

# Secrets, Myths, and Realities of Achieving Financial Independence

*by John M. Cummuta*



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## Financial Independence ... What does it mean?

Well, Webster's dictionary defines the terms this way...

**Financial:** pertaining to the science of managing money.

**Independence:** freedom from assistance by others.

So, apparently, financial independence means the ability to manage your money in such a way that you have sufficient funds to live your chosen lifestyle — *without assistance from others*. In other words, sufficient money to meet all your needs whether you work or not because a job is really assistance from someone else — your employer.

Notice that this definition doesn't mention *amounts* of money or the *symbols* of having money that we often attach to financial independence. The truth is that if you suggest financial independence to most people, they immediately think of a materially rich lifestyle — but if you dig deeper, you'll find their personal definitions of financial independence to be as different as snowflakes.

## What does it really mean to you?

To some people financial independence might mean yachts, mansions, and expensive foreign cars; while to others, financial independence might simply mean never having to worry about bills again — knowing they will always have a comfortable home and the time and resources to enjoy their interests and hobbies. Yet to others, not having to work a second job, or maybe just having sufficient income so their spouse could stay home with the children, might seem like financial independence from where they sit.

Before we get into what I think financial independence is, and how it can be achieved, I'd first like you to think about what financial independence would mean to you. What would it mean to your life? How would your days and nights be better if you knew you had the resources to meet all your obligations — for the rest of your life?

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Please take a moment and really picture that lifestyle in your mind before you continue reading. The easiest way to begin framing this picture in your mind is to think of a typical day. Not a special day, where you do something you might only do occasionally, but an average day. A day that would only be filled with what you'd be doing most days once you've achieved financial independence.

- What time would you wake up?
- Would you be awakened by an alarm clock or by your body's clock?
- How quickly would you get out of bed?
- Once you arose, what would you do first?
- What would you do next?
- With whom would you spend this time?
- What would they be doing?
- When would you eat?
- What would you eat?
- What would be the main activity of your day?
- How would you spend the evening?
- What would determine when you went to bed?
- What would your home look like?
- What kind of vehicles would be a part of this typical day?

See what I'm getting at? You're playing a movie in your imagination. A movie of you navigating through a typical day in your "retirement." Of course, retirement by my definition simply means the time after that part of your life when you had to work every day for a paycheck. In retirement you may be as active as you ever were during your "working" years, but you're active at what you decide to do.

So ... spend a few moments in that daydream ... in a typical day in your retirement life.

## **Are you ready to be financially independent?**

Assuming you've painted a clear picture of how your life would be, and what resources it would take to live that life every day, I need to ask you: *"Are you ready to make the changes to your present life that will allow you to achieve that kind of independence?"*

What changes?

Let's face it ... if no changes were necessary for you to achieve financial independence, you'd already be there, wouldn't you? I mean ... if what you've been doing with your life so far was the proper strategy for attaining financial freedom, you'd be on your way, or maybe even there already. Are you? Be honest with yourself.

If you are there, you can put this manual down. You don't need it. If, on the other hand, honesty forces you to admit your prospects for true financial independence are cloudy at best, then let's get on with figuring out how to blow those clouds away.

## **Reality**

Let's start with your present reality.

Forget the past ... and don't worry about the future. Let's deal with the "right now." Ralph Waldo Emerson once said, *"What lies behind us, and what lies before us are small matters compared to what lies within us."* What you have to determine is whether financial independence lies within you.

That's right ... you either have what it takes or you don't. You're either made of the stuff that yearns for self-direction and self-support or you're not. Only you can examine the true you and answer this challenge.

In the late '80s I had to take the same inventory of myself. I had to be honest with myself about where my life was going — and where it was likely to end up. I had a growing business, yet I knew, deep down inside, that if the income ever stopped (or even dipped significantly), my lifestyle would collapse. I was, like most Americans, living up to the maximum of my income — and with the help of Uncle Visa and Aunt MasterCard — a little beyond my income.

When I stared it right in the face, I knew it was a house of cards and that when my working years ran out, I'd be in a real mess. Unfortunately, circumstances didn't even allow me that much time. My business was reselling another company's product, and when that company suddenly went out of business, it pulled us down with it.

My personal income dropped from really good to really zero, almost overnight. That began the worst two years of my life. Panic-filled days, sleepless nights, relationship stresses, and the seemingly endless scramble to save my home and find another income source.

