



Sound Financial Bites 061- Marcus Bell (Part I) Episode Transcription

“A lot of artists don’t distinguish that their fame is much different than their fortune.”

Welcome to Sound Financial Bites, where we help you with bite-sized pieces of financial and life knowledge to help you design and build a good life. The knowledge that has been shared from stages at conferences, pages of national business magazines, and clients living across America, our host, Paul Adams, now brings directly to you.

Welcome to Sound Financial Bites, so glad to have you with us today. I’m Paul Adams, your host. I am so excited about who’s on our podcast today. It’s Marcus Bell of Bellringer Music. Now, Marcus has had a record label since he was 12 years old, and I’m going to have more to tell you about him. I’m assuming you already read the podcast title “Fame, Fortune and Broke”. He’s going to talk with us what it takes for people who are really in the top echelon of income. And they give us unique chance, they give us unique opportunity to see them build up their fame, build up their income. Many things about these stars are very public and we can’t get away from it. He’s going to share with us some of the main problems that come along with that level of fame and fortune that leads to broke.

To give you a little background on Marcus before I have him introduce himself, he has first record label at 12 years old and he’s worked with the likes of Snoop Dogg, Nicki Minaj, P. Diddy, even working directly with NASA on how entertainment could be used to increase children’s interest and young people’s interest in science, technology, and math. He owns another company called Star Bootcamp and Audience Academy. They are designed to train an artist on how to build stardom and grow their platform, learning how to deal with that pending stardom and what comes along with fame, fortune, and influence.

Now he also has 57 followers on Twitter which is not the most interesting thing, the most interesting thing is that he has 20 million impressions a month on Twitter. That means he has one of the most engaging Twitter feeds you’d ever have a chance to take a look at because the content that he has goes far beyond versus --. Well, Marcus and I were sitting together at an event. He showed me some major names you’d know with like 14 million followers in a fraction of the engagement of Marcus’s audience so I am really so pleased to bring Marcus to all of you today and having us be able to take a part of this conversation. Marcus, welcome to Sound Financial Bites.

Paul, thanks so much for having me. I almost had a panic attack when you said I have 57 followers on Twitter.

57,000 followers.

57,000

I was looking live.

It’s all about the zeros.

Yup. My apologies I have put them on the other side of the decimal point.



Sound Financial Bites 061- Marcus Bell (Part I) *Episode Transcription*

“You’d be surprised. A hairdresser has a higher net worth than a celebrity artist.”

It’s okay.

It’s good. Marcus, I thought a good place for us to start today might be talking a little bit about the artist that you worked with, you know you live there like among the tribe of folks that are artist, you own a production company - been successful with that, and a record label for years, but tell us a little bit about what happens when they--. You talked about it before. It’s sort of winning the lottery when somebody makes it. Can we just start there?

Sure. First, I would say that because I started in the music industry at such an early age, when I was 12, I was learning through the help of mentors in what kinds of decisions to make and so as I’ve traffic to the music industry in different roles whether that be as the music producer or song writer or the mentor or the marketing person or popping with promotions, I’ve interacted with many artist, many celebrity artist from all around the world. I’ve seen artist go from having nothing and being homeless to now they have big advances or million dollar advances or situations like that. So, I created my company Start Boot Camp to really help prepare developing artist for fame, fortune, and influence as you spoke about in the introduction. The money part is oftentimes the more difficult part than all of it because a lot of artist don’t have distinguished that their fame is much different than their fortune and so there is an impression that those people that are famous are also rich. That is far from how it oftentimes goes. And so, I would see artists that would have songs on the radio and they just did not know. “Oh, well wait a minute. That income would not happen from the radio until like nine months later or a year later or two years later.” So yeah, there are a lot of different factors that come into play when someone becomes successful out of their creativity and their art.

Here’s something that just lands to me out of what you just said Marcus. I’m always listening for what our listeners could takeaway. Like there is – Wow! That’s a sound bite. Like that’s Twittable right there is that fame and fortune are not synonymous. Those are two separate things that can occur for a celebrity.

Absolutely.

