



## **RT1M The Road To \$1 Million (Part 2) - Two Steps To Create Financial Freedom Transcript**

Ryan Moran [00:00:02]

This is The Road to \$1 Million. I'm Ryan Daniel Moran. Starting a business will not solve your financial problems. Ooh, what a buzzkill. What a way to kick off another episode of The Road to \$1 Million podcast. Hey, everybody. Welcome back. This is episode two in this new series.

Ryan Moran [00:00:22]

I just completed a course which is called The Road to \$1 Million. It is free. If you go over to [Capitalism.com/Million](https://Capitalism.com/Million), you can enter in your best email address and you can start your road to \$1 million. And the purpose of this series is to help you build a million dollar net worth. That is, by building a million dollar business and investing the profits so that you are building a portfolio, building a net worth that actually gives you freedom.

Ryan Moran [00:00:50]

And if freedom is your aim, then becoming an entrepreneur or starting a business is not going to give you the freedom that you're looking for all on its own. Now, there's kind of an unknown secret, a dirty little secret among the successful circle of specifically internet entrepreneurs. And among this circle, there's this secret that most of our peers, even the successful ones, are broke. This is sort of known in the successful circles.

Ryan Moran [00:01:20]

In fact, one of my peers here in Austin has a program that helps high end entrepreneurs make more money, and he said to me recently, he said, you wouldn't believe how many people cancel the program and simply say, yeah, I just don't have the funds for this right now. And they're people that you would recognize, people that talk about making more money, people that are known for helping other people make more money, driving around in fancy cars, telling you that you should emulate their lifestyle.

Ryan Moran [00:01:51]

Well, I am of the opinion that you should not emulate their lifestyle because becoming an entrepreneur and not having freedom is the worst of all worlds, because most of us get into this game because we want financial freedom, we want the ability and the autonomy to lives



that are our own choosing. And so, we start businesses with the understanding that that is going to give us more control, more wealth, and more freedom.

Ryan Moran [00:02:19]

But it doesn't work out that way in a lot of cases because a lot of entrepreneurs miss the second part of the two steps to having financial freedom, to becoming a long term millionaire. The two steps that I teach inside of this new course that you can get for free at [Capitalism.com/Million](https://Capitalism.com/Million) is, step one, to start a business. That's what most of you follow me for. That's what most of you get into the entrepreneurship game for. You want to make more money by starting a profitable business.

Ryan Moran [00:02:50]

But the second part is to invest the profits. It's the investing the profits part that will actually make you free. And entrepreneurs often use the same strategies of building a profitable business that they do to invest the profits. They take the same mindset, they take the same strategies, they take the same goals into both of these two things.

Ryan Moran [00:03:14]

And the desire is simply to make more money. So, when you start a profitable business with the intent of making more money, you often will make more money in the short term, and that's what a lot of people are looking for. They're looking for the short term wins that are going to get them more money in the short term so that they can live a different life, so they can take the pressure off of whatever their immediate problem is.

Ryan Moran [00:03:40]

That might be that I don't want to work in this job, it might be that I don't have any money, it might be that I am tired of sacrificing the life that I want. I want to provide a better life for my kids, so I start a business for short term cash flow and I get something going, I get somewhere. They go full time in that business and they try to extract more out of the business, and it becomes a cash flow business that never really grows, and they start investing into speculative things that they hope will go up and make them more money.

Ryan Moran [00:04:09]

And when that doesn't work out, they go back to the business and they say, well, this isn't growing fast enough, so I'm going to start a second business. And so, now I'm twice as busy with two half ass businesses that are making a little bit of money, or one is making money and the other is losing money, and I have this portfolio of investments that's going down, and as a



result, I'm stressed about money all of the time. I'm not making any more, and I'm working all the time. Where the F is my freedom?

Ryan Moran [00:04:38]

This is a very common scenario among entrepreneurs, specifically internet entrepreneurs. Specifically, the people that you follow, that you see on social media, the people who are selling courses, the people who are driving around in Lambos. This is their life. And it does not look like freedom. Instead, the route to freedom is to be on the road to \$1 million, and that means building a business that is profitable but also has a long term view.

