

Rock Thomas: Welcome to another session of the I am moving podcast. My name is Rock Thomas and I'm your host, and today I've got a really interesting guest. His name is Mike Ayala

Rock Thomas: He has education, similar to me. High School, maybe a little bit more and became an entrepreneur in his 20s and he went on haphazardly to discover that

Rock Thomas: Exchanging time for money was not working for him. He had some illness with his firstborn. And it was really then that he had what we call it Tripoli and extreme emotional experience.

Rock Thomas: And he learned that if he didn't create some passive income vehicles, he was he was going to miss out on a lot of things to do with his family, not just some sensitive time

Rock Thomas: When family members are sick. But, you know, piano recitals and plays at school, etc.

Rock Thomas: So he really went on to become interested in real estate, set some goals and you're going to hear about how once you set those goals, things start to fall in place much faster than you originally thought. And that's the power of focus.

Rock Thomas: He is a very, very humble man and his mission is not to be financially free but is to live a purposeful purposeful and meaningful life by impacting and serving others. So please join me for today's session of the IM movement podcast with Mike Ayala

Mike Ayala: Thanks for having me. Rock. I'm excited to be here.

Rock Thomas: So Mike, you and I met through a mastermind group of like minded individuals that wanted to get together and really push each other to great success.

Rock Thomas: So prior to talking about a relationship there. Let's talk a little bit about, you know, your education and how you got to a place where you are now.

Rock Thomas: running multiple businesses and now we're going to talk, of course, about how we are getting through this whole new world that we're living in. Let's give some people some background on your history and who you are. Exactly.

Mike Ayala: Yeah, so I kind of like you, I think I've been more through the school of hard knocks. And then actual formal education. So I did graduate high school

Mike Ayala: Through the course of events. I ended up in an apprenticeship program. I was a plumber by trade and did a four year apprenticeship.

Mike Ayala: School and then quickly kind of progressed and started running some some big projects and

Mike Ayala: The last project that I ran with the company. I was with a, like a \$3 million casino expansion, but through a series of events. I was about 24 years old and

Mike Ayala: Started really realizing that I found myself working out of town on this project and I was working 90 hours a week, and I was missing my third child's and my wife was praying with our third child I was missing that entire pregnancy and

Mike Ayala: Just kind of realized that I didn't want to go down that road. I didn't want to be that Dad, that was missing. And so, ended up opening a business at that point in time 24 years old and

Mike Ayala: I don't know how far you want to go into that at this point in time, but started a plumbing and heating company, which turned into a general contracting business and

Mike Ayala: started investing in real estate along the way. So that's kind of how I got to where I'm at today. We can go into the details, if you want, but that's the high overview

Rock Thomas: What I'm interested in is your mindset behind that. Because you essentially became an entrepreneur in your 20s, you, you had, you know, about the same education. I had

Rock Thomas: What drew you into starting your own business, you have a work ethic working 90 hours a week. Tell us a little bit. What was the inner narrative behind that?

Mike Ayala: Yeah, so I'm going to back up a little bit. There was to real

Mike Ayala: Events. I think that kind of led me to that. So number one, our oldest child, my wife and I got married when we were really young. I was 20 years old. She was 19

Mike Ayala: And we got married in May and then one year later in May, our first child showed up and he had some health issues.

Mike Ayala: And I was working for this plumbing and heating company and the town that we lived in was like three and a half hours from Salt Lake. So we found ourselves once a month, having to go

Mike Ayala: To the University of Utah and visit a specialist while she was pregnant with my first child.

Mike Ayala: And I started quickly realizing that you know every, every hour that I wasn't working. I wasn't getting paid. So it started really opening my mind to the fact that

Mike Ayala: Working for a wage. I didn't really fully understand it. Then, but I started realizing that if I didn't put in an hour's worth of work. I wasn't getting paid, and then

Mike Ayala: When he was born. He had to be born at the University of Utah. And so we were off for a couple weeks and then fast forward two months later he ended up having to have a surgery and

Mike Ayala: I wasn't working for four weeks. And again, not getting paid. And so that was our first mine and my wife's first real understanding of risk.

Mike Ayala: Not really being able to control our financial destiny. So we started thinking about passive income and expanding our mindset around that. But, you know, fast forward.

Mike Ayala: My second son was born. Two years later, and then we moved to the third child.

Mike Ayala: So I'm working out of town. I'm working 90 hours a week, I'm making a good living. I think I was making \$55,000 a year at that point in time as a 24 year old, which was a pretty good salary at that point.

