

THE FREEDOM TOUR

with Kate Northrup



The 5 Things You Gotta Do To Create Financial Freedom

{Trust me...I did them!}

What does freedom mean to me? Freedom means waking up every morning and getting to choose how I will spend my time that day. Freedom means being fully present in the moment so that I can show up as my best self. Freedom means choice.

At the root of true freedom lies financial freedom. My belief is that if you can free yourself up financially, then you can truly show up as the spectacular human being you are meant to be. You can be a fully present parent, lover, friend, husband, wife, business owner, artist, and agent of change. If your brain, spirit, and creativity are clouded with worry about how to pay the rent or pay for your children's education, how can you even think about making the world a better place?

Now maybe you're reading this and thinking to yourself, yeah, of course I want to make the world a better place, but I'm just one itty bitty little person who doesn't have any real power or talents that could make that much of a difference. Well I'm here to tell you that you actually can make a huge difference, even as one human being amongst 8 billion on the planet.

You see, what I know to be true is that each of us showing up fully in life as our best selves inherently makes the world a better place. When a mother pays full attention to her child and gives her the acknowledgment she so craves it imprints a sense of: "I'm okay. I'm valuable," in the child. That child's self-esteem soars, and she may then go on to write inspiring films about women that change the lives of thousands of people all over the world.

Or, imagine a visionary founder of a company valuing each and every one of his employees and taking the time to discover each of their true strengths and passions so that they can not only be happier at work, but so that the productivity of the company improves. He listens to them. He jokes with them. He invests energy in truly knowing them. And his company thrives and improves people's lives.

Neither of these people launched global campaigns to end world hunger or cure debilitating disease. But because they are free to spend their time the way they choose to, they can show up, change the lives of the people around them in seemingly small but nevertheless hugely significant ways, and thus

make the world a better place.

There's a belief out there that's not often directly articulated, but is pervasive nonetheless, and it goes something like this: if someone else on the planet is suffering it is wrong for me to enjoy my life. If someone is hungry I should feel guilty about the food I'm eating. If someone is heartbroken, it's not okay for me to enjoy being in love. The truth is, though, that no amount of me feeling sad, guilty, angry, depressed, or hungry will help those who are suffering. What I know to be true is that we are far better poised to serve when we're replete with energy, resources, and love.

I'm sure you've had the experience of a friend reaching out for support when you yourself are emotionally drained. Perhaps she's going through a breakup and you just lost your job. It's harder to be fully present to soothe her broken heart when yours is already feeling a little achy. As much as you want to be there for her, you just can't fully show up because you're stressed and distracted.

It's now several years later. You've created a business online that sells products you love whether you're working or not. Everything is trucking along quite nicely, you've paid off all your debt, your income from your business is exceeding your living expenses with enough extra to invest, save, and give, and you've created a system that's working for you. Your mother, who lives alone, breaks her leg. Thankfully, you adore spending time with your mom, and are delighted to fly to her home and help her out for a couple of weeks while she recuperates. You guys rent movies, make yummy meals together, and have an all-together awesome time. Because you've got yourself squared away financially, you're free to not only help out the woman who gave you life in a time of need, but to also have a darn good time doing it. Your presence with your mother in service and joy makes the world a better place, and your financial freedom is fueling it.

So if you know that financial freedom is the surprising route to making the world a better place, then how do you create financial freedom?

I lead workshops around the country called [Women & Wealth](#), in which I teach the inner and outer work around money to create true wealth, which I define as ultimate freedom and choice. The **equation for creating financial freedom is to have your passive and/or residual income exceed your living expenses**. Passive or residual income is income that you work for once and then get paid for over and over. Some ways to create this include writing a book, recording or producing a Platinum-selling album, creating an information product that's sold online, or setting up a business system that works for you whether or not you're physically present.

(Note: Don't forget that the second side of the equation is to figure out how much it costs for you to live on a monthly basis. I challenge you to take the next 30 days and write down everything you spend. Then you'll know how much passive/residual income you need to create in order to be free. Very simple really. You can always choose to either increase your passive/residual income or decrease

your expenses. Both of them are great paths to freedom. It's not about how much money you make. It's about how much freedom you have.)

