

Legacy • Sustainable Wealth • C... Impact • Freedom

WHAT WOULD THE ROCKEFELLERS DO?

the Wealthy Get and St

Quick Start Guide

Quick Start Guide

WHAT WOULD THE ROCKEFELLERS DO?

How the Wealthy Get and Stay That Way ...
and How You Can Too

GARRETT B. GUNDERSON

“You don’t get a second chance to create a legacy that lasts; live
the life you love.”

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CHAPTER ONE: A Critical Discovery

Only the man who does not need it is fit to inherit wealth—the man who would make his own fortune no matter where he started. If an heir is equal to his money, it serves him; if not, it destroys him. But you look on and you cry that money corrupted him.

Did it? Or did he corrupt his money?

—Francisco d'Anconia, *Atlas Shrugged*

SUMMARY

The book is your guide to sparking a legacy of wealth and empowerment that lasts for generations.

It's not easy and takes careful planning, but when you follow the example of John D. Rockefeller, you can create a launching pad for your children and grandchildren to pursue their dreams... without sacrificing yours.

Unlike the Vanderbilts, who squandered a \$200 billion dollar fortune (in today's dollars) in a handful of generations, the Rockefeller's "Family Office" is still managing a fortune estimated to be more than \$10 billion.

More than 150 Rockefellers currently receive interest income, and the family is said to donate as much as \$50 million per year to charity.

The difference is, the Rockefellers "kept the money together" using trusts as a legal tool to protect the fortune as much as possible from taxes, lawsuits, and spendthrift heirs.

I was born into financial bondage in the small coal-mining town of East Carbon, Utah. My parents gave me everything they could be instilling great values - hard work, perseverance, and love - but they couldn't give me much in terms of money, wealth, and financial knowledge.

Over the years, I traveled the world determined to learn the secrets of America's richest families. Eventually, I stumbled onto an obscure, decades-old document. The document gave clues about how the richest families in America grow, protect and pass on their fortunes.

Then, a former CPA to the Rockefeller foundation heard what I was up to and gave me a call. She confirmed, "Yes, you're spot on. This is the philosophy we used."

And the great news is — it works for nearly everyone, rich or not.

Regardless of whether you leave \$1 million or \$100 million behind, you can make your financial legacy last in perpetuity if you plan it the right way.

Rather than just leaving wealth to the next generation, you can leave them wealth and opportunity. You can make it so your family doesn't have to start over every generation at zero, and instead is able to leverage your legacy to get a foot up in the world.

KEY POINTS

- You too can build your family legacy using the same financial strategies that grew the Rockefeller fortune from \$1.5 billion to more than \$10 billion dollars through 6 generations...

(while supporting more than 150 family members and donating \$50 million per year to charity)

- Studies have shown that three main forces destroy the wealth of 90% of high-net-worth families within 3 generations. These are the division of assets among generations, transfer taxes & capital gains, and business risks & third-party attacks.
- Regardless of whether you leave \$1 million or \$100 million behind, you can make your financial legacy last in perpetuity if you plan it the right way.

CHAPTER TWO: Can I Really Have My Own Family Bank?

SUMMARY

Most people believe that you have to scrimp and save in order to make money. But cutting back can actually cost you because if you let yourself get into a scarcity mindset, you'll miss out on opportunities that present themselves.

However, what most people don't realize is that they are not fully utilizing the means that they have. You are losing money, leaking it all over. Some of it's going to Uncle Sam. Some of it's going to Wall Street. Some of it's going to financial institutions and insurance companies.

You can recover your cash flow by rigging the game in your favor and putting your money to better use. How? By earning interest rather than paying it, bucking the banking system, and cutting out the middleman (the bank) to become your own bank, and creating a bank for your whole family for generations to come.

The Rockefeller Method is about giving successive generations parameters whereby they can tap into a family bank, or even a board of people they can connect with who represent some of the knowledge you would have bestowed on that generation were you still alive.

You can set up a trust that allows any descendant to use that money for an entrepreneurial program, a mastermind program, or a college education, for example.

When it comes to saving, protecting and growing your money, traditional banking is not your friend. First of all, banks pay atrociously low rates. To get any kind of decent rate through traditional banking, you have to lock away your money for a long time, with no tax benefit. Not something you would expect the Rockefellers to do.

