They promised they wouldn't keep doing it. Well, here we are with quantitative infinity basically, and the deficits have grown. The volume of money printed has grown. We are now north of \$31 trillion on our balance sheet there that we need to somehow pay off. All right, so that that's more than 125% of our GDP. That's more than Great Britain, which only has 80% debt to GDP and they just had a currency crisis and a and a financial crisis wrapped up into one.

**MW:** So we're worse than them. Now, is there hope there? Is there hope? Yes. I believe there is. We've had a long history with central banking, but we've had an

even longer history with banking. Here's the powerful like realization. I read this great book, Sam. It's called Debt, The First 5,000 Years by David Graeber. Really cool book. But it's kind of a startling title, the first 5,000 years. Can you imagine that means that banking is as old as art or marriage or you know, pick your human institution, right? We've had this thing called banking and debt. Think of how many marriages have been lost. Think of how many lives have been lost around this four letter word called debt.

**MW:** And so looking around our towns, which buildings are the biggest buildings? It's usually the bank, right? So how do we incorporate the banking function in our own life? See, central banks are only about 130 hundred and 50 years old. We've actually tried to do it two other times in this country and failed. The current Federal Reserve is our third attempt. There's long history there, which we won't get into. But this third attempt was actually created the same year that we started to have an income tax in this country, which is another interesting story. But we are living in a very modern incarnation of this thing called banking.

**MW:** Alright. But the banking function has existed for thousands of years. How did it exist before the banks as we know them today? Well, it was at the you and me level. Most of the history of banking existed between you and me. We didn't need a third party to tell us what the interest rate should be. Imagine if we had a central authority telling us other random things about our life, the relationship we should have together. Sam, imagine if the central authority would tell us who we should get married. Or to what we should eat for dinner tonight. You know, why do we need an, a central authority to tell us what the interest rate should be on a loan that you might need to give me, or me give you? I don't see the relationship there.

**MW:** So how do we solve the central banking problem? If federal banking is the problem, I'm gonna suggest that fractal banking could be your solution. So what the heck is fractal banking? Well, what is a fractal? Have you ever studied up on this? I'm a huge nerd for this sort of thing, and I was not very good at geometry, so I'm making up for lost time.

**SR:** I am somewhat familiar, but maybe for our audience you could define what a fractal is.

**MW:** Okay. It's not the FRAs that I loved watching as a kid. But fractals are a shape, a geometrical shape, that as you zoom into it or as you zoom out of it, the shape resembles itself. So the closer and closer in you go, it looks just like the larger geometric shape. I want you to imagine like a fern in your garden. If you have a fern in your garden, you know what I'm talking about? It's that triangular leaf. Every leaf represents the picture of the entire plant. And if you look at the entire system of plants, it looks like one leaf. It's, it's incredibly geometrically similar, no matter how big or small you get.

**MW:** So this is also true with hurricanes, with the human body, with our DNA sequence, with pick your, you know, any tree, a river, the coastline of England, The



list goes on and on. There's fractals all around us in nature. It's actually quite breathtaking when you sit down and think about it for a minute.

**MW:** It's beautiful. The design of our world. Okay, so what does this have to do with banking? Well, if we could, each one of us opt out of the federal banking system in a very practical way by setting up our own money reserve our own capital in our bank on yourself designed whole life policies. We're no longer participating in the banking system with that. Every time we put money into a regular bank account, Sam, we're contributing to the Federal Reserve's overall asset balance sheet and more, right? Every time I make a deposit. Every time I swipe my debit card or credit card, I'm joining in the chorus of voting for that federal bank. But every time I pump money into one of my policies, I'm opting out with those dollars.

**MW:** Every dollar is a vote for me, and so I don't have to wait for Congress or the White House to make a decision about the Federal Reserve or interest rates. I can choose with my own pre will to vote with my dollars to pump money into my own capital reserve. I can be my own money. Right. I can increase it with guarantees built in. I can borrow against the policies I've created for any purpose. I don't have to beg a banker. I don't have to get some permission from some third party. I can use my policy for real estate syndication deals that you guys are sharing with us. I can use it to send my daughter to college. I can use it to buy my cars or invest in my business.

