

## How to Afford Anything: Paula Pant

Journalist, globetrotter and entrepreneur. Author at [AffordAnything.com](http://AffordAnything.com)

- JD Roth: Hey everybody. It's JD Roth again and today I am talking with Paula Pant from the website Afford Anything. Paula is from Atlanta and she's got a traditional journalist background but now she's full time a real estate baroness. She's building up a portfolio of rental properties and she's also writing about her adventures with personal finance on a blog called AffordAnything.com. Paula thanks so much for talking to us.
- Paula Pant: No problem. Thanks for having me.
- JD Roth: So I guess the first thing I'd like to do is why don't you tell us a little bit about yourself and maybe how you've come to be where you are?
- Paula Pant: Sure thing. Well like you said I come from a traditional media background. When I finished college like many people I assumed that I was supposed to get a job and work there for 40 years so I did. I started down that path. I graduated and got a job and did the whole 9:00 to 5:00 thing. I was a newspaper reporter as my first and what turned out to be only job and I loved it. You know a lot of people have these stories about how they hated going to work and this and that and the other. I actually totally dug it. I loved the people that I worked with, I loved what I did, I loved reporting on stories, my colleagues were awesome, my boss was and still is a mentor; we still keep in touch. So everything, other than the pay, everything seemed to great but the problem was the lack of autonomy, the lack of freedom and I knew that I couldn't stay in that. Fortunately I discovered while I was there and I'd never known this before, so when you're a journalist and you go to journalism conferences or events everything is broken out into these different tracks based on whether you're television, radio, newspaper, magazine, and then there's this category called free lance and I was like 'what's that?' And I came to discover there was an entire class of people who didn't have employers. They just completely worked for themselves and they made their own hours and they lived anywhere on the planet that they wanted to because all they needed was an Internet connection in order to their job and I was like 'that's the coolest thing ever.' So that was basically how it began. I decided that was what I wanted to pursue and in 2008 I quit my job and haven't been employed since.
- JD Roth: That's awesome so you basically said 'you know what I can do the same kind of work but I can do it on my own schedule and give myself my own assignments maybe.'

Paula Pant: Absolutely, absolutely and I've always loved to travel. I've traveled to 30 countries and I can't do that with 2 weeks vacation a year.

JD Roth: Sure. So one question I have is you started with a traditional print journalism focus. Right now you're writing about personal finance and your adventures with money. Is that what you were writing about before or did you start with something else?

Paula Pant: No, at the time I was at the paper I was just a general assignment reporter basically. I just wrote about whatever was happening in the local community and when I began freelancing I took that same generalist mentality with me and found that it was very hard to find work because there are a lot of good writers out there and so my skill set wasn't competitive; there was nothing that made me stand out. And that's when I decided to niche down and in fact I spent some time trying to figure out what niche I would write about. Was I going to specialize in wine, animals, I mean what would it be?

JD Roth: So wait, did you really...I don't know this about you. Did you really consider wine and/or animals?

Paula Pant: Yeah, I actually almost went into wine and the reason that I didn't, you're going to laugh at me, but there's actually a lot of chemistry involved when you start studying wine and I'm not that strong at science so I decided it would be too scientific for me.

JD Roth: Wow and what about animals?

Paula Pant: You know somebody gave me the advice 'write about what you love to read' and I've always loved reading Money magazine and Personal Finance. I mean I've always been a money nerd and I've always loved reading that media so I decided if this is what I love to read about then this is what I should write about.

JD Roth: Yeah and I have to say the people listening to this won't know this about me but the people who read my blog know that I really prize great writing. I work hard to try to improve my own writing and I feel like there's a lot of room for my improvement and I like to read blogs that are written well. And one of the things that I admire about Afford Anything and your writing Paula is you write well as opposed to other people who might have lots of great content but need to work on their writing skills. I love to read what you write.

Paula Pant: Thank you. Thank you JD.

JD Roth: You're welcome. So tell me your site is called Afford Anything. What does that mean? Are you trying to say that people can afford whatever they want to have or what is that phrase afford anything? What does it mean?

