

# The Seven Secrets of Extremely Prosperous People

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## **W**hy do you want to learn about extremely prosperous people?

Well, I'm assuming that if you are looking at this special report, then you are interested in learning about prosperous people. But why? Because of curiosity or because you, too, want to be extremely prosperous. If the last supposition is true, and I'm also assuming that it is, then you are not alone.

One-sixth of all the adults in the US have called into the extremely popular TV program, *Who Wants to Be a Millionaire?* Does that give you a clue as to the number of people who would like to be rich? Look at the lotteries. Are they highly prosperous? Yes, because people would like to win money, large sums of money, millions, in fact.

Do you ever hear of gambling casinos or racetracks going out of business because of a lack of business? No. They, too, are highly prosperous. Look at the stock market – more trading is going on today than at any other time in history. And more people are involved in that trading. Why? They want to be prosperous.

But that is not all.

People don't just want to win lots and lots of money, they also want to earn lots and lots of money. Look at the number of new businesses that start up each day, each week, each year. Ninety percent fail, but 100% of new business want to go into business to make money. A new business start up wants to make lots and lots of money or that person would not go to all the trouble to start a business.

## **N**ow, what about you?

### **Do you really want to be extremely prosperous, too?**

Why do you want to know about extremely prosperous people and their secrets? Because you, too, want to be extremely prosperous. You also know that if you follow the same principles that the extremely prosperous follow, then you would have a better change of being prosperous yourself. Right? Right.

This special report is not about secrets of running a business prosperously, or the secrets of marketing or selling or even gaining and keeping customers for a lifetime. Nor is it about the stock market or gambling or any of the other ways of actually making money. This special report is about the personal qualities, characteristics, habits and attitudes of people who are extremely prosperous. It tells how they live their lives and how they teach their children to be prosperous.

**S**o, if this special report contains the personal and family secrets of extremely prosperous people . . . if it lets you know what they treasure in life . . . and if it lets you know how they think, then it is very valuable to anyone who wants to learn from the most prosperous people in the world about how you, too, can be prosperous.

Extremely prosperous people do what they know makes them prosperous. Poor people may know what to do to be prosperous, but they just don't do it. Therein lies the difference. Therefore, you need to promise me that after you read this special report and you learn what extremely prosperous people do, that you, too, will do it, not just think about it, nor put it aside without trying.

**T**o be extremely prosperous, it doesn't matter how much money you have or are making, it only matters how you spend your money.

Think about this statement all the way through this special report.

Think of all those people who have won money big time or even earned money big time and have gone broke shortly afterwards. Why? They did not know how to spend the money to remain prosperous.

Those of you who want to be extremely prosperous can be no matter what your circumstances are at the moment. Most people receive many, many million-dollar ideas in a lifetime. All you have to have is one that you act upon to make money, and then all you need to spend correctly by following the secrets that I give you in this special report.

Let's talk about the seven secrets of extremely prosperous people. I call them secrets, not because very few of us are aware of them, but because very few of us practice them. The secrets are, in reality, skills—essential money skills that all wealthy people practice. I believe that if you learn these skills, wealth can also flow into your life multiple streams of increasing prosperity.

That would be nice, wouldn't it?

Money to buy whatever you want— houses, cars, travel, and surpluses to share with the people you care most about and you will enjoy financial freedom and all it offers, security, and peace of mind. That's what these skills will bring you.

There are at least five things I hope to teach you in this special report:

1. How to gain control of your finances quickly and easily
2. How to cut your living expenses by 20% in 30 seconds.
3. How to invest your extra money at 20% plus.
4. How to earn an extra \$40,000-\$100,000 this year.
5. How to become a lifetime multimillionaire.

Well, let's get started with the fundamental skills of money. Remember, the 80/20 principle. Twenty percent of the things you do give you eighty percent of your results.

Well, the same holds true for money. Only about twenty percent of the things you hear are really critical for you to understand. And that should be comforting—because there is a blizzard of financial information swirling around us every day. How can you make sense of it?

It's only been in the last five years that the average person has learned to understand what a mutual fund is—and think about all of the other new words derivatives, aggressive growth fund, foreign markets, draw down. Almost every day I hear words on the television that I am not sure of—and I've been studying these things for years. It's got to be almost overwhelming and intimidating to so many who are new at investing. It seems as if we'll never catch up and be able to basically understand what is being said, much less act intelligently and produce successful results.

