

128 TRG Transcript

Mike Stohler

What if you could be doing something smarter with your money that creates income. Now, if you're wanting to get ahead financially, and enjoy greater freedom of choice, if you want a comfortable retirement, and you know you'll have more choices, if you can do more with your money. Now, if you've wondered who else is creating ways to make their money work for them, and you want actionable ideas, with honest pros and cons, and no fluff. Welcome to the richer geek podcast, where you here helping people find creative ways to build wealth and financial freedom. I'm Mike Stohler, and in this podcast, you'll hear from others who are already doing these things, and learn how you can too.

Welcome back, everybody to another episode of the richer geek podcast today, I am pleased to discuss all things crypto and a very interesting take on crypto in dealing with children, this is Will Rush, who is the CEO and founder of stack. How're you doing Will?

Will Rush

Great. Thanks so much for having me Mike.

Mike Stohler

So this is very interesting. I think a lot of us have children. You know, God forbid, anyone younger than me asked me about crypto because I'm like, I don't know, it doesn't exist. I have no idea. You know, there's a bunch of people that are don't know what mining is, or digging in the ground doing something and they're coming up with crypto. So you know, I have no idea what it is. So explain to us a little bit. You know, it's very interesting. It's investing platform designed to make all of this approachable and understandable to teens. And I guess that's who we want to get to know. Right? Because there's the upcoming generation.

Will Rush

Yeah, exactly. I mean, so I've spent, you know, the last 12 years of my career in some field of the securities industry. So I work with Robin Hood. And Charles Schwab and E trade and TD Ameritrade, a lot of is like that. And a lot of them have custodial products, which is what the custodial meaning under 18 products. And really, that's for tax advantages, a lot of parents want to, you know, put investments aside for their kids, and they don't have to

be under their tax rate. And they can, you know, even be taxed for ether, they're under a certain threshold. And so knowing that, that that world has sort of changed in the last three to five years, I worked most recently with a company called copper and copper was building a banking and stock trading platform that really was for teens first, meaning that instead of just putting as a parent, an investment aside for a few years, and waiting till your kid turned 18, and giving it to them, so they go pay for college or house or something else. They said what if we could get them on the platform as actual users, and we could actually educate them. And they could, you know, make decisions financially that their parents were sitting in the passenger seat for. And so it was a really great product, we let kids graduate high school with a 780 credit score.

We helped them reach savings goals for college and cars and all sorts of things. And then, as I was, you know, like creating the thesis for what our investing product really was going to be, it was very clear, we actually would run a B tests on social media, we would change one word stock to crypto, we will get five times the engagement. And it was just very clear that teens were much more curious and interested in willing to think about a crypto account before they were a stock account. And then we would see horror stories on Reddit of kids actually getting locked out of a Coinbase account, because they had used their parents details or driver's license to go hack their way in. And Coinbase is software was good enough to recognize that it wasn't the parents that were actually controlling the account. And so we said let's go be the good guys. Let's go take on this kind of crazy web three crypto world and be the first ones to create the products for it.

Mike Stohler

Why do you think the kids are so much more interested in crypto than stock? Are they seeing the while stocks? What grandma grandpa did? You know what parents crypto, you know? Is that what they're thinking? Why Kryptos instead of stock?

Will Rush

I think there's probably two things we've got one is exponential returns, right? I mean, what how regardless how you feel about crypto, there is a thought behind it that if you invest in it, there's a potential for exponential returns maybe more than stock or other investment vehicles. Whether that actually happens, of course is a huge question. But that is part of I think the Zeitgeist and curiosity behind it. And then I think number two is teens are so digitally native already right? They spend up a lot more time than even when I was in high school, on their phones, in video games in digital environments. And so digitally native currency, I think is a natural is a much more natural thing for them than it even is for, you know, my generation of millennials or, you know, generations above me too.

Mike Stohler

So if, as a parent and I wanted to get my kid involved in crypto talk about there, there has to be something in my like CO signing things, or either because they're under 18, what kind of explained the process for our listeners out there that how they might get their children into crypto?

Will Rush

Yeah, so there's something in order to have an under 18 year old attached to a financial product, you have to have something called UTM a authorization and that's the uniform transfer to Minors Act. And really what that allows you to do as a parent as capture some tax advantages, you know, on the account, but then you also do cosign. And so that means that while your kids under 18, and you you have the overriding authority on the account. And so you can say I want to prove every transaction, I want to let my kid you know, have the keys, and I'll just kind of sit on the sidelines, or anywhere in between. And you can say like, Hey, maybe I want to review things or \$50, in case something, you know, someone's making a big trade or something

Mike Stohler

horrific, hits \$5 million, you could say, hey, you know, thank kid.