Mike Ayala: But what I realized missing that entire pregnancy. This is not the life that my wife and I had envisioned. And I knew looking forward

Mike Ayala: If I'm missing an entire pregnancy. I'm going to be missing soccer games. I'm not going to be able to go whenever I want, wherever I want.

Mike Ayala: So, you know, the brand that I've launched in the podcasts that I've launched is called investing for freedom.

Mike Ayala: That was my first real understanding that if I didn't start in. You don't have to go start your own business, but

Mike Ayala: If you don't start creating multiple streams of income passive investments. It's fine if you want to work for somebody else but bringing your financial

Mike Ayala: Stability into your own hands became really important for us. So that was what really brought us into starting our own business. I never really thought about honestly like at that point in time.

Mike Ayala: I wasn't really thinking about becoming a business owner, I've always been an entrepreneurial heart.

Mike Ayala: But I started thinking, if I'm going to work 90 hours a week for someone else I might as well do it on my own, because at least I control my destiny.

Mike Ayala: So that's kind of what really launched us to start that business. I wasn't really looking to. It was just that series of events that made me realize that I need to bring that destiny into my own hands.

Rock Thomas: So one of my mentors says that pain breeds purpose until vision takes over.

Rock Thomas: Hmm. Have you had that happen in this because everything behind you is investing for freedom you have a vision around that. Now, and the resources that you can use to help other people accelerate that path.

Rock Thomas: But it was born out of the experience of you being not able to have money coming in, while you were doing other things that mattered. So, where, where was there that bridge where the vision started to kick in.

Mike Ayala: Yeah and you know it's it's always easy to look backwards and do the autopsy, whether it's good or bad and but I think sometimes we don't realize the path that's, you know, taking us there and and i think through

Mike Ayala: I think as long as, as long as we learn from the series of events and that pain.

Mike Ayala: I mean, we're in that situation now and we'll get into this a little bit, but it doesn't matter. It doesn't matter how many times you go there, how smart you think you are, how many problems. You think you've solved.

Mike Ayala: That that bridge is always there. So yeah, I think that looking back at that period of time that that pain was really understanding that I wanted freedom of time.

Mike Ayala: Yes, it wasn't even really a financial conversation when I started

Mike Ayala: That business. I wasn't thinking about

Mike Ayala: Oh, you know, I'm going to end up with this \$12 million plumbing and heating company that was not my thought process.

Mike Ayala: Right, I just wanted freedom of time and and so that's really where I began asking the simple question, and it is such a simple question, but what do you really want

Mike Ayala: And for me, my time freedom, my family. But, you know, being able to go wherever I want, whenever I want with my family. That's really the bridge for me is figuring out what that looks like.

Rock Thomas: And a lot of people struggle with that. I think because they believe that they are not worthy of it or they don't know the path to get there, or they're not good with investing, whatever their story is that they tell themselves.

Rock Thomas: And yet for you. You seem to have gotten there at an earlier age than most people. How do you know to ask that question yourself? What do I want, what do I really want, what, how did that happen?

So,

Mike Ayala: I hired a consultant, one thing that I've always known and I think you're kind of in the same camp rock. I've always been cognizant of what I don't know.

Mike Ayala: And I always I always I've got a mentor that says if you're the smartest guy in the room, you need to find a bigger room so

Mike Ayala: Even starting that first company. I had no idea what a p&l was I was a plumber like

Mike Ayala: I knew from the beginning that I had to reach out and so I hired consultants from the very, very beginning and I actually had a coaching company that we worked with

Mike Ayala: That took us into a two day business planning session. And they asked us the question and we had to do some pre work leading up to this.

Mike Ayala: The entire first day was around the question like what do you really want. If money and time was not an issue. What would your life look like

Mike Ayala: And I think people don't spend enough time just really asking that question because we're constantly working. It's all about money and

Mike Ayala: We've created this life of bills and things. We've got to pay. And so when that company asked me that question. If money and time wasn't an issue. What would your life look like it caused my wife and I, to stop and really ask, Okay, what do we really want

Mike Ayala: And we determined at that point in time that what we really wanted was just financial freedom and the thing is it's different for everybody.

Mike Ayala: Your financial freedom number is different from mine. It's a life that you, I think we do it backwards.

Mike Ayala: So many times we go through life. And we don't really know exactly what we want. And unfortunately,

Mike Ayala: As we start grabbing all these things that we think we want, we end up at this place where you've built this number that you've got, whether it's 50,000 or 100,000 or 200,000

Mike Ayala: And and now you're now you're in the rat race having to keep up with that. Well, if you just really pause and this is such a great period of time right now because

Mike Ayala: Like our bills have dropped to almost nothing. And we're happy, right, like I've got my family.

