

[Guest Post] Freedom Fighter Interview #26 - Investment Zen

Today we have Nate, the co-founder of Invesement Zen, here to share his story and how he got to where he is today. Not to give away too much, but he is a real estate mogul...of digital properties. Yes, people can actually make a living buying and selling websites. It's easier than it sounds, I'm sure!

Take it away Nate...



1. Who are you and what do you do? What is your story? How are you fighting for your Freedom? Where did you start, where in the journey are you, and where do you ultimately want to end up?

Before I answer, I gotta say I love that you describe personal finance as fighting for freedom!

Andrew Warner from Mixergy, one my favorite business podcasts, starts every show with “Hey there, freedom fighters!” I think it really captures the right mindset for approaching work and life – if you don’t feel free, it doesn’t really matter how much money you have.

So back to the question...how exactly did I end up doing a blog interview on a sunny Wednesday afternoon?

I was in high school during the dot com boom and that always made me want to do something entrepreneurial. I’d read about young tech entrepreneurs (they seemed old and wise at the time) building their fortune while changing the world and I found that inspiring.

I launched a little side business in high school selling t-shirts on eBay and it lasted through the first couple years of university. It made some decent money for me at the time, but never really went anywhere.

After undergrad, I worked for a year at a bank and then went to law school – not a great life choice if you’re looking for freedom! Tom Hanks was once asked what job he would *least* like to do and he said lawyer, because “it’s doing homework for a living”. Not that Tom Hanks is any kind of authority on practicing law (maybe he is, I heard he was pretty good in Philadelphia) but I think that was a pretty spot-on observation.

When I graduated, I realized if I didn’t do something to start making those entrepreneurial dreams a reality, it would be almost impossible once I had a steady paycheck and a demanding career. So instead of sending out resumes and going to interviews, I started plotting my escape by reading as much as I could about starting a business.

I stumbled onto the [Mixergy](#) podcast while I was plotting my escape from the rat race. At the time (2010), it was one of the only podcasts interviewing successful entrepreneurs.

I listened to episode after episode trying to uncover an idea I could use. I wanted to figure out how I could build a business that would pay the bills, but the truth is that most of the stuff I was learning was way over my head. I mean, it’s hard to get actionable takeaways listening to people who have built huge multi-million dollar businesses when you don’t know where to start.

One of the podcast guests was Mike Colella, who made a couple million dollars in affiliate marketing by arbitraging paid traffic. The same lack of barriers to entry that made this a horrible long-term business model also made it something simple I could start learning to do right away.

Even though I never really made much money with it, it eventually led me to learning about SEO, which led me to building, selling and buying websites. I started small, but eventually the projects got bigger and better – enough to give me a lot of freedom.

That’s my main breadwinner these days, though up until recently I was also working on a software business that was acquired for a modest sum by a competitor.

If you're curious about the strange world of buying/selling websites for fun and for profit, I actually did a short interview for Flippa about a recent purchase that you can check out [here](#). The purchase was a [rentals listing site based out of Singapore](#) that I bought for \$44,000. The site still needs a lot of work, but it's been a fun project so far.

As for where I ultimately want to end up, I think it's too early to say. One of the great things about having freedom is you don't have to know exactly where you're going to end up - you can approach things project by project, milestone by milestone.

With that said, one of the things I definitely want to do is build a business that can one day impact millions of people for the better, which is why me and Han (my biz partner) started [InvestmentZen](#).

It's just a humble little personal finance blog right now, but one day hopefully it can be more.

2. What is your favorite Quote or Mantra that you live by?

I love great quotes. I actually owned a quotes website and I keep a list of great quotes that could apply to my life, but I don't think I have one favorite quote that I live by. I think life's too complex to be distilled into one quote.

But hey you asked for a quote, not equivocation! So here's one I do live by that's relevant to all freedom fighters.

"If you insist on certainty, you will paralyze yourself."

- Jean Paul Getty

3. Where in the world are you from?

I was born in Vancouver, Canada and now I live in Toronto.

Everything I do is 100% online, so I could work from anywhere, but I spend most of my time in Toronto. I'm a digital nomad minus the nomad, so just...digital?

4. What is the worst financial decision you have ever made?

This wasn't a single financial decision, but in my first year of school away from home I managed to blow a year's worth of savings in less than 6 months. That might not sound that bad, but that was a year's worth of savings I built up while working, living with my parents and spending almost no money.

I just had no intuitive grasp of how fast money flows out, even when it seems like you're only spending a bit of money here and there. It was a painful but valuable lesson.

5. What is the best financial decision you have ever made?

Working on building my own businesses instead of starting my career. It took a lot of hustling early on to keep things afloat. I had to teach myself a lot of skills and work through quite a few failures, but it eventually paid off.

