

Announcer:

Welcome to The Carey Nieuwhof Leadership Podcast, a podcast all about leadership, change and personal growth. The goal? To help you lead like never before in your church or in your business. And now, your host, Carey Nieuwhof.

Carey Nieuwhof:

Well, hey everybody, and welcome to episode 478 of the podcast. Carey here. I hope our time together today helps you thrive in life and leadership. Today's episode is brought to you by Generis. You can learn how to accelerate generosity in your church with a free 45-minute discovery session at generis.com/carey. And by The Unstuck Group, get a clear picture of where your church is today by taking the Unstuck Church Assessment for free by going to theunstuckgroup.com/Carey. Well, my guest today is Bob Lotich. We are going to talk about how to create a profitable online platform on a crowded internet. I know a lot of you are entrepreneurs. You've got a little thing going on or you want to launch something online and you're like, okay, that's great.

Carey Nieuwhof:

It's one thing to get followers. How do you get money? Finding financial freedom. He's an expert along with his wife in personal finance. And some fresh metrics for finance, different ways of thinking about your money. And for some of you, you think about it all the time. I think you're going to get some fresh takes in this episode. And for some of you, it's like, yeah, that's something I got to get under control. I think you're going to love this episode. Bob is the founder of SeedTime. He had a life-changing moment we're going to talk about at age 20, where he found himself completely out of money with a broken down vehicle in the middle of the road. And well, things are a lot different today. For the last 14 years, he's an award-winning blogger and podcaster, a CEPF. He has been a trusted voice for Christians wanting to find financial freedom the way God intended.

Carey Nieuwhof:

He is the author of Simple Money, Rich Life and has shared timeless wisdom and practical strategies with more than 50 million readers, listeners, and students through his blog, online courses and SeedTime Money Podcast. Bob and his wife Linda live in Franklin, Tennessee with their three kids. You can learn more at seedtime.com. Well, I sat down with Jim Sheppard who's the principal at Generis. I asked him this question, what role does vision play in developing a culture of generosity? Here's what he said.

Jim Sheppard:

Yeah. I think by far, Carey, the number one thing I see is on auto play. They're doing the same thing almost without thinking about it on a weekly basis and that's where the problem is. You're always saying the same thing. It doesn't land anywhere. Doesn't get you anywhere. I think the fix is really easy. Just be very focused, be very intentional. Everything else in your weekly flow is very strategic, very intentional, very mapped out. Do the same thing with your giving moment. I would have what I call a 32, 12 and four rhythm every year. Have a calendar for your 52 weeks of the year. Make sure that you follow that so that you know what you're doing. 32 times a year, talk about the scriptural backdrop for giving. 12 times a year, minimum, once a month, talk about the impact, show videos, the impact of what happens when you give here.

Jim Sheppard:

Four times a year, have someone from your board or your finance team talk about why you can trust us when you give here. Trust is one of the underlying elements and I would do that. The 32, 12 and four, there's four open ones there that you can do anything else you want to with them. But that's what I would do. Just be very focused, be very intentional with it.

Carey Nieuwhof:

If you want to learn more about how to create a generous culture, and I'm having lots of kinds of conversations with pastors who are uneasy that giving us held steady while attendance has dropped. And if you want to get ahead of that and try to figure out how to really steward generosity for the long term, why not take their free 45-minute discovery session? You can set one up for yourself at generis.com/carey. That's G-E-N-E-R-I-S.com/carey. Also, leaders tend to see decline on the horizon first through a variety of signs. People are leaving and not coming back. Yep. That's been the story lately. Maybe you're not reaching new people, or you recognize the need to start building a hybrid ministry strategy for the future but you don't really know where to start. Or maybe the ministry of today isn't matching the skills your staff currently have, or the positions you're going to need for the future.

Carey Nieuwhof:

All in all, that can leave you feeling stuck and looking for a clear path forward. If that sounds like you, I want to recommend The Unstuck Group, their proven process helps pastors assess ministry health, clarify vision for the future, and create a team structure and action plans to see through it. I've used Tony several times in my leadership. I got to tell you, Tony Morgan and The Unstuck Group can really help you. If you want a clearer picture of where your church is today, start here. Take the Unstuck Church Assessment for free by going to theunstuckgroup.com/carey. That's theunstuckgroup.com/C-A-R-E-Y. Thank you to everybody who has taken the time to do ratings and reviews on the podcast. I'm so grateful for that. If you enjoyed this episode or some in the past, please take a moment just to do that. It really helps get the word out and well, we read all of them. I'm really grateful for your partnership in this podcast. With all that said, here is my conversation with Bob Lotich. Bob, welcome to the podcast.

Bob Lotich:

Carey, thank you so much for having me. It's a privilege to be here. I'm excited to chat.

Carey Nieuwhof:

Well, I read your book. You asked me to endorse it. I thought it was great. I thought we could do a fun interview on this because money is something that impacts everybody's life and you've got a bit of a different take on it than I've seen. You also got a fascinating story. It sort of starts because I'm always interested in how people turn their story into a day job, which is what you've done, right? This is what you do full time. Not only write books, but you help people, you coach people on money. We got a lot of young listeners listening. When you were 20, you found yourself stuck in the middle of a busy road where a lot of people get stuck. What happened?

Bob Lotich:

Yeah. This was my turning point moment, if you will, in my financial world, because up until this point, I thought I knew everything about money. Like I had worked at a bank for a few years. I grew up wanting to be an accountant. I was kind of one of those people. And the reality was is that I was kind of the complete financial mess. I just didn't know it or I didn't believe it. And so this particular day, I'm driving down this road in South Florida. It's right in front of a Minor League Ballpark and there was a game that

was starting like half an hour so there was a lot of traffic. Just driving down this road, all of a sudden the car just stops, right in the middle of the road, stopped so fast that I couldn't even pull over to the side.

Bob Lotich:

I'm instantly sitting there, like you said, I'm 20 years old. I know nothing about cars. I don't know what's going on here, but I start turning the key trying to, again and again, it's just not starting. You know, a broken down car. It's like, that's an issue. But this was becoming a really big issue because the reason I was driving is because I was actually going, I just picked up my paycheck and I was going to the bank to then take it to my landlord to pay my rent that was due in three hours. Again, not that big of a deal. If I would've been late, it would've been a \$50 late fee. That's not that big of a deal for most people, but for me, this was a big deal because that paycheck I just gotten was barely enough to cover my rent payment.