**MW:** That's fractal banking. And if you did it. And I did it. What if even just 10% of America was participating in the banking revolution, the bank on yourself revolution? If we were all fractal bankers, we could fire Jerome Powell. Whether we think he's a good guy or not, he doesn't need that job. I think we can handle banking on our own. We sure have for the last 5,000. Okay, so I'm off my soapbox. What are your thoughts on fractal banking?

**SR:** No, I, I love the idea of just being more self-sufficient and I think that you started the conversation here that you wanted to help people become their own money guru, and I think there's a lot of power in that. We succumbed as a culture to the theory of the expert, that we're not really qualified to do anything about our own personal health, our own personal finances, our own you name it. Because we're not the experts, and that's just, I, I just fundamentally disagree with that concept. Yes, there are people that are well trained.

**SR:** You're an example of 'em. You've gone and you've studied and you've got niche knowledge that's important to be shared. But just because you've studied that doesn't mean that that information is therefore inaccessible or un-understandable to the average person. No, if it really is great, awesome, and all of that. It should be able to be understood by the average person who is trying to improve themselves, and I think that fractal banking falls underneath that rights. Just another, yet another outworking of that whole concept of self-sufficiency.

**MW:** I think Abraham Lincoln was the guy who said, Hey, if I had had more time, I would've written you a shorter letter. I think that's true. The more we understand something, if we can't explain it simply, we probably don't understand it well enough

yet. But you're right, it doesn't have to be complex and I think a lot of financial gurus love to indicate that your financial plan is this big 50-page thick binder that they have to spend weeks and weeks thinking about and then charging you thousands of dollars just to tell you what they think. I don't believe that that's necessary. Where is it written that we need to put all of our money into things that we can't control or even don't understand? I don't think who benefits? Let me ask this question. Who benefits from that perspective?

**MW:** So if we can find a more simple, insane way to predictably meet our financial goals, why would we take the complicated route. So I totally agree with you, Sam, and I mean, think of how many lives would be improved, how many marriages would be saved if we could find a way to bring the banking function back down to the UN and ME level, if we could actually benefit from the major purchases that we all have to make in our life, whether it's cars, vacations, kids, college, or even investing, investing in real estate or syndication deals or more, if you could use a policy like we've been discussing today as a way to essentially create a warehouse for your wealth when opportunities arise, like they're going to, as we enter into what might be another recession here in the next six months to a year, who's gonna be the one who could take advantage of those deals? Yeah. It's gonna be the people who are sitting on, you know, piles of money and Liquid capital.

**SR:** Exactly. Well, Mark, I really appreciate you joining us today. It's been a wide ranging conversation. We've touched a lot of different things. If folks wanna learn more about what you're doing at Lake Growth, how can they get in touch with you?

**MW:** Yeah, at Lake Growth Financial Services, we work with folks all over the country and if you're looking to build real wealth and set up your own money supply, you know, to heck with the Federal Reserve, we can help. Go to [kickstartwithmark.com](http://kickstartwithmark.com) and we'd be happy to sit down for a 15-minute phone strategy session. Answer your questions, talk more specifically about any of the strategies I mentioned today. So that's [kickstartwithmark.com](http://kickstartwithmark.com).

**SR:** Fantastic. Well, thank you, Mark. Thank you to our listeners for joining us on another episode of the Real Estate Syndication Show. I'm your host, Sam Rust, signing off.

**Whitney Sewell (WS):** Thank you for being with us again today. I hope that you have learned a lot from the show. Don't forget to like and subscribe. I hope you're telling your friends about The Real Estate Syndication Show and how they can also build wealth in real estate. You can also go to [LifeBridgeCapital.com](http://LifeBridgeCapital.com) and start investing today.