Moreover, while we instinctively trust that banks are stable, we don't know that for sure, as recent history has shown. If things go wrong, banks rely on other troubled banks, and the whole thing can collapse.

Utilizing traditional banking is, in fact, one of the most damaging things that you can do to your wealth. Taking a loan out from a financial institution puts you in a hole that you then have to dig your way out of—and that is never easy.

Wouldn't you rather have a banking system that safeguards your wealth, grows your money, provides stability and predictability, and allows you to have access to your money? Well, you can — with the Rockefeller Method.

This financial technology is how you create more liquidity, recover more cash, have much more predictability, and own the system rather than becoming part of a system you can't control.

KEY POINTS

- With this financial technology, depending on your age, your health, and how you fund it, you will be able to net 3.75% to 5.25% on every cash dollar you put into the policy—as long as it is structured properly.
- You can save your cash in an area that is guaranteed, protected and liquid to use for future money decisions that you will make anyway, but now you are the bank.
- Banks themselves use cash flow techniques very similar to the ones we're going to discuss in this book! Why should banks get all the advantages? Instead, rig the system in your favor by doing the very same things banks do with your money when you hand it over.

CHAPTER THREE: But Dave Ramsey and Suze Orman Said No!

SUMMARY

There are probably no better financial pundits than Dave Ramsey and Suze Orman when it comes to getting a train wreck on track. Eventually, though, cutting back can kill production. And when you eliminate value creation, that constraint leads to limited results.

Dave Ramsey and Suze Orman scorn the financial products used in the Rockefeller Method.

If this is what big-name gurus are saying, why am I saying the opposite? Are Dave Ramsey and Suze Orman just plain wrong? Well, not exactly.

If the road to wealth is being price-conscious and spending less, in a certain context they are right because, in the short term, the Rockefeller Method has a significantly higher price tag than what they recommend.

However, I'm not interested in helping you nickel and dime in the short term. **I'm interested in helping you find economic independence and security in the long term**, for the rest of your life. And from that perspective, Ramsey and Orman couldn't be more wrong.

Dave Ramsey claims that you can get ten to twelve percent returns investing in a mutual fund. However, the vast majority of mutual funds don't get anywhere close to that. Additionally, in most cases, your investments will not be protected from creditors.

If you get sued, your mutual funds will likely be up for grabs. You will have to pay taxes on your gains from mutual funds. Your 401(k)

or IRA will be subject to future income tax, plus it is a sitting duck for the estate tax.

The initial premium with the Rockefellers' financial technology can be high, but it also comes with high value—more benefits and guarantees—and it accumulates cash.

It includes a guaranteed cash distribution for your heirs.

You'll also be recovering the cost of the investment and gaining tax efficiency, all while recurring dividends are beating the interest you would get in any savings account.

You'll be protected from creditors and financial predators in most states, and you'll be able to become wealthier by self-financing your purchases.

KEY POINTS

- Ramsey and Orman are focused only on spending less. But the truth is, spending less can end up costing you more.
- Many popular financial gurus' fears about the Rockefeller family's financial technology only apply to poorly designed systems (instead of using a Certified Cash Flow Banking specialist).
- When designed well, you'll have a solid and stable foundation while doing much better than a savings account...all while gaining tax efficiencies.

CHAPTER FOUR: What Cash Flow Insurance Really Means

SUMMARY

Cash Flow Insurance, the financial strategy at the core of the Rockefeller Method, is a very particular and specific way of setting up specialized insurance policies that allow them to be supercharged.

It is a way to grow your money almost effortlessly and to have it work for you without having to worry about market losses. It becomes a banking system that gives you stability, security, and liquidity.

Cash Flow Insurance has three key points:

1. It safeguards your wealth.
2. It helps you grow your money and increase your cash flow.
3. It helps you enjoy your money today and tomorrow.

In finance, we're usually taught that it's all about accumulation.

We're taught that accumulating money for the long haul is the only way to grow wealth. However, Cash Flow Insurance allows you to both prepare for the future and live wealthier today. And in fact, cash flow is far superior to accumulation as a wealth-building strategy.

Accumulation entails setting money aside in an investment vehicle and hoping that it grows; cash flow, on the other hand, means that you are keeping your money working.