Bob Lotich:

And so if I missed that three-hour window, then now it's like, all right, I can't afford this \$50 late payment. I had \$7 in my checking account. I had no savings. I had one credit card that was about \$264 from being maxed out. You get the picture. All the stuff is just happening now. I'm sitting in this car thinking, what am I going to do? How do I get this car towed, repaired, and then get back to the bank to get... How do I do all this stuff in three hours? And then to add all this, my two buddies were coming down the next day. I had to pick them up from the airport to celebrate my 21st birthday because it was the next day. It's like all this stuff.

Bob Lotich:

I'm like sitting in this car as cars are driving by, I was looking out the window, looking at me. I'm realizing I'm in a mess and I didn't even realize I was in a mess, you know? And so it was that moment where I prayed out to God, cried out to God. I'm like, Lord, I don't know what's going on. I need help. If you have a better way, I want to hear it. That was the thing that kicked it off for me, just realizing I had a problem and asking God for help.

Carey Nieuwhof:

Okay. So you had a problem. What happened? Because you're not there now and you built like, what was your day job? Did you have day jobs before you did what you... Well, first of all, describe SeedTime and where you are now, and then we'll reverse engineer.

Bob Lotich:

Yeah. So long story short, at this point, I am currently a podcaster, blogger, writer, soon to be author, all these things, helping people with money. That's what SeedTime is. It was just kind of birthed out of that. Out of that moment, that broken down moment, I realized I need to learn about this. So I began reading every book I could find in money. I even began reading the Bible, found out the Bible actually talks about money. I was fascinated by this intersection. I'm like, you know what, I'm going to start a website where I talk about this stuff. This is way back in 2007. And so that's what I started to do, that's when SeedTime was born. And then there's some other crazy stories of how we got from there to being full time and all that. But that's the gist of it.

Carey Nieuwhof:

Well, take us there. I mean, you went back to your day job, you started reading books on. And then when did you start your website?

Bob Lotich:

2007.

Carey Nieuwhof:

2007.

Bob Lotich:

Yeah, I didn't know what a blog was at the time. I ended up telling a buddy of mine, "Hey, I have this idea. I want to write a new article each day and put it up." And he's like, "That's a blog, man." I didn't know what a blog is. It's 2007. How many people know what a blog is? So he taught me what a blog is and then I went to blogger.com and started one. That was the birth of the whole thing. But yeah. All right.

Carey Nieuwhof:

What was that? Like a follow me as I figure this out? Or hey, I just learned this and I'm sharing it with you or what was it?

Bob Lotich:

Very much a, I'm learning this. Come along with me. I'm the expert on all things money. It was very much, this is my story. I'm figuring out. If you want to learn, let's do it together type of thing.

Carey Nieuwhof:

Did anybody show up in 2007? It's funny. That's the same year I started a blog in 2007.

Bob Lotich:

There you go. You get it. So 2007, it was probably my mom and my grandma. But then, as time went on, more and more, I guess they told a whole bunch of people because more and more people started showing up. It got to the point, yeah, do you want me going to the story of how we got to full time?

Carey Nieuwhof:

Yeah. I want to hear that. I really am.

Bob Lotich:

All right.

Carey Nieuwhof:

Let's see how I build this.

Bob Lotich:

Yeah. This is a pretty crazy thing for me. So yeah, 2007 to 2008, somewhere in there. I'm working on this blog. Somewhere in that point, I think it was, yeah, 2008, I got a pink slip. I was working at a brokerage

financial services company and we merged with another company. Basically my boss calls me in to, me and everybody in our department into a conference room and says, "Hey guys, you're all getting laid off. We merged, they don't need us anymore. We're all getting laid off." And so I went home and told Linda. I start looking for another job. And meanwhile, as I'm looking for a job, I just kind of sensed God kind of leading me to not look for another job, which felt very-

Carey Nieuwhof:

Oh, that's always a good message to bring to your spouse. "Hey, I feel led not to seek employment."

Bob Lotich:

To become a professional blogger, honey, in 2008. Yeah. That's where I was with all this. I kind of felt God kind of tugging me in this direction. I was so embarrassed by this, I didn't tell anyone. And so everybody's asking me, "Well, what are you going to do?" I'm like, you know, I just wouldn't tell anybody, but I do. Because all my coworkers were finding other jobs and all this stuff. I'm just trying to hide so that I don't have to tell them I'm going to be a pro blogger.

Carey Nieuwhof:

I want to go make money on the internet like everybody else.

Bob Lotich:

You know, and to add to the absurdity, like I had been doing this about a year and working. I don't know, 10 hours a week on this blog and making a total of \$100 per month at that point. So it was just absolutely insane, just completely crazy. But it was something I felt like the Lord was leading me to do. And so we did it, we jumped ship and I became a full-time blogger in 2008, even though the blog couldn't even maybe pay our electric bill at that point. The fascinating thing about that-

Carey Nieuwhof:

How are you making \$100 a month? How did you figure that out in the early days?

Bob Lotich:

How was I?

Carey Nieuwhof:

Yeah.

Bob Lotich:

Google AdSense. I think I just had AdSense in the blog or something like that.

Carey Nieuwhof:

There you go.

Bob Lotich:

Yeah. So that was how I started the whole thing at the very beginning. So yeah, barely making anything. Then the amazing thing, like the kind of God story part of all this is that nine months later we were making more from the blog than I was my previous day job.

Carey Nieuwhof:

Wow.

Bob Lotich:

It made no sense to me. Then six months later, it was double that. It was just a journey that I'm like, I couldn't have written this. You know.

Carey Nieuwhof:

Yeah. Can you break that down?

Bob Lotich:

In what way?

Carey Nieuwhof:

How did that happen? Well, how did you go to making your salary nine months later? And then after that, double?

Bob Lotich:

I couldn't do it again.

Carey Nieuwhof:

Yeah. I get it.

Bob Lotich:

I just put it in the hands of, this was a miracle that God was just doing. But all that said, I mean, I can talk about some of the specific things I did. Again, we're going back 2008, so the relevancy may not be super strong.