Will Rush

Yeah, exactly. And I mean, the cool part of it is that what happens at atm is we then transition it into the miners name. And so it's a really cool way to bequeath money to your child, you know, like other than a trust or something else. And it's really for anybody, right? You can do \$50, there is no dollar limit, we're not charging you a big AUM fee for setting up some big investment vehicle. And so it's a sort of a price sensitive way to effectively give money to a kid and not just have it sit in the bank account and lose value due to inflation, you know, over that time.

Mike Stohler

So let's talk about all things stack and how wonderful it is for you know, someone to sit, you know, sit there, it's like, yeah, you know, that it really makes sense that my child should own some crypto, even though I don't understand it. But you're giving them you

know, well, I'll shut up and just tell us a little bit about what stack is and how it teaches the kids. All things crypto.

Will Rush

Yeah, so we do a couple of things on our platform. One is, we've made top end decisions about our platform to make it a closed ecosystem. And so in decentralized finance is a very unpopular business model, right? It's almost like it's it's not necessarily defy, it's more centralized finance, meaning, by creating this close ecosystem, we close off 99% of all fraud that happens in crypto on our platform. How we do that is we actually don't allow crypto on and off ramps. And that's the number one way the most fraudulent activity happens. Maybe somebody you know, on Discord, or on the internet tells you hey, give me access getting send me your wallet addresses pretending to look like your parent or pretending to look like your friend or something. So that you send them the money, and then you lose all your money.

So all of that is not allowed in our platform at all. And so we've been really thoughtful about just the security aspect of putting kids and parents on this platform. And then the second thing that we really focused on is how do we educate? How do we make education, something that kids will actually engage in. And so that comes down to one content, creating content that we think is native for teenagers. And so it looks a little bit more like a social media feed than like, you know, just like quiz questions or something. And then number two, is we actually double down by rewarding them for every, you know, like every module that they fulfill on our platform with a small amount of crypto. And so we actually help them build wealth by giving them free crypto for educating themselves. So a way that a parent can think about it is they pay to be on our platform monthly. But they essentially get the platform for free and crypto rewards if their kid is actually educating themselves.

Mike Stohler

That's, it's fantastic. And everybody I know, it's like okay, stack, you know, what is it? You know, it's the websites, try stack.io Don't try comm.com to org try stack.io You know, I think this is it's really fascinating, and it's about time that I think it was only a matter of time that these people if people like yourself and people that are developing these things start targeting in I shouldn't say target I should educating children because I think there's just a huge discrepancy right now of the 20 Somethings, you know, mid 20s and 30s they're just in financial ruin they you know, they've they don't know how They do anything outside of their little bubble that they've been in all their lives to get out in the real world. And they don't know anything. So you know, really kudos for what you're

doing. Now, how do you appreciate that? What are the differences? Well, I see it all the time, I talked to these 20 some year olds, and they know nothing about the real world, it seems like, you know, not all of them, but a lot of them that I talked to. And I'm like, Oh, my gosh, you know, this is the future of our planet, you know, all they care about, you know, and they care about some really good things, you know, the earth and some of these things, but real world stuff outside of saving the environment, they don't know anything. So don't get me started. Okay, that's enough of that. So thank you for doing this. Hopefully, hopefully, it'll it'll, millions of kids will sign up. And this will be wonderful. Now, how do you stack up? You know, we're talking about Robin Hood. Coinbase is another thing. How do you compare to those? Because I think people have heard of Robin Hood. You know, some of the ones that are there? I don't know, if they've been out there longer. They just have larger marketing. How do you stack up? And what's the differences between you and them?

Will Rush

Yeah, well, I mean, Robin Hood was, was kind of born out of the the last financial crisis of 2008 financial crisis, they were on for obviously, a really long time. Coinbase has been around for 10 years. We're an 18 month old business. So we're obviously just much greener a than them. What makes us different is a couple of things. One is they're not authorized for you TMA accounts. So you actually can't be an under 18 year old on their platform. They cater to a young audience, both of them, but they usually specialize in like the 18 to 29 segment, but predominantly, whereas Of course, we're like 13 to 17. And so just based on that one difference, like just legally, we are a legal platform, 14 years and beyond. And, you know, people are living above the law by being 15 and being on Coinbase or Robinhood. And then number two is, is how we conduct business. And so this comes down to the business model, how are you making money? Coinbase and Robinhood are volume driven businesses.

