

CHRIS:

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CORWYN:

Good morning. Great morning, guys. Welcome to another fabulous episode of [Exit Strategies Radio Show](#).

Hey, I am your host, Corwyn J. Melette, broker and owner of [Exit Realty Low Country Group](#) and beautiful North Charleston, South Carolina. Hey, if this is your first time listening to this show, you sir or ma'am are in for quite the treat because our mission is very simple. That is to empower our community through financial literacy and real estate education, guys, legacy building.

That's what we do. Super excited for today's show. I always got to get a shout out to those who listen to us faithfully, to McKeller's, the LeCues, the Evans family, Pastor Vanderbilt, a senior. Look here, if I don't put that senior on that guy name, he will jack me up and his wonderful bride, Ms. Evans, my mom out there amongst condom people out there in Hollywood, what you know no good in my people and Mullins and Marion.

Thank y'all so much for tuning in. Now today, today, today, today, we're going to take a trip, quote unquote, back down memory lane in order for us to get to the life of our dreams. So I'm super excited to have with us. None other than Chris Larsen with us today, but I got to set this right for you. I got to let you know, two people can earn the same six figure income and have completely different futures.

One spends decades working for money to other bills, enough passive income that work becomes optional. Look here. What's the difference? So according to investor and author, Chris Larsen, financial freedom isn't determined by how much you earn. It is determined by what you do with the money after he hits your bank account. So today he'll share the five step framework that helped him achieve financial freedom long before traditional retirement age.

So Chris has spent 18 years in medical device sales, quietly building a real estate portfolio on the side. He purchased his first rental at age 21 with less than \$3,000 down. And he basically built enough passive income to make his paycheck optional. Today. He is the founder of next level income has participated in more than \$2 billion in real estate acquisitions and is the author look at y'all need to get this title right here and look for it immediately.

How to be financially free by 40, by 40 than \$40. Now, funky 40 is sometimes we'll say, and he joins us today to discuss the principles that create financial freedom and why high wealth income alone is never enough. Chris, welcome to the show.

CHRIS:

Thank you.

And that's how I'm going to say 40 from now on. I do. I love that. I got to get you to do it for me. That's phenomenal.

CORWYN:

Oh, that's good stuff. So Chris, look, let me lay this groundwork. We always talk about legacy on this show and I want to make sure we incorporate this in Chris. If every family wanted to create financial freedom and leave a lasting legacy today on this show, I want you to make sure that we do get this answer out. What is the one principle they should start applying today? So Chris, if you don't mind, let's get into high level overview, who you are, what you do.

CHRIS:

Yeah, absolutely. And I love that you mentioned legacy because that's how we finish up the book. So it'll be a perfect segue into that core one. And a lot of people say, Hey, Chris, how did you move from medical device sales into real estate? And as I talked about in my first book, I actually, I bought that first piece of real estate in college core. And like you said, when I was 21, well before I got into medical device sales and built the framework out.

So I said, okay, if I can build just a simple single family portfolio, buy a property once a year, like Robert Kiyosaki talked about. And there was this book called buy and hold. I forget the author's name at this point, but he said, Hey, just buy a property once a year, pay it off. And 10 to 20 years you can be financially free. I said, that's simple.

It's not easy, but it's simple. And I liked that. But I ran out of money quick. I bought that first property. I ended up buying the property next door.

And today we would call it a house hack. So I had roommates when I was in college and grad school. So I ended up with two townhouses side by side, basically six bedrooms. I rented five out and I got to live for free and was even making a little money on the side. But I think it's important to take a step back, Corwyn, because my dream before that wasn't to own a bunch of real estate.

My dream was to be a professional cyclist, but in between my freshman and sophomore year in college, my best friend, my training partner, my roommate had a brain hemorrhage and passed away. And I raced for another year. But as I was racing, I realized that I wasn't happy and I was becoming more and more successful. I think a lot of us see this in life, right? You become more successful and whatever it is, whether it's athletics or career or money and that success doesn't make happiness. And I wasn't happy even though I was successful.