Like they can still be famous and everybody knows who they are and the Inquirer follows them and they’ve got less money than your average engineer at Amazon.

Absolutely. Absolutely. You’ll be surprised. A hairdresser has a higher net worth than a celebrity artist.

That’s great. You also talked about that now they’ve won this talent game, but they didn’t -- most of them at least didn’t get real famous without having some kind of incredible talent. There’s tons of talent people out there so they have to win that game but then they’ve got to win the money game.

Correct. So there is the talent lotto or the music industry lotto which actually is not necessarily based on talent because there are so many other factors. There are millions of dollars that are put into and invested in having someone become famous and it may not be the most talented person but for whatever reason: the market conditions, the song that was able to get on the radio, all those factors aided in a company or enterprise investing in them to have them become



Sound Financial Bites 061- Marcus Bell (Part I) *Episode Transcription*

“As soon as you get that fame, there are lot of people who are after your fortune.”

famous. And so that’s where the first piece of, I guess downside happens, is because it is an investment that a company makes in a recording artist that has to be paid back. So the first place where they get in a debt is in their record deals.

Now, right before we get into some of those real specific problems that these folks run into, one, I think for our audience I want to share with them how I met you is I was sitting behind Marcus at a conference for an organization called Influence Psychology. Anybody listening now, if you haven’t heard I’ve been on their podcast, Marcus has been on their podcast, great business education organization. He is just as you probably get a sense of him just as humble guy, no big deal, we’re just at a conference on social media marketing. He’s probably one of the heaviest hitters there when it comes to social media engagement but nobody asked him, he doesn’t grandstand or staged himself. And then I’ve seen him perform and it’s like a different guy suddenly performing versus the guy I was sitting next to at the conference who has this amazing listening ability. So you’re going to notice as we work together here I’m going to be extracting stuff from Marcus because he’s just has this wealth of knowledge inside of him that he doesn’t show but it’s one of the things I really love about him.

Thanks Paul.

Let’s talk about some of the people that are... Like the ones people would hear about who have gone totally bust at some point in their career who may have made it, be making it back again, or maybe is not making it back again.

Some of the artist that have had financial problems, and the thing with recording artist and financial problems is that oftentimes it’s very public thing. So if you look at 50 cent, you know 50 cent had to file for bankruptcy in 2015. Lady Gaga when she was touring the Monster Ball tour in 2009, she had to file for bankruptcy.

While on tour?

The fascinating thing is that she decided to take 3 million dollars that she had in the bank and she put it into her stage show, and so she was yeah, so she was touring bankrupt.

Wow. I heard it was great stage show. I didn’t attend any of them but--.

I’m sure it was fantastic.

Yeah, for three million.

She took a high level of risk with that because it could’ve gone a different way, and now she’s not bankrupt anymore but she swarms for the fences with it. Then there are people like Toni Braxton who has had to file for bankruptcy several times. Then you have your MC Hammer, and then you have -- you know you go back into the past so this has been an issue for entertainers throughout times of Marvin Gaye back in the 70s filing for bankruptcy to Fleetwood, you know Mac Fleetwood in ‘84 to tax evasion from Lauren Hill and James Brown. We can go on and on and on.

Yeah. And it’s just this... I think in what we are talking about before is that a lot of it comes down



Sound Financial Bites 061- Marcus Bell (Part I) *Episode Transcription*

to kind of four distinct set of problems that all come along with--. Like categories of problems that come along with this immediate rise in income and visibility. They kind of come along with it. We broke it down into four major areas but there's consumption problems, investment problems, cash flow problems, and mindset problems. I think the one that everybody sees and makes a lot of sense to folks immediately are these consumptions problems. Could you just start there?

Sure. Imagine that you have gone through life, you know you come from an upbringing where it was very difficult for your family financially, and then you worked on your craft and you worked on your talents and people say you're an excellent rapper or singer and all of a sudden you get a break, you meet the right person, you record the right music that has the right timing with the right connections. And then all of a sudden you get a large advance, and so you get \$100,000 you get \$500,000 you get a million dollars all of a sudden out of nowhere and you've had nothing up to that point.