Carey Nieuwhof:

Listen, I was there and I was not making my salary online. In fact, I was making \$0, so I'm very curious.

Bob Lotich:

The way I started, I happen to have a mentor who was really proficient in SEO. And so that was the big thing that got me moving off the ground. I had an inside knowledge of how to rank articles in Google and whatever else. And so that helped, but obviously there's a transition point. I think the lesson to take away from this, like if there's some value to add for anybody listening, it's that that first year, I think it's like this with a lot of businesses, you lay a foundation. You know what I mean? Or you plant a seed in the ground and you might see a seedling, but you're not really seeing any fruit yet. You know? An apple tree doesn't really bear fruit till about five years or something. So you have awhile before you start seeing some fruit.

Bob Lotich:

In this case, I think that year long period was foundation building stuff. From an SEO perspective, this makes a whole lot of sense. But I think it applies to probably starting a podcast or any other kind of venture like that, where there's a season of just building a foundation where you might not see the fruit that you want. I think that that's what that one year period was. And then as we transition, I now had a lot more time and focused energy to put towards the business, coupled with, I think, some unique open doors that God led me to. And yeah, and I think the rest is history.

Carey Nieuwhof:

Again, nitty-gritty, was it the Google you just got so much traffic because of your SEO and optimizing all of that? That Google AdSense just started to multiply? Or did you start offering product, services? What happened in that year where you saw the rise?

Bob Lotich:

No products, no service at the beginning. My first probably five, six years of being a professional blogger was all Google AdSense. That was it.

Carey Nieuwhof:

Wow.

Bob Lotich:

I'm a little bit of an analytical guy. I'm a little bit of an engineer mindset a little bit, and so I broke it down and I got really nerdy about, all right, where are the best ad placements? What are the best colors to use on the ads? All these different things. And then on top of that, like, all right, certain traffic from different articles might do better with ads in this place. I got really analytical and nerdy on all that. I think that helped to a degree, but yeah, at the beginning, we were not diversified at all. Because probably 90% of our traffic came from Google and 90% of our earnings came from Google AdSense.

Carey Nieuwhof:

Okay, great.

Bob Lotich:

[crosstalk 00:16:22] to be.

Carey Nieuwhof:

Well, let's pull that thread a little bit more. So that's the first number of years, half dozen years. And then how did you diversify? What have you done since then?

Bob Lotich:

Next step was I realized affiliate... There began more and more affiliate programs for different things. I realized, all right, wait a minute, AdSense is just a middle man. I can just go direct to the company that AdSense is promoting on my site and get paid more. And so then I began kind of get involved in more affiliate programs for different things. So if it was, whatever, some financial tool or budgeting software or whatever else, it's like, I can have AdSense put an ad up there and I'll make a dollar a click. Or I can go

direct to them, the budgeting software, something like that, and I can get \$15 if somebody clicks over and buys. And so it's just made more sense. And so I began doing more and more affiliate type stuff, typically review articles.

Bob Lotich:

I liked that approach because I never wanted, especially now and even then, the real hard sell kind of twist your arm type affiliate stuff, that doesn't work, you know? But an honest review of someone who's used the product, and this is what I don't like about it. That type of stuff worked great then and I still think it works good now, just being really honest about it. And in fact, fun fact, we had certain products, I didn't write a lot of negative reviews, but there were some words like I just said, I don't like this because of this, this and this. But we've used an affiliate link because why not? Some of those things actually converted really, really well.

Carey Nieuwhof:

I don't like this product, it's disappointed me, but if you want it, here it is. And then people go out and buy it and you get a commission.

Bob Lotich:

Yeah. So it's funny how that works.

Carey Nieuwhof:

Funny. All right. And then to where you are today.

Bob Lotich:

Yeah. Now we've transitioned and you know, we still do some affiliate stuff. We actually don't have any AdSense on our website at this point, but now we're primarily focused on our own products. We have a variety of different courses and we have a live financial class that we're doing. And so stuff like that is our main focus of our revenue at this point.

Carey Nieuwhof:

It feels like you evolved very well with the web. That sounds like you just gave a history of the internet and online marketing for the last almost 15 years. Right. That seems very reasonable, but okay. Let me ask you this, finance, that's not an empty space. I mean, you've got Dave Ramsey who's got millions of listeners a day. You've got Mr. Money Mustache on the internet.

Bob Lotich:

Who is that? What's his name again?

Carey Nieuwhof:

Yeah, exactly. Who is that? Who is that? He's been a guest on this podcast or will be by the time this is up. We've had a lot of his folks on. You've got Mr. Money Mustache. This is crowded space. You've got a lot of people. I'm thinking of the leader who's listening going, yeah, I'm going to get into the leadership space. Good luck with that. Or I'm going to get into the finance space or the dieting space or the whatever space. How did you carve out a niche?

Bob Lotich:

Yeah. I mean, I think it's a big world. It's a big internet. There's a lot of people out there. I think when it is a crowded space, I think that's often a clue that there's a lot of demand in that space. You know, in the case of some of the people you mentioned, and I mean, I could name hundreds of others. There's a lot of people in the space. I think the key is really getting specific about who the person is you're talking to. Because as someone scales and grows, they can't be as super specific. It tends to get wider of the net of the people that they're talking to. It's like a jet ski versus a cruise ship. There's advantages to both, but a jet ski can be a lot more nimble and can be a lot more targeted. I think that that's something that we've just focused on. We're specifically targeted towards Christian. We talk about money to someone who we assume has the same beliefs as us. And that cuts out a whole bunch of people, but by doing so, we get to speak more accurately to them than I think a lot of other people can. I think that's helped us a lot.

Carey Nieuwhof:

Have you defined it beyond that? We've talked about this with Jasmine Star a few years ago on the podcast, about defining your ideal client. Is he a 20 year old male, a day away from his 21st birthday, with a broken down vehicle at the side of the road, and \$7 in his bank account? Is it that specific? Is it broader than that? How have you handled that?

Bob Lotich:

I mean, yeah. We can go into a little bit more of that target.

Carey Nieuwhof:

I would like to, yeah. This is important stuff.

