

On Your Terms Episode 53:
The Millionaire Myth in Online Business

Sam Vander Wielen: [00:00:10] Well, I hope we're all feeling ready for a little Sassy Sam situation. Welcome back to On Your Terms. I'm Sam Vander Wielen, your host, an attorney turned entrepreneur who helps you legally protect your online business.

Sam Vander Wielen: [00:00:10] And today, I was getting real with you - per usual, I'm always real with you - I was just kind of - I don't know - sitting down, spilling the tea, sharing my thoughts with you on what I call the millionaire myth of the online business owners, where people talk about how they're millionaires in their businesses who clearly don't understand what it means to be a millionaire.

Sam Vander Wielen: [00:00:43] I'm not just talking smack today. I really am encouraging you to dive deeper, dig deeper to be a better consumer, to be more discerning in what you're seeing online. And I'm even suggesting what you should focus on instead. So, sit back, relax, or put on your sneaks and go for a walk, and welcome to On Your Terms, in case you're new here.

Sam Vander Wielen: [00:01:03] Before we get into this week's episode, I've got to read to you the review of the week. Carly said, "The best no fluff step by step podcast for entrepreneurs, Sam Vander Wielen's podcast, On Your Terms, is an absolute must for all entrepreneurs. The episodes are not only interesting and inspiring, but they'll walk you through step by step what you need to know to operate as a small business owner or entrepreneur. This podcast and Sam's Ultimate Bundle takes all the guess work and stress away from protecting your online business. This podcast is a total game changer for anyone looking to start, grow, or scale a business." Thank you so much, Carly, for leaving that review.

Sam Vander Wielen: [00:01:40] And if you listen to my podcast, On Your Terms, on Apple Podcasts, go ahead and leave a review real quick after you're done listening to this episode. Because every single month, I pick a new winner to receive a \$20 Starbucks gift card as a thank you for leaving a review. All you have to do is leave a review, I'll pick the winner. And you submit your review and then you'll get a shoutout on a future episode. With that, let's get into the millionaire myth.

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On Your Terms Episode 53:
The Millionaire Myth in Online Business

Sam Vander Wielen: [00:02:07] So, recently, actually my team - it wasn't even me - while I was out on leave after my dad passed away, my team put together a Reel using footage from a Story that I had done on Instagram - I don't even know - maybe over the winter or something. I think it was almost a year ago. And they put together this Reel of me making yet another sassy statement saying that you're not a millionaire if your business makes \$1 million in revenue, if it even makes \$1 million in revenue.

Sam Vander Wielen: [00:02:41] But let's just suspend the bolognas for one moment and pretend, like, all of the people who were telling you online that they're making that much money are. Whatever, we can just put that aside. We're having a bigger conversation today. If your business makes \$1 million, that doesn't make you a millionaire. And so, there are so many problems with that statement.

Sam Vander Wielen: [00:24:38] And I don't remember what was going on that day, but I think I had seen something. I liked the story off the cuff. I remember the story being really popular at the time. And then, my team took this audio and this video from my Stories and they repurposed it - shoutout to repurposed content - and they made it into a Reel. And the Reel kind of took off on Instagram. And I got so many comments from people, so many interesting comments, so many insightful ones, positive ones saying, "Yeah. Thanks for saying that," all that stuff. But a lot of comments that also made me think like, "Oh. There's still a lack of understanding," even the people who are in support of it sometimes. I was like, "I think there are just a couple of things we got to clarify."

Sam Vander Wielen: [00:03:44] And I just feel this need in our industry to be transparent. I mean, all I can do is be transparent for myself, my own business, with you. So, I can tell you what I'm doing. I try to give a lot of context when I share things with you guys. If I share about, "It's a multi-seven figure business." But this is about what we did for ads or this is what percentage came from ads, or whatever, this is how many people I have working for the business now.

Sam Vander Wielen: [00:04:12] So, I try to provide as much context, because I find that a lot of times when you're hearing these figures from other people, you're just lacking a lot of context. I don't know what percentage of them are just lacking truth, but I

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On Your Terms Episode 53:
The Millionaire Myth in Online Business

feel like it's probably more than I want to know. I mean, some of them are. But, obviously, not all of them are.

Sam Vander Wielen: [00:04:33] And there are plenty of people making plenty of money, and when they do report figures to you, that is, in fact, what they are making. And some people report that stuff and they're telling the truth, and they do offer context, and that's great. And I also think that I see a lot of people doing that who are either worried that it's not true or that's there no context being provided. And then, I just see this flat out mistruths of people saying, "I'm a millionaire. My business just hit the million dollar mark, therefore, I'm a millionaire."