Well, you can relax—because in this one special report you're going to learn what you need to know about finances. This will allow you to cut through excessive information out there, find out exactly what you need to know, and discard the rest. The bottom line is that there are only seven essential money skills that will take you to financial security. Seven things that wealthy people are good at—that take them with certainty toward financial success. You only need to do seven things well. I call these Money Skills. And they are:

**Money Skill #1: Value it**

**Money Skill #2: Manage it**

**Money Skill #3: Save it**

**Money Skill #4: Invest it**

**Money Skill #5: Make it**

**Money Skill #6: Shield it**

**Money Skill #7: Share it**

### **Money Skill #1: Value it**

**Money Skill #1** is to learn how to value each and every dollar that flows into your life. Because you can achieve Financial Freedom on just a Dollar a Day! That's right. A dollar a day! When you think about it, financial freedom all starts with a single dollar.

Dig one out of your wallet or purse and examine it. This simple piece of paper doesn't appear to be worth much. Buys you a soda, a chocolate bar or a bad hamburger. So what if you waste one, or lose one or throw one away? It's just a dollar. Losing value every second. It's just a dollar. Use it or lose it.

Or is it? Is this ordinary dollar bill more than what it appears to be? Could it be a magic ticket to a fuller more abundant life—anywhere, anytime, and anything you want? I promise, when you've finished with this report, you'll never think of a dollar bill in the same way ever again. Ever.

You see, prosperous people don't think a dollar "is just a dollar." They imagine it is a seed—a money seed—that has the power to grow into a huge money tree, giving off fruit to fulfill every one of their dreams.

And they are absolutely right.

Every dollar is a money seed. Just like a tiny acorn contains the power to grow into a mighty oak tree, each dollar has the power to grow into a mighty money tree. If you destroy an acorn, the oak tree inside also dies. So, too, with a money seed.

You can grow one of these money trees—on as little as a dollar a day. Could you afford that?

In a few short years, your money tree will be full grown and majestic, growing right in the center of your future dream home. Imagine that! Branches of your money tree spreading along the ceiling

into every room of the house. Every few feet or so is a nodule which pops open once or twice a day—and releases the fruit of the tree—a crisp one hundred dollar bill. That hundred gently floats down and lands in the strategically placed basket. All night long you hear the pop, pop, pop as these nodules open and release their fruit. It takes only a few minutes to collect the fruit in the morning. 24 hours a day, your money tree is producing fruit. While you sleep. While you work. While you play. While you eat. It never stops. An endless stream of cash flow.

Get the picture?

That's why it is so important to preserve and protect each of these money seeds. Every time you waste one of those silly, green pieces of paper, it's just like throwing away a money seed. No seed? No tree.

So, how much is one those seeds really worth? That depends on how long you let it grow and at what rate of growth. Let's suppose you take one dollar and put it into a special bank account that will let the dollar grow, untouched by taxes and fees. How long will it take for this ONE SINGLE DOLLAR BILL to grow into a MILLION DOLLARS? That depends on what interest rate the bank account pays. If it's like ordinary bank accounts—paying 3 to 6% interest—then it's going to take a long, long time.

At 3% it will take 468 years for a single dollar bill to grow into a million dollars.

What? Not planning on living 468 years? Relax. We're not done with that dollar bill yet. We've got to supercharge it, so those nodules can start popping in your lifetime. How can we do this? Rather than just planting one money seed, could you plant them more often? Could you afford to put away a dollar a day? Just a dollar a day – \$30 bucks a month! You can do that.

Well, a dollar a day at 3% grows into a million dollars in only 147 years. That's still not fast enough, is it?

What if we raised the interest rate from 3% to 5%. That cuts the time down to about 100 years. Still not fast enough. How about 10% interest? Only 56 years.

Hmmm. Not bad. A dollar a day becomes a million dollars in only 56 years. Let that sink in for a minute. A measly dollar day can grow into A MILLION DOLLARS in the span of a normal lifetime. If you put just a dollar a day away for each of your children or grandchildren on the day they were born, they could all be lifetime millionaires.

But what about you? Is it too late for you? Could you still be a millionaire on a dollar a day? It's going to take some fancy work, but I think there's even hope for you. First of all, we'll have to find ways to fertilize your dollars so that they grow even faster.

Suppose someone had put a dollar a day away for you —stuck it under the mattress—the day you were born and every day thereafter. By the time you were to reach retirement age—there would be \$25,000 waiting for you.

Now, what if they stuck it in a bank at 3%. There would be about \$75,000. At 5% there would be just under \$200,000. At 10% interest, there would be \$2.7 million. At 15% there would be \$50,000,000. That's right, fifty-million dollars. And at 20% there would be—One Billion Dollars! That's one thousand million dollars. All from one dollar a day!

I hope that sinks in deep. Most of us waste dozens of dollars a day without even thinking. No big deal. It's just a dollar. But extremely prosperous people know the real truth about dollar bills. Each dollar bill is a million dollar money seed. After all, it only takes a dollar- a-day—JUST A DOLLAR—to grow into a fortune.

Now, it's no small feat to make your money grow at 20%, year after year. I'll show you several ways to do this later. But for now, I want you to just become aware that a single dollar bill has incredible power.