Bob Lotich:

I mean, we're more specific about it internally. We don't make this super pronouns, but yeah. It's like we are speaking to someone who's probably a millennial, probably let's say maybe gen Z, 20 to 45. That's our main group. That's our bread and butter who we thrive with and who we can really help. We're not the best option for people who are just in complete financial mess, in despair. The reason is because that's not my world. I shared some of where I came from, but I've never been one of those people, whatever, has had my cars repossessed and all this stuff where it's like that's a world that I don't understand and therefore that's not who I can help the most. But I can help someone who's really hungry and who wants to do the work and who just believes that there's a lot more possible. That's the mindset of the person who I think we can help the best.

Carey Nieuwhof:

There's a counterintuitive sense, because I agree with you Bob, but there's a counterintuitive sense in which people would say, but wait, I have to reach everybody. So you think about the church leaders listening, the business leaders listening, there is a temptation. I've wrestled with this in my own life where it's like, no, but I get that, but I want to reach everybody. It's really hard to say, like when I started this podcast, I picked two targets. I don't think I've said this out loud and I better tell him before it airs. But I picked the average pastor of a church of 200 or less. I have a little back story. I picked Craig Groeschel, who at the time I did not know. Sure enough, I've gotten to know Craig and he's been a frequent guest in the whole deal, but I'm like, I wanted to work for those two demographics. What is it

about picking a very specific avatar, ideal client that counterintuitively attracts more people? Any thoughts on that?

Bob Lotich:

I mean, we both know this is true. There's this old, whatever, copywriting adage of the riches are in the niches. There's something about getting really specific with the person you're talking to. I remember I was reading something about, I was learning about sales writing a little bit just recently. I was listening to this guy's podcast and he was explaining that the best success, the best tweak or hack that they've ever done to a sales page of theirs was when they can so perfectly define to the visitor their problem. It's not even about convincing them to buy. It's about defining the problem that they have in such specificity that they're like, "This person just understands me so well." In doing so, like he said, their sales just went through the roof. I think we live in an era with so much noise. We all say this every time, it's like, it's a distracted world that we live in. And so when we can find someone who knows exactly what we are going through, I don't know. I just think there's a lot more power in them.

Carey Nieuwhof:

Well, I agree 100% with you on that. As we're recording this, I'm developing a course on online influence and marketing. I think that's a key to it. It's being able to identify somebody's pain point. All the marketing stuff would show that. How have you and your wife Linda done that on SeedTime? What is language just like, you know, it's one thing to say, wouldn't you like to have money in the bank? That's very general. Or wouldn't you like to feel financially secure? Very general. Do you need to get more specific than that? And if so, how, Bob? What would be some typical language to describe your customer? How would you do that? Because I think this is good exercise for every leader listening.

Bob Lotich:

Well, yeah, just being completely honest, like this is I think for us been one of the most difficult things in our business in my last 15 years of doing this. The reason why, and I think everybody probably has this excuse or this feeling of, well, it's just particularly hard in my business, whatever. And so in our case, some of the things that we're wrestling with is, how do we communicate what you're talking about? How do we communicate building wealth but not doing it in a way that sounds really scammy or whatever, all these other things, because it's really easy to get off to these extremes really, really quickly. And then particularly with the Christian space, it adds a whole another of complexity because Christians and money and all the, you know, because the extremes on both sides of that can be really weird and nasty really fast too. How do we communicate this?

Carey Nieuwhof:

You're either broke or a trillionaire or health and wealth and prosperity. Yeah. It can get weird fast. I agree.

Bob Lotich:

Yeah, for sure. On top of that, I have this mission in my heart to not be a cheesy Christian. And so how do we do this in a way too, where we're not cheesy? Because so much Christian stuff tends to be or can be cheesy. Anyway, we've just wrestled with fighting this and trying to figure out this perfect balance. We are not there yet, but we're on our way. But I think the most important thing is to actually have these honest questions and to be thinking about it and evaluating it. That's where we are with it. We don't have any solutions that we've nailed down where we've 100% hit this yet, but we're trying, Carey.

Carey Nieuwhof:

No, I know. We wrestle through that all the time. Just a little bit of an object lesson while we get to the next question. I remember writing a sales page for a course that myself and Mark Clark did called Art of Better Reaching. My team was working on it. What do you put on that top header? We really thought about it. One of my pet peeves, whether I'm preaching or whatever is, don't try to answer questions that nobody is asking. Right? Nobody's asking what is the percentage of church decline in America in the last 18 years. Nobody woke up going, "Gee, I wonder what that," and there is Google for that. So we debated a lot of different headlines like grow your church, this or that. You know what we ended up with? Was just like a thought bubble, just a phrase. It was, "I just don't know why my church isn't growing faster."

Bob Lotich:

That's good.

Carey Nieuwhof:

Or I think it might've been, "I just don't know why my church isn't growing." Another guy, Ramit Sethi who I follow and hope to have on this podcast one day. Ramit, if you're listening, hit me up. Anyway, Ramit says, because he teaches financial stuff as well, same way you do. Not from a faith... Oh, he's a brilliant copywriter. I've subscribed. I bought his courses, some of them, but I subscribed to his emails just to learn how to write better. One of the things he says is you could say, and I'm doing this case study because this is what you do and this is what our listeners do every day as they try to read people's mail and figure out how they're going to communicate with them in a way that connects. You could say, "Do you wish you had extra \$3,000 in the bank?" Or he just said, "This is what it feels like. You go out with a bunch of friends, and don't you wish you could just pick up the check?"

Carey Nieuwhof:

Now that's real language. And you're like, oh, I'd love to be in a place where I could just pick up the check, or I wish I didn't have to divide the bill so equally or feel bad about that guy who spent extra. And now how do I finagle out of that? That's like, oh, everybody has been there. I've been there. I don't know whether you've been there. But I'm like, now you're speaking my language. You're talking about when you talk about copywriting, trying to figure out how to communicate that way. Is that right?

Bob Lotich:

Yeah, 100%. Yeah. No, that's really good. I love that. I've looked at a lot of Ramit's stuff for that same reason, because yeah, he's really good at that.

Carey Nieuwhof:

He's a genius. He really is. What are some of the pain points you see in the audience you serve? What are their FAQs, their complaints, their pain points? What are the repeating issues that keep coming up?

