

EPISODE 223

[INTRODUCTION]

[0:00:02.6] PF: Welcome to Episode 223 of Live Happy Now. I'm your host, Paula Felps, thanking you for joining us. We've all heard that when life gives you lemons, make lemonade. But today's guest actually has the recipe for that lemonade. Zach Friedman is the CEO and founder of Make Lemonade. A personal finance company that empowers individuals to live a better financial life.

His new book, *The Lemonade Life: How to Fuel Success, Create Happiness and Conquer Anything*, looks at the five internal switches we all have that we can learn to flip to find our purpose, maximize our potential and you got it, be happier.

[INTERVIEW]

[0:00:40.0] PF: Zach, thank you so much for joining us on this episode of Live Happy Now.

[0:00:44.0] ZF: Thank you so much for having me, I'm really excited to be here.

[0:00:46.1] PF: You know, this is a little bit different than what we've talked about and I'm really glad that you wrote this book because it's not a way that people approach business or finances. Right of the bat, your book tells us that success is more about living your life with purpose and on your own terms. To begin, can you tell us why that is so important to success?

[0:01:05.9] ZF: Absolutely. My new book, *The Lemonade Life*, which just came out, really asked a fundamental question which is, "What drives success?" And as you noted, many people think about success, hard work, talent, financial success. I had an opportunity to have lunch with Warren Buffett and what I learned from Warren Buffett was more than just how to be an investor, how to build a great financial empire, how to be successful. When I listen more intently, what I heard was actually building a life, built on happiness, right?

And understanding who you are as a person. Self-awareness. Having a positive outlook, understanding how to be more independent. And so as I started to process these things from

my lunch with Warren Buffett, I really looked at a new definition of success which is built on happiness and whether it's in your personal life, your work life, your financial life, however you look at life in general.

If you put happiness at the center, you're going to live a much more successful life and I call that life the lemonade life.

[0:02:04.0] PF: When so many people think sure, that's easy for you to say because you already have these things, you know? It's easy for Warren Buffett to be happy because he's a billionaire. But we do know from studies that happiness leads to success and not the other way around.

How do you kind of convince people, which you do very well in your book, how do you convince them that this is the groundwork for success? It's not about the money first.

[0:02:30.6] ZF: That's right. Look, it's not about Warren Buffett being successful and then he is happy. As you indicated, there are a ton of research studies that actually show that happiness is a precursor to success. In my book, *The Lemonade Life*, what I do is I look at the successful habits and traits and characteristics and behaviors of the most successful people. Again, this is not enjoying happiness on the back end, this is not deferred happiness, you know?

Start working when you're 20 and retire at 65 and then you get to be happy. This is what can you do today, fundamentally in your life, very simple things you can do to become happier today that can empower you to be more successful. What I looked at are the common characteristics answering that one question, what drives success?

What I found is that the greatest leaders, whether it's in business or sports or politics or entertainment, have these five common behaviors. These five switches as I call them in my book, almost like a light switch. When you flip on those five switches, those behaviors and they're all inside of us by the way, we all have the power to do it and we all have these switches.

That's really the secret to more happiness and more success and more greatness in your life. I really believe that everybody and I say this in the book, *The Lemonade Life*. Everybody has a

shot at greatness. When you flip these switches and commit to it, you can lead a greater life which is on your terms and it's called the lemonade life.

[0:03:54.6] PF: I do want to talk about those switches because that's so integral to the success of what you talk about. But first, can you explain the difference between the lemon life and the lemonade life?

[0:04:04.7] ZF: Yes, every day, all of us, whether we realize it or not are choosing to live one of two lives. On the one hand, it's something called the lemon life, and unfortunately, it's where most people are stuck but they may not realize it.

The lemon life is really settling for a life that's less than your best self. It's a life of pretending and chasing, settling and you really don't get to live up to your full potential. So many people get stuck there and may not even realize it. On the other path is something that's a better life and I call it the lemonade life. The lemonade life is leading your life on your terms with purpose and possibility. Purpose is the underlying reason why you do what you do every single day. It's the why in your life. It's your mission, right?

And possibility is infinite opportunity and when you connect possibility and you connect purpose together through action, you get to lead the lemonade life. All those people who are living the lemon life today, they all have access to switch their lives and start committing to the lemonade life. I call the lemonade life the world's most exclusive club but everyone has access to it.

[0:05:10.9] PF: You make it sound so simple. Why aren't we all doing that? Why aren't we all living the lemonade life naturally?