And so what very unsurprisingly, what they show you the second day you show up to their app is a one day trading chart, they show you like, what is Amazon stock done this one day, and that's because they want you to trade every day, they are on the platform, because that's how they make money. They make money, the more you trade, we are completely the opposite business model, where we are totally agnostic. And we actually teach on our platform, a long term investing approach. And we double down on that through our revenue model. And that's, again, our subscription fees that a parent pays per month for their kids to be on. And we're starting off at \$1 a month. So it's very, very affordable. And really all that's about is making sure that we have a way to make money that's not tied to forcing someone to one a day trade because we don't think that that's the best strategy. We don't think that that's something that we should be educating, you

know, youth on. Certainly it doesn't mean that day trading is a fully bad thing. But it's definitely not where you should start with the investing market.

Mike Stohler

Yeah, yeah. 13 year olds, 15 year olds don't need to be doing something like that every day, they need to be concentrating on some other things. And you had mentioned a little bit about the UTMB tax advantages for someone that has no idea what that is, what are some of those advantages?

Will Rush

Yeah, so there's a threshold that the IRS comes out with every year, the threshold for 2022 is \$2,300. And so that means if you recognize \$2,300 or less in games, for your child in that given year, you actually don't even have to file a tax report, because there's no taxable income under that threshold. Once they go above that threshold, I think the IRS has taken the approach that, you know, they're probably have a pretty high net worth parent. And it could even be just a parent pretending you know, to capture some some tax free money for their child. And that's when you actually have to file a tax form and do other things. But assuming that it's under that threshold, it just means that it's we keep money in children's wallets, meaning you put \$100 in the platform. Maybe you double it. Yeah, now \$200, you keep 100% of that \$200 and go to the government doesn't give us

Mike Stohler

so what does go to you just that monthly fee, or reserve that

Will Rush

monthly subscription fee, and we actually are operating. So you get the first 12 months our platform entirely free if you sign up in the next six months. And so our early users will be able to test out the platform, see if they like it, see if they don't like it. And if they don't like it, they can you know, get out of the platform before they even spend \$1

Mike Stohler

Well, I mean, that's fantastic. Hear that everyone that doesn't even cost you anything. Get on it. Try stack.io Get going because it's why not? You No, you know, what's the worst

thing you can happen? You're educating your child on crypto, you know, it's, they make some money. That's the worst thing totally. So why not?

Will Rush

I think about myself in high school. And I learned the hard way as probably a lot of us did. You know, we, we learn by messing up and making mistakes. And I made mistakes as a young professional when I had a couple \$1,000 That I was saving. And that's a tough mistake to make. But if you could make mistakes with \$20, or \$50, you know, that you're doing in high school, you'll just be a much more educated financial person and investor all of those things.

Mike Stohler

Yeah. Yeah. You know, that's, it's fascinating now. For us, grownups, can we also learn to do we have access to that learning content? Or is it just for the child,

Will Rush

you have the exact same access, not only do you have the same access, but you actually can contribute, you can get free crypto for your child for educating yourself too. And so it was kind of a fun pairing process. We did a lot of user testing in the early days. And we actually learned that parents wanted to educate themselves with their child. And, you know, we're using our platform as a as an opportunity for them to get crypto educated along with their child's. And so I think that's become a really cool kind of camaraderie between a child and their parents. So being on our platform, both educating themselves

Mike Stohler

Oh, yeah, I'm sure that the I can just see it now that you know, the child saying, you know, Dad, where do you dumb you know, this is what crypto is all about? And this is, then now there's this little Oh, yeah, well, I'm going to start learning sci fi, I'm stumped the kid. So but I do think it's why not sit down with her children and learn at the same time? But what all this crypto stuff is all about? And talking about today? Do you think crypto is in the news a lot? It really is. Do you think it's a correction? Do you think it's my personal down? Yeah. What's your personal take?