Bob Lotich:

You know, I think a lot of them tend to be the same things that I dealt with. For me, one of the things that really was an issue for me, I actually just wrote an email about this the other day. Recounting a story when I worked in one of my last corporate jobs and I worked for a boss who had a really peculiar rule that she had. She had a three strike rule where if you were late one minute, three times in a year,

you'd be fired. This wasn't a department where it's like this is that big of a deal. It wasn't like brain surgery or anything like we're... Anyway, it just was an absurd rule. I remember after I had one strike, my second impending strike I think was after a snowstorm and I was going to be late for a snowstorm.

Bob Lotich:

I was freaking out about this because if I got the second strike, I only had one more strike and you know, and I was living paycheck to paycheck at the time. And so this was just a big deal. Like if I got fired, everything comes crumbling down. I just felt like that boss owned me and I hated that feeling of her having that much control over me, that my whole livelihood and existence, everything depended on this silly little rule that she created. And then to contrast that, I had another buddy in a kind of online entrepreneur space, his name is Matt. He runs a blog, DIY Natural. He was doing this blog doing full time for a few years. He's a people person. He decided, "You know what, I'm going to go get a job at Bread Company." And so he goes and gets a job at Bread Company not because he needs the money, but just because he wants to spend time around people.

Bob Lotich:

Anyway, so I thought that was pretty hilarious, but it was really funny a couple months later after he got this job. I was talking to him, him and his spouse. He ends up saying, "Yeah, I quit." He explained why. He's like, "Yeah, I put in my vacation request to take off time like two months in advance. And then they called me a week before and said, "Sorry, we can't do it."" He's like, "Well, I put it in." Then they're like, "Sorry, you can't have the vacation time off." He said, "Okay, well, I guess I'd quit," and just walked away like he didn't care. Like he didn't need the money. I think of that when I think of financial freedom, like that kind of freedom to not be a slave to a boss. That has always been really enticing to me and a really big motivator. I think that a lot of the people that we're speaking to, that's something that they want as well. You know what I mean?

Carey Nieuwhof:

Oh, that's so good. That was like a little mini class right there in copywriting. Tell stories like that and your audience kind of leans in. One of the things you said, you argue that a lot of what we have been taught about money is wrong. What do you mean by that? What's wrong?

Bob Lotich:

I mean, I think the truth of it is just that we haven't learned about money. I think that's the biggest problem here. Because I remember being in school and learning about how to write cursive, which I don't use anymore. The Dewey Decimal System, which I don't use anymore. And a variety of other things that I don't use anymore, but they didn't teach me about money. Meanwhile, pretty much you and I and everyone listening, we all deal with money every single day. Why is this something that we're not learning about more in school? Why are we not learning how to earn and how to manage and how to save? All these different things. The tide is starting to turn a little bit, but we're a long way from what it should be. And so what happens when we don't learn about it?

Bob Lotich:

And the other part I'll add to that is that I'm fascinated by how many people I hear from who say, "Yeah. My dad always said, in our house, we don't talk about money." That's a pretty common thing. And so we're not learning about it in school. We're not learning about it from our parents. What happens is that creates a void that is going to get filled with something. Do you know what I mean? Because there are

beliefs about money or habits about money that are going to happen. Like everyone listening has beliefs and habits about money. Whether you intentionally created them or not, that doesn't matter. You have habits with money, you have beliefs about money. The problem is when that void is there, they get filled with other things. And so the influences for our money beliefs become our broke friends, become Instagram influencers, or credit card companies. Any number of different things, but that's where we develop our beliefs about money, which I think you'll agree. None of those are great places for us to be developing our beliefs about money. And so that's the biggest problem that I see with how so many people are learning about money and the decisions that they're making at this point in our world.

Carey Nieuwhof:

I would agree. It was really interesting. You know, I came from a great home. We never really talked about money other than you should give 10%. Right. But how to manage it other than, you know, and I'm naturally a spender. My wife had the same experience. And so we had to figure it out the hard way. I imagine a lot of people are figuring out the hard way. The framework for your book or one of the tag lines is you quote Wesley. Wesley's famous quote, I want you to give it to me, but your book is called Simple Money, Rich Life. I've heard the quote before, but it hasn't seen as much daylight as you would think. Do you want to give us the Wesley quote and why that's become a mantra for you?

Bob Lotich:

Yeah. Summing it up. We can go back and get the old English version, but I'll give you the modern day version which is basically, "Make all you can, save all you can, give all you can." I've always loved this quote. It's just really stuck with me. It has become our mantra for how we handle money. I really think he was onto something with this, because as we talked about in the church, there's a lot of strong feelings and a bunch of different directions with money. There's certain denominations and there's certain belief systems around money where it's like, you should not make money. You should try to be poor, because the poor are righteous to be poor. Other hand, like we know some of the other extremes as well, but the thing I love about Wesley and his approach was I'm going to make as much as I can.

Bob Lotich:

I'm going to save as much as I can. When he says save, he means reduce expenses, just not waste money on stuff. I'm going to make as much as I can, reduce my waste so that I can give as much as I can. It's not just make as much as I can just so I can build up stores and barns and wealth on the earth, but it's like, I can use the talents that I have that God has given me to do something with them and to impact the kingdom of God with them. I just thought that was so cool. And so that's the approach that we've taken over the last few years.

Carey Nieuwhof:

Well, your treatment of it, even though I bumped into that quote before was the first time I really understood that, oh yeah. Okay. He's talking about reduce expenditures and live a simple life rather than, because "Make all you can, save all you can, give all you can," creates attention. It's like, well, how can you give all you can if you're saving all you can? You know what I mean? That doesn't make sense. But yours, he was the original minimalist maybe. Is that it?

Bob Lotich:

No. For sure.

Carey Nieuwhof:

Did he have a frugal life?

Bob Lotich:

No, he did. He was a bit more extreme than I'm willing at this point. Basically, and I haven't read that much about him. I forgot what it was, like 30 pounds or 40 pounds or something. He had a salary in his early 20s and he maintained that amount for the rest of his life, which ended up being at certain points, he made today's dollar value of two million dollars per year, which is pretty crazy for a preacher, whatever.

Carey Nieuwhof:

A lot of money.

Bob Lotich:

200 years ago. But he was incredibly frugal, which is part of why in the book, the framework that we follow technically is "Make all you can, save all you can, give all you can, and enjoy it all." Because I do think Wesley could have enjoyed a life a little bit more.