And I thought to myself, what if I died? Like my friend died. He was only 18 when he passed away. I was 19. I was a year older than him. I was like, would I really be happy? Would I be

satisfied with the life I built? And what I realized was riding your bike around in a circle, that wasn't what I really was meant to do.

I said, Hey, I want to have freedom to go have adventures. And I even said, I was like, I'm going to ask the girl out. Like if I see a girl and ask out, like I'm not going to pass that opportunity up. And I really, I also leaned back into my spirituality as well, but I didn't start with real estate. I started in the stock market and it was, I was day trading.

It was very stressful. And I realized that wasn't really freedom. So I read over 250 books on business, finance, real estate, stocks, money. And I said, okay, what is going to be my path forward to financial freedom? And like I said, at the beginning, what I decided was it was going to be real estate. So I started slowly.

Here we are now we're at 27 years later. And I've made a lot of mistakes along the way, but I was able to hit a point with my family where we were able to cover our expenses in our mid thirties. And I said, Hey, I'm going to put together a new ebook and I should mention it's free. So if you go to nextlevelincome.com forward slash financial freedom book, I think I'm saying that right.

Financial freedom book, forward slash financial freedom book. You can get a free copy. So we love what you're doing. We want to give your audience a free copy of that and it's interactive. You get access to our online courses.

It's all out there designed to help you, wherever you are, whether you're just getting started or whether like you were saying, you want to set your family up for legacy and help educate them as well.

CORWYN:

So Chris, thank you so much for that and thank you for that free resource. So our listeners guys that link will be in our media content when the show airs. So please make sure that you look for that because we want to make sure that we get you connected to these resources. Now, Chris, high earners still struggle financially, right? Yes.

So why is that? Why is most times people think that income is the pathway, if you will, and income alone, let me say it that way, that income alone creates wealth. Let's talk about that.

AD:

Building wealth is important, but protecting what you've built matters just as much. And that brings us to the importance of having a financial strategy that looks beyond today. Here's a quick word from [MelliFund Capital](#). You found a perfect property. You've got the vision. Now you need the capital. At [MelliFund Capital](#), we specialize in funding real estate deals for investors who want to build, blip or hold, and don't have the time to chase after banks. Whether it's new construction, a fix and flip or long-term rental, we offer simple terms, fast approvals, and access to private capital. We even work with manufactured housing projects because we know what it

takes to build value from the ground up. You bring the deal, we bring the money. Visit mellifundcapital.com or call **843-619-7038** to get pre-qualified today. MelliFund Capital, we fund what you build.

CHRIS:

Yes. So that's a great point. And I think there's a few reasons, but I think the number one reason is we're taught to go to school, get a good job, make money. And you can listen to Dave Ramsey, pay off debt. And those are all good things, but we're really not taught about how to save and invest properly.

And the traditional way is, let's say you go out, you've got a six-figure job and you're 25. We're told invest for 40 years. And if you do well, you've got a little nest egg. And if you don't spend too much of it, that can last you through retirement. I think there's a lot of things wrong with that Corwyn.

One, why should we have to wait till 59 and a half or 65? My mom died before she was 59. She didn't get to have her retirement. She didn't get to visit all the national parks. She didn't get to see her second grandchild be born. We don't all have, like my friend, we don't all have the luxury of waiting until time in the future.

And retirement is correlated to death. Like a lot of people die right after they retire. And I don't like that concept of retirement. So one, I think that's broken. Two, we're not taught basic financial literacy.

And that's why I'm such a big fan of your show. You're going out and you're providing information so people can become financially literate and learn these things. And that's why we started Next Level Income as well. But the third piece is we're taught to make money, pay taxes, then save what we have left. And as I talk about in the second part, second chapter of the book, after you're making a high income, you need to automate your savings and you save first and you set a savings goal first.

And what's neat about that is you end up saving more and then you get to spend what's left and you kind of hack. It's like, my wife says I don't have self-control because I love ice cream. And if she brings it in the house, I'm going to eat it. And I was like, yeah, but I don't buy the ice cream and bring it in the house. If I don't buy the ice cream and bring it in the house, I'm not going to eat the ice cream.