Ryan Moran [00:05:05]

That means something that you are building value in, building equity in, something that you might be able to walk away from or sell someday. And second, to invest those profits into long term things that are going to grow without you thinking about them. When I was 13 or 14 years old, I got a lesson about money from my uncle Tom. My uncle Tom was never mega rich. He never drove super fancy cars. And I don't think he made more than, I don't know, a couple hundred thousand dollars a year, if that.

Ryan Moran [00:05:40]

I'm not sure. He was in the corporate world with hospitals. I have no idea what he did for a living. I know what he ... He did okay. He had a good life, he loved to work in his garden, and he was an avid investor. He made his wealth investing for the long term. But he said something to me when I was 13 or 14 years old. He said, you can get rich making \$20,000 a year if you can keep \$20,000 a year.

Ryan Moran [00:06:12]

Now, I had no idea what he was talking about. I thought, \$20,000 a year? It would take me 50 years to have a million dollars. It took me several decades to really understand what my uncle Tom was saying. He said, the way to get rich is to focus on how much money you keep, not how much money you make. Now, at the time, I thought keeping money meant putting it in a savings account and letting it just build over time, but that's not what he meant.

Ryan Moran [00:06:41]

What he meant was keeping money was making money work for you, allowing money to compound for a very long time. And as we talked about in part one of this series, if you were to keep just \$541 a month for 30 years, and you put that just into the stock market, just into broad based index funds, and you never touched it, on average, if the stock market were to continue



what it's done for the last 50 years, you would be a millionaire in 30 years by keeping \$541 per month.

Ryan Moran [00:07:17]

Now, as entrepreneurs, we can get there faster. We start a business that makes millions of dollars sometimes, or it can be sold for millions of dollars, and we see that as our ticket to becoming a millionaire or a multimillionaire, and that is true. But if you don't practice the habit of keeping the money that you make, you will lose it as fast as you make it.

Ryan Moran [00:07:42]

Now, I know that you think you're the one exception to this rule. You think that you will be the one exception that makes a lot of money or has a big exit, and you won't squander that money. But I can promise you, and I know this from personal experience, that you are not the lone exception in the universe. Now, good news. If you do what I share with you in this episode, we can fix that.

Ryan Moran [00:08:09]

We can fix it now so that the more money you make, the wealthier you get, rather than the more money you make, the faster you have to run on the hamster wheel. Now, once again, I know you think you're the exception to this. You think that once you start making \$10,000 a month or \$100,000 a month, you're going to be able to ease off the gas.

Ryan Moran [00:08:28]

You're going to invest it well, you're going to have a very comfortable retirement, a really nice portfolio. But you won't, because what almost all entrepreneurs do is once they get a taste of something working a little bit, if they have not built the foundation under it, meaning the mindset and the habits to build long term wealth, then they start to put that money into other things that go away.

Ryan Moran [00:08:56]

Now, I did this when I was in my 20s. I was making a few hundred grand a year as an affiliate marketer. I put \$225,000 into a restaurant franchise called Fresh Planet. It ran for 9 years in Avon, Ohio, and it made me nothing. I lost that \$225,000. It was a tax write off pretty much every year. But I thought that since I'm good at business, since I like this franchise, since I see this as a great concept, this is a great investment for me, something long term that will grow.

Ryan Moran [00:09:32]



I know nothing about the restaurant industry. I know nothing about this business. I don't want to operate this business. But because I'm good at business, because I'm good at making cash, this is an investment that I want to make. Now, this was sound logic for a 23 or a 24 year old. As a 35 year old, I can tell you this is not sound logic. If I had just put that money into broad based index funds or gold or Bitcoin, oh, I wish I could go back in time and put it into Bitcoin, or real estate, that would be more than double at this point, far more than double at this point.

Ryan Moran [00:10:04]

That'd be an extra \$500,000 to \$600,000 that'd be sitting on my balance sheet rather than a \$225,000 write off. Now, this is maybe an extreme example, but it is not uncommon in the slightest. Michael Michalowicz wrote the book Profit First, and he tells the story about how when he started building companies, he was building them for the exit. He made the majority of his money selling a couple of companies, and therefore, when he started his next business, he didn't need it to be cash flow positive.