Rock Thomas: Yeah.

Mike Ayala: I've got my time with them. I've got my health.

Mike Ayala: So, those are the things I think just slowing down and really asking that question. What do you really want and being cognizant of rock. You're so good at this, like creating that roadmap that you talk about a lot.

Mike Ayala: What do you really want and if you don't determine that up front and give yourself the freedom to adjust along the way, because your desires are going to change. But if you don't map that out up front.

Mike Ayala: You're going to end up last and getting something that you may not have ever wanted to begin with.

Rock Thomas: So let's talk a little bit about investing for freedom. What do you think are some of the things that people need to become educated around because they don't teach passive income in schools that teach you to get an education, get a job?

Rock Thomas: But we know from the things that we know are familiar with that. There are many different avenues to create the freedom which you and I both want is time freedom. That's what I want.

Rock Thomas: After this, if I want to go golfing this afternoon and sunny out. I can go on a Tuesday or Friday. Doesn't matter. A lot of people don't have that freedom. So what are you going to be helping people recognize and learn

Mike Ayala: It's, it's interesting because I think a lot of people don't really measure where they're at. You've got to have some sort of tool in the process. And I think that's the middle ground that most people don't have in rocket in EM one, you do a good job of this

Mike Ayala: So the questions that I asked the five questions are what do you really want? What are you going to do to get it, measure the results and adjust along the way? Right, so

Mike Ayala: When we're really talking about that. I think the thing that people don't really dig in on enough, they might know what they really want, or they might think they know what they really want

Mike Ayala: But they don't really measure it. And so you've created some tools and I'm creating some tools where they can measure their results along the way.

Mike Ayala: I think about this. Sometimes I woke up, I don't know, a couple years ago, and every single time I go to a bank to get a loan on a piece of property or something. I have to create my personal financial statement again.

Rock Thomas: Yes.

Mike Ayala: Yes, updated like every six months is

Mike Ayala: And I'm just like, why don't I have this every day in front of me and that's the thing that I've seen you create abundance. We have the one sheet and one. Do you call it the one sheet as well?

Rock Thomas: Life plan.

Mike Ayala: Life plan so that I think that's the most important part of all this, because if you don't have some kind of measurement that you're constantly looking at some sort of scorecard. We aren't in business. We have a p&l

Mike Ayala: Or you have some kind of things that you're measuring on a daily basis. If you don't have that in your personal life.

Mike Ayala: Then you're going to get to wherever it is, you're flying blind. And so I think that's the most important part of it, but

Mike Ayala: At investing for freedom, we're just really asking these simple questions and I'm creating a

Mike Ayala: Facebook community where I'm going to bring people in there that are experts in different areas. I don't want to be an expert in all areas. I just want to connect people which right so even with them, one that's a big part of what we're

Mike Ayala: As I find people that need help. I want to shift them over to Mr. Because you've done such a good job of building out the pathway.

Rock Thomas: Yeah, we essentially are an entrepreneurial school and online entrepreneurial school. And while we're going through this covert 19

Rock Thomas: What we're recognizing is people are gravitating toward this because they're like, okay, we can't do all the other stuff.

Rock Thomas: Is already in school. It has been set up and it's been an operation for eight years and is pumping out entrepreneurial spirited millionaires.

Rock Thomas: Well, you know, how do I get a piece of that action. So it's definitely an interesting time. I kind of feel like we're a little bit ahead of the curve for most people.

Rock Thomas: We've been doing this for a long time but somewhat, you know, secretly I would say because it's not something that we've advertised. We've built it, word of mouth.

Rock Thomas: So your success now as an entrepreneur you talked about being in your 20s talk us through to where you are today.

Mike Ayala: So as we were growing that business. I started that business at 24 and

Mike Ayala: Through a series of, you know, luck and preparedness and just working hard. This business grew every single year. We were just double digit growth and doubling our employees. Every year we ended up on the Inc 5000 fastest growing companies in America list.

Mike Ayala: Wow. And along the way. So it actually started with that question of what do you really want that this business with or that this coaching company was asking us

Mike Ayala: And what my wife and I determined at that point in time we decided we wanted to income producing properties, a year for 10 years

Mike Ayala: And where I was thinking at that stage, and it's funny how your mind expands and grows

Mike Ayala: At that stage, we were thinking that you know I'm 25 years old at this point in time, whatever the age was and

Mike Ayala: And if we bought two income producing properties, a year for 10 years by the time I'm 6065 years old, they would be paid off.

Mike Ayala: And, and, you know, they're each bringing me \$1,000 a month. So I'd have \$20,000 a month in passive income. That was kind of the goal that we had come away from that planning session and we hit that goal. The first year.