So it's like we eat dessert last. We eat a healthy dinner first, then we eat dessert last. You get the reward at the end. So what I teach and I've taught our coaching clients is save first, then you get to reward yourself afterwards. And it sets this natural rhythm up where you're investing and you have that investing goal.

And you have to have a long-term timeline because you say, Oh, 40 years, 10 years, five, like whatever that timeline is, it sounds like a long time. So you really have to focus on the process

and automate that process. And then when you start to see the results, like working out, you're like, okay, you look in the mirror, you lost a couple pounds. You're like, I look the same. But over a long period of time, you can really transform.

And with our formula, you have a very simple formula where if you follow it, you can become financially independent in seven years. Now that might be five years. It might be 10 years. For me, it was about 15 years. Um, but still that's a lot quicker than 40 years.

CORWYN:

So that's huge. And people's mindset tends to just naturally migrate to what you just said, which is you try to save what's left versus focus on building off the savings. So you eventually have to work less. So that's interesting. Let's get into the math, if you will, behind the financial freedom, as you just kind of touched on, which is saving aggressively.

And then the accumulation over time, obviously there's delayed gratification in that as well and discipline. So how do you advise people? What tips, tricks, resources, or whatever do you connect them to help them understand in theory, the math that exists behind that financial freedom?

CHRIS:

Yeah. So I'll even, I'll do you one better. And I'll give you like the numbers in a nutshell here. I'll give a good example.

But number one, I think the first step that I talk about in the book is go out and find out what a high income career or business. And the goal is to ultimately become accredited for those that might not be familiar. That's a individual income of \$200,000 or a couple making \$300,000 or more. And actually the actual definition is a million dollars of net worth. But I think the income's important.

So if you go out and if you're making \$100,000 in some areas of the country, like California, Orange County, that's like low income now, which is crazy. We're a lot more fortunate core when North and South Carolina, it can go a lot further. And that's actually a great hack. If you're listening today and you're starting off your career, start off in a city where you can increase your income, but then you could potentially move within your company or your business where you can move to a lower area, part of the country and increase your savings. That's a great strategy.

But number one, focus on increasing your income. Number two, we say set a savings goal of 50% after tax. Now that does sound aggressive, but let me map that out. So if you're starting your career as I was, and you know, you're making less than a hundred thousand dollars, it's hard to live on say \$60,000 after tax, especially if you are even just married or have a family. But if that number goes from 60 to 120 and you get to that point where you're making more than \$200,000, but you've already set your savings plan in place and you don't go buy the bigger home right away.

You don't go buy the luxury SUV right away. That costs, we have a car that costs more than the first town home I bought. If I started off with that car, I wouldn't end up in this spot. So I had a used Honda, you know, for a lot of years. We had a home where our mortgage payment was \$1,300.

So as our income increased, we weren't saving 50% initially, but over the course of five years we got to that point. And the math is if you can save 50% of your after tax income and invest it at a compounded 15% return, which in real estate I think is realistic, you can make a lot more than that. You can make a little less than that, but I think 15% is a realistic amount in different real estate strategies. But if you do that for seven years, that money will compound. And if you invest that at 8% cashflow after seven years, you can replace your expenses.

You can have enough passive income to replace that. So step one, increase your income. Step two, save 50% after tax step three, invest it in a real estate strategy or maybe you have another investment strategy that you prefer if you're listening and do that for, we say five to 10 years and you can, if not get there, you can get really close. That is huge.

CORWYN:

That's huge.

One of the things that we see oftentimes is got to build in the protection, right? In theory it is three horsemen, if you will, that destroy wealth. How do you advise people on how to protect what they built?

CHRIS:

Yes, sir. So that's a great point. The talk about the three horsemen that will rob you of your wealth, that's death and injury taxes, a lawsuit. Those three things can just destroy everything that you put in place.

And this is where the wealthy do things differently than the poor in the middle class. They protect through things like insurance strategies, and we're big fans of cash value life insurance. Now you hear Dave Ramsey say, Oh, whole life insurance is a scam. If it's properly structured, you can actually get tax free retirement income. You can get tax free savings.