[0:05:18.0] ZF: Well, some people are, look, and some people live the lemonade life. It's not like everyone's living the lemon life, right? It seems complex to do and then on the other sense, you can argue it's very simple to do. Why aren't people just committing to it now?

I think the main reason that people don't is that there're roadblocks. Those roadblocks fundamentally are built on excuses. What do I mean by that? Well, if you hear a lot of people and I talk about this in my book, *The Lemonade Life*, there's people who are stuck because they make excuses like, "I just can't do this," or "I'm too old," or "I don't have enough money," or "It's

going to take too much time,” or “I could have done this 10 years ago.” They live in this environment which I call the chasm of can’t, right?

It’s all these people who have told you no in your life. Whether it’s yourself, or it’s your friends or your parents, your family, because they don’t believe in you fundamentally. I really believe that if you commit to yourself to do the work and you understand yourself through self-awareness, you can build a life for yourself that allows you to achieve your best self and again, your best self is not what society defines or living up some greatness of some famous athlete or famous celebrity in Hollywood, it’s, what is the best version of you? It is the person that you are meant to be and destined to be.

How do you commit to that lifestyle? I want to be clear, this is not for people who are necessarily struggling in life, that’s not what it’s about. There’s many people who are successful and have been tremendously successful as you know, raising a family or building a business or getting material wealth, whatever it is and whatever drives you, again, that purpose in your life.

There’s always – there’s a way to get better, right? We’re always working towards self-learning, self-improvement, reaching that peak performance. The lemonade life is not a destination, it’s a way of life. Even if you’re incredibly successful, you have an amazing podcast, things are going your way, there’s always room to achieve more greatness and improve yourself to get along that right pass, you can continue it and continue to reap the rewards.

[0:07:06.2] PF: You brought up the fact of excuses. That people make excuses and that’s what keeps them from living this lemonade life but to those people, they don’t consider them excuses. If you said, well that’s an excuse, they might get a little defensive because it’s like no, this is my fact, this is my reality. How do you get someone to overcome seeing something as the reason they can’t do it and overcoming that?

[0:07:32.2] ZF: Here’s the thing, you can’t teach an old dog new tricks, right? If someone’s not going to commit to see it themselves, you can only try to convince them as much as possible. It’s really an onus on everyone to really step up to the stage and take accountability and responsibility. You know, I lay out the groundwork of how you can do it, right? What are the five switches that you need to flip?

Don't want to commit to that or you're doubtful or you just want to continue to make excuses, even if you don't view them that way. It's very hard for you to commit to something like that. It's great to have support systems, whether it's friends or family, mentors, colleagues, coworkers, to help convince you about the power to change and again, these are not incredibly difficult things to do, they're actually quite simple.

You can start a variety of ways to change your life but if you don't change your own circumstances, it's very hard for you to stop making excuses if you won't even recognize that they are excuses, right?

[0:08:23.9] PF: Absolutely. Do you want to talk a little bit about the five switches that we need to flip?

[0:08:30.0] ZF: Absolutely. The best way to memorize these five switches and understand them, is by an acronym which is very simple. It's PRISM. Which is P-R-I-S-M. P is for perspective, R is for risk, I is for independence, S is for self-awareness and M is for motion. These are the five behaviors that all of us have the power to change in our lives and when we do so, we see the world in a different way. We make better decisions. We can separate ourselves from the herd mentality, the wisdom of the crowd so to speak.

We understand ourselves better and we commit to do the hard work that's necessary to lead the life that we want. It's all about committing to a positive perspective and really doing the work on ourselves so we can achieve what we want in life and when you commit to do these very five simple things, anyone can move from the lemon life to the lemonade life.

[0:09:26.6] PF: How do you go about flipping those switches?

[0:09:29.9] ZF: You really go one by one. It's really a sequential process and it starts with perspective. Really, the first thing is to fundamentally rewire your brain. When I talk about a positive perspective, I'm not talking about watching a YouTube clip for five minutes and getting inspired and suddenly your life changes because that won't happen.

That's a temporary state of happiness or of joy. What I'm really talking about is reorienting your mind where you fundamentally see the world in a positive light, you see the good in people, you

see the good in situations, you see good in opportunity and I think the best way to do that, I mean, your next question will be, how do you actually do that would be my guess.