I started a [business](#) when I was eighteen as a freshman at Brown University. I built the business during my summer and Christmas vacations and was able to graduate in 2005 with enough residual income that I never had to take a job working for anyone else. I was free to make my own choices about how to spend my time from a really early age. During my twenties I've had the opportunity to travel the world, become a yoga instructor, take acting classes, dance, create lasting relationships, build a team of women entrepreneurs eight hundred strong and growing, delve deeply into personal growth, start a speaking career, and enjoy the heck out of my life.

On January 25, 2011, I packed what little remained of my belongings after selling and giving most of my stuff away, picked up my white Prius, which I fondly call Zoe, and headed out on an indefinite road trip known as The Freedom Tour. I'm out to inspire as many people as possible to create financial freedom so that they can tap into their true purpose (which I promise you is NOT to work paycheck to paycheck and just barely cover the bills.) I figured out how to create financial freedom early in my life and I'm out to share my knowledge.

Some people will resonate with the idea of [plugging into an existing system to create a business that pays them whether they're working or not](#), like I did. Some reading this will be inspired to create informational products like audios, e-books, and online courses to create residual income. Some may be really turned on by affiliate marketing and want to create an online presence that's a great resource and outlet for recommending other people's products and services for a small cut of the profits. And some folks have a bestselling book in them that will be their path to residual income.

The reality is, once you've got your cash cow rolling (or your muse, as Tim Ferris calls it in *The 4-Hour Work Week*) then you're free. You're free to go see the world. You're free to do humanitarian work. You're free to love fully. You're free to create your Magnum Opus. You're free to pray, meditate, stand on your head, surf, dance, cook, garden, cultivate, learn, grow, give, and thrive. The foundation of financial freedom unlocks an energy and creativity that are not accessible when you're drained by financial worry and your hours are tied to dollars.

I've been studying financial literacy and freedom from an early age. When I witnessed my parents going through a divorce when I was sixteen I saw my mom wake up one day, suddenly single for the first time basically since she was thirteen. She was fifty years old. She had written a *New York Times* bestselling book. She'd been on Oprah. She had a successful medical practice. She had an Ivy League degree. She had two mortgages to pay and two private college educations to fund. And yet she knew nothing about money. She was terrified.

At that time I vowed never to end up in her position. I had seen both my parents work their butts

off to create the financial means to live a pretty great life. As physicians, though, their income was directly tied to their showing up physically to perform their craft. Yes, they were highly paid, but it cost them in time. My dad missed Christmas a couple of times because he was on call. My mom practiced gynecology full time, writing her book at night and on the weekends, while juggling raising my sister and I and being a wife. They were well off and yet not at all free.

The truth is, wealth isn't comprised simply of your bank account balance, salary, or net worth. To me, wealth is truly measured in how much precious time you have to spend the way you want to spend it. And how you spend that precious time doesn't matter a lick to me. Because making the world a better place happens one free, fulfilled, happy person at a time.

So at this point you may be thinking to yourself, "Okay, Kate! I'm convinced! I get it. Creating financial freedom for myself is the key to making the world a better place. But how the heck do I do it?"

I've taken dozens of courses so you don't have to. I've exhausted the business, self-improvement, and personal finance sections of the bookstore to save you time and money. I've also been in the trenches building several online residual income businesses, as well as a more traditional service-based business, for the past ten years. I hang primarily with entrepreneurs who highly value freedom. So I've got the goods and I'm psyched to share them with you.

Here's my distillation of the past 12 years of study, experience, and research in how to create financial freedom—and therefore make the world a better place:

1. Do what you love.

Pick a business or other way of creating residual and/or passive income that speaks to your soul and energizes you. Though I talk a lot about being able to fully show up for life and be true to your purpose once you've created financial freedom, I recommend you choose a vehicle that you're passionate about and believe in wholeheartedly. The last thing the world needs is someone else promoting something just to make a buck.

My belief is that it's possible to make money, do something you're passionate about, and make the world a better place simultaneously. Gone are the days of having to pay your dues and suffer most of your life so that you can have a few golden years of happiness at the end. I chose to partner with a company that makes high-grade health products that had a huge impact on my life and my family's life. It's something I believe in and I would share with people whether I made money doing it or not. Though it's not always possible, I suggest aiming to select something as your freedom-building cash cow that you would do whether you were getting paid or not.