Carey Nieuwhof:

A tiny bit more.

Bob Lotich:

A little bit more balanced. But that's the approach that we take.

Carey Nieuwhof:

Yeah. Okay. We definitely have some high income earners listening to this show, but we also have a, pardon me, a ton of young leaders, many of whom are low income earners. It's pretty easy to give a conversation like this a pass going, well, I'm not going to listen to the rest because I make \$30,000 a year. I make minimum wage. I don't know that I even have any money to spare. What would you say to people who maybe have that dismissal at this point?

Bob Lotich:

Yeah, I would say that I completely understand, because in that last corporate job that I have, I was making \$36,000 a year. I remember how big of a deal it was for me to get a, whatever, \$500 a month raise. I would work my butt off for an entire year to get a 2% raise. Then the thought of actually making any more money just seemed like such an impossibility to me because I wasn't raised with a mindset of endless possibilities or anything like that. I just very much felt like this is your lot in your life. This is who you are. This is blah, blah, blah. But I'll just tell you from my experience, our story is just crazy. What we watched God do in our lives because I went from that \$36,000 salary and watched that multiply many times over just over the next few years.

Bob Lotich:

Once you experience that, you begin to see the world in a different way where you begin to see that more things are possible than you thought possible and sometimes a lot faster than you think possible.

Sometimes things are a lot slower. There's no formula here, but the point is that after having gone through that, I just see the world through a different lens of possibility. And so I would say to somebody who's feeling like that, I get that. I remember when it was super tight. But that doesn't mean that it always has to be this way. I think that when you understand that there's a lot more there, even if you can't see how it could ever happen. I don't know. You have something to get excited about.

Carey Nieuwhof:

You talk about the most important metric and the second most important metric. What do you mean by those?

Bob Lotich:

Yeah. I tend to believe, because in the whole financial world, there's a whole bunch of different numbers that you can calculate and evaluate and all this stuff. I really like keeping things as simple as possible, you know? Part of why the book is named Simple Money, Rich Life. It's not because it's like elementary, it's just as simple as it needs to be. You know what I mean? Einstein had some quote something about that. "Make everything as simple as it can be, but no simpler," something like that. That's how I approach things as much as possible. I try to take the most complicated things and make them really simple. With all this, we've determined for us, there's two metrics that we really care about with our finances. The first one is what we call AUM or assets under management.

Bob Lotich:

This is a term that's commonly used in the financial world, but we've put a new spin on it. And so instead of we use this to mean our net worth, you know, so a lot of people know this term as net worth. We've chosen to call it assets under management for two particular reasons. The first one being that as believers, we believe that it's a better term to use. It's a better term to use than our net worth because there's something about a number being my total worth or net total worth of value. This can go either direction. Because when we started, we had a negative net worth.

Carey Nieuwhof:

[crosstalk 00:40:26] to say, there are people who have negative net worth. Right?

Bob Lotich:

You know, because that was the first thing we did. First time we calculated, we had a negative net worth. I'm like, wait a minute, is this what I'm worth? Or you have a five million dollar net worth. It's like, man, I am something. I am God's gift to earth. You know? But the reality is that number has nothing to do with the worth that we actually have. Therefore, I just don't love that term. Then the other thing, specifically calling it assets under management reminds me that everything I have, everything I've been entrusted with is for me to manage for him. Like this isn't my stuff. I am a steward of what God has put in my hand to manage. That is a good reminder for me to just stay aware that it's not my money, that I'm just strictly a manager or steward of what he's entrusted me with. That's why we use that term.

Carey Nieuwhof:

What's the second most important metric?

Bob Lotich:

For us, that is our second most important metric. Our number one metric is what we call our net given. I'll take you through a little story of how we got here. After we had kind of started calculating our AUM and figuring all this stuff out, I found that because I'm a numbers guy and I like to see things go up, and I found that I was struggling. Because my wife and I really had a lot of desires in our heart to be able to give a whole lot of money away. I mean, like you're talking about the check, just picking up the check. We like doing that stuff. Honestly, we had a desire in our heart from a young age to be able to give away millions of dollars. That was something we really wanted to do.

Bob Lotich:

Meanwhile, so we have this desire over here, and then over here, we have our AUM that we're calculating and we're managing our money as best as we can so we can grow our AUM, AKA net worth for those who forgot. There's a tension here because we want to give money away, but every time we give money away, our AUM goes down. And so I thought, all right, we got a problem here, God. And so I just prayed about this. I'm like, how do I handle this? Because I have these two things that I want to do. Ultimately, I felt like he led me to tracking our giving. Essentially, the logic here is if the most important thing for us to do is to give, if that's the thing that we are most excited about, then we should be tracking that. Part of the revelation here was that if I look at financial success from an eternal perspective, from the world's perspective, it's about how much you accumulate.

Bob Lotich:

But from an eternal perspective, it's not about how much we accumulate. That's full of shortsighted thinking. But from an eternal perspective, it's a lot bigger and different. And so I came to the conclusion that as a believer, I should be measuring the financial success not by what I accumulate, but by what I give. And so that just kind of changed how we did this. And because that was important to us, we began tracking it. And so we called this our net given. Basically, it's just a running spreadsheet of everything that we've given and we just total it up. This way, we're cheering ourselves on, giving a high five. It's not to get prideful over anything else or to brag to someone else but just this is a goal, this is something that's important to us. This is something we're chasing. Linda and I can give each other a high five when we reach a certain milestone. It's been a really big motivator for us.

Carey Nieuwhof:

No, you see, what really amazed me because I sort of track my giving too and generosity is really important to me, but I always thought about that as charitable giving. Which in my life, my wife's life tends to be about 98% of that goes to the local church. And then we have some other causes that we'll support at some meaningful level. But you know, at the end of the day, you get a tax receipt, you don't get a tax receipt for some of it. Doesn't really matter, but that's our net given as you would say. But you have a more expansive definition. Did I read that right?

Bob Lotich:

Yeah.

Carey Nieuwhof:

Like if I leave a tip at a restaurant, does that go on to the spreadsheet? If I just give something away freely, how do you calculate that? Or is it just charitable givings?