Will Rush

I think my personal take on Kryptos. I'll say this as a truly securities person, right? I come from a long career in securities. And so I'm probably one of the more old school thought patterns in the crypto world. I think that there's there's a lot of really good things about crypto and you just consider the technology, right? You can say what was Bitcoin, you know, made to be, Bitcoin was made to be this universal way to move money faster and cheaper, at the end of the day, right? Like just very simply, and there was a huge data problem and finance, everybody had created these closed ecosystems that made when you want to move your money from Bank of America bank account to Charles Schwab investing account so that you can go put money in the stock market or whatever, it takes three to five days to do it, you get charged a fee every time you do it. And so if you could have a way to move money across ecosystems really naturally, and pay a fraction of whatever, you know, a bank was going to charge you.

That's the beauty, I think of it. It's gotten into this very convoluted world, right of some, some bad actors, businesses that, you know, preach being one thing and they end up being a totally other thing. And then everybody realizes it and loses a bunch of money. And I think those are the tough stories, right? Those are the the two different sides of the coin. I think everybody should have a little bit of cryptocurrency in their portfolio, full stop, I think it is something that you know, I challenged myself personally as a, you know, mid 30 Something person saying, if I'm not trying out new things, then I'll start becoming a dinosaur, you know, and I'll stop, like, like, knowing about the world around me. And I think there's, there's some part of just embracing crypto even at a small amount so that you can understand it, so that you can see, you know, how the ecosystem works, doesn't mean you have to be in an anti trend, you definitely should not have 100% of your portfolio in crypto,

Mike Stohler

right. No, no, no, I believe in in diversification Absolutely. And, and I think that crypto is even coming a little because it's coming down and we're seeing some some biting me out. If you go old school like me, I'm like going okay, now this is might be the time to buy. You know, and that's how I buy real estate. That's how I buy all these other things. It's, you know, you buy loan and when the next last recession, you know, and depression was was happened and that's when a lot of people made money because people panicked. They sold everything came down and people like us were like going okay, because it will go back now it's gonna get in now. Because it will recover. It always does. Now,

Will Rush

I think it will, I think it will truly I think that the market will recover. And I think that what's going to make it recover is the less sexy things that a lot of crypto evangelists actually don't like, like regulation like, you know, it being adopted by mainstream brands and companies and things like that. And there's a lot of good in that truly.

Mike Stohler

Yeah, there is. It gets rid of, you know, these bad actors that you're talking about. Now? Do you have it in your platform? Or is there a way for us to learn? Who are some of the bad actors? How do I know that when I'm investing that this? Is this company even exist?

Will Rush

Yeah. So what we do is we make we do two things there. One is top of the funnel decisions, meaning, what are we actually give you access to on the platform. And so making thoughtful decisions there, I mean, we only have five coins on our platform. And that's because these five coins the level of volume that they have, and also our, you know, beliefs of the technology that's actually under the hood, and the use cases for it, we feel strongly enough that they're, you know, probably the five best players in crypto. And so just like allowing access to the right things, I think is kind of step one, step two, then becomes a lot about the education portal. And so we actually do have a section of education on fraud schemes, we actually challenge you to understand, I mean, the, like 30,000 foot view of crypto fraud is the weaknesses in the user, right? It's in you, you are the one I most often is tricked into sending your money somewhere, or being duped or being the, you know, subject to a phishing attack or something else. And so we try to educate on what those look like and almost keep them very current and the current fraud schemes that are happening, so that that can be part of the education that you build.

Mike Stohler

Yeah, I think that's fantastic. Because that would be my worry. It's like, I've never heard of any of these companies. So okay, this one has a sexy name. And, and, you know, what are those logos that you know, the dog in the different artwork that's on this

Will Rush

coin? Yeah.

Mike Stohler

Like, that's cool looking little dog. So that's how much I know about this stuff. I need to dig into it more. Talk to us a little bit about when someone signs up. What are these games? Are these worksheets? And what is that experience? Like? You know, how surreal are they? Are they worksheets? Or are they games? How do you teach?

Will Rush

Yeah, we actually. So what we've realized is that the number one educational medium for 13 to 17 year olds is YouTube, probably unsurprisingly, they educate themselves through YouTube videos. And so if we could create short form video content, that was educational, and then follow it up, almost with a challenge to each video, that's basically what our content looks like gets. Its video content that gets released, you get five opportunities, five challenges every day. And so every day, a new new set of five challenges unlocks, you watch a 32nd video that's supposed to teach you one thing, and then you basically answer a question about that one thing to make sure that you retained it. And every time you get one of those things, right, you get a little bit of frequent every time. There's some future things that were that are in the works of just like, you know, decoding 50 or 60 year olds brain. And like thinking about the psychology of what's their attention span, what's the sweet spot, you know, of how long we can keep them on the platform and educate them that we don't start having them trail off, you know? And do a little bit at a time. And so we're getting smarter, I think with that every day, but we'll continue to be dynamic on creating

Mike Stohler

Well, I'll tell you, if you can decode the teenagers mind, you'll just make believe that alone, so Okay, what if I have more than one child.