Action: Make a list of things you absolutely love to do, things you could be seen as an expert in,

and things that you rock at. Be as creative and inclusive as possible. If you love to organize your sock drawer, put it down. If watching romantic comedies with girlfriends jazzes you up, make sure that goes on the list. Don't limit yourself to things that are obviously marketable skills. Think outside the box. Think big.

After you've made the exhaustive list of what turns you on, go back through and put a star next to the ones that you could see as the most obviously marketable or profitable. Put two stars next to the one or two ideas that get you the most excited thinking about them.

2. Choose a model that gives you leverage.

Leverage is the ability to make an impact that's greater than the total of your energy and time put together. For example, the Internet gives you leverage because you can be selling a product online whether you're sitting in an ocean-front room in the Maldives or writing the great American novel in a cabin in Vermont. Doesn't matter. You're leveraged. Another way to have leverage is to have employees who are working whether you're at the office or not. A final way to create leverage is to tap into a business that allows you to earn money from other people's efforts as well as your own, like becoming a real estate broker or building a [network marketing business](#), as I've chosen to do.

Action: Go back to your list from the last step and underline the thing on there that you can immediately see a way to leverage yourself with.

3. Get cracking.

Building a stream, or ideally multiple streams, of passive and/or residual income for yourself is not for the faint of heart. The truth is that the freedom train is not for everyone. It takes work. It takes dedication. It takes emotional and creative fuel. But if you've read this far, you're one of the few who has what it takes. Now all you've got to do is get down to business.

Action: Look at the items from the list that you double-starred because you see them as obviously marketable and they energize you. Then look at the things that are underlined because you see a way to leverage yourself with them. They may not be the same items, and that's okay. I've seen loads of very cool, very profitable businesses spring up from combining seemingly unrelated or unmarketable pieces.

My good friend [Marie Forleo](#) loves to teach, loves to hang with women entrepreneurs, and loves to dance. Thus was born Rich, Happy, and Hot, a brand for women entrepreneurs to learn how to have it all. Marie figured out how to combine her loves in one super-profitable business that fuels her soul, her bank account, and her freedom. (She even figured out a way to incorporate dancing. Love that!) She happens to be making the world a better place through her cash cow. Nice work if you can get

it, and I guarantee you can.

Another friend, Lissa Rankin, is a mom, an OB/GYN, a coach, an artist, a writer, and a wife. Holy potential schizophrenia! At first it might seem that these disparate passions and roles couldn't possibly fit together into one cohesive piece. But Lissa figured out how to be all her, all the time, and has created [Owning Pink](#), a business about getting your mojo on.

My friend [Chris Guillebeau](#) is a non-conformist, which he defines as someone who thinks for himself. He loves to travel and has an audacious, big goal to visit every country in the world by his thirty-fifth birthday. With just over forty countries to go at the age of thirty-two, he's well on his way. Chris could have thought to himself, "Well, I can't get paid to travel. Instead, travel costs money. I don't want to be a travel writer and I'm not going to be some sort of travel personality on TV, so I guess I'll just give up my passion and work in a cubicle until I retire. Then, when I'm sixty-five, maybe I can take a trip or two." But he didn't. Instead, he created a small army of remarkable people who think for themselves. And he created products and services that not only support his small army, they also are a cash cow so that Chris can travel the world and pursue his big goal. And all the while he's financially free and making the world a better place. Hot damn!

Richard Branson, British entrepreneur best known for his Virgin Group that comprises over 400 different companies, has made billions of dollars with his various enterprises. Do you think he needs to work anymore in order to pay for his living expenses? Not a chance. So, since he has systems in place that crank along whether he's at the office or not, Sir Branson can spend his time and energy on projects that make the world a better place. One of his many humanitarian projects is called the [Branson School of Entrepreneurship](#). Its goal is to improve economic growth in South Africa by helping start-ups with mentorship, networking, financial support, and business skills. Branson has parlayed his financial freedom into initiatives that are making a serious difference on the planet.

Let these examples, who are only four among thousands, inspire you. You may have a burning, audacious vision that you're so pumped to free yourself up financially in order to pursue that you can't even sleep at night. If so, rock on! Or you might not know what your purpose is yet, but you know you value freedom highly and you know that you've got some big stuff to do—you're just not sure what it is yet. You might be like me and want to get the financial freedom piece taken care of before you have kids so you can raise an amazing family and be a really present mom. There's nothing wrong with you if financial freedom is the main goal right now and there's no huge altruistic vision on the other side. I guarantee, when you get there, when your passive and/or residual income is greater than your living expenses and you can choose to spend your time exactly as you want, you'll come up with something genius. And the world will thank you for it.