That nightmarish experience caused me to seek the TRUE path to financial security and freedom. Not the hype baloney you read or hear from the pushers of what I call “*The Solution Lies.*” Those are the people who tell you the answer to your problem is to make zillions of dollars — and you can do that by just buying their magical money-making scheme.

I knew there had to be a realistic way ... a system for achieving true financial independence. And I knew that such a system would have RULES. Rules that are laws, like gravity.

Well, I found those rules, and I’ll list them for you in this manual. They’re not magic, or even rocket science. But, like gravity, they are in force at all times, and work without question every time.

Most of the true principles of financial success are not widely known. I call these **secrets**. Some of the principles we’ve been told throughout our lives are simply not true. I call these **myths**. And finally, there are some basic, inescapable ingredients to achieving financial independence. I call these **realities**.

Once I uncovered these financial facts of life, the money map of my life sharpened from an indistinguishable maze to a clear route to my goal. I developed a plan for my life based on these rules and road signs, and I put that plan into action.

*One year later, I had all my bills other than the house paid off. Less than four years after that, the 26-year balance on the house mortgage was eliminated. And less than 5 years after that we began living 100 percent off the proceeds from our investments. Working is now optional!*

**The incredible thing is that we accomplished all this with the same amount of money we had been bringing home each month all along — our regular paychecks.** If we had added more money into the system, we could have been out of debt faster — and ended up with even more retirement savings!

The purpose of this manual is to help you reach the same destination — by exploring with you some of the things I learned along the way so you can bypass mistakes I made and get to your goals even faster. This manual is for and about YOU.

Now, let’s get into the rules — the rules that cannot be violated. If you believe you can circumvent one of these rules, you’re wrong. If you try, you’ll crash. If I sound sure about this ... I AM!

## Secrets

### **Secret #1: I consider this secret to be the foundational key to all success. It is the ABILITY TO TAKE ACTION.**

If you can't make yourself DO the things that could improve your life, your life will likely end up right along side the other 95 percent of the financial failures in America. It's that simple. You can have the best opportunities, the best plans, and the best tools — but if you can't put all that into ACTION, it's all wasted! And so is your life. You'll be like the husband lounging in a recliner who said to his wife: *"I'll think about cleaning out the garage in a little while, hon. Right now, I'm thinking about mowing the lawn."*

I can't make this point too strongly. You must find in yourself the resolve to ACT, otherwise your thinking won't amount to anything. Some of the world's greatest failures died "thinking" about what they were going to do.

### **Secret #2: The level of success you will achieve in your life is directly proportional to your willingness to accept full responsibility for your life.**

Josiah Stamp said, *"It is easy to dodge our responsibilities, but we cannot dodge the consequences of dodging our responsibilities."*

There are many people in this country who are trying to push the responsibility and blame for the condition of their lives onto the government, or their union, or their spouse, or their parents, or their neighborhood. If you really think about that, it's rather pathetic.

If everyone else is responsible for your well-being and your chances for success, then there's nothing YOU can do to help yourself. You have to sit there and hope that, by some miracle, the government, the union, your spouse, your parents, and your neighborhood just happen to line up right some day so that your life can be better.

If, on the other hand, you have the courage and honesty to say, *"If my life is going to be any better, it's one hundred percent my responsibility to make the necessary changes,"* you have a much better chance of making it to real financial freedom, or any other success you seek.

First of all, you won't have to wait for everyone else's cooperation. You can just go out and start making things better. Secondly, when success comes, you won't have to share the credit with the government, the union, your neighborhood, or anyone else. The Bible says it pretty clearly: *"... whatever a man sows, that he will also reap."* You won't reap what someone else sows — but what you sow. And if you don't sow, you don't reap. It's YOUR responsibility.

**Secret #3: Failing to execute a plan for financial independence is the same as planning to fail.**

This seems pretty self-evident, but most North Americans just float through their financial life, hoping it will all just work out somehow. This is, of course, a form of insanity. It won't work out. The federal statistic I've already stated shows that it doesn't work out for 95 percent of Americans, and it's the same in Canada.

It won't work out unless you make it work out. But the problem most people face is that they can rarely think about getting ahead when they can hardly keep up. They dig a hole of debt, jump in, then spend month after month dragging dirt in on themselves, wondering why they're getting financially buried.