- Paula Pant: It pretty much...yes. It is saying that you can afford anything. You can't necessarily afford everything and that's the difference.
- JD Roth: So explain that concept to me, you can't afford everything but you can afford anything.
- Paula Pant: Sure well I mentioned that I quit my job in 2008 and at the time that I quit I decided to go and travel for a while and by a while I mean two and a half years. So I left the US and just went everywhere, all throughout Europe, the Middle East, Australia, New Zealand, Southeast Asia, and during the time that I was traveling people kept saying either 'how can you afford it?' or worse they would say 'oh I would love to do something like that but I can't afford it.' And that baffled me because it's like newsflash, entry-level newspaper reporters at a small town paper do not get paid very much. I wasn't making good money before I did this but I was very conscious about how I spent my money and so these people who were telling me 'I'd love to travel. I would love to go to New Zealand or Thailand but I can't afford it,' are the same people who drove much nicer cars, lived in nicer apartments, you know got manicures and pedicures.
- JD Roth: Ah, so what you're saying is they were making choices to afford other things and so that's why they couldn't afford the travel.
- Paula Pant: Exactly, exactly and so I started Afford Anything basically in response to that in order to show people wait a minute, you can afford it. Whatever it is that you dream about even if you think that it's out of your reach, even if it sounds impossible you can totally afford to do it. You just need to be very ruthless about cutting out things that society will deem as normal but that aren't personally important to you. So society says it's normal to have a nice apartment or a nice home and if that's what you dream about, if that's what keeps you awake at night then go for it if that's your dream. But if that's not really your passion then slash that, live in a dump so that you can do what it is that you love.
- JD Roth: And I think this is a fantastic point Paula because this goes to something that I talked about with Adam Baker in the interview I did with him and it goes to the concept that I call conscious or mindful spending, which is a term that I got from Ramete \_\_\_ and it's basically that you can choose what you want to spend on and you can spend lavishly on that but in order to do that you've got to cut back on the other things that are less important to you.
- Paula Pant: Exactly.
- JD Roth: This also goes to in the book I talk about as the chief financial officer of your own life one of the things that you have to do, and this involves taking on some of the CEO role, is you've got to decide what your mission statement is. What is your goal? What is it that motivates you so much that you're willing to make sacrifices in order to achieve it? And in your case it sounds like

that thing was travel and you were willing to sacrifice a lot of other things in order to attain two and a half years of travel because that's what your mission was.

Paula Pant: Exactly, exactly. I mean that was the thing that got me excited. I had a huge map of the world hanging up in my apartment that I would just stare out for hours thinking of all the places that I wanted to go and so in exchange, in order to do that, I hustled in the evenings and weekends writing freelance stories and increasing my income, I drove a \$400 car, literally a \$400 car, and I didn't even drive that much. I walked or biked pretty much anywhere I wanted to go and drove a \$400 car if I absolutely needed to drive. And what's funny is that none of that actually felt like a sacrifice because I was so aware of the fact that these things were unimportant to me that it never felt like I was giving anything up.

JD Roth: And see that's like when I decided that I wanted to get out of debt and my mission became to get out of debt, I was so focused on that that the sacrifices that I made in other areas of my life were...they didn't seem important and one of those areas, the example I always give, is clothing. I didn't care about my clothing at the time because I was so focused on getting out of debt and then after I got out of debt I was so focused on saving that I was willing to buy my clothes at the Thrift Store. I was willing to buy them at Costco and I was perfectly happy with that. Now later when I began to date, my priorities changed. All of a sudden clothing did become important to me and so I had to look at what I was doing and make sacrifices in other areas and so I cut back on things that I previously had been spending on, including books and comic books, and instead spent that money on clothes so that I could build a nice wardrobe and look good when I went out.

Paula Pant: Right.

JD Roth: So in your case it sounds like this goal to travel, this mission to travel, just came intrinsically; it's just something that's inside you. Do you have any advice for people who might not know what their mission is? How do people decide what their mission statement is or what the big goal that they want to accomplish in their life? Do you have any thoughts on that?