Sam Vander Wielen: [00:05:05] And so, I think it's just important to have a little bit of, like, a reset, a reality check because, often, if you're hearing these things over and over and over again, then you start to apply that to yourself. I remember when I started my business, I was like, "Oh, my goodness. Everybody is making \$100,000 a month or \$10,000 a month, there are \$5,000," wherever you're at. I remember thinking that and I'm being like, "Oh, I'm doing something wrong." Or, "They're a millionaire and they're only 26. What am I doing wrong?"

Sam Vander Wielen: [00:05:34] And then, with more time in the industry, I just started unpacking this and realizing. So, really, the purpose of today is to help you walk away from this episode feeling a little bit better about wherever you're at. Also, on my crusade of awareness and being a better consumer on your end, I really just want to encourage you to start thinking more about what you see and analyzing it a little bit, unpacking it, unfollowing something that doesn't make you comfortable. And then, moving you towards really working with the good people.

Sam Vander Wielen: [00:06:07] I'm not here to tell you this person is good, that person is bad. I just want to give my opinion, my insight, on kind of how I go about looking at these things and unpacking people's statements. And then, you can do with that what you will. You might find somebody online who you really like who talks about money in this way, great, that works for you.

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On Your Terms Episode 53:
The Millionaire Myth in Online Business

Sam Vander Wielen: [00:06:27] For me, as a businesswoman, it's very important, for example, if I was going to work with a business coach, and this business coach made a statement like, "I'm a millionaire. My business made \$1 million." Or that statement "I'm a millionaire" was based on the fact that their business hit \$1 million. I would not want to work with that coach purely based on the idea that in that statement alone, that person doesn't understand business. They don't understand basic business financial tax, whatever, principles that are required, in my opinion, by someone who's going to act as an expert, hold themselves them out as an expert and accept your money to "build your business".

Sam Vander Wielen: [00:07:15] So, if they don't have a fundamental understanding of business and how things work, then that's just, personally, not somebody I'd want to work with. So, it's always a red flag to me when I see that. That's kind of why it stands out to me. It's not to, like, pick on these people, it's not any of that. I'm not anti-coach. I think business coaches are great. Not all business coaches are great. Not all of any kind of coach are great. There are people in my industry who aren't great. There are people in your industry that aren't great. That's fine. That's fine.

Sam Vander Wielen: [00:07:46] This stuff is all going to work itself out. This is a relatively new industry. It takes some time. And I am just of the thought that eventually things kind of settle. And people fall to the bottom and the others kind of the cream rises, and that's that. So, this is not anti-anyone. It's just about awareness, discernment, and being a better consumer.

Sam Vander Wielen: [00:08:09] So, yes, you are not a millionaire if your business makes \$1 million. Also, just for the record, as long as we're here and spilling the tea, you are also not a million dollar business if your business hits a number of revenue in one month, that if you hit that revenue every single month, you would make \$1 million. I hear people say this all the time, seven-figure business owner because one month their business hits \$100,000 or however many dollars you need to become a million dollar business, I don't even know.

On Your Terms Episode 53:
The Millionaire Myth in Online Business

Sam Vander Wielen: [00:08:09] So, you know, that's really the point is that, I find that there's just loopy goosiness to our industry - that's the official term, by the way. You can look it up. But I find that there's this laxness that people can just say stuff and it goes on check. It feels a little culty, if we're being honest - well, if I'm being honest - because in cults or cult-ish-like communities, people say things that go unchecked. And people accept things the way that they are.

Sam Vander Wielen: [00:09:15] And I think, fortunately, in the last couple of years, we have started to see people be like, "Wait a minute. That doesn't make sense." or "Wait a minute. You said this and now you're doing this." I have seen, I guess, a little bit more accountability but I do see this a lot where people will be like, "I'm a millionaire because my business just hit this," and then everyone is celebrating them. I'm like, "Wait. Does anybody take a moment to think that doesn't make you a millionaire?" That's not what a millionaire means and you need to know that as a business person. You probably already do know that.

Sam Vander Wielen: [00:09:50] Have you ever felt lost about where to begin with the legal side of protecting your online business? Some people say you can just wing it at the beginning and get officially set up later. Not a good idea, by the way. Whether you're afraid to even start working with clients because you don't want to do something wrong legally and then get in trouble or your business is growing and you sort of forgot to take care of the legal pieces, I've got you.