You could be a millionaire in about 30 years on JUST A DOLLAR A DAY!

Still not fast enough for you? OK, there's a way to speed things up. Could you plant two or three seeds a day? Or five? Or ten? What does that do? We'll let's cut right to the chase. If you put ten lousy bucks a day away every single day and put it in the right mutual funds, or stocks or real estate and let the clock tick at 20 %, you're a millionaire in just 20 years! (Pop, pop, pop, pop) Excited yet?

What makes a few dollars a day grow into such huge amounts of money? It's the power of compound interest. You've heard of this before but I want you to really understand the concept because it's going to power you on to your dreams. Einstein himself, said, "The most powerful invention of man is compound interest." Compound interest is a magic money magnifier. Compound interest works for you while you sleep.

Remember, money that's compounding never sleeps. Every second of every day, 24 hours a day, 365 days a year. You've got to figure out a way to get money working for you instead of you working for money. And all it takes is a few lousy bucks a day! You don't have to be a financial genius. You don't have to own a big company. You can do it from your kitchen table using the money that you're now foolishly throwing away. If you just re-divert a few of your ill-spent dollars and funnel them to some well-timed investments, you can achieve financial success. It's within your grasp.

Look again at that dollar bill. Take care of it. It's a money seed. I'll bet you'll think twice before you throw away one of those silly, green pieces of paper. It's like throwing away the seed to a million dollar money tree, (maybe even a billion dollar tree.)

Every time you save one of those money seeds, you start your way to wealth. The real key is to keep socking away the money, even if it's only a dollar. Let the numbers whisper their silent but relentless message. Consistency. Day in. Day out. Save. Save. Save. Invest. Invest. Invest. It doesn't much matter what investment you choose. Low yielding government securities are fine—just as long as you invest consistently for the long haul.

Constantly save. Consistently Invest. Like clockwork. Old Faithful. It might be boring. It might be dull. It might be hard. It might take discipline, persistence, and sacrifice. No matter. Just do it.

I met a young man in Chicago who had made the decision to make his future bright by dimming his desires today. He worked full time, as did his spouse. If they had been like the normal (broke) young married couple, they would have pooled their two paychecks and bought a new car (with a fat monthly payment) stretched themselves into "too much house" and stressed out for the next 30 years. Instead, this young couple makes an uncommon decision. They decided to live in "too little house." Then they disciplined themselves to get by on her paycheck and to save his entire \$2,000 a month income. They put the money into well-selected mutual funds and watched the cash begin to pile up.

This is true prosperity.

Live on less than you earn.

Invest the surplus.

Avoid debt.

Build long term security

It's my not be get rich quick. But it's get rich sure.

It's not the exciting rabbit.

But the tortoise laughs slowly all the way to the bank.

But there will be no billions, no millions, no thousands, no nothing at all unless you get started with this plan—you need to start today. Because waiting even one day can be extremely expensive as I shall now demonstrate.

Suppose you could sock away \$200 per month. You set a target to have it grow at 20% per year for the next 20 years. Now, 20% is no small feat—but with some fancy stock picks, some real estate and perhaps a small business on the side, you think you can pull it off. According to my calculator, \$200 per month at 20% for 20 years grows into \$632,000. Not bad!

Now, suppose, instead of starting now, you wait a year to get started. This leaves you only 19 years of growth instead of 20. How much is in your bank account in 20 years from today? Only \$516,000. That's \$116,000 less than what you could have had if you had started on schedule. In other words, your procrastination cost you \$116,000 future dollars! Procrastination is expensive.

For each of the 365 days that you waited, your future portfolio was shrinking by over 300 dollars. ( $116,000 / 365 = \$317.81$ ) In other words, every day you put this plan off, costs you \$300 future dollars. Every hour you wait costs you more than \$13. You are wasting 13 dollars an hour, 24 hours a day.

What if you were to invest the same \$200 per month over thirty years? The cost of waiting that extra year is now a whopping \$842,803. That's right! Waiting an extra year cost you almost a million future dollars. That's over two thousand dollars a day. Or almost \$100 per hour!

Let me say this again for emphasis. Every day you wait, every hour you delay, is like burning up your financial future. Do it now. Yes, it will take sacrifice. It means deferring gratification for a while to allow your money tree to grow. When you prematurely pick the fruit from your money tree, you stunt its growth and this can dramatically slow down the time for you to enjoy a fully matured, fruit bearing money tree.

Now, why do all of this money multiplying? In the truest sense, money is a spiritual concept. With proper planning, you can not only take care of yourself and the ones closest to you but you can leave a positive legacy for your posterity. If you won't do it for yourself, at least do it for them.

Now, look at that dollar bill one more time.