The fact that you need a financial plan to reach financial success is really not a secret. But most people don't know where to start. Well I do. And I've worked the whole plan out for you in the *Transforming Debt into Wealth*<sup>®</sup> system. This 12-session program will show you, step by step, exactly how to eliminate ALL your debts, including paying off your home — and it'll show you how to rapidly build retirement wealth.

**Secret #4: A home-based business — you can invest work instead of money, you can make more money than a job would likely pay you, and Uncle Sam will help you pay for everything.**

Let me answer the obvious question first: can you achieve financial independence without having a business, with just the income from your job? Yes. *Could you achieve financial independence faster and build up much greater wealth by building a business of your own?* Yes. It's really up to you. Some people are happy doing what they're doing and would never think of taking the entrepreneurial leap. Others dream of having their own business and they'll leap and leap till they succeed. This secret is for them.

While owners of franchises and other traditional (storefront or industrial) businesses put in tens of thousands to hundreds of thousands of dollars to start their businesses, I started with nothing but a personal computer, working at home — and my monthly costs ran like pocket change compared with the thousands of dollars it costs traditional business owners to meet their rent, payroll, and other monthly obligations. I didn't have any of those costs.

I kept my job until my business was making more than my paycheck, so I didn't starve the business by taking too much out too soon. And the tax breaks I received from operating a business in my home made it much easier to make a profit. Uncle Sam was sort of a partner, and he helped pay for a lot of the things I was spending money on anyway, like my telephone bills, my car, my home, travel, and entertaining. The tax savings alone may make starting your own business a good idea.

And, with the World Wide Web available today as a business tool, it's possible to build an income with even lower operating expenses than when I started. Marketing costs can be dramatically reduced. Just don't fall for the seduction of SPAM e-mailing to build your business. That's like opening a brothel to raise money to build a church.

Before you go looking for a business opportunity, be sure to restrict the candidates to things you would enjoy doing, day after day, for decades. Because that's just what it will take to achieve any business' full potential. I've counseled many a person considering a business opportunity to think about the work involved and decide whether that work would be enjoyable, on a daily, weekly, annual, and lifetime basis.

The money potential is never the primary reason for picking a business. If you end up hating the work, no amount of money will be enough to make it worthwhile.

### **Secret #5: Residual vs. linear income.**

Most people work on a linear income scale, which simply means they work an hour, for which they get paid an hour's wage. Or they sell one widget, and they get paid the commission on one widget sale. But if they work less, they get paid less. And if they want to get paid any more, they have to work more. There's a limit to how much they can make because there's a limit on how much they can physically do.

Residual income, on the other hand, is cumulative and continuous. Let's say you sold a widget ... and instead of getting paid a one-time commission, you got paid an ongoing commission on that one sale every month. That would mean that if you sold a second widget, the commission for that sale would now add to the monthly commission you are already receiving on the first widget, so your total monthly commission would be twice as high. This concept allows you to build a substantial income one step at a time. **Plus ... with a residual income stream, you could take a month off ... and the income would continue.**

Another way to build residual income is to build a business where you're receiving income based on the work of others in addition to yourself. You'll notice I said in addition to yourself because there is NO business where you get paid without doing any work. You know it, I know it, and the liars who tell you they can show you how to do it know it too.

But the fact is, if you can build a business where you have employees or a sales force of some kind multiplying your business' ability, you can create a residual income nuclear reactor. And your income is the result of a chain reaction rather than a single flame flickering in the dark.

With residual income, you can literally take extended vacations or work reduced hours — AFTER YOU'VE BUILT YOUR INCOME STREAM — and it will keep flowing in.

**Secret #6: Multiplex income.**

Residual income deals with the issue of time and money, in that your income becomes independent of the time you personally expend generating it. But to really multiply your income potential, as I mentioned above, you can concentrate on building a business where you also receive income from the efforts of others, such as a sales force.

This is multiplex income and it's the advantage enjoyed by the national sales managers of all the large companies in this country. They have regional or district sales managers under them, then area sales managers under those people, then local or store sales managers under those people, and finally, hundreds, even thousands of sales people under those people. And every time one of the front-line sales people makes a sale ... the store sales manager, area sales manager, regional sales manager, and the national sales manager each get an override or bonus from that sale. What a great deal — and it's one you can enjoy — right from your own home.