Sam Vander Wielen: [00:10:12] I don't want you to live in fear of the internet police coming after you and your business. But you do have to do certain things and get certain things in place in order to legally and safely run your business online. As much as it just feels like an unregulated, wild, wild west online, that is very much not the case.

Sam Vander Wielen: [00:10:29] As an attorney turned entrepreneur and former corporate litigator, I can assure you that there are rules. There are real steps that everybody who runs or starts an online business needs to take. And you're not behind at all. We can get you set up and following the rules right away. In fact, we can even do it today.

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On Your Terms Episode 53:
The Millionaire Myth in Online Business

Sam Vander Wielen: [00:10:45] I want to teach you the five very simple steps to take to legally protect and grow your online business. You don't need an MBA to be a successful entrepreneur and stay out of legal hot water. But you do need to dot your legal i's and cross your t's in a few key areas that can't be skipped. That's exactly what I'll teach you in my free one hour legal workshop called Five Steps to Legally Protect and Grow Your Online Business. Just head to mylegalworkshop.com, drop in your email address, pick the time, and I'll send you a link to watch the workshop video whenever you have time.

Sam Vander Wielen: [00:11:15] This is the best place to begin if you're just getting started legally legitimizing your business, so head on over to mylegalworkshop.com and sign up to watch Five Steps to Legally Protect and Grow Your Online Business now.

Sam Vander Wielen: [00:11:29] The other thing that I thought was so interesting that came up, there were kind of two themes of comments that came up to this Reel that went - not viral, but it went bigger than normal Reels for me. There were two things that came up. One, was remembering how income works as a business owner. So, this is really important. So, the reason that I'm saying you're not a millionaire if your business makes \$1 million is because the business's revenue is not your personal income.

Sam Vander Wielen: [00:11:58] The way that this typically works - and I'll speak kind of in generalities because I'm sure you all live in different places and you might have different business entities and all that kind of stuff - let's say, you have an LLC, for example, and you haven't filed to make that LLC an S-corp. If you just have an LLC and you're filing taxes as an individual, the profit of your business is what's reported as your income.

Sam Vander Wielen: [00:12:22] So, a lot of people would start saying things in the comments about, "Yeah. They're not even being honest about the fact that it's mostly expenses or what the net is," and that kind of stuff. And it's like, "Yeah. That still doesn't matter." Because even if you made \$2 million in the business, you're only reporting whatever the profit is of your business as your actual income. So, if you make \$1 million

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On Your Terms Episode 53:
The Millionaire Myth in Online Business

in your business and then you add \$600,000 in profits, and that's what you're reporting on your taxes as your taxable income, then you are \$600,000-naire, whatever that it. So, that's what you are.

Sam Vander Wielen: [00:13:04] Now, the other thing that kept coming up was kind of this net worth idea. So, when people say that they're a millionaire, it means that they have a net worth of at least \$1 million. And when we talk about net worth, it's not just your income because then your income gets spent on things. We pay our mortgages and our rent and our car, whatever else. A Pitch subscription, like I do. That's half of my revenue, half of my income. It really is quite expensive. So, we take our income and then we pay for things.

Sam Vander Wielen: [00:13:37] Net worth takes then into account what is in our bank account, what is left over, what are we saving, what are we investing, our real estate, any other assets that you might have that you have equity in, I should say. So, if you have a car, for example, but you don't own that car; if you lease it, you don't have anything in it; if you own it but, let's say, you finance it, so you're paying it off, it's whatever your equity is. So, if your car is worth \$20,000 but you still owe \$10,000 on it, you don't have \$10,000. That's equity. That's what you have in the car. That's the amount that you own. That goes towards your net worth.

Sam Vander Wielen: [00:14:16] We, also, when we talk about net worth have to account for debt, so, if people have mortgages or student loans or other things like that. So, it balances out. So, when you start calculating all of these stuff, you're like, "How many of these people could truly be millionaires when they've just started their business six months ago and they don't have any assets as far as you know." A lot of times I'll hear people talk about this, they don't have real estate assets. Maybe they have investments or a ton in the bank account, but that's not what they're sharing. What they're talking about is their revenue.