The way you do that I think is really leading your life with purpose and it's been one of the most fundamental changes in my life. It's really to sit down and think like, "Why am I doing what I do?" You know, "Why do I get up every morning?" And I bet if you ask a lot of people, what is your life purpose, it's very hard to articulate, right? What is your life purpose?

I would implore everyone to sit down and almost take a piece of paper and write down one sentence, my life purpose is — fill in the blank. It can be to serve your family, to take care of your family, to create a life for your family and loved ones. If you're a teacher, it could be to inspire a generation of children to grow up and change the world.

You know, if you're a podcast host, it's how do you inspire and motivate and explain new thoughts and concepts how people lead a better life. Whatever it is in your life of the reason why you get up every morning, think about that very intently. I think when you begin to think that way of why you're doing everything, why do you get up to go to work, why are you working in your job —

You start to really connect your actions and your thoughts together. Maybe you're on the right path and it gives you more clarity, maybe you're on the wrong path and it's a great opportunity to pivot but you really start thinking more intently about yourself, your actions, what you want to commit to.

I think that's one of the best ways that people can start to have a very clear mindset and start living a life of positivity and more greatness.

[0:11:23.5] PF: I'm really glad you brought that up because we know that purpose and meaning, they are so important yet we don't give it a lot of time and we don't give it the kind of thought that it merits.

[0:11:34.2] ZF: Absolutely. You're absolutely right.

[0:11:37.7] PF: After we get perspective, then we get to risk?

[0:11:40.2] ZF: Yes. And so, risk, the best way to think about risk, I mean, so many people think about risk, really in a binary form. They think of it as, either this decision is way too risky and we can't take that gamble or they say, you know what? I love risk. Let's roll the dice and see where we go and people are either you know, this risk seeking or risk averse behavior and I think a better way to make decision is not on that framework necessarily.

It's okay to be risk averse, it's okay to gamble here and there but I think a better way to look at risk and you could apply this to any aspect of your life, whether it's your career, your finances or just personal decision you need to make, is really to think about this framework of risk versus reward, okay?

They use it in a financial concept so it's like, for every dollar that I'm willing to bet, what's my return going to be, okay? People think about this when they invest in a stock market for example. Everybody thinks about the upside, right? I invest \$10 and if it goes to \$30, I triple my return, I'm really excited about that.

A lot of people try to ignore the downside, right? You could lose all that money. And so when you make calculations, you don't need to be a math whiz to do this. You really need to think about what can I gain and what can I lose and what's the relationship between those? I'll give you a very quick example that's none financial. Let's say you're looking at a new job. Deciding whether you should take it.

Most people would just do a traditional plus minus column. They would write down all the reasons why it is a great job, write down all the reasons why it is a bad job and whichever column was higher, it had more pluses and more minuses that is how they would make their decision. Instead, I think you can give numerical values to each one of those and what I show in the book how to do this, if you gave a score to each one they added up the scores of the pluses and minuses.

You can get some kind of a ratio, you might get like a three to one ratio or four to one ratio that meaning you have four times the benefit and one of a loss. So it basically shows that would be a reason to take a job. You want some level of comfort and so the more you focus on reward and risk or reward and loss rather, you'll be able to make decisions around the risk a lot better.

[0:13:39.6] PF: And that leads to independence.

[0:13:42.1] ZF: It does, independence. So many people, what I found who are stuck living the lemon life are really living the life of dependence and what I mean by that is they're not thinking independently. They are not acting independently. Whether they realize it or not, they are following what I call the herd mentality. So that could be anything from not raising your hand at work, right? We have all sat in those work meetings before and the boss comes up with an idea.

And just says, "This is the action we're going to take," and everyone around the table just nods and says, "Yeah, absolutely that's right," because they don't want to look silly or have their promotion or their bonus affected but I would really implore to you.

[0:14:18.0] PF: That never happens, I don't know what you are talking about.

[0:14:19.8] ZF: It never happens at all, you know we're all guilty of it though and so I would implore people to speak up more at work. I think it is something that is one example of being an independent mind. Now that may sound crazy to a lot of people because they're worried. There is fear, fear of retaliation, fear of embarrassment, fear of sounding silly but what I found being a leader and being a CEO of my own company the people who challenge, the people who speak up –

Again, in a respectful way, they add value and they may have a contrary opinion but they are bold and if they make sense and they are being reasonable, I think those are the people who really stand out and you may get shot down — and the boss may disagree, but I think the people that give a voice to themselves, that's just one example of being independent. I will give you a quick other one. So many people also want to keep up with the Joneses, right?