I'm thinking that along with people saying "Hey! You're good rapper. You're going to do great one day." you probably have a whole host of people saying, "You're an idiot, go get a job."

Oh, absolutely. Absolutely. There are those that say you'll never make it. The chances of you making it, you know forget about it. You'll do better at McDonalds. Stay in school. All of these different narratives that come at creators because it is a difficult industry and those that hit it big, it is like hitting the lotto. And just like hitting the lotto, most people that hit the lotto aren't able to sustain what they achieved, right. And so, when you get that large advance as a recording artist or entertainer then all of a sudden it's "Okay. What do I always want? What do I see?" I see okay well rappers have all this jewelry or they drive this kind of car so I want to get a Ferrari, I want to get a Lamborghini. Because I came from whatever means, I want to buy my mom a house. I want to take care of my dad's needs as well. Or I'm going to give my sister some money so she can pursue her dream of having a hair salon or whatever so there are things that the person wants for themselves which will be whatever material things. And then there's what they want to do for the people around them. Then there are the people that say "Wow! He's made it." and have this great idea for a beauty salon or has this great idea for car dealership or restaurant or you know what, then there comes all these different alternative--.

All right I just need some help. Would you just help me? I mean my husband is not treating me well. If I just have a little--. There will be like sad stories. And as you say it, I almost think of like Maslow's hierarchy of needs is that they at a very high level suddenly say, "I want the \$15,000 necklace so I want stuff for me, I'm going to buy my mom a house, and then people are going to come at me asking me for money."

And those people that are coming to an artist or celebrity, they do have a real need. Some of them are in poverty. Some of them have had situations where things have gone south with their finances and if they know the celebrity person that appears to have the resources then you know they are going to ask for that which puts the celebrity in a position of "Okay, what do I do about that?" because every day, every other day, every week, there's some financial breakdown that happens around them from either their past or their family or like that.

Got it. Those are all the consumption problems. Money going out the door, never coming back,



Sound Financial Bites 061- Marcus Bell (Part I) *Episode Transcription*

it's going to buy stuff for themselves or for others. You started to touch on it. I want to move over to the investment problems they have and kind of the three stages of the investment problems that occur for them.

Right. Then there are the great ideas, right. And so, just because you were successful at doing an album or creating a song, piece of art or something like that, does not necessarily mean it's your fit to all of a sudden jump into the restaurant business or become a car dealership owner or now you have a great idea for an app. Now, all of a sudden you are a technologist, right.

So, the first place they drop money is their own great ideas?

Yeah, their own great ideas. So there is a recording artist that I'm working with right now. Her name is Shelita Burke and there are very few artists like Shelita. So she actually--. We just had a song a few weeks ago chart in the billboard magazine and over the past year, there's been 2.7 million Spotify plays, over 60 million people have been exposed to her music and I can go on and on with the accolades that she has but she is actually one of my partners in one of the companies that you mentioned before Audience Academy. And so, behind all of that success is someone that has come from a technology background, who also is a data scientist, is a behavioral scientist, that is a software developer and so forth. And so, you're talking about an artist like her that has all of these fitness in these other areas and most artists don't have those capacities and so their great ideas often fail because they are not able to surround themselves with the people, or they don't have a distinguish that oh I need to get people that are fit around that to come into my great idea.

Yes, and having met Shelita at the conference that we are at together and watching the amount of people who are experts across the country in data analytics gather around her. I remember you guys had to pull together two tables at this little lunch and learn areas just to facilitate all the people who some of them weren't even asking questions, they just wanted to hear her answers to other questions. But you're right, for most people they can't move in a multidisciplinary way so their own great ideas become their first investment problem.

Yes!

But there's more investment problems. The next is the great idea somebody else like "Hey, I got something. You should check this out."

Right.

Or the fake ones like "My uncle has a great automotive shop, if he just had new list, it will be so much better for him and he'd make me a 10% partner."

Absolutely. And the way a lot of times those kinds of situations happen--. So, I have a friend of mine who is running a clothing company for an athlete and the way that got started: He came with a bag of money like 50,000 and said "Hey, let's start a clothing line."