Financial institutions have an agenda:

1. They want our money.
2. They want our money on a regular basis.
3. They want to hold onto our money for as long as possible.
4. When it comes time to go get our money, they want to pay it back to us as slowly as possible.

Every product and service that financial institutions offer serves that agenda.

However, Cash Flow Insurance allows you to have access to your money without penalties and with tax advantages, so you can take advantage of that deal of a lifetime when it comes along.

For an entrepreneur, a Cash Flow Insurance policy is most effective when used as an opportunity fund or war chest. It provides liquidity when you want it, and when you access the money, you don't have to write a business plan or go explain the opportunity to a banker.

All you have to do is fill out a form, and within forty-eight to seventy-two hours, a check shows up. I've used it to pay off loans, to finance businesses, to do hard money loans, to secure inventory at a discount, to put down payments on real estate, or even to buy out partners in real estate.

Then, once I've used the money on one of these opportunities, I restore the access to cash as quickly as possible at a very high

interest rate—whatever the highest interest rate is that we've been charged— and thereby add money inside that policy.

KEY POINTS

- Once your policy has built enough cash value—usually after one or two years—you can take out a loan against your policy at any time and for any amount up to the cash value. Notice that I said “against,” not “from.” When you take out a loan from your Cash Flow Insurance policy, you are not borrowing from your policy, but against it. Therefore, your policy continues to grow as if you hadn't taken out a loan at all—because you are not actually taking any cash out of the policy.
- A Cash Flow Insurance system is considered a private account. If you have a child going to college, it won't affect your child's ability to get student loans. If the government changes the laws on retirement plans, it won't impact your money.
- Cash Flow Insurance has not only an excellent internal rate of return (which is the direct return of a particular investment and only that investment) but an excellent external rate of return—a term that describes all the factors affected by an investment, including what it allows you to accomplish, tax savings, eliminating insurance costs, your mindset, your quality of life, and additional byproducts produced by your involvement in that investment.

CHAPTER FIVE: Finding Money to Fund Your Bank

SUMMARY

When you understand how your money is flowing, you can create a Mindful Cash Management plan. Some people call this a budget, but I prefer to call it a spending plan because that focuses on expansion rather than restriction.

We are taught that all expenses are negative, that they all need to be restricted; but in fact, not all expenses are created equal.

Expenses fall into four main categories:

1. **Destructive expenses**, which are vices and weaknesses like drugs and gambling, but also expenses like overdraft fees or any expenses that have a negative effect on your life, that push you toward poverty or debt rather than prosperity.
2. **Consumptive or lifestyle expenses**, such as going on vacation or buying a flat-screen TV, are expenses that are fun and build memories, but that don't build income or assets. I recommend always using cash for these expenses. People are taught to wait until retirement to spend any of their hard-earned money, and that only in retirement can you really enjoy life; that's why there are so many miserable millionaires! These expenses are good expenses—as long as they are managed properly.
3. **Protective expenses**, which are used to protect your property and human life value, including your mindset and

happiness. This is the area that most often gets overlooked. Protective expenses include your liquid savings, which should be enough to cover a minimum of six months' expenses. Other protective expenses include life insurance, disability insurance, medical insurance, auto insurance, and emergency preparedness.

4. **Productive expenses**, which are expenses that allow you to expand your cash flow, grow your business, and build assets. They might be investments in your business, like hiring a great employee. It might be an expense like education, whereby whole new worlds of opportunities are opened up for you. They are expenses where if you put a dollar into it, more than a dollar comes out the other side, such as an investment that is an asset that creates cash flow and appreciates in value.

The goal with a Cash Flow Insurance system is to eliminate your destructive expenses, manage your consumptive and protective expenses, and increase your productive expenses.

Putting your financial house in order also means creating the proper account structure. Ideally, you want to set up three types of accounts:

1. **Peace of Mind Account**—an account truly dedicated to providing staying power in times of tough cash flow. This account provides risk reduction and creates additional liquidity, enabling you to have money to handle unexpected surprises. It is essential that this account is completely separate from your checking account. This could be an online savings account that pays a higher interest rate than traditional banks. The target should be to have a minimum of

six months' worth of savings total. I would recommend having four of those months in a savings account—yes, two months of this can be in your Cash Flow Insurance policy—one month in cash, and one month in coins or precious metals. That way, even if you run into a situation like identity theft where your accounts get frozen, you still have access to money to take care of your family until you can get back into your savings account.