This simple money seed contains the power to bless you and countless future generations—if you'll start now. A wealthy future is awaiting you. It's worth the sacrifice. Let nothing divert you from your task. As we continue, I'm going to share with you the six other secrets or skills of that will make this bright financial future become a reality for you.

Remember, it all starts with a single dollar bill.

### **The Rockefeller Rules**

As I said earlier, money is a game. If you know the rules, you win. And if you don't know the rules, you don't win. Warren Buffett, who became the world's wealthiest stock market multi-billionaires has two important rules. Rule #1. Never lose money. Rule #2. Never forget rule #1. And here are some other simple rules to the Money Game.

Every dollar is a money seed.

You can grow rich on the money you're now wasting.

You can't make poor decisions today and expect to be rich tomorrow.

The longer you wait to get started the steeper the climb.

A dollar squandered today destroys a hundred thousand future dollars.

And since you are planning on spending a lot of time in the future, it would be nice to have plenty of money there waiting for you when you arrive. Wouldn't it? So if valuing money is skill #1. What are the other 6 skills? Let just say, that a couple of the skills are hidden in the following quote from a book called Kids and Cash about the Rockefeller family. Let's see if you can pick them out.

According to Nelson Rockefeller, the one time Vice President of the United States, his father John D. Rockefeller, Jr. gave each of his five sons an allowance "We got 25 cents a week, and had to earn the rest of the money we got." To earn part of that extra money he raised vegetables and rabbits—"We always worked. All the boys were required to keep personal daily account books.

They were required to give 10 percent of their income to charity, to save 10 percent, and to account for all the rest." They had to balance their account books every month and to be able to tell what happened to every penny they earned. (From the book, *Kids and Cash* Ken Davis and Tom Taylor 1979 Oak Tree Publications)

The Rockefeller kids were taught a specific pattern for dealing with their money. I call them the Rockefeller rules.

Work for all you get

Give away the first 10%.

Pay yourself the next 10%.

Live on the rest.

Account for every penny.

Isn't it interesting that Rockefeller made his kids learn the habit of work? But why do you think Mr. and Mrs. Rockefeller taught their kids to give the first 10% to charity? Now, if you're an atheist or an agnostic, or in any way squeamish about the subject of God, you'd better skip over this section. It's just going to make you all grumpy. But if you believe there is a Supreme Being, then, read on.

The Rockefellers, like almost all of the great American billionaires, looked upon their wealth as a sort of spiritual stewardship. They believed that God gave them the money. It wasn't theirs—they just were caretakers over it. They felt a duty to manage it for the betterment of others—while thoroughly enjoying it themselves, of course. If every dollar they received was a gift from God, they were glad to pay 10% of it back. (Andrew Carnegie gave all of his wealth away before his death.)

You'd be surprised how many very successful and very wealthy people today and throughout the past 200 years have felt the same. God, for them, was always the best silent partner. And they didn't do too badly for God and his children, either.

Today, the Ford Foundation gives away hundreds of millions of dollars PER YEAR to various charities. The Rockefeller foundation gives away almost 50 million dollars.

I wonder if God knew this was going to happen. Looking down on the earth in the late 1800's did he say to himself. "To whom shall I give the idea for the automobile? And which lucky person is going to end up with the concept of oil?"

Hmmmm—let's see.

There's that Rockefeller fellow. He's going to end up pretty decent. And most of his money is eventually going to go to help others. I think he should get a big chunk of oil. There's that scrappy Henry Ford down there in Michigan. He's got a few glaring blemishes but eventually, the money he makes with this idea is going to belong to his foundation and will bless millions of people. Let's give him a big chunk of the automobile."

How did Bill Gates end up with the computer? Or Andy Gove with the silicon chip? Or the guy (what was his name anyway?) who started Amazon.com? These days, billions can be made and lost in a single day in the stock market. Who's going to get the next billion dollar concept? Do you deserve to get it? What would you do with it if you got it? Could God trust you with it? Would you squander it? Or would you be a wise steward over it? Would there be anything left to bless the lives of others?

Tough questions. I would encourage you that, no matter what your financial circumstances, invest 10% right off the top in your favorite charity or church. If you don't know where to put it, follow your heart. One day, all the money in the world, will not keep your heart beating. Sharing 10% with others will remind you that God owns everything and we're transients here.

Now, after you pay the first 10% to your "Silent Partner" you need to pay yourself next. In the classic, "The Richest Man in Babylon," George S. Clayson tells the story of the wise investor

whose primary rule was, "A part of all you earn is yours to keep." (If you haven't read this book yet, buy it today and read it.) And then, when these two items are taken care of, LIVE on the rest. Make the decision that, starting today, you will no longer go into debt to support your lifestyle. You're going to live below your means—no matter what. It may take you months to turn your spending patterns around (for an oil tanker to change course 180 degrees takes many, many hours and hundreds of miles to accomplish—you're like that tanker, it will take time to turn your financial bad habits into good ones—so be patient with yourself.