Ryan Moran [00:10:36]

He was betting on the exit, and he was putting a little bit of money over here, and a little bit of money over there, and investing in this startup over here, and being angel investor over here, and one day, he was out of money. One day, he was broke. And he knew that he needed to get a hold on this. He needed to do something to control himself, because he no longer saw business as what would give him money, he now saw businesses as cash eating machines.

Ryan Moran [00:11:06]

And so, what Michael Michalowicz wrote about in Profit First was developing the habit of keeping a portion of your revenue and not touching it. This is a practical application of what some people know as the tithe. The tithe is a common religious practice in which 10% of your income goes to the community. It goes to support those in need. It's also a principle in one of the timeless books of our generation called The Richest Man in Babylon, and it talks about how 10% of whatever you make is yours to keep.

Ryan Moran [00:11:45]

And the principle there is about developing the habit of carving out a piece of whatever you make and keeping it. Keeping it, to me, means putting it to work for you. Now, I work with a lot of people who follow my work because they think that going from zero to a million dollars in a year sounds pretty darn good, or having a \$10 million exit on a business so they can start on the side sounds pretty good. But they're broke right now, and so they see business as the ticket out of their financial situation.



Ryan Moran [00:12:20]

If that's you that's listening right now, I would say before you ever even think about starting a business, develop the habit of keeping whatever you're making right now. If you are making \$65,000 a year and you were to keep 10% of that and you were to store it away long term, over 30 years, you would become a millionaire, or you would develop enough dry powder over a few months or a few years to be able to start that business or to be able to place that inventory order.

Ryan Moran [00:12:50]

But instead, what most people do is they spend everything that they get, and then they become entrepreneurs. And even if they do experience some success in the short term, that money goes away very quickly because they've never built the habit of keeping a portion of everything that they earn. Over the course of this series, I am going to teach you some principles that I have seen work for entrepreneurs for the last decade.

Ryan Moran [00:13:15]

We're going to talk about the best businesses to start, we're going to talk about the best way to take sales, we're going to talk about how you can have a couple of products that make millions of dollars, but all of that is designed to accelerate your road to \$1 million once you've built a certain habit of keeping at least 10% of whatever comes in and putting it away long term.

Ryan Moran [00:13:40]

One of my business partners, Sam Prentice, advises some entrepreneurs on how to set up their long term wealth portfolios, and we often talk about how many entrepreneurs we know that have made a lot of money and are completely chaotic because they have not actually experienced any freedom. They have enough money to have freedom, but they don't have any structure in place to put them on the road to \$1 million. And as a result of that, we know way too many people who have gone broke very soon after making a certain amount of money.

Ryan Moran [00:14:17]

I have lost the most amount of money after my biggest windfalls. After my biggest financial wins, there's almost a correction in the universe where some of that goes back in the pot. But I know now that is the result of me not having a specific plan to keep whatever it is that I make, at least a portion of whatever it is that I make. Again, in Profit First, Michael Michalowicz talks about businesses as if they're cash eating machines and how if you don't set aside a certain amount to keep every single month, you will find a place for it.



Ryan Moran [00:14:52]

You will invest in that risky advertising campaign, or you'll buy that program, or you will go on that trip, or you will give an employee a bonus before their due time. If you do not pay yourself first, then the business doesn't actually have the incentive to keep growing. Here's what I mean by that.

Ryan Moran [00:15:12]

I used to think that it was a kind thing for me to not pay myself in a business and to give aggressive raises and incentive structures to my team members. But what I discovered after about two years of doing that was that I actually had no incentive in the business for me to grow it. If I wasn't paying myself a consistent percentage of sales from the business, me, as the primary driver of growth in my business, was not properly incentivized to take care of everybody else.

Ryan Moran [00:15:46]

If my business is not taking care of me, if my compensation structure is not taking care of me, then I don't have a full cup to take care of everybody else, and my partner, Sam, and I have observed that a lot of entrepreneurs go through this cycle in which they build something great, they have an exit or a big financial windfall, but then they're soon in scarcity mode shortly after that big windfall. After they have that big financial success, they're in scarcity mode again.