Paula Pant: Sure. First I wouldn't necessarily conceptualize it as something that you want to accomplish in your life. I'd conceptualize it as what you want to accomplish in the next one or two years or five years because a lifetime is a very long time. I have no idea what my priorities will be when I'm in my 50s but I've got a pretty clear idea of what I want in the next three to five years so that's the first thing. Don't be intimidated by how long your life is. The second thing is sometimes subconsciously we know what we're interested in even if it's not consciously at the surface so for example going back to what I said about write about what you love to read, I don't think I was consciously aware that I was so

interested in money and personal finance but when I got that advice and I stopped and thought about what do I read in my spare time, if I were to wander into Barnes and Noble and go to the magazine rack what's the first magazine that I would pick up? It would be Money magazine and that was true long, long before I ever started blogging about personal finance.

JD Roth: You're kind of a nerd, huh?

Paula Pant: Totally, totally a nerd, but you know that's how these passions that we express in subtle ways can get brought into our consciousness. So yes, those would be my two items of advice.

JD Roth: Okay. So when you decided 'oh, I want to be a freelancer,' you took some time off, you traveled around the world, so obviously you're not doing that now. You're living in Atlanta. Can you tell us what do you do now? How do you afford anything and how do you make money I guess?

Paula Pant: Sure. Well so thanks to the blog I've been able to have a very successful career not just as a freelance writer. It started off...when I began the blog I still conceptualized myself as a freelance writer and I used the blog as something of a living, breathing, dynamic business card or portfolio for my freelance writing work. And in the three years since I've started the site that's actually expanded and so now I work primarily with financial services companies or real estate brokerages, primarily with companies within that field. I help them develop and run their own blogs and so for some of my clients I'm just straight up freelance writing and for other clients I'm doing everything from laying out an editorial calendar to hiring a crop of other freelancers and assigning stories to them and collecting those stories from them and editing those stories and helping them with their social media. So you know I didn't realize when I started it that blog management was even a thing that people did but it's somehow turned into my career.

JD Roth: Wow, that's amazing and then in the meantime one of the things that you and I have talked about many times because I'm fascinated by it is you've had the guts to make the leap into rental properties. You own a couple of rental properties. Are those profitable? Do they just pay for themselves? Tell me a little bit about how you got started with that and the financial implications.

Paula Pant: Sure. Well it started back in 2010. So as most people will recall there was a big recession, housing prices plummeted, and a lot of houses were selling at very, very cheap prices. And I was starting to make better and better money, certainly much better than what I was making when I was working at a newspaper but still living very frugally. I did and continue to still do live with roommates because that's just...having my own place is not something that's important to me. And so I had all of these savings, myself and my partner Will, we had all these savings and we decided 'hey, let's

take advantage of this clearance sale on houses and scoop up a bunch of them and rent them out.' And so now we have six rental units.

JD Roth: I'm sorry, how many was that?

Paula Pant: Six of them.

JD Roth: Six rental units, okay.

Paula Pant: Yeah and after all the expenses, including after setting aside a reserve every month for repairs and maintenance, after setting aside money for paying a property manager, after every single penny is accounted for in terms of expenses these probably net us a passive income of about \$30,000 a year.

JD Roth: \$30,000 a year and that's on top of the money you make from the work you're doing with the blogs and whatever Will would be doing.

Paula Pant: Exactly yes so that's just purely passive income and then of course we both work full time and that's our active income.

JD Roth: Wow and so do you feel like...in the book when I talk about as chief financial officer of your own life one of your responsibilities is to boost your company and in this case your company is You, Inc., is to boost your company's revenue and there are all sorts of different ways to do that. You can get a raise at work, you can take a second job, and it sounds like in your case you could do it through rental properties. Do you think this is something that's appropriate for a lot of people? What kind of mindset do you have to have in order to do this?

Paula Pant: I definitely think it's appropriate for a lot of people. Let's see...in terms of mindset I think...well I wouldn't go so far as to say you have to be an optimist but you at least have to not be a pessimist because there are a lot of people that I talk to who when they hear the word 'rental property' the first thing they think is 'oh the tenants going to trash the place,' 'how do you deal with all of those issues?' 'How do you deal with a leaking toilet?' 'How do you dealing with A and B and C and D?' and they'll immediately think of every objection and then get stopped there. So rather than trying to find the answers to those objections, rather than trying to figure out A, how do you deal with it, and B, how do you create a system that automatically deals with it so that it doesn't impose on any of your precious time? (Coughing) Excuse me. Rather than trying to figure out the answers to those they just give up before they even begin so you have to have that mentality of not doing that.