Many direct-selling businesses pay compensation based on the multiplex model. The key to choosing the right kind of multiplex-income business for you is finding something YOU can be excited about selling, because retailing the product is the heart of any business. While retailing, you'll come across people who will want to do the business, and you can begin building your sales force. But, for them and you to make money, they too must be focused on selling the products. **All income in legitimate multiplex-income businesses comes from selling the products to end-users.**

Owning commercial or residential rental real estate is also a form of multiplex income because the effect of your efforts is multiplied by the efforts your tenants are exerting to produce the incomes necessary to pay you rent. Rent is also a residual income stream.

Now, if you're not an entrepreneur or sales person, you may be intimidated by Secrets 5 and 6. So let me reiterate, you don't have to build a business to achieve financial independence. It can be accomplished with your regular income. A successful business would likely accelerate your journey, but it's not a requirement to get to your destination.

### **Secret #7: I call it PMA squared.**

Many people have heard the term PMA. It stands for positive mental attitude. I used to think that this was the key ingredient of achievement and that if I maintained a positive mental attitude, success was sure to follow. But it didn't always work that way. In fact, I've known people who could crank up such a positive mental attitude they'd glow in the dark, but they were still financial failures, and the reason reverted back to Secret #1 — they hadn't developed the ability to take ACTION.

You see, attitude without action is worthless. So I developed an idea where I encourage people to develop a positive mental attitude — but then I tell them to multiply that by another PMA — productive meaningful action, and that produces PMA squared — positively massive affluence. Try it.

Thomas Henry Huxley said, "*The great end of life is not knowledge but action.*" How true. Knowledge without action is a waste of gray matter. Such knowledge will never benefit a person, nor the world around them.

Your attitude is critical. Attitude determines altitude. But without turning that attitude into action, it's worthless. Just start. You can always make midcourse corrections. But you can't correct your course at all if you're not even moving.

Take action. And if you really want massive results — take MASSIVE action!

### **Secret #8: The power of compound interest.**

Albert Einstein was once asked what was the most powerful invention he had seen in his lifetime. His answer: compound interest.

Why did the man whose theories unleashed the power of the atom consider compound interest the most powerful thing he had ever seen? Because compound interest literally develops a life of its own. The interest from this month earns interest next month, then the combined interest itself earns interest the third month, and so on.

For example, if a teenager were to put \$2,000 a year in a typical IRA account each year from ages 14 through age 18 (just \$10,000 over five years), compound interest would grow that \$10,000 to \$1,184,600 by the time he or she was 65 — without a single additional dollar being invested after age 18. **That's \$1,174,600 in compounded interest!**

The problem for most people, however, is that this powerful compound interest system is working against them. They're not earning interest, they're paying it. You can't get ahead while simultaneously moving backwards. The first thing I teach in the Transforming *Debt into Wealth* system is precisely how to pay off all your debts — including your home mortgage — in just five to seven years — using nothing more than the money you already bring home!

Thousands of people have achieved this complete debt-freedom, and the system can help you do it too. Imagine having NO BILLS besides your normal monthly living expenses. Nearly all your paycheck would be yours to do with as you choose.

## Myths

### **Myth #1: You can use money the same way everyone around you uses it — and still end up financially independent.**

The United States Department of Health and Human Services regularly conducts an extensive study of what happens to the average worker in this country by the time they reach conventional retirement age (U.S. Department of Health and Human Services study, June, 1990, publication #1311871). The pitiful results fully show that 95 percent of the people in this country DO NOT achieve financial independence by age 65, but rather they end up DEPENDENT on the government, or charity, or their families, or they have to keep working until they die.

#### **95 percent! That's almost everybody!**

These are working people just like you and me — people who went through their lives believing the myth that if they were just good employees and good consumers, they would be rewarded in the end. Instead, most of them end up struggling to survive on a Social Security check and/or a pitifully small pension. It isn't pretty. If you know anyone living on Social Security, visit with them for a day and see if that's how you want to spend the "Golden Years" of your life.