And finally, Account for every penny.

This is the part that all of us seem to hate so much—accounting for every penny. I remember when I was doing my initial research, I looked, in vain, for a way out of this requirement. It seemed every successful money manager I interviewed was scrupulously meticulous about knowing where every penny went. And, of course, this was the exact opposite of my personality. Although my father was an accountant, I just didn't seem to be blessed with the same genes. I knew how to spend money really well—but I couldn't save a dime.

One day I woke up and realized that in my business career I had literally gone through millions of dollars in profits and royalties. If I had religiously saved 10% of that income—if I had lived the Rockefeller rules—I should have had a bank account filled with millions of dollars. But I didn't. I asked myself—of all the millions that had gone through my life, couldn't I have lived on 10% less. Of course, and that's when I started to live this rule.

Now, I know that the subject of budgeting and saving and penny pinching seems tedious to most Americans (as it did to me for most of my adult life), yet, I can also attest to the fact that these skills or habits must become part of your life if you ever hope to achieve any measure of financial success. Don't give me your old excuses.

I used all of them myself at one time or another and not one of them ever made me richer. Don't you dare tell me you're not good at math, or that you hate to balance your checkbook, or that you don't have a head for numbers, or that you never went to college, or that you don't know how to work a calculator, or that your spouse takes care of that stuff, or that you don't have the time, or that life is short and that you'd better enjoy it while you can. Odds are, you're going to live to a hundred years old—that's thirty five years past retirement—and you must plan for it by taking charge of your finances NOW.

You can't delegate this to anyone. You've got to do it. Truth is, nobody can watch over your money like you can. (Farmers have a saying that the best fertilizer is the farmer's own shadow.) Strangely enough, when you make the commitment to watch every penny, the dollars start to add up quicker.

If compound interest can make a single dollar bill grow into a million dollars—then it can also make a single penny grow into a million pennies—and that's ten thousand dollars, from a single penny? Have you ever walked by a penny on the sidewalk and not picked it up because it was just a penny? The truth is, that hidden beneath that penny is a pile of a million pennies. Pick up that penny and invest it right.

## **Money Skill #2: Manage it**

So, having said this, I want to teach you a simple, easy and extremely powerful way to think about your money. What Rockefeller was teaching his kids was how to control their money. And that's the second of the 7 money skills. Controlling every penny that flows through your life. Let me show you how to control your money by teaching you a theory I created called the Bathtub Theory of Economics.

Most people have one simple faucet or main source of income—their job. This income flows into the bathtub of their life and flows out through the drains at the bottom. Most everyone spends every penny they earn—and then some. They never retain any money in savings. They spend it all.



Obviously, the only way to have an overflowing prosperity in your life is to plug up those holes and to turn on more faucets—to have Multiple Streams of Income.

How many leaks are there? I have simplified the many ways you can spend money into ten categories. It's easy to remember the categories. Each one flows in order of their priority. According to Rockefeller, where should the first dollars go? That's right, to your partners. Who are your partners? God, first. Yourself, next. And Uncle Sam, third. Then, you can live maintain your lifestyle with what's left over.

Therefore, **Category 1** is called Tithing or Charity (which represents your contribution toward God, church, God, charity, others, giving, etc.) I have given this category the number of 1.

**Category 2** in order of priority is called Self. Take the next 10% of your money and put it into the Self category.

Next, comes your partner, Uncle Sam. **Category 3** is taxes.

What's the next most important expense of your life? Category 4 is your shelter—in the form of house payments or rent payments. What comes next?

**Category 5** is for household expenses such as food, clothing, television, normal living expenses attributed to living in your place of residence. This will amount to your largest category.

Then comes **Category 6** for auto. Gotta have a car. Every time you pay for gas, transportation, repairs to your vehicles, or car payments, you should put it in the category 6.

Next is **Category 7** for Fun/entertainment. Usually, whenever you spend money out of the home on movies, fast food, travel or toys, you should think of these expenditures as happening in Category 7. Seven is the number for fun—that 's how I remember it.

Then, comes **Category 8** for all forms of insurance; health, life, disability, liability, house, homeowners, etc.

Miscellaneous expenditures (including payments toward debt) come under **Category 9** Debt/Miscellaneous.

And finally, there is **Category 10** for business expenditures. Let's review:

**Category 1 Tithing**

**Category 2 Self**

**Category 3 Taxes**

**Category 4 Shelter**

**Category 5 Household**

**Category 6 Automobile**

**Category 7 Entertainment**

**Category 8 Insurance**

**Category 9 Debt/Miscellaneous**

**Category 10 Business Expenses**

Now, I want every dollar you spend to be labeled into one of these ten categories. I've kept the categories simple and broad because if it gets too complicated, you won't do it. Even when using a computer finance program, like Quicken, which I use, I have all my categories simplified into these 10 categories. You'll see why in a minute.