Rock Thomas: Oh,

Mike Ayala: We ended up buying two income producing properties that first year and then we found this 72 space mobile home park that fell in my lap. I didn't know what a mobile home park was. I mean, I knew what it was, but I didn't really think about

Mike Ayala: It. Yeah, an investing standpoint, and this deal fell in my lap and so we we bought this deal which was a pretty interesting experience and

Mike Ayala: So then all of a sudden I go from two income producing properties to having 74 doors, essentially.

Mike Ayala: And that expanded my mind to, you know, exponential growth. And so anyway, fast forwarding we ended up buying commercial properties we had some industrial space. I ended up buying a portfolio of 45 single families.

Mike Ayala: And then ended up with five mobile home parks myself and then I sold that business in 2014 my partner actually bought me out.

Mike Ayala: And then just kind of went through the I often say that was like the best and worst day of my life. Because again, and what we think we want, sometimes it's not always what we want. So I'm 35 years old. I'm retired.

Mike Ayala: I essentially at that point in time, if I'm smart and invested wisely. I've got this real estate portfolio.

Mike Ayala: I've got a buyout from a company like I could have not worked again.

Mike Ayala: But I quickly realized that we are worth and our value is not in money. It's not about this retirement number. It's really about, you know, I think that we're I think we're designed to give back.

Mike Ayala: And be productive citizens of a society. And once that stops. I think he began to lose your purpose. And so, I realized that quickly. At the age of 35 and started

Mike Ayala: Just kind of going down a journey I connected. I started doing some masterminds with some real estate people and that's where I met my partner.

Mike Ayala: We started four Peaks Capital Partners. So we started raising equity and buying mobile home parks across the country. We built out another construction company, a property management company. And now we're up to 35 mobile home park communities in 30 states.

Rock Thomas: Well done, well done from from your 20s till today. How old are you today?

Rock Thomas: I am 4141 let's transition now to what we thought would never happen, which is

Rock Thomas: For us real estate. People were like, okay, real estate is, you know, it's the safe harbor. It's the thing that insulates us from a downturn. It's a thing where, you know, even when the economy goes bad people have to rent, etc.

Rock Thomas: And now we find ourself in a slightly different situation with with covert 19

Rock Thomas: And it's not going to be two or three weeks, like a lot of people hope it would be, it's going to be several months a year. It's gonna, it's going to impact. A lot of people for the rest of their lives. How are you, adjusting

Mike Ayala: You know, it's been difficult.

Mike Ayala: It's, it's funny because you know we have we run in certain circles and like you said there.

Mike Ayala: Nothing. Nothing is recession proof, but we've said that, you know, manufactured housing is recession resistant

Mike Ayala: And so we start to run in circles of a bunch of real estate people. And then, and then we start to believe each other's stories and it's, it's, you know, you're talking about that bridge earlier. And we've the lesson that I'm learning already.

Mike Ayala: You know, poke, poke holes like just

Rock Thomas: Yeah.

Mike Ayala: I thought, and I still believe this. I still believe this, the fundamentals around the investment class that we're in affordable housing are going to be as strong as ever.

Mike Ayala: But what I didn't realize is that it was going to happen this quick and cut this deep right and so we're adjusting. Well, we had to shut down our construction company, we've laid off a lot of really great employees.

Mike Ayala: You know, we've made a lot of changes fast. But the good news is, you know, we're 1% off on collections. As of April 3. And so, you know, I think, generally speaking.

Mike Ayala: I think you're seeing a side of Americans and people in general I think everybody's going to try to do the right thing, as much as possible, but

Mike Ayala: We're also affected on both sides of it I I rent a building for my corporate office, but I'm also I own commercial building right and so

Mike Ayala: We're seeing all sides of this. And so I think for the first time ever, the entire world is in a situation together where we're understanding one another and everybody's working together to try to get through this. So we're holding up good

Mike Ayala: But everybody's in it together and we're seeing a lot of people really struggling

Rock Thomas: And nobody has a crystal ball. But I asked a lot of people do you think that this is going to last for a long time, a short time. What is your, your own yes at how long we're going to be, you know, lockdown shut out and and how much of a hangover is going to be behind that.

Mike Ayala: I don't obviously, like you said, we don't have a crystal ball. But what I'm kind of projecting with and what we're working with our team on is, you know, planning on being

Mike Ayala: The next four to six weeks lockdown. That's kind of that's kind of the timeframe that I'm just looking at what happened with China and Italy and, you know,

Mike Ayala: Some of us are moving slowly so I'm kind of projecting four to six weeks.

Mike Ayala: We're preparing for longer if needed.