6. Are you a morning or a night person? What time do you wake up and go to sleep?

100% night person, but I try to be a morning person as much as possible. I usually aim to wake up around 8-9 and sleep at 12-1, but I inevitably find myself sleeping in later and later until I need to reset my schedule.

I managed to wake up at 6:00AM today, so maybe things are turning around!

7. What is your definition of Financial Freedom? And what is your FREEDOM number?

Having enough passive, stable income streams to support my current lifestyle + a 50% buffer.

Because I already have a ton of freedom day to day and love the projects I work on, I don't spend too much time obsessing about a specific number where I've "made it". I do have the number 2 million in mind as a short-term milestone, but I also have more ambitious numbers that have nothing to do with financial freedom.

8. What is your favorite Asset Class to invest in (i.e Real Estate, Stocks, Bonds, Peer to Peer lending, etc)? Why? And what platforms do you use (i.e TD Ameritrade for stocks, Realty Shares for Real Estate, Prosper for Peer to Peer lending, etc.).

At the moment I'm focused on real estate investing, using the strategy I covered in [this article](#).

I also invest in the market via index funds. I manage my portfolio through [Questrade](#) and rebalance once a year. If we had a [robo advisor](#) in Canada like [Wealthfront](#) or [Betterment](#), I would use it to manage the taxable side of my portfolio to take advantage of automated tax loss harvesting.

I'm also excited by the rise of US based peer-to-peer lending platforms like [Prosper](#) and [Lending Club](#). Unfortunately, the marketplace lending startups in Canada have pretty much only taken money from institutional investors due to regulatory issues. A few months ago, the startup [Lending Loop](#) started taking investments from individual Canadians, but unfortunately they ran into regulatory issues and had to stop for now.

9. What is your favorite online financial resource, paid or free (i.e. Mint, Personal Capital, blogs, podcasts, Tasty Trade, etc.)?

I love podcasts! It's pretty awesome to use time you're driving, picking up groceries, walking etc. to learn something useful.

Mixergy is a great podcast for insight into the minds of successful entrepreneurs. I also listen to the TropicalMBA podcast, which focuses on lifestyle business, and Startups For The Rest Of Us which is a great podcast about building bootstrapped software businesses.

For real estate investing, [Biggerpockets](#) is a great, no-bs resource (the site and the podcast), and I think the Money Show with J. Money and Paula Pant has some good personal finance content.

10. When it comes to building wealth, do you spend more time figuring out how to cut expenses or increase income? Why?

It's all about growing the income! Managing expenses is very important, but you can quickly get to a point of diminishing returns.

I think if you focus too much on cutting expenses, there comes a point where you're actually just restricting your own freedom. Obviously that point is different for everyone and there are times you do need to temporarily restrict your own freedom in pursuit of bigger goals. Ultimately, I don't really look at it as cutting expenses vs increasing income, I look at it as being a [producer vs being a consumer](#).

Once you adopt the producer mindset, you naturally focus on growing the earnings side, but you also become a much more conscious consumer. When you're trying to be a producer, one thing you quickly realize is that consistently producing is very hard, and consumption is very easy because it's the path of least resistance. You have to constantly make an effort to reduce consumption and increase production.

Focusing on being a producer rather than a consumer also forces you to examine

your consumption choices – if something doesn't really add a ton of value to your life, why do you want it? Why would you want to buy random crap when you can buy appreciating assets?

Another interesting by-product of adopting a producer mindset is that consumer trends become something you study – why are people wasting hours reading BuzzFeed articles? Why did a silly gadget get so popular? What can I learn from this that I can apply to my own work? If you're a producer, the consumer world becomes a series of fascinating case studies.

11. If you had to recommend 1 book, what would it be? And why?

I have trouble recommending just 1 book, but I'll recommend an interesting book I'm currently re-reading that a lot of readers probably haven't heard of. It's [How To Get Rich](#) by Felix Dennis.

Felix Dennis was a British entrepreneur whose magazine company produced some notable titles, most famously Maxim, though they also published a lot of the big PC magazines from the 90s.

The title makes it sound like a get rich quick eBook...possibly with an upsell to an expensive seminar where a confident guru shows you how to raise the limit on your credit cards to "invest in yourself". But cheesy name aside, it's actually a fascinating inside look at entrepreneurship, business, wealth building, and why some people manage to build large fortunes while most don't.

Felix Dennis definitely wasn't a millionaire next door type and he admits to spending over a hundred million dollars on his vices, but the book is actually very introspective and thoughtful. With that being said, if you focus most of your energy on frugality and don't spend much time thinking about earning more money, it's probably not for you.