Sam Vander Wielen: [00:14:48] So, just keeping in mind that how our income works, the only amount that's actually your income is what you report on your taxes, that's your taxable income. And then, that gets transferred to you. You pay taxes on it, a ton of

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On Your Terms Episode 53:
The Millionaire Myth in Online Business

taxes on it, depending on how much you make. Obviously, as you scale up, you'll pay more and more in taxes. You're paying taxes on that, so even that's not all take home. That's not net salary. And then, you're paying your life expenses. And then, maybe your debts, if you have a mortgage or a car or student loans. And so, really what are we talking about when it's left over? Again, there is nothing wrong with any of these stuff.

Sam Vander Wielen: [00:15:27] There's nothing wrong with having student loans. I had a ton of student loans until I started my business. And I used my business's profits to pay them off. I paid myself and then paid them off within, like, a-year-and-a-half of starting my business. There's nothing wrong. A lot of people have student loans. A lot of it. I have a mortgage. People have mortgages. People have medical debts. They have all kinds of different debts.

Sam Vander Wielen: [00:15:50] There's nothing wrong with any of these stuff. It's just about being transparent. It's about not walking around and telling people you're a millionaire when you actually have no assets. It's not telling people that you're a millionaire or you're alleging to help build a business if you don't understand this fundamental and very simple concept. That's an issue for me that you're paying these people money.

Sam Vander Wielen: [00:16:14] It's just about transparency. I wouldn't have any issue with somebody talking about their profitability or profit margins. That's what I would rather hear about. I would rather hear about how you're actually getting in there and you're working on it and you're making your business more profitable. You're increasing passive revenue, recurring revenue streams.

Sam Vander Wielen: [00:16:35] And, also, can we all just take a pause and actually think about how so much of the focus, when it comes to this kind of marketing, is on how much money this person is making versus what kind of impact they're making. So, don't tell me about how you're a millionaire because you made \$1 million in revenue. Tell me about all the other people you've made millionaires. Tell me about their lives and what you've done for them and how you've helped them and their health, and their relationships, and their businesses, and their careers. That's what I want to know about.

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On Your Terms Episode 53:
The Millionaire Myth in Online Business

I'm so sick of hearing about this when it's not even either true or completely forthright. So, that's that.

Sam Vander Wielen: [00:17:18] I just also want to encourage you to, like, tune a lot of this out as you're building your business. I want you to build a profitable business. Oftentimes, we don't need to make quite as much as we might think in order for you to be comfortable. And so, this is all about working with your numbers and finding out what you really need, what you really want, but then seeing how profitable is that for you. Does it require a million hours, and then in the end of the day, you only have this tiny percentage left over because of all of your expenses and everything else? How can you make your business more profitable? The answer is not always to increase revenue.

Sam Vander Wielen: [00:17:53] And I am somebody who, admittedly, my business has grown tremendously year after year after year after year. The revenue has gotten way higher and my expenses creep up, too, so, I'm always trying to think. Like, I work just as much behind the scenes to be like, "How can I bring my expenses down?" It's not always just how can I make more money? How can I sell more legal templates? It's also like, What are some of the recurring subscriptions I have that I can get rid off? What are some of the tools that we're not using? What are some of the tools that we are using that have features in them that I'm paying for some other tool for?

Sam Vander Wielen: [00:18:27] So, I'm always looking at that. I'm always negotiating stuff. I'm contacting people and negotiating fees, this kind of stuff. I never negotiate with contractors. I've said that many, many times, so that is true and has continued to be true. I'm talking about big, big companies or software or something. So, I focus a lot more on that, and I really would encourage you to do that.

Sam Vander Wielen: [00:18:47] The only other thing I want to say about this was just that, I barely got any flack around the couple of things I've talked about lately. Episode 48 on my podcast, On Your Terms, was about whether or not you need a business coach. And then, I had this Reel about not being a millionaire. But one of them was just, like, maybe taking some offense to talking badly about business coaches. So, I feel like I've been really clear about the fact that this is not anti-business coach across the

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On Your Terms Episode 53:
The Millionaire Myth in Online Business

board. And that there are plenty of good people. And in Episode 48, I really tried to dive in and help you learn how to find those good people. So, I feel pretty comfortable on that and, hopefully, you do, too, because I really hope that you're not taking that message away from this.

Sam Vander Wielen: [00:19:33] But one of the things that I thought about when I got that feedback was that, when you're in an industry, you should always want to hold it to a higher standard. And if you're operating at that higher standard, then you should confidently stand in that. And one of the things that you can do in your marketing is talk about how you are doing that, how you are walking the walk, how are you a higher standard of a wellness pro, how are you a higher standard of somebody who helps people with their relationships, their self-care, their career, their fitness, their legal stuff, their business stuff, whatever it is that you do.