We have seen this before, keeping up with your neighbor, your friends, the social status. Again it is a life of dependence. It's — the first one was not thinking independently. This one is kind of not acting independently and folks that are tied to someone else's lifestyle or tied to someone else's life, the result is that you live a life of dependence and you don't get to set your own destiny. Someone else literally will determine your destiny because you are always trying to keep up with them.

And so, I for independence is really about how do you carve that life for you, how do you carve that life at home, at work, so that you can follow a path that is purpose filled and it is literally you controlling your destiny, sink or swim.

[0:15:38.1] PF: And is that something as you've developed in one area of your life is going to spill over into other areas. Like say you voice more at work, is it going to come out in your home life as well?

[0:15:49.0] ZF: Absolutely, it is all connected, right? I mean so many people talk about their work life and personal life as separate but I really believe that when you have happiness inside of you, it really translates to all aspects of your life, right? You can't be happy at home and miserable at work, right? I mean you need to take the opposite. If you are miserable at work, it will carry over into your personal life and I talk about this in the book.

Like if you are in a bad job and you are miserable, you need to quit. That is one action, that sounds bold and it may sound crazy to people and "How can I do that? I have bills, I have responsibilities." Absolutely. You need to take care of those and take care of your family, maybe don't quit immediately but you really need to take action to change your circumstances. You can leave your job, you can change groups, you can change departments, switch offices.

But the longer you're in a miserable job or have a miserable boss, you'll never commit to achieve the excellence that you want in your life, plain and simple and so many people get stuck in a job where they are literally miserable for years. I have so many friends who have gone through this situation and they just – you know another year goes by, they're at the holiday party, they are still complaining and it will spill over into your personal life. It will, absolutely.

And so you have to have that congruence of happiness at home and at work. So yes, once you change one aspect, there will be positive spillover effects if you are changing it on the right path to happiness into your personal and professional lives.

[0:17:05.6] PF: And then that leads us to the S in Prism is self-awareness.

[0:17:09.2] ZF: Self-awareness is talked about a lot but a few people practice it and so by self-awareness, it is really taking accountability and responsibility for yourself. It is understanding who you are as a person and because life is so busy and we are all in this chase, man taking care of our responsibilities and just trying to get ahead or keep our head above water, there is often little time for ourselves and that goes along a couple of different parts.

You know part of it is literally taking care of yourself. So self-care I think is something that is super important. You know you will hear about someone taking a couple of hours off or doing a hobby or something like that but I think it is really important to just find some time where it is just you, because we spent so much time taking care of other people, our family, our friends. Take care of your clients or customers, you know take care of yourself for a little bit.

I think that is super important to pat yourself in the back, congratulate yourself, remember your greatness. I think is very important and then another component of self-awareness is really understanding your strengths and weaknesses and that gets talked about a lot too but I think a lot of people say to themselves, "Okay, here are my strengths and weaknesses. I know I am good at this but I need to really improve these weaknesses so that I can be better at them."

I think that is wholly inefficient. I don't think people should really focus on their weaknesses. No one could be perfect, right? The people who are always trying to prop up their weaknesses are on this road to perfection that I think is just really illusive and so I would really focus on your strengths. So if you know you're good at these five things, really focus on getting better and you never going to reach perfection.

It doesn't mean that you know, you have bad qualities in the weaknesses that you should ignore them. I mean if you're doing things that are hurting other people or not productive to society or you think they are negative to your health or to your outlook, absolutely, flip the switch. But if they are just weaknesses in general, if you are a really bad tennis player you don't need to spend your entire life trying to be Serena Williams. So that is part of the self-awareness and it goes into a lot more detail of how you are going to apply that at work as well.

Because I think some of the best leaders are also kind of inject happiness and understand what they are good at and what they're not and that translates to your teams and work as well in your personal life and your family.

[0:19:08.0] PF: And then what is it, the final switch?

[0:19:10.8] ZF: The final switch is M for motion. So the motion switch is all about the hard work and so you can flip all those first four switches but if you really don't commit to the work, like I really believe there are no shortcuts to greatness, okay? There is people who luck out but really people who achieve success could really put in the effort and the time and the hard work and so we all have unique paths. It doesn't matter what path you have taken.

One of the great things about the lemonade life is it doesn't matter what happened yesterday, it doesn't matter what happened last week or five years ago and if things went well. They didn't go well, you messed up, you made this mistake, we all have a shot at redemption. We all have a shot to make a different tomorrow and at the lemonade life, everything starts over and so you have a chance to achieve the life that you want but you have to do it through hard work.