Here's a good gauge of whether you'll enjoy the book: On Felix Dennis' wealth scale, he defines someone with a networth of 2-4 million dollars as "comfortably poor". If that upsets you, then the book is probably not for you. If you find this statement intriguing (whether or not you agree with it), then I highly recommend you check it out.

Personally, I think you probably don't quite qualify as poor if you have 2-4 mil in the bank, but then again, I don't have a networth of half a billion dollars like Mr. Dennis

did!

12. What is the best piece of advice you have ever received or what advice would you give to the readers?

Hmm...if it's truly the best advice I've ever received, I will have internalized it to a point where it should be second nature - which means the best advice I've ever received is probably something I don't ever think about!

With that in mind, I think the best piece of advice I've ever received was something I learned in a first year psychology class. I guess it wasn't technically advice, but it's the idea of an internal vs external locus of control.

From Wikipedia:

"A person's "locus" (Latin for "place" or "location") is conceptualized as either internal (the person believes they can control their life) or external (meaning they believe their decisions and life are controlled by environmental factors which they cannot influence, or by chance or fate). Individuals with a strong internal locus of control believe events in their life derive primarily from their own actions: for example, when receiving exam results, people with an internal locus of control tend to praise or blame themselves and their abilities. People with a strong external locus of control tend to praise or blame external factors such as the teacher or the exam."

Having an internal locus of control is pretty much a fundamental building block of success in any field. Go watch interviews or lectures with successful people from all walks of life - one thing they all have in common is a strong internal locus of control.

13. What does living life by design look like to you? A typical day, week, month, year, or whatever?

Daily: Freedom to wake up feeling fresh in the morning. Freedom to take the day off if I need to recharge. Freedom to grind away and get a ton of work done. Freedom to take a break in the middle of the day without having to answer to anyone.

Monthly: Freedom to break out of a rut and just move somewhere else for a month. Freedom to blend work and play however I want. Freedom to work on my own projects.

Yearly: Freedom to set my own goals and work towards them. Freedom to do interesting, fulfilling work. Freedom to see the rewards from that work.

14. Where can we find you online? If you're a blogger, this is the perfect plug to talk about your blog and why it's great ☐

I run the site InvestmentZen along with my partner Han, which is all about figuring out how to make money work for you so you can live the life you want to live.

I took a bit of a different approach to launching a personal finance blog. Instead of just writing about my own experiences, my approach was to find writers that I enjoyed reading and invite them to contribute.

We try to wrap important financial concepts into case studies and personal stories to make them more interesting. I think the idea of teaching financial literacy is nice in theory, but until the school system recognizes this and starts making personal finance a mandatory part of the curriculum, good luck getting the average citizen to learn about "financial literacy".

The problem is that most people just find nitty-gritty financial topics boring. It's like eating your veggies...everyone knows they should do it, but most people still chose Mcdonald's.

But even if you don't give a crap about asset allocation or safe withdrawal rates, everyone can get excited about financial freedom! If you can get people excited about the results, maybe they'll be more curious about the process. At least, that's our theory.

We're still working on finding our voice and experimenting with different ideas, but so far our content ranges from [thought pieces](#) about money, inspiring [personal stories](#), [in-depth analysis](#) of [personal finance questions](#), to case studies of different [investment strategies](#).

We also try to crowdsource the personal finance blogosphere at times to [provide more insight](#) into common problems people have with investing and money.

Because Han is a developer, we're also working on building out some financial tools. Our first project was this simple [comparison table of robo advisors](#). It's a very simple tool, but we're also working on building some more advanced comparison tools and finance calculators.

We're starting to get people reaching out to share their stories and offer to write guest posts, so it's pretty cool to see.

If you happen to have an interesting story or post idea that you think our readers would enjoy, please feel free to reach out to me at nate (at) investmentzen.com. We'd love to hear from you!



Gen Y Finance Guy

Hey, I'm Dom - the man behind the cartoon. You'll notice that I sign off as "Gen Y Finance Guy" on all my posts, due to the fact that I write this blog anonymously (at least for now). I like to think of myself as the *Chief Freedom Officer* here of my little corner of the internet. In the real world, I'm a 30-something former C-Suite executive turned entrepreneur turned capital allocator. I am trying to humanize finance by sharing my own journey to Financial Freedom. I believe in total *honesty* and *transparency*. That is why before I ever started blogging, I decided that I would share all of my own [financial stats](#). I do this not to brag, but instead to inspire motivate, and also to hold myself accountable. My goal is to be a beacon of hope, motivation, and inspiration for *you*, the reader, by living life by example and sharing it **all** here on the blog. My sincere hope is that you will be able to learn from me - both from my successes and my failures! [Read More](#)