The truth is inescapable. If you're using money like most Americans — buying things on credit, making monthly payments, trying to put away a few bucks each month, etc. — you're doomed! Face it: 95 percent of Americans DO NOT achieve financial independence, and they are buying on credit, making monthly payments, trying to put a few bucks away each month. What makes you think you are somehow immune to the consequences of doing things this way? *If you do what they do ... you'll end up the same way they will: BROKE!*

### **Myth #2: The responsible use of credit can enhance your financial well-being.**

This may be the single most dangerous lie told to the North American consumer. Only the merchants and the lenders benefit from your using credit. You DO NOT! All credit does for you is raise the price of the things you buy. And if you pay more for everything, over the years you'll be able to buy FEWER things than people making the same income as you who pay cash instead of using credit. So using credit will actually diminish your lifestyle, not enhance it. The people using cash will be able to afford a better lifestyle than you.

Consider this: **The only true measure of wealth is net worth.** Net worth is how much you own MINUS how much you owe. So owing money on assets you supposedly "own" reduces your net worth, thereby reducing your wealth. The only way to really achieve true financial independence is to own everything in your life and owe nothing. That's real wealth.

And if you think you can afford to put off the decision to start getting completely out of debt, consider this. We've calculated that for the average American household, **each day they delay beginning a debt-elimination plan costs them \$423 in lost future wealth!**

### **Myth #3: Pay yourself first.**

This is a myth because of the way it's applied. The false belief is that you can carry a load of debt and otherwise use money like everyone else around you — as long as you first put a little aside in some kind of savings or investment each month, thereby “paying yourself first.”

The truth is that you should PAY YOUR DEBTS OFF FIRST. Then pay yourself — AFTER your debts are paid off. So paying yourself second works better. It's the only way to dramatically accelerate your journey to financial independence.

If you think about this it just makes sense. When you're carrying a debt load, you need to have a lot of money in savings to cover your monthly expenses should you lose your job or your ability to work. But, when you're carrying a debt load, you don't have much to put away in savings each month because most of your disposable income is going to debt payments. So you need a lot saved up ... but you don't have much to save each month. Therefore, putting a little aside each month (paying yourself first) will take you years to save a significant amount.

But, when you pay off your debts first, you then need less to live on each month because you're only paying for food, utilities, taxes, insurance, and any other minor expenses. Leaving you with a lot of savable money each month. So it will only take months instead of years to save up a sufficient emergency fund. After that, your retirement investments will build rapidly because you're funding them at a high level each month.

### **Myth #4: You can get out of debt by putting a little extra on each bill each month.**

To effectively eliminate your debts you have to use the military principle of “massing of forces.” This means you concentrate all available resources on ONE bill at a time. This way you pay the target bill off quickly, thereby recovering its monthly payment. Then you add that payment each month to the amount you're paying on your second bill and so on.

In my *Transforming Debt into Wealth* system, I teach a powerful method for applying this principle. It shows you exactly which bill to target first, second, third, and so on. And it will tell you specifically where to find money that is literally leaking out of your life right now — so you can mass it toward eliminating your debts. It's the most powerful debt-elimination system available anywhere.

**Myth #5: You need to learn how to “manage” credit.**

You need to learn how to ELIMINATE credit from your life. Once you’re debt-free, you’ll never need credit again. If you want to move up to a better house, you’ll just sell the one you own free and clear — maybe take a little additional money out of your swelling investment account — and buy your new house with cash.

That’s how it works when you eliminate debt. When you just manage debt, you stay in the 95 percent group along with all the other financial failures.

**Myth #6: To be successful, you have to work “smarter not harder.”**

Everyone I’ve ever met who has achieved financial independence will tell you that — at least in the early days — **you have to work smarter and harder.** *The price of success must be paid in full ... and it must be paid in advance.* There are no shortcuts.

This is particularly true if you’re going to try to build a business, even a home-based business, as part of your financial independence plan. Building a business takes more work than a job, at least in the beginning. It also offers greater rewards than a job — both financial and emotional. But you should never be fooled into thinking that building a significant revenue stream can be effortless. If you see that kind of promise in a business’ advertising literature — they are lying to you!

It takes hard work to succeed, which is probably one of the primary reasons why 95 percent of people don’t achieve it.

**Myth #7: The more education you have, the more likely you are to be successful.**

If you study a little history, you’ll run across names like Thomas Edison, Albert Einstein, Henry Ford, and others who achieved great success, but who were educational failures. On the other hand, you can go to any university campus and find hundreds of what I call “professional students” who collect degrees like some people collect stamps — yet they’ll go through their whole lives making no significant contributions to the world. And the world, in turn, will make no significant contributions to their financial well-being.