No one is going to do this work for you but you and I think when you take control of yourself, you live a life of purpose and you are focused on unlimited opportunity for yourself, a much wider world than maybe you are used to seeing. Great things are going to come your way. They may not come immediate, you may take a different path or a circuitous route that your friends are not taking. Maybe you get first to the finish line, maybe you don't, but eventually you will get there and when you do, it is going to feel absolutely amazing.

[0:20:18.6] PF: One thing that is so great about your book is that listening to you and talking to you now is like, "Wow that is a lot," your book breaks it down so well and it is very inspiring in the sense that I can do this, you know?

[0:20:31.8] ZF: Absolutely.

[0:20:33.7] PF: And all of those people who are saying, "Man I can't because of this and I can't because of that" you really abolish all of the excuses and the need for excuses and lay it out to how every person can make this work.

[0:20:45.9] ZF: Thank you very much. You know I really spent a lot of time on doing that. I write a lot and what I try to do is really break down maybe what people would call complex things or

maybe just hard to understand things that aren't explained very well out there and I try to break them down very, very simply so that really anyone could have access to them and so in the book, I break it down so it is a very easy. There is headings, there's sub-headings, there is bullet pointed lists.

There is step one, step two, step three. You really can take this on a very practical level. I mean this book is not a theoretical book. It is a, "Look, here's what people did, here's what you can do, here's how you do it and here's where your path looks like" and if you flip all of these switches, you are going to feel really inspired and you are going to feel motivated and then you're actually going to have a specific path of how you get from where you are to where you wanted to be.

[0:21:32.6] PF: You know and you went to Wharton and Harvard and a couple of other very well-known schools and I am guessing that is not what they taught. So how did you connect all of these dots?

[0:21:42.7] ZF: You're right, this is not stuff you learn at school. I wish there was an opportunity for people to learn that in school but no. I didn't learn this in school. I really picked it up in life, right? I think the school of life has taught me from the people in my life to the work that I have done, the people I have met, the people I have been inspired by whether it is well-known people that I have met, whether it is Warren Buffet or presidents or prime ministers but it is also a lot of everyday people.

Who I have come across that I have shared important life advice, who I have admired, who have been committed to hard work or run a small business. I am more impressed by those folks than some of the big name folks that you read about in the newspapers. Just good hardworking folks who have a good life philosophy and a good head and shoulders that they are thinking about the way the world works that might be more contrarian than how other people think and that's really grounded me.

You know in the book, I also talk about everyday entrepreneurs, you have never heard their names but you've used their products on a daily basis and it really shows that you don't have to be a household name to create greatness in your life and really, you don't have to really create anything. You can be the best version of yourself. You don't have to create a company is what I

am really trying to say. You can raise a family at home and your purpose is to raise great children.

To live a life of happiness and greatness and success and self-worth and that is one of the greatest gifts that anyone could ever give and so there is so many different ways for people, you know public servants, police officers, fire fighters, first responders, doctors, nurses, don't think of this as a financial goal that you need to attain. Our military heroes, our veterans, you are protecting and defending our freedom. There is so many different ways that people have a purpose in your life.

I really believe that everybody has a shot at greatness and I say in the book, no matter who you are and where you come from or what you do for a living and how much money you have, everyone has an access to create a life that they want to lead and become the person that they want to be.

[0:23:28.2] PF: Zach, I appreciate you coming on the show today. We're going to come back in just a couple of seconds and tell people how they can see your TED Talk, how they can get your book or how they could learn more about you but again, thank you for this. This is such great information presented in such an attainable way.

[0:23:46.3] ZF: Thank you so much.

[0:23:46.9] PF: It is really a great read.

[0:23:48.0] ZF: It is so great to be here, I really appreciate it.

[0:23:50.1] PF: Thank you.

[END OF INTERVIEW]

[0:23:54.5] PF: That was Zach Freidman, author of *The Lemonade Life: How to Fuel Success, Create Happiness and Conquer Anything*. If you'd like to learn more about Zach and his book, please visit us at livehappynow.com and we'll give you links to his TED Talk, tell you where to find this book and give you all the information you need to follow him online.

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That is all we have time for this week. We'll meet you here again next week for an all new episode and until then, this is Paula Felps, reminding you to make every day a happy one.

[END]