We get about a 6% after tax return in the cash in our life insurance policies. And you have both. Our insurance policies are built that we have that tax free savings. We have the death benefit. So if something happens to me, my boys, my wife is taken care of, but also there's a disability component where I can draw upon my cash value if I'm disabled and there's a long-term care rider.

So all of those things, and unfortunately I've seen all of these in my own family. My father died when I was five. My mother passed away before she hit retirement age. I talked about my best friend passing away. I've seen friends that were surgeons that had to retire because they had a disability.

And then there's that other thing that's out there too, right? There's like Helene hit, we were talking before the show, Corwyn Helene hit Asheville COVID hits. You have to have a place where you have some liquidity and emergency savings to protect that, that downside risk as well. And look, real estate's undergone a correction in the commercial space. We're seeing residential prices soften. You know, if you're building wealth, that's maybe not a great thing if you're relying on that today for income and growth, but those downturns actually provide an awesome opportunity to make really good acquisitions as well.

So as you build your plan, you want to have safety put in place. You want to have the right insurance, the right legal structures in place, but you also want to have liquidity to take advantage of those opportunities in the future. And also protect yourself if you get into a situation where you can't charge rent because the city of Asheville doesn't have water and power. So how do you pay your mortgage if you can't charge rent? And that's something I've actually been through. Like I said, I've tried to put these into our structure because these are, some are mistakes that I've made, but some are just things that I've learned along the way that happen in the course of a life, in the course of investing career, that you can not necessarily know when they're going to happen, but you can plan to protect yourself just in case they do happen.

That's huge.

CORWYN:

That's huge. So look, let's get to this mailbox money, Chris. That's that passive income. That's, that's the stuff to show up, whether or not you was there or not.

It just show up in the mailbox. Like, Oh, cause as we talk on this show, obviously we really hone in on mindset. And as we're building legacy, we know that residual or passive income, if you will, is that key to financial independence. So if you don't mind, tell our listeners the final, however you will, why is that important or isn't important? Why is passive income? And where to start and what's our ultimate goal with it?

CHRIS:

Yeah. And I love what you said.

You said passive, but then you said residual. And I think when it comes to real estate, it's real estate, really any type of investment. It's not purely passive. You should take an active role, at least in understanding your investment. So when we say passive income, it's all partially passive to a degree, but yeah, you want that residual income.

And the goal is that you set a target, you set a goal of having that exceed your expenses. And I say that because you can't eat your 401k if your 401k doesn't pay your mortgage, it doesn't pay your bills until you get to that retirement age. You could take it out, but you got to pay huge penalties. You got to pay income tax on it. That's going to really destroy that strategy.

So I think we talk about an excellent income, passive income, residual income equals freedom. And that's what we build the strategy around. And the cool thing is when you start off, it's like I said, it's not exciting. It's not sexy. It's like getting on the scale after going to the gym for a week or a month.

You're like, okay, you got a few hundred bucks a month coming in. But what's neat is it's a snowball. That money that's coming in, if you're not spending it, it grows, it compounds. And then that 500 bucks a month turns into maybe 750 a month. And then as we talk about in the book, the great thing about real estate is there's strategies like the 1031 exchange where you don't have to pay tax on your growth.

And over the course of 20 years, an investment that would yield say a million dollars will become close to \$3 million through 1031 exchanges, through delaying the tax that you're paying on them. That property I bought, as you mentioned at the beginning of the show core and that I paid about \$3,000 down for that was 1031 exchange into an office building where we were making \$3,000 a month, 15 years later. And then that was sold and we doubled our money. We sold that property for over a million dollars over the course of 15, 20 plus years, you can take a small investment. And if you have the right strategy in place, you can compound that money and it turns into massive returns over long periods of time.

So again, that passive residual income, the right tax strategies that we talk about with real estate can all work in your favor with the right strategy and ultimately lead to freedom.

CORWYN:

So Chris, what happens at most times we don't talk about this, right? But what happens after you quote unquote made it, I've made it over. I have arrived. What comes after you've reached financial freedom? What does that look like? What do you think is the obligation, if you will, at that point?

CHRIS:

Yeah, that's a great point. So I think we're all blessed with certain talents and gifts by God, the universe, whatever you believe in.