Bob Lotich:

Yeah. I mean, anyone can take this any way that they want. For us, yeah, we've defined some kind of rules. Like tips at a restaurant, I mean, it's kind of like cost of the thing so we don't really do that. But if I left a 50% tip, that's something I might put on the sheet because that's a fun thing to do. It's an intentional act of generosity, whereas just giving a 15, 20% tip isn't really an act of generosity. On the other hand, we had one instance where we sold our house to someone. As an act of generosity, we wanted to sell it to them below market value and below what we knew we could get for it. And so we did that. And so we added that to the sheet. If we threw a big party for someone and there's a cost associated with that, that's something that we might add to the sheet as well.

Carey Nieuwhof:

See, that's really good to know because as I think about that, I'm like, oh yeah, maybe it'd be good to track that because I can see how that becomes addictive. I can see how that becomes rewarding. Again, not to publish to the internet, but just as a private thing, that'll be highly motivating to me and kind of like, oh, that's good. I find generosity is the best antidote to greed in my life. Hands down.

Bob Lotich:

Completely agree.

Carey Nieuwhof:

That's what it is. It's like, why do I give? Well, God commands it. But secondly, otherwise, I'm greedy, 100% goes to me. And so the more I can give, the more I break the power of greed in my life. I like that expansive definition. Is that available on your website, that spreadsheet? Or it's just like, no dude, just open Excel or Google Sheets and do it yourself?

Bob Lotich:

No, we do have a template on our website. I don't have the link off the top of my head. Maybe I can throw it in the show notes or something.

Carey Nieuwhof:

Okay. All right. We'll check that out. What are some other easy keys to saving? Because saving is important.

Bob Lotich:

Yeah. I mean, one of the things that we talk about in the book that I mean, I talk about this all the time because I think it's one of the most important things for a lot of people. Money is different now than it was for our parents in the era of checkbooks and cash versus now. And so what's happening now is it's really easy to just not know what's going on with your money because you have Venmo and you have PayPal and you have cards here and there and all this stuff is happening and it's really hard to get a holistic picture of your spending and what's going on. It's not hard, but this is what's happening for most people. And so they're just making all these decisions based on how things feel and blah, blah, blah. It's just really squishy.

Bob Lotich:

And so one of the best things to do is to actually just literally pay attention to where every dollar is going. Just like a food journal, you know? Dieticians will tell this to you all the time. It's like keep a food

journal and see, write down exactly everything you eat. Just by doing that, you eat better. You eat less junk food literally just by doing it. It's the same way with spending. When you write down everything you spend, you will spend less money. You don't have to try to spend less money, but you will spend less money. And so personally, I'm not a big fan of the write everything down, but there are apps that you can use. Just by doing that, like Personal Capital or mint.com, both these apps will allow you to plug everything in. You can instantly see where you've spent your money for the last three months or whatever. Then just checking that on a regular basis. See what's going on. And so even if you don't try to make any changes to your spending, just doing that and paying attention, you will spend less money.

Carey Nieuwhof:

That's good. Do you have any thoughts about cash versus credit versus whatever? There are some people who would say don't even have a credit card, it's all going to come out of your bank account. Because I agree. It's a pretty fractionalized world right now when you think about all the different ways you spend money. Then all the stuff that's set up for auto debit out of your account, right. Maybe to your credit card or you got your Netflix coming off, then you have this, then you have that. It adds up fast.

Bob Lotich:

Yeah, for sure. I mean, I think the whole cash thing has gone the way of Route 66. That was a nice era, but there's no way we're going back. It's a really hard, like I know some people use budgeting envelopes and put cash in their envelopes and stuff. I'm like, all right.

Carey Nieuwhof:

It was hard in the '90s, man.

Bob Lotich:

Yeah. If you can pull that off and buy everything cash, that's great. But I mean, even in 2020, we saw tons of stores would not take cash. It's like, all right. Well, anyway, so the fact is is that we're moving to electronic. We're already in an electronic era when it comes to money and currency. But in terms of debit or credit, we have a couple rules with our credit cards that we follow. We use both, we have a debit card and a credit card. But for using a credit card, because we couldn't, when we first got married, we couldn't handle credit cards because we had spending problems and they caused more problems. And so we got rid of credit cards. We didn't have credit cards probably seven years, but we started using them again. We made three rules for ourselves.

Bob Lotich:

We said, if we violate these rules then we'll just cut them up and go back to debit card. The number one rule was to never use them for discretionary expenses. My point with that was basically that I can't go to the grocery store and use a credit card. I can't go to, I don't know, Lowe's and use a credit card or any kind of spending money thing like that, because that was something for me that was going to balloon and get too big and I wouldn't have any control over it. Now, the credit card, I can use for things that really aren't discretionary. Maybe paying certain bills that I know, the electric bill, there's no temptation for me to increase our electric bill.

Carey Nieuwhof:

Overspend on power.

Bob Lotich:

Yeah. Anything like that, there's no temptation there so it's eliminating that temptation to overspend. That's essentially what's happening. Then the second and probably most important rule for us was to never carry a balance. We decided if we never carry a balance, then we're going to be okay. We're never going to pay interest charge on this card. And so we made a pact that if we ever did carry a balance for one month, we'd just cut it up and be done. I think that served us really well. I think it would serve a lot of people well to create that rule in their life. Then the third rule for us was the whole reason we opened them up again, is if we're going to get a credit card, we're going to make it work for us. It has to provide some good rewards. That was something that was really important to us.

Bob Lotich:

But we quickly realized that there's a lot of potential here. And so we ended up over five-year period getting about a hundred flights, a hundred hotel nights completely free just from credit card rewards. I think what most people don't realize is that, because there's a million rewards credit cards out there, but most people don't realize is that the difference between a bad rewards credit card and a good one isn't twice as good, it's like 50 times as good. It's like very, very different. It's a big, big difference. And so if you're going to have a credit card, don't just get one because they give you a t-shirt to sign up. Actually get a good credit card.

Carey Nieuwhof:

I really believe with you, you should never carry a balance if you have a credit card, et cetera, et cetera. But I've been following the points guy a little bit just to see, because I'm paying for a trip this year really just based on accumulated points. I wasn't able to fly anywhere for a while so I've got over a million points on one particular card in one point system that we'll use to fly places. Without giving just one thing, are there certain cards that you would say pay attention to these, they're better than others? Again, with the caveat, don't spend yourself into debt, guys. Don't spend yourself into debt. But if you're going to use your credit card, what are some of the better ones?