Ryan Moran [00:16:15]

And they never get to the point of true contribution, of building businesses from a place of service, of thinking about the other person. True freedom comes when you are operating from a place of abundance. Abundance means joyful service to other people. It's funny how this works. When you graduate from the scarce line of thinking where you're trying to extract every dollar out of something, you start to think about giving to the next person.

Ryan Moran [00:16:46]

You think about creating something that matters to you. And the ironic thing of this is that as soon as you make that flip, your business grows faster than you could ever imagine. The minute you start thinking about serving another person joyfully, the more you start getting referrals from other happy clients, the more that people start paying you a premium to work with you or to buy your product because you're no longer trying to get from anybody else, you are thinking about contribution to other people.

Ryan Moran [00:17:15]



You can shortcut that move from scarcity mindset to abundant mindset by setting in the habits now of keeping a percentage of whatever it is that you earn. I don't mean to insult your intelligence or repeat myself over and over again, but if you make \$65,000 a year and you keep 10% of that income, and you keep it, meaning you invest it, over 30 years, you become a millionaire.

Ryan Moran [00:17:44]

Now, our job as entrepreneurs is to make that number as big as possible, to shortcut it from 30 years to 3 years, and we can absolutely do that, but we won't get there and stay there until we build the habit of keeping part of whatever we make. So, this would be my recommendation for you. Whatever you take home right now, find a way to keep 10% of it.

Ryan Moran [00:18:12]

Tony Robbins says that if the government came to your house and said, we're now imposing a 10% additional tax on everything that you make, you would whine and complain and kick your feet, and you'd find a way to pay it. But we don't do this for ourselves. We don't just find a way to keep and store away and invest at least 10% of whatever it is that we make.

Ryan Moran [00:18:40]

And I want you to do this now, even before you have your big financial win, because this will make your financial win happen faster. I'm thinking of a specific person in my mind who recently went through our 5 day challenge here at Capitalism.com. The 5 day challenge is a \$100 5 day course where I teach my rear end off and give everyone the straightforward path to building a million dollar business. I mean, you leave with a business plan. You know who your customer is, you know how you're going to get your first 25 sales a day, you know what your product line is going to be, you leave with it nailed.

Ryan Moran [00:19:23]

There was a person that went through this 5 day challenge, and they were considering upgrading from our \$100 thing to our 90 day sprint, where we guarantee that you will finish with a certain number of sales. You'll have a business that's actively taking sales in 90 days. And they really wanted to do it, but they said, I do not have the finances to be able to do this. Now, the investment was fairly nominal. I mean, it was not a lot of money, and this person was not 25 years old.

Ryan Moran [00:19:58]

This person was a little bit advanced, you might say. And I have empathy for people who are in financial challenges. I've gone through financial challenges. I know a lot of times they're no





fault of your own. But to desire something and have a clear plan for it leading to a very clear result, and using the excuse that you don't have money to do it, means that you have not built a habit of keeping what is coming in.

Ryan Moran [00:20:29]

Instead, you are so practiced in the belief that you don't have money that when money does show up, you make it go away. A lot of times, entrepreneurs act like magicians. We make money appear out of thin air, and then we make it disappear right back into thin air. So, it struck me that this individual did not have the very nominal amount of money to put into a business when they had been trying to build a business for a very long time.

Ryan Moran [00:20:58]

And it struck me that this person could go and drive for Uber for 5 hours a month, they could work a night shift, they could sell things in their house. They could find extra ways to make more money, but they were so focused on what they didn't have, rather than keeping a portion of what they do have. I hope this is coming out how I intend it, so I'm just going to try again. The point I want to make here is when you start focusing on keeping a portion of whatever I am making, even if it's a little amount, we start to build the habit of rewarding ourself.

Ryan Moran [00:21:45]

We get off the hamster wheel a little bit. I have a successful case study inside of our community who did not have the money to join the Capitalism Incubator. In retrospect, this person probably wasn't ready to work with us on that level. And they went through the program, and at the end, they said, I didn't have the money to join this. I worked overtime 15 times in order to pay that off.