Will Rush

So you can have multiple children on the platform, you manage them from one parent account. And basically, at the top of the app, you can imagine a drop down, you just pick which child's account you want to check into. You can see their educational progress, you can see how their, you know, gains or losses on each coin. And then one of the other things that I think we've really listened to in our platform, is we only show you lifetime gains and losses. And that's again, being very intentional about the long term investing

approach. And saying to kids, like this is really about getting in the habit of saving a little bit of money, whatever you want to save every month or every quarter or whatever it is. Putting it somewhere that's going to outpace inflation, and letting it sit there because you have an investment horizon that I wish I started investing. You know, when I was 13-14-15 years old, and I also wish that I put my idle cash in an investment account more often, you know, because I just have more money. And so getting in that habit earlier, I think is really the number one behavior that we're trying to instill.

Mike Stohler

Yeah, my God, you know, it's like, yes. If someone you know, because when I was that age, it's like, yeah, I could have gotten in on Amazon when I first started and Google when it first started, Berkshire Hathaway, when it was just like, my god, if I just knew. If I had someone to teach me it wouldn't just be wonderful. Now, I'm on your website, and something is interesting. Talk to me a little bit about the entrepreneur community.

Will Rush

Yeah, so the entrepreneur community is predominantly made up of student investment clubs, investment clubs, and they finance clubs. And usually, the president of that, like high school investment club, or whatever it is, joins that community that we have, we have a little over 150. Now, a couple of ambassadors. And what they do is they actually bring us into their high school, and we put on a financial literacy workshop, no strings attached, there's no, they'll pay us for it. You know, usually there is a user output that some kids actually want to set up for our platform by, you know, meeting our company. But the intention there is, if it fails, the company goes nowhere, we do nothing special. The number one thing that I will walk away from all of this with a really full heart is that we've shown up to hundreds of high schools, and we've taught some level of personal finance.

And so that's, that's the most special thing I think that we do. And we start with like really, really basics. You know, it's stuff like everybody tells you to get a good job and go eat ramen noodles and save as much as you can. And that's really not how you produce income, how you produce income, is diversifying your income streams is having more than one place that you're making money is by getting in the habit of moving your money in the right places and doing it earlier in your life. So you have a longer investment horizon, and then demystifying the fact that to be a good investor, you actually you don't have to, you know, know the entire stock market world and be a day trader on Wall Street bets or something. You know, I think there's this like demystification that needs to happen that says, the S&P 500 index outperforms 95% of hedge funds every year, right. And these are

people hedge funds, or people that spend 40 year careers trying to figure out the stock market, and they get outperformed by one investment vehicle, that you could put all your money in tomorrow. And you'd outperform most of them. And so just teaching the simplicity of putting making small decisions and intentional decisions, that's all sold out.

Mike Stohler

Yeah, I think it's just a wonderful, and I appreciate your time, it's been eye opening for me, you know, definitely going to check it out. And everyone, again, it's free for the next six months. Or, you know, by the time this comes up for the next, you know, several months, why not? You know, I mean, try it out at [try stack.io](https://trystack.io) It even says it try stack. So, anything else that I've missed that you want to get out there about this wonderful platform that you guys have?

Will Rush

No, I think that's it. Like if there's any listeners that have high school kids, you know, they're conscientious that want to join the entrepreneur community, certainly have them sign up. I think it's a cool way to like boost your college resume, or just get some professional experience too. And then beyond that, yeah, check out the platform. There's no strings attached again, and you can come on, check it out. Take your money off anytime you want. And really enjoyed being here. Thanks so much for having me.

Mike Stohler

Sure. And where else can people find you other than trisect.io?

Will Rush

They can find me personally on LinkedIn. That's probably the medium that I'm the most active on. But I'm just LinkedIn slash will dash rush. So super simple. And then you can follow us we're on surprisingly on on Tik Tok and Twitter and Instagram. A lot of the kind of socials that teenagers are on mostly, but you can be sure to check us out there too.

Mike Stohler

Perfect. Well, thank you so much. And everybody try it again. Try stacked up, I think.

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