Mike Ayala: The other side of this, I think, with all the influx of money and the government stepping in with unemployment and all this stuff, which I think is the right move

Mike Ayala: It's unprecedented and it's such a big problem. I think what's going to happen is we're going to come out the other side of this, and then there's going to be

Mike Ayala: I feel like there's going to be, it's not going to be a rocket ship take off. But I think people are going to come back out. We're going to have a period of

Mike Ayala: Of probably good times for a little bit, but I feel like with all the money being printed in the stimulus and

Mike Ayala: When, when we do these unprecedented things like we do right now. I don't think anything's ever going to go completely back to what it was. So I think we're going to have kind of like a little, a little comeback session. And then I think it's going to be a pretty rough crash.

Rock Thomas: You are familiar with the stock market. The term the dead cat bounces.

Mike Ayala: Yes.

Rock Thomas: So I think I agree with you. I think there'll be a little bit of that will be like okay few everybody can go back and all that. But then there's going to be this hangover of all this fake money that was injected in

Rock Thomas: And there's going to be airlines and cruise liners that have huge debt that have been slapped on whichever way the government bails another, what have you and that needs to be worked off over time.

Rock Thomas: And it's, it's not going to be a rocket ship to the moon. I think that people will get highly active, but I think that there will be some

Rock Thomas: Some repercussions on the financial side. Anyway, we don't know. But what we can control is we control our actions and our activities. And so going forward. Let's talk a little bit about that. Your quarantine with your family.

Rock Thomas: What are you doing to stay sane.

Mike Ayala: Right. So we've ordered a lot of puzzles. We're playing a lot of games, you know, we're making sure we're going outside if we planted gardens.

Mike Ayala: We planted nine gardens. A few weeks ago. We've got chickens. We're just doing a lot of stuff together. I'm working on some projects outside that I've been neglecting and

Mike Ayala: You know, we're taking walks, we can still get outside, you can

Mike Ayala: Still

You know, breathing.

Mike Ayala: It's been actually pretty fun. I mean, our actually moved out and

Mike Ayala: The way that through a series of other events. He had already given notice on his apartment because he was going to do a World Tour this year.

Mike Ayala: So he bought a camper. So his campers parked outside and him and his girlfriend are living in their camper. But, you know, they're coming for dinner, and we're hanging out. And so I think I think this has been a really good time probably for families. And if we can

Mike Ayala: Keep our perspective straight and realize there's nothing you can do about certain situations.

Mike Ayala: Just make the best of it and and you know Tim road who we both know said something the other day that we have to show up as the patriarchs of our house and there's been times, you know, we all go through these little low walls and emotional

Mike Ayala: Circumstances. But that's the thing that keeps me going strong. I'm looking around at the kids in the family. And we've got to stay strong for our families.

Rock Thomas: Yeah, absolutely. Alright, a couple of quick questions. Favorite book.

Mike Ayala: Oh, probably Rich Dad, Poor Dad.

Rock Thomas: Okay, nice, nice. And if you could have dinner with anybody dead or alive, somebody popped to mind.

Mike Ayala: Probably Keith Cunningham.

Rock Thomas: Nice. Lot of people don't know him, but he's old. You call him a business person's culture.

Mike Ayala: Yeah yeah

Rock Thomas: Yeah.

Mike Ayala: Yeah, he's. I've been leaning on him a lot lately.

Rock Thomas: Just He's to the vault. Yeah.

Mike Ayala: He's just a straight shooter.

Rock Thomas: Love it. Yeah. He's a cool guy. Alright, so if people want to follow you get in touch with you learn from you. I know you have a huge social media presence. What are some of the best ways they can do that. Mike.

Mike Ayala: Yes, on Instagram. I'm the mic. I Ella on Facebook. It's just under Michael I Allah

Mike Ayala: You can find my podcast I actually launched on April six so investing for freedom. So that's going to be pretty exciting. Yeah. So those are probably the best three ways.

Rock Thomas: All right. Well, I appreciate you coming by the IM movement and helping us navigate through these very interesting times. And it's going to be

Rock Thomas: A great time for you to launch your podcast, because people are going to have some time for them to listen to some wisdom. And I know you're going to drop a lot of that. So thanks for dropping by.

Mike Ayala: Yeah. Appreciate it. Have a good day.

Rock Thomas: All right. Hey everybody, I want to remind you of the words that follow. I am following you. And as you force your way through, you know, these crazy times. Remember to describe yourself intentionally

Rock Thomas: I am resourceful, or am capable or I'm excited. Whatever it is, because the words that follow. I will follow you and see you on the next I Am Movement podcast.