I'm actually picturing one of those little running backpacks that just have almost no strap on them and they just kind of zip tight the top with the straps that go over your shoulders.



Sound Financial Bites 061- Marcus Bell (Part I) *Episode Transcription*

Yeah, exactly.

How much is it in the Nike store? Like 50,000 in it?

Exactly. Here we're starting this--. You've always wanted to have a clothing line, here you go. Let's get started. And so first in it for her, she's smart and so she's starting to get fitness around how do you make a clothing line working like that. But oftentimes that bag of money ends up in hands that don't move in that kind of way.

That's great. Let's move on to the cash flow problems.

Okay.

You mentioned this idea of payment cycles.

Yes.

Talk a little bit about what's a payment cycle mean. This part was fascinating to me when we were sitting in San Diego together.

Sure. If I had a song completed right now and it gets on a radio and all of a sudden you Paul, you listen in the audience, you have your radio turned on and you are listening to that song, from the moment that you hear that song it is going to be at least nine months before I see a penny from that song playing. And so, you've been consuming that song, you've been listening to it, all of a sudden it gets on television, it's everywhere. Let's say I'm an artist that did that song or I'm the song writer or I'm the producer, I won't see the income from that starting to come into my bank account until I'm a--. Then a year later, then two years later, then if it goes international. So what happens is the cash flow, there are these different ways that artist get paid from advances, fees, royalties and through all of those different payment points there are cycles. There are cycles of payment. And so, that's why you may have heard of the artist Kesha. Kesha was living in her car when her hit was on the radio.

Like everybody know who she is when she walks in somewhere and she's sleeping in a car.

Exactly. And so, this sometimes happens. That's one of the reasons why I started the company Star Bootcamp was I noticed when I was with different artists whether they are celebrity or developing that there will be gaps in their understanding and there will be all of these assumptions that come from you know just not knowing, right, that oh okay as soon as I got a hit that's it I'm going to be rich. Well. And there are different kinds of hits. There are radio hits, there are now hits where you got a hit on Spotify and then you're going .00001 cents per stream

Yes. If they listen to the whole thing.

Right. If they get passed 30 seconds. Each platform and each instant has its own nuances as to how much you get paid, how you get paid, what that means, and so there is the -- we talked about this before we hopped on, there is the game that is your art game, the music



Sound Financial Bites 061- Marcus Bell (Part I) *Episode Transcription*

game/entertainment game, then there is the money game. So there is the money game inside the entertainment game but then there is just the money game in itself and that's where people like you Paul come in handy for anybody that is making a lot of money is how you get fit and learn how to play the money game.

How does it go for most of them when, let's say their first year they are making not much, less than \$100,000 a year in that world or less than \$100,000 a year they got a spouse or friends who help support them?

How about less than \$30,000?

God. And now the first year they make with some advance most things happen, they get \$700,000, a million-dollar income a year. How often do they end up with a tax bill they did not even expect would happen?

Well, depending upon how savvy the team is around them in helping them get prepared. Most of the times they are not set up for dealing with that tax bill. They are not even thinking that there is going to be a tax bill.

They will be like "Didn't taxes come out of this before I got it?"

No. They are not even thinking about taxes at all.

Where did I hear that before?

I mean because you know--. Yeah, because taxes were not even a thought before necessarily, right. And so now, you know all of a sudden because you are famous there is a whole division that is looking for famous people and how they are dealing with their taxes.

Oh, of course. Yeah, the treasury department. The IRS has a whole team that's watching the difference between the tax return and what they can see in the Inquirer about what the paparazzi is doing the document you're spending.

There you go.

That's great. I had no idea.

There you go. So as soon as you get that thing, you know there are a lot of people that are after your fortune.

Then the last thing that we kind of pulled out in this whole cash flow issue is that there is this focus on the payment rather than the debt like I think in your world it's totally normal to say this word advance but if any of us outside of the music world saw what the terms of an advance were, we would call it a non-forgivable loan.

Yes, exactly. Exactly.



Sound Financial Bites 061- Marcus Bell (Part I) *Episode Transcription*

Or not dischargeable bank.