2. **Wealth Creation Account**—an account focused on growing cash flow and improving the efficiency of your loans. Cash Flow Insurance is the best structure for a Wealth Creation Account and can be deducted directly from your Peace of Mind account. Your Wealth Creation Account can contain at least one month's worth of living expenses at all times, and is used for productive expenses like continuing education, paying off loans, and funding your Cash Flow Insurance!
3. **Living Wealthy Account**—an account that creates structure around preparing for events like travel and vacations. This is the account that holds the cash for your consumptive expenses. The target should be to start with three percent of your monthly take-home pay into this account—money that can then be used for guilt-free spending.

Always remember: You are your greatest asset. Protect yourself and your mindset. Make sure you feel good about your foundation, and then you can be more productive.

KEY POINTS

- Regardless of your income, your goals for the future, or the cash flow restraints you may have today, if your Cash Flow

Insurance system is set up properly and your financial foundation is well designed, Cash Flow Insurance can work for you.

- The Rockefeller family financial technology is perfect for you if you are married or plan on getting married, if you have children or plan on having children, or if you are starting a business or plan on starting a business.
- It can help you pay for your kids' college, pay off loans, or finance your home or car. You can use it as a cash reserve for investing, as seed capital, or as your emergency fund. You can use it for short-term and long-term money management decisions.
- This can be the centerpiece for perpetuating a legacy with your trust and setting up a banking system for your family to capture interest for generations to come—interest that would otherwise have been lost to financial institutions. That's why it is at the core of the Rockefeller Method.

CHAPTER SIX: Why Cash Flow Insurance Beats the Alternatives

SUMMARY

There are many, many options out there for saving and storing your money. Cash Flow Insurance — which is the engine of the Rockefeller Method — uses one specific type of insurance, Whole Life insurance. What makes it so much better than the

alternatives, like 401(k)s, IRAs, and the other types of life insurance that are available?

Most people put their money into a qualified retirement plan such as a 401(k) or an IRA. The problem with these plans is that the accounts are heavily invested in mutual funds. You may think that you have \$50,000 in your retirement account, but what you actually have is \$50,000 worth of shares in the mutual fund.

If the market goes down, those shares could drop in value and all of a sudden your money is halved—which is what happened to many people in the 2008 financial crisis. Money kept in a Cash Flow Insurance policy, meanwhile, is hardly affected by the stock market.

401(k)s are also inferior due to their lack of liquidity. When you put money into a 401(k), it is locked away until you are fifty-nine and a half. It is possible to take a loan out of your 401(k) before then, but not without consequence.

You may not be able to contribute to your 401(k) while you have an outstanding loan. If your money was earning at all while in your 401(k), you will lose those earnings while you have the loan out. And if your 401(k) is through an employer and you are laid off or quit that job, you may be left with sixty days or less to pay off the loan, or be hit with a ten percent penalty plus a tax bill!

There is only one method of saving money that has survived for over a hundred years, that lasted through the Great Depression and through the 2008 recession, and that is still going strong today: Whole Life insurance.

Not all life insurance companies are created equal. There are two types: stock life insurance companies and mutual life insurance companies.

As the name would imply, stock life insurance companies trade on the stock market, just like any other public company. Hartford, MetLife, and Prudential are all stock life insurance companies. Mutual life insurance companies, on the other hand, do not trade on the stock market.

For good reason, mutual life insurance companies are my preference of the two. Mutual life insurance companies are among the oldest companies in America. Of the top thirty-five life insurance companies in the country, the average age is 106, with the oldest being 177 years old. Nineteen of the top thirty-five have been in business for over a century. As these numbers would indicate, these companies are incredibly stable.

Life insurance is at the heart of building financial security and independence today and for the future.

The most important aspect of insurance is buying the right amount. When you are buying insurance, you have to consider the value of what you are buying, not just look for the cheapest premium. Ask yourself, if price weren't an issue, what would I want to protect my family and my own economic or human life value?

With a Whole Life insurance policy, you have a guaranteed minimum interest rate, premiums that are guaranteed never to go up, a guaranteed death benefit, guaranteed cash value, and guaranteed access to that cash value.