So, let's examine a money transaction—which I call a Money event. How many times a day do you spend money? 5 times? 10 times? Rarely more. Think of it. You only spend money a few times a day. And yet, those few decisions make all of the difference between poverty and wealth. Actually,

the millionaire spends approximately one minute more per money event than the poor person. And that one minute makes a huge difference.

Let's explore what I call the Millionaire's Minute. If I could show you a simple one minute exercise that you performed every time you spent money—that would almost guarantee that you'd become a millionaire—would you do it? Let's examine a typical money event.

Average people go to the store to buy something. They are in a rush, running late. They quickly snatch up the desired item without comparing prices. While they're waiting in the checkout stand they see a few impulse items they pick up. They pay for the items but don't record the event because other people are waiting in line and besides, they're running late. They rush off "a day late and a dollar short."

Millionaires, on the other hand, take a few extra steps, which take less than a minute. First of all, before they enter the store, and they decide only to buy the planned item and nothing else. Life is full of things to buy. They can't allow their impulses to derail their decisions or to control their life. Then, they spend a few extra seconds to compare prices and to pick the best value. If appropriate, they locate a sales clerk and ask if there is a possibility of obtaining a discount in price. They make a quick mental calculation of their savings. This makes them feel good.

Then, they take the item to the check out stand. Once again, they are not sidetracked by impulse buying. They select one of the three methods of payment: cash, credit card or check. They exchange the money for the items, collect their receipt, examine it for accuracy and put it in their wallet or purse for filing later.

And then, they make the most important step—they record the event by writing down the purchase, determining which category of spending it was made in, calculate the remaining balance in their account. Later, at home that day, they file the receipt in a well-organized manner for easy retrieval.

All told, on average, the millionaire spends about an extra minute per transaction than the poor person. But look at the savings in time and money. The millionaire saves from 10-20% in comparison shopping. (What if you could lower your annual spending by 20% without a lot of sacrifice?)

By investing an extra minute to record the transaction and to file it properly, she has at her fingertips a vast source of information. She knows her current account balances. She can compare her spending to previous months and notice trends. She is more aware of her actual spending which gives her much greater control of her finances. She can calculate her tax consequences in minutes not days. She can back up her tax decisions with instant documentation. In a case of dispute, she knows where, when and how she spent her money and has the receipt to prove it. She is in control.

And the resulting peace of mind creates a feeling of power. This increases her confidence, creativity and judgment. She makes fast, correct, decisive decisions. This gives her that secret millionaire's advantage.

So, from now on, every time you spend money take an extra minute to do these simple things—

1. Plan your needs and procrastinate your wants
2. Shop for value
3. Ask for and expect a discount
4. Examine your receipt. Categorize your receipt. Actually write a number from one to ten on the receipt—so that you mentally decide which area of your life you are spending money on.
5. Balance your accounts—whether it's cash, check or credit card.
6. File your receipts when you get home.

It's simple. Get ten manila folders and number them from one to ten. Don't throw your loose receipts into a shoebox. File them daily. This will get you in control of your finances in a few short

weeks. Now, there are lots of advantages of doing it this way—but let me give you one big one. Taxes. Most of us don't get receipts, and when we do, we forget what it was for. Suppose you buy a box of pencils for your small business—and everyone in America should have their own small business. This is a tax-deductible expense. Uncle Sam lets you take this expense off the top before you calculate your taxes.

Well, if you're in the 30% tax bracket, then every dollar you categorize as a tax deduction gives you a 30% return on your money. Did you get that? Hello? Where can you, today, get an instant 30% guaranteed return on your money? From Uncle Sam. When you get and keep the receipt for a tax-deductible expense and then deduct that expenditure on your taxes, you're making 30% on your money—30% return on your money is the kind of return that makes millionaires—fast.

I heard once, I don't know if it's true but I believe it, that because of tax deferred or tax free investments the billionaire Ross Perot only pays 6% of his total yearly income in taxes. He understands the value of money and how to plug those leaks—and that's why he's a billionaire and you and I aren't—yet.

The key to financial planning is cash flow management. You've not only got to get the cash to flow into your bathtub. You have to manage the leaks so that there is money left over at the end of the month (profit.) With this profit you buy stuff—assets. You may also buy stuff by going into debt. The object of the money game is to accumulate enough assets so that eventually the income from your personal assets will support you instead of your personal skills.

Are you good at turning on faucets? Gotta get those multiple streams of income flowing into your bathtub.

Are you good at plugging leaks? Gotta plug those leaks.

Are you good at getting stuff? Are you accumulating assets?

Are you good at repaying debts? Gotta stay out of debt.

The better you are at managing and controlling these four activities, the wealthier you'll become.