Bob Lotich:

Yeah. We've created a page on our site where I'm updating my current recommendations and stuff like that. But at the moment, I would say Chase Sapphire Preferred, it's a great card. It's one that I've loved for a long, long time. There's a lot of perks with it. That's a great one to consider. From a business perspective, one that we've been doing, I don't know if you're doing any paid ads, Carey, but Chase Ink Business. What we've loved about that card is they pay three times points on any ad spend, online ad spend.

Carey Nieuwhof:

Oh really? Like Facebook ads and that kind of thing?

Bob Lotich:

Yeah.

Carey Nieuwhof:

I did not know that.

Bob Lotich:

If you're doing ad spend, they can add up really quickly.

Carey Nieuwhof:

That adds up. It adds up.

Bob Lotich:

For sure.

Carey Nieuwhof:

I'll tell you that. Okay. I did not know that. That's good to know. Okay. We'll link to everything in the show notes. Bob, this has been a fascinating conversation. Particularly excited about the journey that you've been on. Any final word to people about how they handle money?

Bob Lotich:

Yeah. I mean, I think for me, I just want, particularly those of us who are Christians to understand that money is not a goal. This isn't something that, I don't know, because I think so much of the world, it's all about the goal. Like almost every financial book out there is like the goal of making more money. I think when we understand it, it's not a goal, but it's a tool that God given us to fulfill whatever assignment he has for us on earth. I think when we get that, it changes the whole perspective of money. It just eliminates a lot of the noise and the distractions from the whole thing. That's the thing I really want people to walk away with, like understand that money is a tool. We all have different assignments on earth. Some people have an assignment that might require a bigger salary than others. But when you see it that way, I don't know. It just changes your perspective.

Carey Nieuwhof:

Well, Bob, thanks so much for sharing with us today. Where can people find you and SeedTime online? And tell us about the book.

Bob Lotich:

Yeah. The book, like you said, Simple Money, Rich Life, simplemoneybook.com. I think you can go and get it. This is before the launch, pre-order bonuses, all that stuff there. Yeah, seedtime.com is our main website. That's the gist of it. You can find us anywhere else at SeedTime.

Carey Nieuwhof:

Bob, thanks so much. Appreciate you.

Bob Lotich:

All right. Thanks, Carey.

Carey Nieuwhof:

Well, there were some fresh takes in that. Were there not? I listen to a lot of stuff about money, both as a pastor just trying to help get people on a healthy financial page, and also as somebody who's trying to practice good stewardship in my own life. If you want more, you can get the show notes. We give them to you absolutely free every single week, go to careynieuwhof.com/episode478 and you'll find them there. I've got a really exciting episode coming up next time. I want to thank our partners for this episode as well. You can learn how you can accelerate generosity in your church with a free 45-minute discovery session by going to generis.com/carey. That's G-E-N-E-R-I-S.com/carey. If you want to know where your church is at in its life cycle or what the future looks like for your church, take the Unstuck Assessment for free by heading over to theunstuckgroup.com/carey, that's theunstuckgroup.com/carey.

Carey Nieuwhof:

Thanks again to our partners for bringing you these episodes week in and week out. Next week, I've got a great interview that I'm very excited to share with you. Philip Yancey is on the podcast for the first time. Well, we talk about growing up in a church he describes as White racist and paranoid. He went through deconstruction of his faith as a teenager and then reconstructed it and has become an author that so many of us have respected and appreciated over the years. Here's an excerpt.

Philip Yancey:

It was talked in my church. I heard it from two different churches growing up. It became an easy, oh, that's why. That's why Blacks are like that. You'll never see. I remember this evangelist. You'll never see an African American, which of course he didn't call him that. You'll never see an African American person as CEO or head of a country. Or they're good at serving, they make good waiters and make good servants. You can hardly believe that anybody would come up with that, but it was taught from the pulpit.

Carey Nieuwhof:

So that's next time. If you're an ex-evangelical or deconstructing your faith or even you can't figure out why so many people are, I think you're going to love next episode. We also have coming up Francesca Gino, Levi Lusko, Ann Voskamp, Dave Ramsey is locked in. I'm so excited for that and a lot more. Speaking of a lot more, you've heard the new intro to this podcast. We just announced the launch of The Art of Leadership Network, which is our podcast network. If you haven't checked out the shows that we're offering, go to theartofleadershipnetwork.com. But today I want to give you a sneak peek at something even bigger that is coming up. See, as a leader, there's a lot of obstacles and challenges you face that no one ever prepares you for.

Carey Nieuwhof:

And I think we've experienced the result. Leading your organization forward ends up feeling like a mystery. It doesn't have to remain that way. I graduated law school. Nobody told me how to run a law firm. I graduated seminary. Nobody prepared me to lead a church. I had to figure it all out the hard way. Well, next week, The Art of Leadership is going much deeper than just a podcast network, we're launching an academy. Inside The Art of Leadership Academy, we are launching a platform that will equip you with everything you need to lead, run and grow your organization with clarity. That's true if you're a church leader. It's true if you're an entrepreneur or business leader. I'm so excited to share that we've got a number of top flight leaders, many of whom you know through this podcasts that are going to be regularly active and making appearances inside the academy. The best way to stay in the loop is to join my email list.

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Carey Nieuwhof:

If you want more about The Art of Leadership Academy, just go to careynieuwhof.com/email. We'll keep you absolutely up to date. It is going to be fantastic. We've been working on this for about six months and I can't wait to roll it out. It is far more than we've ever done for leaders. I think you're going to love it. So check it out. The best way to stay in touch is to go to careynieuwhof.com/email, sign up for my email list. We have about 85,000 leaders on that list and would love to add you to the mix. So yeah, there's a lot going on and we're going to keep doing this as well. But I just wanted to share that with you. We are very, very pumped. The team's been working hard. I think this is going to deliver a whole lot of value in a really fresh way. Thank you so much for listening. I hope our time together today has helped you thrive in life and leadership.

Announcer:

You've been listening to the Carey Nieuwhof Leadership Podcast. Join us next time for more insights on leadership, change, and personal growth to help you lead like never before.