Sam Vander Wielen: [00:20:11] Like, I talk a lot about how lawyers can be really scummy sometimes, not all of them. Again, just like your industry, there are plenty of good people, there are plenty of good people doing what I do, and then there are some that aren't that great. So, instead of just talking crap about them or being like, "Oh, that sucks," talk about what you're doing to hold your industry to a higher standard. What are you doing to offer better serviced products, customer service, whatever, to your people than the other people in your industry, whether it's in the online business industry or the traditional industry, like the medical system or the therapy system or the fitness industry or something like this. Or like traditional online dating apps and you do things differently. I think that's really cool.

Sam Vander Wielen: [00:20:11] I think that people often get really tripped up about this thinking that it's some sort of judgment that you have to make some sort of - I don't know - normative statement about this. And I think that you can just say that this was something you didn't like about your industry, or something that didn't work for you, or something that your customers tell you didn't work for them in your industry, and that's why you do it differently.

On Your Terms Episode 53:
The Millionaire Myth in Online Business

Sam Vander Wielen: [00:21:23] So, I talk about how I do things differently than the traditional legal industry, than even other people who do what I do. That doesn't mean that other people don't go work with those other people and like it. That's fine. But the people who are going to be attracted to me and my marketing and my products and have a good experience come to me, and that's cool.

Sam Vander Wielen: [00:21:42] So, I think people get way too tripped up about being triggered and offended and all this kind of stuff when we start talking about this. And it's just like, "There's room for everybody. There's a wide spectrum." I mean, there are people who are attracted to those I'm a millionaire because I make a \$1 million people, just like there are people who are attracted to the bro-marketing, and there are people who are attracted to talking about how much money you make, and how the whole point of making money in your business is all for consumerism and capitalism and furthering - I don't know - getting a Lambo and a purse or whatever.

Sam Vander Wielen: [00:22:13] So, that's fine. That speaks to some people. It doesn't speak to me, so I created this business and created the marketing in a way that would speak to people, maybe like you, who also feel that way. Or you don't even have to think about that part. It's not like you're coming to me because you're like, "I'm anti-bro-marketing so I want her." It's just you might just be attracted to this kind of marketing without even knowing or caring that that other stuff exists.

Sam Vander Wielen: [00:21:42] And so, that's what I want you to think about. You don't have to get so tripped up on like, "Is this offending somebody? Are they thinking this?" The whole point is that you're putting this message out there to attract people who also feel similarly to that. And we don't need to worry about those other people because they have someone who's probably speaking to them too. There are people who are speaking to all the various things I've just talked about. There are tons of bro-marketing people out there.

Sam Vander Wielen: [00:23:09] Somebody wrote to me once, they were like, "I hate how casual you are and you're not professional." I was like, "Cool. There are tons of

On Your Terms Episode 53:
The Millionaire Myth in Online Business

stuffy lawyers for you to go. Like, lucky for you you're not going to have any shortage of an issue there." So, it just doesn't matter in my opinion.

Sam Vander Wielen: [00:23:25] I would definitely recommend after listening to this episode, if you haven't already, go back and listen to Episode 48 where I talk about whether or not you need a business coach, when I recommend getting one, how I recommend going about it, what I've learned about investing a lot of money and a lot of different people and programs. And I don't just talk about a business coach in there. I also cover investing in courses and continuing education. So, you can go back and listen to Episode 48. I hope you really like it.

Sam Vander Wielen: [00:23:53] I'd be so curious what comes up for you after you listen to this episode, so shoot me a DM on Instagram. I'm @samvanderwielen. Send me a DM and let me know you listened to this episode and what you thought. And if you liked it and you think somebody else would like this episode that you know, will you do me a favor real quick and go ahead and text them this episode before you go. And don't forget to leave a review of the podcast if you listen on Apple. I so appreciate you listening and I can't wait to chat with you. Until next week.

Sam Vander Wielen: [00:24:24] Thanks so much for listening to the On Your Terms podcast. Make sure to follow on Apple Podcasts, Spotify, or wherever you like to listen to podcasts. You can also check out all of our podcast episodes, show notes, links, and more at samvanderwielen.com/podcast.

Sam Vander Wielen: [00:24:38] You can learn more about legally protecting your business and take my free legal workshop, Five Steps to Legally Protect and Grow Your Online Business, at samvanderwielen.com. And to stay connected and follow along, follow me on Instagram @samvanderwielen, and send me a DM to say hi.