I think God gives us talents. And like I said, I thought I had more to give than just ride my bike around in a circle. And I thought, well, maybe I'm not super talented at racing bikes. I should go, I should do something different. So I think I've noticed a few things.

One, friends of mine, investors of ours, client coaching clients. Once you achieve financial independence, most of the time you don't want to stop working. So what happens is it's a transition where you go from, like you said, having to work optional. And that means you get more choices. You can make better choices in life.

I was able to actually, when I was still working as a med device rep, when I was working managing a distributorship, I actually made more money because I could negotiate more effectively because I was negotiating not from a place of fear of losing my income, but more of a place of power. So when you have income that you don't have to rely on, you can make better choices. You can potentially take more risks or take better risks. And that means you're going to have these areas of growth and other areas of your life that you may not have seen. But then the question is, what really matters to you? Is it like me right now? My boys are 16 and 14.

Is it making sure I don't miss one of their lacrosse games? That's really important to me right now during this period of time where they're in their high school lacrosse careers, is it donating or giving back your time? The big thing our mission at Next Level Income is to help people achieve financial independence. So as you do that, I think I'm a big proponent of having a coach, but also coaching or mentoring as well. So I would say once you have the ability, the financial abundance, give back, give back your time, give back money, give back your knowledge, help others along the way. Not only are you going to help improve the world, but you're also going to learn something because what I found in coaching is we learned something about ourselves as coaches as well. Maybe you have to refine your frameworks as we've done, which is how we were able to write the book, but then you realize your blind spots too.

And that's really powerful. So it's not a one way street when you give back, it goes both ways when it comes to that.

CORWYN:

So Chris, thank you so much for that. So I want to make sure people can get connected to you. We're getting towards the end of the day show.

So let's get it out there. Where can people find you get connected?

CHRIS:

Let's go. Yes, sir. So, uh, nextlevelincome.com, as I mentioned, nextlevelincome.com forward slash financial freedom book. You can get your free copy of how to become financially free by 40. We've got our podcast up there. We've got our blogs up there. We've got all kinds of free resources.

We talk about the insurance strategy that we briefly touched on at the banking link, which you can click on there. And if you're like, Hey, I really, I want to walk through this with somebody on your team. You can click and contact our team. You can click the invest link. If you want to learn about our investments, but if you get a free copy of the book, you'll also get a free strategy session.

And what we'll do is we will help the book is designed Corwyn. So wherever you are, you can jump in at that point, whether it's how to make more money, how to save more money, how to optimize your tax or legal structures. Where do I find investments that are the right fit for me?

And we'll give you, if you download the book, a free strategy session with our team to help you pinpoint your best next step. That is huge, man.

CORWYN:

That's huge.

Chris, thank you. Thank you. Thank you so much. And I'm going to say this on behalf of my listeners, but I'm going to say this to my listeners. Y'all need to make sure y'all connect because this is an amazing resource that could benefit you and your family for generations yet to come.

So Chris, Chris, Chris, Chris, we always like to leave our listeners with those action items and takeaways. So I'm a level this to them right now. So I'm going to say to our listeners, financial freedom is not, this is the action item is determined by your income. It is determined by the habit systems and decisions you make with your money over time. So this is where you begin to reframe your mind and start to take different actions.

So you can have a different outcome. Now, Chris, my takeaway from what you've said today, the goal is not simply to make more money. The goal is to build a life where money serves your purpose. And creates opportunities for future generations like Chris, I want to thank you so much for being a part of the exit strategies radio show family. I want to thank you for coming back on with us today.

It has been my pleasure to have you here at the calm with us on today.

CHRIS:

Thank you, Corwyn.

CORWYN:

So my closing thought listeners pay financial freedom is rarely, rarely, rarely a single event. It is the result of intentional, intentional decisions, discipline habits, and a commitment to thinking long-term about both wealth and your legacy. So guys, y'all know how I feel.

You know what I say? I'll always, always deliver it to you as best as I can this way, which is to tell you to tell you that I love you. I love you. I love you. And we're going to see you guys out there in those streets.