JD Roth: And I think this is a terrific point Paula because I find in my experience writing about personal finance when I write about cutting back on spending or when I write about increase and

income, especially when I mention specific ways to do it, there are people...there are a couple of different kinds of people. One type of person immediately goes to the reasons it, whatever the idea is, will not work. And there are also people who take the other stance and they look for ways that it might work and most people fall some place in between. But I think it's very important to not disqualify yourself from any particular idea without looking for ways it might be able to happen. So when you hear 'oh Paula does real estate. I wonder if real estate could work for me,' don't immediately jump to the conclusion that it can't work for you because of X. Instead look for ways that you might be able to make it happen. And this is also true when you hear for example I'm going to be talking with Pete very shortly and he's a strong advocate of biking and not using motor vehicles. He thinks people should use alternative transportation because it can save you tens of thousands of dollars a year and when he writes about that or when I write about that people immediately jump to 'I can't do that because of X.' Instead of doing that I think it's very important to take the opposite mindset and say 'well here's how I could make it work or at least make it work partially.'

Paula Pant: Right, right, exactly. I mean even with the biking example, okay, people might be listing the reasons why 100 percent of the time they can't get around on a bike or by walking. Okay but what if you increase the amount that you did it by an extra 5 percent over and above what you're doing now? What if you increased it by 1 trip a week and then tried 1 additional trip this week, 2 additional trips next week, 3 additional trips the following week and slowly and incrementally your life will shift into that change.

JD Roth: Yeah and I find it very interesting because for me I moved to this new condominium about a year ago and when I first moved here I was excited because it's a very walkable neighborhood but I wasn't doing much walking. But I realized just yesterday I got in the car for the first time in a week and I thought 'oh wow. Look at the gas gauge.' I filled up, got a tank of gas, I'm trying to use relative times here because dates won't mean anything to people listening to this...it was about three and a half weeks ago that I got a tank of gas and I still have half a tank left and normally a tank of gas will last me a week. But I've made it a habit now to bicycle or to walk throughout the neighborhood that I'm in and again I consciously chose a walkable neighborhood and even my gym, which I go to four times a week, is two miles away and later today, after I talk with Paula, I'm going to walk to the gym, I'm going to do my exercise, then I'm going to walk to an appointment with coffee, I'm having coffee with somebody, and then I'll walk home after doing groceries. So I intentionally build my life around being able to walk or bike and I look for ways to do it instead of reasons that I can't do it I guess.

Paula Pant: Right, exactly, exactly and you know I've done the same thing. I live in a very walkable neighborhood and I very rarely...like you I probably fill my tank once every month and a half and primarily

that's to drive 40 minutes away to visit my parents. That's pretty much the only driving that I do.

JD Roth: And I don't want to make it sound like everybody should be using alternative transportation because I understand very well that there are reasons that it doesn't work for people but my point is, and I think your point is, that instead of automatically disqualifying ideas that could save you money or make you money look for ways that you might be able to use it or just use parts of it.

Paula Pant: Right, exactly and it ties back into the afford anything philosophy. You know people immediately jump to I can't afford it rather than looking for how they could afford it.

JD Roth: Exactly.

Paula Pant: How can I increase my earnings? How can I make an extra \$100 a week and then save an extra \$100 a week? Boom, that's an additional \$200 a week right there that you've just added.

JD Roth: Right and that adds up. That's an extra \$10,000 a year right there.

Paula Pant: Right and then once you're doing that you can continue to scale it. You start with earning an extra \$100 and saving an extra \$100 and then you scale that further, double that, and then double that again and then double that again.

JD Roth: That's awesome. That's outstanding advice. Well Paula thank you so much for talking with us today and if people wanted to get more information about what you've been able to do about the real estate and stuff they can find you at [AffordAnything.com](http://AffordAnything.com).

Paula Pant: Yes, thank you.

JD Roth: Thanks Paula.

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