Wealth Skill #2. Manage your money. Start today to gain a greater control over your money by doing the millionaire minute—you'll be amazed.

### **Money Skill #3: Save it**

Wealth Skill #3 is to save money. Wealthy people love to save money—you know, to buy things at wholesale. They never like to pay retail for anything. And now, you know why. But they don't stop there. You see, anyone can save money by buying at a discount—but do they save the money that they save? That's the hard part.

A friend of mine quit smoking and was bragging about the \$50 a month she was saving by not smoking. I asked, "Where is the \$50?" She didn't know. She had saved the money, but she hadn't saved it—put it away. When you save money by changing your buying habits, take the money out of your purse or wallet and get it out of your spending grasp. Put it into a savings jar, and frequently deposit this money into your savings account. That's when you've truly save/saved it.

And here's another tip. Would you like to learn how to cut your living expenses by 30% in 30 seconds? You would? Well, take out your credit cards, put one away for emergencies, and cut up the rest. Statistics have proven that this simple exercise will automatically and almost effortlessly cut your living expenses by an average of 30% over the next 12 months.

## Money Skill #4: Invest it

With the money you're save/saving plus the 10% of the money you pay yourself off the top, you must learn how to invest your money at billionaire rates. Anyone can park their money at 3%. The trick is to get it to grow at 10 to 20%. There are many traditional investments that are ideal to park your money.

At the low end of the interest scale are bank savings accounts and certificates of deposit. Then, you have government treasuries and bonds. Up the ladder are corporate bonds—then the stock market—and some of the most popular investments these days—Mutual Funds. You should have money in all of these areas.

Imagine a series of buckets where money is siphoned off from your bathtub. The first bucket should be your emergency bucket. Let your 10% flow there first until you have at least three months worth of living expenses saved. You'd be surprised how many people in this country are only one paycheck away from bankruptcy.

Don't let that be you.

This money should be in the safest place possible—probably in an insured bank account—at the highest interest rate you can find where you can access to your money within 30 days. Once this first bucket is filled up, the stream of 10% will overflow into one of three additional buckets—labeled, conservative investments, moderately risky investments and very risky investments. If you are older, you should have more of your money in the conservative bucket. The younger you are the more risk you can take.

The best way to invest for average people is in Mutual Funds. A mutual fund is a collection of individual stocks purchased by a major company and managed by professionals. You give them a small amount of money, they add it to that of thousands of other investors and they watch over it for you. You'd have to have lived in a cave for the past five years not to have heard at least something about Mutual Funds.

Here are a few rules about investing.

The longer you invest (leave your money in the market) the lower your risk.

Don't invest unless you're willing to leave it for 5 years or more. It's sole purpose is to grow and compound. Anything shorter than a year is gambling.

Remember, it's almost impossible to buy low and sell high in the short run. So don't play the market.

The key is long term dollar cost averaging.

Dollar cost averaging simply means, you should invest every single month, regardless of where the market is heading. Don't even read the newspapers—just buy month in and month out. Over the long run, this is the best strategy. Do it automatically. Inform your mutual fund company to automatically withdraw the funds from your account each month. If you have to decide each month, eventually you will stop the program and your future will suffer. Do it every month.

When you finish reading this report, if you're not already doing so, I want you to go to a news stand, and buy a financial magazine like *Money Magazine*, *Smart Money* or *Kiplinger's*. Look for an ad for a Mutual Fund company that is No-Load—which means no commissions. Look for ads where they will let you get started for \$50-100 per month. Sign up for the automatic monthly withdrawal—and get started. If you're new at this, you'll learn a lot by just doing it. This will turn up your awareness of the entire process. Soon you'll start noticing ads for Mutual fund families that really fit you. Then, you can shift your growing nest egg to the new company and start to watch your money grow. Once you have gotten your mutual fund investing program funded and on automatic pilot, you should read some great books on the stock market like Peter Lynch's classic,

*Beating the Market.* And then, you can start putting extra cash toward a concentrated program of investing in individual stocks.

Speaking of that, would you like the richest investor in the world to manage your money? His name, by the way, is Warren Buffet. He started in the mid 50's with just a few thousand dollars and some money from a small group of partners. Over the next 40 years he turned his initial few dollars into tens of billions of dollars. His yearly compounded rate of return on his money is about 20%.

If you'd like to buy into Warren Buffets brains, you can buy into Buffets empire—where he has about 90% of his own money. It's a stock traded on the New York Stock exchange—called Berkshire Hathaway. It trades at many tens of thousands of dollars per share and is the most expensive stock on the NYSE.

Buffet doesn't believe in splitting his stock price—so it just keeps getting higher and higher—as he continues to pile more and more money in it. (Your stock broker can show you how to buy Baby Berkshires...at a much more reasonable price.) There are several excellent books on the market about Warren Buffet. If you love the stock market, you'll love to read about how this man did it. At the very least, your goal is to get some of your surplus money siphoned off into mutual funds and forget them.