You have the ability to spend more and enjoy more in the later years of your life. And you have the certainty of knowing versus hoping, which has far-reaching benefits across all areas of your life, economic and otherwise—and benefits that reach beyond your life, and on to the lives of your descendants, just as the Rockefellers have done.

KEY POINTS

- The problem with IRA and 401(k) plans is that the accounts are heavily invested in mutual funds, which are heavily affected by the stock market.
- Money kept in a Cash Flow Insurance policy, meanwhile, is hardly affected by the stock market.
- The most important aspect of insurance is buying the right amount.
- Permanent life insurance policies provide all the benefits we have discussed, benefits that you can take advantage of during your lifetime. Term insurance, on the other hand, carries no cash value within the policy and has no tangible living benefits.

CHAPTER SEVEN: Setting Up Your Family Bank and Cash Flow Insurance the Right Way

SUMMARY

If your family wealth is in the tens-of-millions of dollars, then you can hire a Rockefeller-style family office to manage your wealth, too.

But what if you're not ready for the Rockefeller-style family office, or maybe you just want something more personalized to you and your family's values? If you have Cash Flow Insurance and leave behind a sizeable sum of money, how do you protect the family fortune after you are gone?

First, a board of trustees can be created to help manage the family wealth if you're not around to do so. A board of trustees is a great way to make sure your family turns out like the Rockefellers rather than the Vanderbilt family.

If you choose your board carefully and give them specific instructions when appropriate, your board of trustees can protect the family wealth for you after you're gone. Your board of trustees can vote on when to approve distributions to heirs, when to sell assets or businesses, and how to handle lawsuits against the family. They can even decide to stop giving distributions to an heir who may have a drug, alcohol, or some other problem that would make access to more money destructive.

It's impossible to write specific rules for a future you do not know. So there is some wisdom in trusting your heirs to make good decisions utilizing the intellectual legacy you've also left behind.

At the heart of my estate plan and the Rockefeller Method is Cash Flow Insurance. Cash Flow Insurance is the strategy for maximizing the tool of life insurance.

The first step when setting up a Cash Flow Insurance account is to pick a company with which to purchase your policy.

**Page 79 of your book shares 8 factors to look at.*

Remember, protection leads to production, not just in terms of earning money, but in terms of the quality of your life. That peace of mind will translate into your life—into clarity, joy, and the mental space and creativity that allows you to create and produce more.

The best way to make sure you get this right is to work with a Certified Cash Flow Insurance specialist. They will look holistically at your entire financial architecture to make sure your Cash Flow Insurance system fits in with your overall strategy.

“Well,” you may be thinking at this point, “all of this sounds great. But where do I get the money to do all of this? Where do I get the cash to fund my 'bank?’”

Even if you don't have great cash flow right now, the whole idea of Cash Flow Insurance is to help you find that extra money and hold onto it. Right now, you have money that's being lost to financial institutions, taxes, loans, etc. If you can reclaim that money—what I call cash flow optimization or cash recovery—that money can go instead into a Cash Flow Insurance policy that protects and grows your wealth, rather than losing it.

If you can restructure your inefficient loans to have the lowest payments required with the best interest rates and tax advantages, you can free up thousands of dollars a month, which can then go into your Cash Flow Insurance system.

When you free up cash flow, that cash can then go into your Cash Flow Insurance. It's not costing you anything extra; it's just using the flows of your money more efficiently.

KEY POINTS

- You can reclaim leaking cash flow and redistribute it to maximize your policy's cash value by optimizing your taxes, restructuring inefficient loans with the cash flow index, and running your investments through the investment cash flow index.
- Setting up a Cash Flow Insurance policy saves you from big costs, like the cost of term insurance—which you no longer need when you have a permanent life insurance policy. The cost of term insurance might be two or three thousand dollars a year. Every year you don't die, that money is gone. Just on its own, three thousand a year turns into \$30,000 over the next ten years. If you've earned a few percentage points of interest, it's even more. By saving the cost of term insurance and putting that money into a Cash Flow Insurance policy instead, you are keeping far more of your money, and recapturing those costs.

CHAPTER EIGHT: Costs and Benefits: What's In It for You

SUMMARY

Cash Flow Insurance has benefits in many areas. It provides protection and privacy. You can either count your Cash Flow Insurance policy as part of your assets or not; if you want to borrow money for your kids' education, for example, you don't have to include it as an asset.