Ryan Moran [00:22:13]

And I was like, my man, that's commitment. And that person now runs a business that's on pace to do \$2 million this year. Three years ago, this person was not an entrepreneur at all, had never started a business. They had financial challenges in their past, and this person is pretty public about it publicly that they went through some challenges, but he stopped focusing on what he did not have, and he started thinking about how he could create more.

Ryan Moran [00:22:43]

And I want you to take away from today's episode that you can start to cultivate that eye by focusing on keeping your money rather than making more money. And if you keep more of your money, then when you make more money, your wealth will compound much faster. So, you train your brain to see every dollar that you make as actually building the life that you want,



rather than it making you run faster on the hamster wheel, because that is what happens with a lot of entrepreneurs.

Ryan Moran [00:23:22]

They're so untrained in keeping what they have that the more money they make, the faster they end up running on the hamster wheel, and they build a subconscious loop in their brain of sabotaging. And so, before you have your financial win, I hope you build the habit of keeping a portion of whatever you make and building and compounding long term wealth. And over a very short period of time, you end up passing everybody else who is going for short win after short win.

Ryan Moran [00:23:56]

After about 12 to 18 months, you start to build up enough of a compounding effect that you pass everybody else who has been trying to win at this game for way too long. If you've been thinking about or trying to be an entrepreneur for more than about two years, you know what I'm talking about because you have been pursuing the next short term thing instead of building a very long term strategy, and your way out is to say, no matter what, I'm going to carve out a portion of whatever I do make and I'm going to keep it.

Ryan Moran [00:24:35]

I'm going to invest it in the long term. And then when I have built that habit, I will start a business and that business will make things happen faster and I will be in less of a scarcity mode to try and make something happen out of it. I won't be asking that business to feed me. I will have the mindset to feed that business. It will make more cash flow, it will build more value, and it will become something that I can scale or sell.

Ryan Moran [00:25:05]

And when that happens, I will once again have the habit built of keeping what I make. And then I will have the life that I have been dreaming of having. We can start to cultivate that now. And for the rest of this series, I'm going to be sharing with you business strategies to make this happen faster, as well as how to get those first initial sales to get a business off the ground, along with case studies that let you know that this still works, and it probably works better today than it ever has.

Ryan Moran [00:25:40]

If you'd like to go through the full Road to \$1 Million course, it's free. You can go over to [Capitalism.com/Million](https://Capitalism.com/Million). It's an email series, so enter your best email address and you'll get the first lesson right away. I hope you enjoyed today. I know this is a little bit different than our



Capitalism.com  
— B E T H E C H A N G E —

normal talking points here, but this is the way through. This is the way that you start to create the life that you want, regardless of what happens in the economy, regardless of what happens in the short term wins and losses in your business.

Ryan Moran [00:26:13]

And we, as entrepreneurs, are so focused on the glamor and the short term money that we ignore this and it gets a lot of us in trouble. Don't be like so many of my peers who make a ton of money and keep none of it. Keep your money, and then when you start to make a lot more, you'll build the life of freedom that you've always wanted. I'm Ryan Daniel Moran with Capitalism.com. Thanks so much for listening and I'll see you on the next episode. Take care.

Ryan Moran [00:26:44]

If you've read my book, listen to the podcast, or watch any of my YouTube videos and you're asking yourself, where the heck do I start? Where do I begin my journey to my million dollar business? We got you today. My team and I just completed a new kickstart class called 5 Days, 7 Figures.

Ryan Moran [00:27:03] This is the best on ramp class for any of you who are ready to begin your seven figure journey. In this five day class, you're going to choose your ideal market, what products to launch, come up with a plan to get each one of them to 25 sales a day, and you'll know at the end of the class exactly what your business is going to be, how you're going to get it to a million, and exactly what your next steps are to get it off the ground.

Ryan Moran [00:27:30]

It's a five day class, it costs \$100, and when you're done, a member of my team will get on the phone with you and review your homework directly with you. When you're ready to start, go take the challenge at [Capitalism.com/5](https://capitalism.com/5). That's the number 5. 5 Days, 7 Figures. [Capitalism.com/5](https://capitalism.com/5).