Chapter 13

Community and Wants—Horse Force Multiplier Illustration

This chapter illustrates multiple principles of The Offer.

Through Googling, I identified several versions of the following story about draft horses that all express the same fundamental concept. There probably is a scientific study proving the matters I am about to describe, but it also sounds like a common knowledge thing about horses. The claim in these accounts is that, if a single draft horse can pull one unit of weight, then two horses should only be able to pull two units of weight, right?

The narratives love this hook because the surprising answer is "no"! The answer is that the two horses can pull THREE units of weight.

One theory about how the horses can do this is that, because horses are pack animals with an active herd instinct, they are more willing to do certain things together that they would not do alone. When I went swimming in the deep ocean in Hawaii, I was not alone. There were other people with me, so I felt a greater degree of safety than if I were alone even if the actual danger remained the same.

As pack animals, the horses can manifest a different intent in a pair or more of them working together than they can by themselves. They demonstrate a willingness to do things in a group that they are not willing to do alone. They feel safer in their community, and their rest enables their industry. They can rest (somewhat) in their community while working and they intensify their effort over what they could do alone.

Think about how you could employ this force multiplier effect by creating a real estate investment community. If you have a partner, either romantic or otherwise, maybe a friend, you could work together to create functionally your own "multi-family" property by buying a single-family home together. If you view it as an investment going in, have a mechanism to govern disputes and handle liquidity at an agreed-upon valuation (current appraised value), partnerships can work even with joint ownership of something illiquid like a single-family home. With the frequency of divorce, it even may be better for married couples to consider buying their homes together through partnerships. Again, this is not legal advice. I am trying to describe how things *could* be done and how they actually are done by people who are smart enough to educate themselves and work through all of the issues.

Some of these people became clients of mine in my law practice. They grew so effective at forming these partnerships that they banded together to form asset management companies with their closest friends and business partners. Through their asset management companies, they went out to their other wealthy friends who secretly were jealous about the returns in real estate they had been watching my clients achieve over the past few years. My clients eventually ask their wealthy friends, "Would you like to invest?" Then my clients call me for my law firm's services. Their creation of the private securities that their friends invest in necessitates the services of my law practice.

Real Advisers will inform you about different asset classes within commercial real estate. One of the safest to invest in is multi-family, which typically are large apartment complexes. For our purposes, think about properties with more than 100 units. They may be efficiency units, or one- to three-bedroom apartments.

The reason that multi-family is the best asset class on a risk adjusted basis forms the underpinnings of this book. The efficiencies of scale achieved with multi-family properties make it a great investment because of the single fundamental need that all humans share. You will need to lay your head down tonight. It will happen and the only question is, are you going to use that place as an asset or a liability? Remember Robert Kiyosaki? I highly recommend that you read Rich Dad, Poor Dad. It is not a perfect book but this one isn't either. Far from it. We both are trying to make different arguments, though, for why it is such a good idea for people to invest in real estate. The force multiplier effect is at work with multi-family real estate, just like with the horses.

I describe to you in Chapter 15 the 500-person audience that Ryan Gibson of Spartan Investment Group, LLC and I spoke to at the conference in Denver. These people were all attending to learn more about syndicating multi-family investment partnerships. I also describe in this book my client Canis Major Incubator, LLC, a commercial real estate incubator in Austin that is helping people invest in commercial real estate in a similar way as Real Advisers.

By banding together, these clients achieved more together than they could have individually. This was both because of economies of scale and also undoubtedly because they were working together like the horses.

There inevitably is a force multiplier effect of working together with others because of the likelihood that you can manifest an intention to put forth more or better effort than you can or will had you been working on a problem alone.

Chapter 18 is entitled “Diet and Wellness”. I discuss in that chapter the importance of yoga, and it’s why I invited Aubrey Marcus of Onnit to serve on the Board of Real Advisers. I want people who are focused on health and wellness, because those attributes will trend you in the direction of wealth accumulation.

I mention Onnit because it owns Black Swan Yoga, the yoga studio where I have practice. Like all group fitness and coached exercise, yoga provides a great example of the draft horse, force multiplier effect. Black Swan has multiple locations throughout Austin, and that is a good thing because inconvenience is never an excuse for me not to go. I have been going regularly for the past few years, and the teachers all know me by name.

I love yoga as a moving meditation and an exercise regimen that helps condition my breathing and core for swimming. I am a better swimmer now than ever before because of yoga. One of the reasons that I feel so passionately about yoga (and masters swimming) is the force multiplier effect at work in a group workout setting.

I am willing to do things in class, and expend effort in different ways, that I may not be willing to do alone. I am willing to acknowledge my laziness, but I also assert that I am not strictly like a pack or herd animal like a horse. I have a greater capacity for self-discipline , self-regulation and motivation. I can make myself act as both the horse and jockey. This is a running joke between me and another attorney in Austin with his own practice. When you work for yourself, you have to both be the one who performs the work, and also the one that has to motivate yourself to a higher level of effort. We all have heard the metaphor of "upping your game."

If you want to up your game in any exercise regimen, I highly recommend that you engage that regimen in a group workout context if possible, or with a coach. You will experience gains over what you will if you just work out alone. While a coach or group classes may impose an additional cost or expense that you would rather spend on something else, get in touch with your wants and identity and decide whether that additional cost is worth it to you. It is worth it to me because of the gains. I want to be as fit as my dad at 77 and I joke with him now that I am going to be fitter. I am going to be doing handstands by then. But if this is not important to you, everyone is different. Please just make sure you a trending yourself in the direction of health, however you are doing that. Healthy people are wealthier people and on average, health brings better life enjoyment than money provided that basic needs are met.

Writing The Offer has caused me to "up" my game through a great deal of effort. I expended that effort without the benefit of a herd around me, other than my parents and my artist friends who encouraged me with the poetry. They were my artistic community, and my heart-oriented wealth focuses on art as being a central core of my identity and what I want. I want other knowledgeable people around me to advise me about whether my art is the place where I can best serve.