Moreover, although the exact rules vary from state to state, money inside a Cash Flow Insurance policy is generally untouchable by creditors and by courts in the case of bankruptcy. And all of this contributes to helping you create a legacy that will change your family's financial destiny and help your wealth and your values last through the generations.

But one of the most enticing benefits of Cash Flow Insurance is the tax advantages it provides. The cash value in your policy, growing at a guaranteed rate, grows completely tax-deferred.

Loans that you take out against the policy are completely tax-free. Your death benefit is not subject to the income tax, so it's tax-free. The cash in your policy can earn a dividend year-by-year. Once that dividend is paid, it's fully guaranteed.

Moreover, since those dividends are re-deposited inside the insurance policy, there is no taxation on them. And, if managed correctly, utilizing the cash value during your lifetime is completely tax-free as well. If done properly, you may never have to pay taxes on any money taken out of the policy.

A Cash Flow Insurance policy is perfect to use as a war chest or bullet fund. A bullet fund is money you have set aside that you can pull from when you want to seize an amazing opportunity at a moment's notice.

A war chest is money that can be used for any unexpected surprise that money can help you solve—whether it's a lawsuit, a cash flow crunch, or the need to pay off something with a high interest rate. Having your wealth growing inside a Cash Flow Insurance policy allows you to seize opportunities as they arise.

The list of benefits Cash Flow Insurance provides goes on and on.

You have cash, you can access it completely, you can earn interest instead of paying interest, you can save on term insurance costs, you can save on taxes, you can take cash out in a tax-favored way, your money can be protected from lawsuits and bankruptcy, and your guaranteed returns on the policy are at higher rates than what you see in almost any other savings vehicle.

Most importantly, Cash Flow Insurance creates a solid basal level which can always keep you safe.

KEY POINTS

- Cash Flow Insurance used with the Rockefeller Method is unique because it's FIFO (first in, first out). Every other interest or dividend-bearing vehicle is LIFO (last in, first out). This means that if you put money into an insurance policy and then take money out to use it like a "bank," the first money you pull out will be the first you put in (your premium). Since it's considered a return of your premium, it's not taxable.
- The death benefit that goes to your family or family trust is never taxable.

- The cash value of a Cash Flow Insurance policy is both accessible and guaranteed. You know for certain, year by year, every year, how much money will be there. That advantage of knowing versus hoping can be leveraged in all areas of your life, especially as you make short and long-term financial decisions. Cash Flow Insurance allows you to lay a solid foundation so you can swing for the fences and still protect your family's quality of life—Rockefeller style.

CHAPTER NINE: Turning the Death Benefit Into a Living Benefit

SUMMARY

With Cash Flow Insurance, the death benefit is guaranteed to be around exactly one day longer than you, meaning it is with certainty going to pay out eventually when you die.

You can, therefore, leverage the certainty of your death—even though it's uncertain when you are going to die—to both spend more money while you are alive and preserve the legacy of your family.

Your death benefit allows you to **spend 20–50% more cash flow when you get into the distribution phase of your life (usually in retirement)**, and spend it with certainty.

Generational wealth will typically last about two generations before the money is all spent. This is a way to ensure that your wealth continues beyond that.

The death benefit can replenish the trust when one generation utilizes the money, and even in the case of market changes or mistakes, the death benefit becomes a contingency plan for replenishing the trust.

Moreover, this allows you not only to pass down generational wealth, but also to create a value system for your kids, your grandkids, and your great-grandkids, so that they know your name, your values, and what you stood for. You can change the destiny of your family by utilizing these policies properly, all while living your life to the fullest in your later years.

Cash Flow Insurance is a way to leave a financial legacy, to empower your children and share more of your human life value with them, and to help ensure that the wealth you leave them is a blessing—not a curse.

KEY POINTS

- With the Rockefeller method, your death benefit replenishes the trust when one generation utilizes the money, and even in the case of market changes or mistakes, the death benefit becomes a contingency plan for replenishing the trust through generations.
- You set up "rules" for future heirs to access the family money. Not to micromanage, but to protect the family fortune from deadbeats. If they are trustworthy with the first "loan" from the family bank and repay it, they get access to more and more each time. If heirs use the money and don't pay back or squander it, they don't get access to more — and the fund

still replenishes their losses when they die through the life insurance.