### **Money Skill #5: Make it**

Making money is an entirely different skill from investing money. Investing is passive. Someone else does the work for you—like money growing in a bank. Making money, Skill #5, is the entrepreneurial side of money. Are you an entrepreneur? You should be. Everyone will need to create multiple streams of income in the future. Families used to be able to survive on one income in the 50's and 60's. Then, in the 70's and 80's it became necessary for two-income earners per family. In the 90's, with the stability of those 2 incomes in question, with corporate downsizing, re-engineering, or whatever you want to call it, people had to take matters into their own hands. And the ups and downs of today? You must learn the skills of being your own boss—even if you're working for a solid corporation and plan on retiring there. The world is just too insecure to make long term plans with one company.

When it comes to choosing the perfect home-based business, use the Money Tree Formula you learned in *Multiple Streams of Income*. In the meantime, if you're going to start your own business, remember these rules:

Rule # 1. Get on purpose. Do what you love and the money will follow.

Get into a business that is in alignment with your purpose and values. Here are the purpose questions:

What are you good at? What do you like to do? What is important to you? What is your destiny?

Answer these questions before you begin.

Rule # 2. Decide on your ideal lifestyle, then choose a business.

Rule # 3. Become the best in your field.

Rule # 4. Ride a trend that is on the wax, not on the wane

Rule # 5. Be a copycat. Don't be the first in. Don't start a trend. Copy others—legally, of course.

Rule # 6. *No se habla* employees. Be slow to hire and fast to fire.

Rule # 7. Constantly economize.

Rule # 8. Avoid overhead like the HIV virus. Rich people don't buy fancy office equipment to impress. Warren buffet manages his entire empire from a corner desk in small office. He has no computer—as he once said, "I am a computer."

### **Money Skill #6: Shield it**

Making money is one set of skills. Keeping it is another. As you work toward your financial goals, you will need to learn how to preserve the wealth you are creating. The new millennium is an infinitely more dangerous environment for wealth creation than were the 60's, 70's, 80's or 90's. New kinds of street gangs roam the streets seeking prey—hordes of attorneys looking for victims to represent.

The worst mistake one can make today is leave large amounts of personal assets unprotected. You must learn how to get your homes, cars and business entities out of sight through corporations, trusts and family partnerships to build a financial fortress around your assets. This information, which used to be available only for the super-rich, must be put to use by everyone.

Why?

Because if you're practicing your money skills, sooner or later there is a 100% probability that you will be sued—and any smart attorney will be able to look in the public record to find out what assets you have in your name. Therefore, the secret to smart money is to learn to live like a millionaire but to be a pauper on paper. You used to be able to brag about your money. Not any more.

Today, you don't want to be a millionaire—just to live like one. I, myself, am not a multi-millionaire or even a millionaire. I used to be, but not any more. That doesn't mean that I don't know where it is—and how to get to it. But the public will never know. You must protect yourself today against the catastrophes of tomorrow.

Here are the eleven basic commandments of financial protection.

1. Thou shalt avoid conspicuous consumption
2. Thou shalt avoid putting assets in your name.
3. Thou shalt never co-sign a loan for anyone, ever.
4. Thou shalt carry adequate liability insurance.
5. Thou shalt not serve on a board of directors.
6. Thou shalt avoid all "recourse" debt.
7. Thou shalt operate thy business from a corporate entity.
8. Thou shalt not go into business without a detailed business plan.
9. Thou shalt never enter a partnership without a simple, foolproof plan for getting out.
10. Thou shalt never put all of thy eggs in one basket.
11. Thou shalt always assume the worst. You'll probably be optimistic.

## **Money Skill #7: Share it**

Finally, skill seven is to share your money. And this really is a skill. Remember what I said about the Rockefellers. They believed that giving their money was essential to their wealth. And so should you. The secret is that money multiplies fastest when it's divided. It's all God's money, anyway. You're just a temporary steward.

When you share freely, you prime the pump of the universe. I encourage you to establish a legacy that will outlive you. Plant money trees from which others will harvest the fruit. This is true prosperity.

I have a belief, which I have learned from the great billionaires over the past century. Almost without fail, each of them has been guided by the following principle:

"Ultimately, the only purpose for having money is to help others."

So, to review:

First you must Value money—then, Manage/control It—then, Save It—then, Invest It—then, Make It—then, Shield It—and finally . . . Share It. I don't think it's possible to make and keep a lot of money without being good at these things.

Now, look at that dollar bill one more time. This simple money seed contains the power to bless you and countless future generations if you'll start now. The future is counting on you. A wealthy future is awaiting you. It's worth the sacrifice. Let nothing divert you from your task.

It all starts with a single dollar bill.