The advances are the things that allow for an artist to sustain themselves when they are waiting on that journey to happen that would potentially bring in income, right. But how many groups are just living off of their advances advances advances and not actually seeing that turn into real net worth value. And so, a lot of the focus and I would say not just in the entertainment industry, a lot of people just focus on income. And it's a net worth game. And so, the idea of looking at your net worth versus how much income you have coming in or how much money you're getting per show or how much money you're getting off of your royalties or like that but if you start looking at the net worth standpoint there are a lot of artist that have very low net worths.

Yeah. People that you would know the name of right now, listen to their music, because even when they buy Lamborghini or they are buying a Ferrari, they are given \$20,000 down and they are taking the payments too just like everybody else.

Yes. Or they are taking their advances and they are like "Huh, you know I'm going to buy this cash."

Because that takes us right in the mindset issue of them thinking this is never going to end, never going to change.

This will never end. And yeah, so there is a friend of mine who is in the studio with a recording artist. I won't mention the artist name but they decided that they were going to go and buy a car during the break so they were basically recording and they were like someone was talking about his car and he looked it up online and are like "Oh I love that car. Hold on I'll be back." This artist went and bought the car.

Like swinging through in and out and then like dropping by the dealership with cash. What was the price point on this car?

It was like over \$300,000.

Whew! Yeah.

And that's part of you know there is a culture of spending, right. There is a culture of consumption and that's inside of the entertainment industry with your famous artist as well as people that are not famous, right. And so, the mindset issues are no different than mindset issues that anyone in the general public could potentially be subjected to in their thinking. The "This will never end" is like the housing crisis, right? This will never end!

Or the tech executive listening right now making some 50 a year, the guy that owns the construction company that's running it pretty profitable right now and he's making a million five. Never going to end. It's just going to be like this.

Now with that we're going to leave off with Marcus here and continue this on our next episode. #62, what we're going to talk about is how Marcus's personal journey and his story around money had him begin to think differently with his participants in Star Bootcamp about them



Sound Financial Bites 061- Marcus Bell (Part I) *Episode Transcription*

designing and then building the life that they want. As always, we hope that this episode was a great example of you being able to sit back, think differently, and design and build a good life for you and your family. Don't forget you can check the show notes and in there is going to be a link to a download where you can get a hold of some of these major and epic celebrity failures that we've compiled for you.

I want to acknowledge you for taking the time to tune in to Sound Financial Bites. You stopped long enough in your busy day to reflect on your finances and your future to help you design and build a good life. Please take a moment to subscribe to this podcast and follow us on social media. You can find us on Facebook and LinkedIn.

If you have a topic you would like to hear us discuss, please send us a note on Facebook, LinkedIn, soundfinancialbites.com or email us at info@sfgwa.com. Be sure to check out the show notes for links to any resources that were covered in each episode. For our full disclosure, please check the description of this episode, the description of this podcast series, or you can visit our website. Make it a great day!

Paul Adams is a Registered Representative and Financial Advisor of Park Avenue Securities LLC (PAS). Securities products and advisory services offered through PAS, member FINRA, SIPC. PAS is an indirect, wholly owned subsidiary of Guardian. Sound Financial Group is not an affiliate or subsidiary of PAS or Guardian.

This podcast is meant for general informational purposes and is not to be construed as tax, legal, or investment advice. You should consult a financial professional regarding your individual situation.

Guest speakers are not affiliated with Guardian or PAS unless otherwise stated, and their opinions are their own. Opinions, estimates, forecasts, and statements of financial market trends are based on current market conditions and are subject to change without notice. Past performance is not a guarantee of future results.

This Material is Intended For General Public Use. By providing this material, we are not undertaking to provide investment advice for any specific individual or situation, or to otherwise act in a fiduciary capacity. Please contact one of our financial professionals for guidance and information specific to your individual situation.

2017-39842 Exp. 5/29

Each week, the Sound Financial Bites podcast helps you Design and Build a Good Life™. No one has a Good Life by default, only by design. Visit us here for more details: sfgwa.com



Sound Financial Bites 061- Marcus Bell (Part I)
Episode Transcription