- This gives you a "Permission Slip" to use the wealth you've amassed during retirement. Many people are afraid of spending all their money in retirement and either "running out" or not having anything left to pass on to kids. Turn your death benefit into a living benefit so that you can spend 20-50% more cash flow with certainty in the "distribution phase" of your life (retirement years usually).

CHAPTER TEN: Buying Your New Worth Instead of Building It

SUMMARY

So many people spend so much time worrying about building a nest egg. They think, "I've got to create, save, and build millions of dollars. How much risk do I need to take on? How much time will it take? Where do I put my money?"

In fact, you can get that nest egg right here and right now, through a Cash Flow Insurance death benefit.

How much money would you have to put away if you wanted to have a five-million-dollar nest egg? How many market swings would you have to survive, and how much would you have to risk? How many fees would you have to pay? And how much time, effort, stress, and worry would you have to endure to make it all happen?

That's why, **instead of trying to build net worth, buy it.** If you buy an Overfunded Whole Life insurance policy with a guaranteed five million dollar death benefit, you have instantly added five million to your estate.

The fact that you can buy your net worth rather than building it can be hard to wrap your mind around. We tend to think of the money we build up as our "real" money.

When you put a dollar in your 401(k), and a dollar shows up in your 401(k), most people think of that as real money. However, in reality, it's actually FBO, or "for benefit of." It's not actually yours; you are a beneficiary, not the owner of the program.

The government is actually the owner of the program. Moreover, if you want to take that dollar out of your 401(k), you have to pay taxes on it.

Does that sound like a dollar that actually belongs to you? That tax may be thirty percent, plus another ten percent penalty. If you try to take out and utilize "your" dollar, you'll find that you only actually have sixty cents. This does not even take into account the compounding fees and market volatility which can rob you of another 40% of the fund's value.

Whole life insurance is always honest. If your statement says you have no cash value, you have no cash value. And if your statement says you have \$10,000, then that is \$10,000 you can take out the next day and have in your hand. The money you have in a Whole Life insurance policy is actually your money.

KEY POINTS

- Building your net worth takes a lifetime and is fraught with risk of loss. You can BUY your net worth (in the next 30 days if you want) so that you'd instantly be "worth" \$5 Million or more if you want.
- Imagine how hard it is to build a \$5 Million dollar nest egg. But you can buy life insurance with a guaranteed \$5 million dollar death benefit and instantly add that money to your estate — guaranteed to pay out — while still allowing you to leverage and utilize a growing portion of it during your lifetime as cash flow.
- If your 401k says you have \$40k in your account — you don't actually have access to \$40k (unless you are over 59 ½). You MAY be able to borrow — but have to pay back usually within 30 days (which doesn't help for anything but an emergency) — plus when the money is on loan, you don't earn anything on it.
- Cash Flow insurance is always honest - if your statement shows, \$40k in available cash value, then you have that full \$40k available to you that you can take out tomorrow and have in your hand. You can pay it back as fast or slow as you want. Plus you still earn interest on the full amount of your cash value just as if you had never taken it out.

CHAPTER ELEVEN: Getting a House or a Car with Your Bank

SUMMARY

If you use Cash Flow Insurance to buy a house or a car, I have a surprising fact for you: financing big purchases can actually make you rich.

The fact is, while traditional financing with a bank costs you in interest payments, paying in full with cash costs you in opportunity—this is called “Opportunity Cost.” Simply put, Opportunity Cost is what you miss out on when you choose one option over another. In other words, every decision you make in life includes an Opportunity Cost—the option you did not take. And it can cost you thousands of dollars each year if you don’t understand or acknowledge it.

However, taking out loans against the cash value from your Cash Flow Insurance policy can make opportunity cost work in your favor. It can create positive cash flow that can increase your wealth, all while allowing you to make those big purchases.

How? Through the law of uninterrupted compounding. Compounding is the strategy of putting your money in an investment that pays interest, and then taking the interest you’ve earned at the end of the year and reinvesting it with your original stake, so that your interest continues to earn a return, as does your principal.

As this process is repeated year after year, your earnings snowball, and your wealth grows. As you can imagine, the longer you allow your money to compound uninterrupted, the more it grows.

And if you allow it to compound uninterrupted over many years—the key to successful compounding—it can produce a fortune.