The next step is to gather support. Start looking for examples of people who have lives that look something like what you want. Take them out to lunch and find out how they got there. (Note: When

you've reached true financial freedom and are in the give-back portion of the program, you're most likely willing to be of service to other people. Please don't ask to pick anyone's brain. Simply ask them if you can take them to lunch and soak up some of their inspiration. The chance to help someone along, plus a free salad and iced tea, will most likely be reward enough for their time.)

4. Get support.

If you can't find anyone in person in your own circle of influence, set the intention to meet a few financially free folks, and then get inspired by the people I've listed above and other online presences. Read books about creating financial freedom. Read stories of people who are doing what they love, making an incredible living, and making the world a better place. (I've included a recommended reading list below. Begin to immerse yourself in stories of people who've made it happen. Just like when Roger Bannister became the first man to run the four-minute mile and suddenly, for the first time in history, people all over the world began being able to run a mile in under a minute, too, let other people's success be your permission to have it yourself.

(Note: Be careful about telling people who are Negative Nancy's or Bobby Bummer's about your plan to create financial freedom for yourself in order to make the world a better place. They'll just rain on your parade and sidetrack your progress. Try not to hang around them too much, and if you're forced to because you live with them, are married to them, work with them, are related to them, or were given life by them, just keep your mission to yourself until it's fully formed and cranking along. In the early stages your freedom train is a small, tender shoot that needs protection and care. Keep it safe. Similarly, don't take advice from people who don't have what you want. Don't let your broke friends tell you how to invest. Don't let your single, lonely friends convince you they have the key to lasting love. Don't let your shackled friends tell you how you can or cannot create freedom for yourself. If they share, just nod, smile, and change the subject.)

5. Start where you are.

Lastly, start where you are. You know what they say, Rome wasn't built in a day, the best way to eat an elephant is one bite at a time, and the longest journeys begin with a single step. (I don't know what the eating elephant thing is about. It sounds kind of gross to me but you get the point.)

I love the reminder that when you're driving at night you can only see about twenty feet on the road ahead of you in the glow of your headlights. And yet, despite the fact that you have really low visibility, you don't freak out about whether or not the road continues beyond twenty feet. You don't stress about suddenly ending up falling off a cliff or in the middle of the woods somewhere. You just trust that the road continues and you go along to your destination with about twenty feet visible at a time. That's really all we can handle at one time, anyway. Just take the next best action. Grab the low-hanging fruit. Take a bite and enjoy the juicy, ripe sweetness dribbling down your chin. The higher up stuff isn't ready to be eaten yet, anyway. If you try to reach it and take a bite, it will just be sour.

Action: Write a list of the five, low-hanging fruit, most obvious next-best steps toward creating your financial freedom-creating cash cow. Here are some examples to get your brain going:

- Contact a financially free friend (or someone who's creating that) and ask if you can take them to lunch
- Read [Rich Dad, Poor Dad](#)
- Visit Chris Guillebeau's site at www.chrisguillebeau.com to learn more about non-conformist money-making

I wish you sunshine, sparkles, adventures, and an open heart on your journey.

Keep in touch with me as you go. We're all in this thing together. Share your foibles. Share your triumphs. Share your dreams. Reach out to me at info@katenorthrup.com.

Hop on the freedom train with me and let's make the world a better place!

Recommended Freedom Resources:

- Rich, Happy, and HOT www.marieforleo.com
- Danielle LaPorte's [Fire Starter Sessions, A Digital Experience for Entrepreneurs](#)
- Chris Guillebeau's [Unconventional Guides](#)
- Tim Ferris's book [The 4-Hour Work Week](#)
- Robert Kiyosaki's book [Rich Dad, Poor Dad](#)
- Free email series: **3 Steps You Can Take To End Financial Anxiety Right Now** – sign up at www.teamnorthrup.com (you get the first 3 steps immediately and the last 4 come to your inbox later)
- [Women & Wealth](#) workshops, taught by yours truly