For example, if you have \$10,000 in an investment that is growing at 10% interest, over the first forty years it will grow into \$452,593—not bad, but not amazing. But then, with compounding putting the interest back into the investment, something amazing happens: by year fifty, you'll have a million dollars. By year sixty, you'll have more than three million!

However, this amazing growth can only happen if the compounding process is uninterrupted—in other words, if you never pull any money out of the account.

When you pay cash for big purchases, the compounding process is interrupted. However, when you pay for those same purchases using your Cash Flow Insurance policy, the compounding process is not interrupted.

Why? Because when you take out a loan from your Cash Flow Insurance company, you are not actually taking money out from the policy; you are borrowing against the policy.

By taking out a loan from cash value, you not only get all the benefits I've already discussed—like paying additional interest to yourself instead of to a bank—but you are also allowing uninterrupted compounding to build your wealth even as you spend.

With Cash Flow Insurance, you can turn opportunity cost to your advantage by harnessing the power of uninterrupted compounding, while still spending money when you need it.

KEY POINTS

- “Uninterrupted compounding interest” is the key to turning your savings into serious wealth (most saving systems fail at this).
- Paying for big purchases like cars or homes with cash could cost you hundreds of thousands of dollars in potential interest earned — but with a Cash Flow Banking system you "recapture" that interest and use it to build your wealth instead of the bank's bottom line.
- With Cash Flow Insurance, you can accumulate wealth not just by saving, but by spending!

CHAPTER TWELVE: Your Bank ... Your Legacy ... Your Financial Future ... Why Wait?

SUMMARY

Now is the time to get started with the core building block of Cash Flow Insurance. Today, life insurance laws in the U.S. and Canada have favorable tax treatment that makes the Cash Flow Insurance system work.

Delaying setting up your life insurance can be a big mistake. If you are in good health and insurable today, it is a good idea to set up your Cash Flow Insurance plan now.

Oftentimes, we spend so much time focusing on our future that we forget to live in the present. It's the Ebenezer Scrooge method of managing money: if you just cut back, if you save and never spend, then you too can eventually be a miserable and broke millionaire!

And on the other side, just as bad, we can also be so focused on now that we forget to plan for the future or look forward to tomorrow at all.

Our philosophy is not about saving or sacrificing, delaying or deferring. It is about building a lasting legacy. It's about being your own bank so that you are able to take advantage of every opportunity, rather than being taken advantage of. It's about rigging the game in your favor.

It's about freeing up cash flow without infringing upon your lifestyle. It's about being able to plan and work toward your future vision while still living fully and enjoying today, because YOU are the one in control.

Cash Flow Insurance is one of the main ingredients of the Rockefeller Method. Another critical aspect of the Rockefeller Method is passing on more than just money from generation to generation. It's about passing on values, philosophies, contribution, and opportunity, to name a few.

This done through the proper set-up and execution of an estate plan, and, more importantly, your board and Statement of Purpose.

My method is to write down a Premise, a Vision, a Purpose, and a Strategy for each area of life where I have wisdom to share.

- The Premise is the truth about the world as I know it. It's the way things are.
- The Vision is the way I see myself and my family having an impact on the world and the way things are.
- The Purpose is the reason why the Vision is important.
- And the Strategy is how to implement the vision.

What you leave behind in your Statement of Purpose is bound to be read by generations to come, regardless of how much wealth you leave behind.

We don't know what the future will bring. Take advantage of your good health and your family's good health. Take advantage of the favorable laws.

Start living your life more fully now, knowing that your future is secure. Find economic independence by being your own bank, setting up your family for generations to come, and taking step one by setting up your trust and Cash Flow Insurance today!

KEY POINTS

- A Statement of Purpose means you can pass on more than just money from generation to generation. You can pass on values, philosophies, contribution, and opportunity.
- Our philosophy is not about saving or sacrificing, delaying or deferring.
 - It is about building a lasting legacy.

- It's about being your own bank so that you are able to take advantage of every opportunity, rather than being taken advantage of at every opportunity.
 - It's about rigging the game in your favor.
 - It's about freeing up cash flow without infringing upon your lifestyle.
 - It's about being able to plan and work toward your future vision while still living fully and enjoying today because YOU are the one in control.
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- Find financial freedom by being your own bank, setting up your family for generations to come, and taking step one by setting up your trust and Cash Flow Insurance today.