The skills that really do help you achieve success and financial independence are simply not taught in schools, yet each year millions of high school graduates trek off to college. Why? Well ... because that’s what you do after high school ... isn’t it? That kind of attitude is not the self-directed mindset that produces achievement. Going to college because all your friends are doing so is the same drive exhibited by a log that floats down stream with the rest of the debris.

Don't get me wrong. An education can help you get a good job ... and having a job is a noble thing. The income from a good job, focused through a system that turns that money into wealth, will get you to true financial independence. But a good job alone will do nothing more than help you pay the bills as you (along with the rest of the 95 percent) are swept toward financial failure in your "retirement" years.

It does take knowledge to achieve financial independence. It's just not the knowledge they teach in school. And, quite frankly, the \$50,000 to \$250,000 it takes to get a college education these days could make you rich by itself, if invested even in mediocre mutual funds from the typical college age of 18 to the typical retirement age of 65.

**If you put that \$50,000 into a tax-sheltered S&P 500 index mutual fund (assuming an average 10 percent annual return) for the 47 years between ages 18 and 65 — and never saved another dime your whole life — you'd still retire with \$5,391,332!** You could work at McDonald's the whole 47 years and still retire with more money than all the college graduates in your neighborhood combined! See what I mean?

**Myth #8: Putting your money in a bank, in CDs, and money market accounts will earn you financial independence.**

The only people who get financially independent when you put your money in the bank are the owners of the bank. Now I'm not saying you should put your money in your mattress. A bank is an OK place to keep money you've made — so you can write every-day checks and pay your monthly expenses, but it's not a strong place to grow money.

There are many superior investments to those offered by most banks — including investing in yourself. In fact, investing in educational materials and courses that teach entrepreneurship, marketing, or starting a business of your own can return much higher growth of your income than can any investments you make in someone else's business.

The next best investment is usually in growth mutual funds, and the simplest for the long-term investor are stock index mutual funds like the S&P 500 index fund I mentioned in Myth #5.

By the way, many banks offer investments. These may be good investments or under-performing investments. You'll only know by shopping around. Pick up a few investment magazines and call some of the mutual fund companies advertising in them. Ask for prospectuses on their best-performing funds. Then compare these to what your bank is offering.

## Realities

Now let's look at the realities of attaining financial independence.

### **Reality #1: If you're not already financially independent — or well on your way — you must change your financial behavior to succeed.**

There are only two ways you can leave this message — changed or resigned. You will either take 100 percent responsibility for changing the financial course of your life, or you will resign yourself to staying with the 95 percent who are headed for financial failure. It's up to you. Only you can decide your future.

Please don't put your head under the pillow and pretend things will just sort of work out somehow. They won't. You must take action. That is a REALITY.

Most people never quite figure out that life is simply a matter of choices. Nothing really forces us to be who we are or where we are in life. We have made all the choices that put us exactly where we are at this moment in time. Even those bad things that happen in life offer us a choice as to how we will react to them.

If you're not happy with where you are or where you're going — CHOOSE TO CHANGE. It's really that simple. You've probably heard the old Chinese proverb, "The journey of a thousand miles begins with the first step." It's true, and the first step is choosing. Choose to apply all the secrets, myths, and realities you're learning in this manual. See where you may have been operating on the wrong side of the truths and CHOOSE to do it the right way as you move into the future.

### **Reality #2: You have to be willing to put forth effort.**

WORK may be a four-letter word to some people, but it's a necessary ingredient to achieving any kind of financial independence. But you don't have to work hard at it forever. It's much like taking off in an airplane. When the plane starts down the runway, it must have full power to free itself from the earth and climb to cruising altitude. But once it reaches that elevation, altitude and cruising speed can be maintained with a much lower power setting.

That's how it is in achieving financial independence. You have to put in the most work up front. Then, after a while, you can relax into a wonderful lifestyle and spend a lot less time and effort maintaining that lifestyle and income ... giving you time for your loved ones, hobbies, and maybe even dreams you have long since let go.

Effort and wealth are much like opposing lines on a graph. When you first start out, it takes a lot of effort, but you have little or no wealth, so effort is high on the graph and wealth is low. But over time, wealth increases and effort can decrease. Until one

day, wealth is high and effort can go to zero. There's no other realistic way to do it. The only place success comes before work is in the dictionary.

**Reality #3: If you are planning a home-based business to accelerate your journey to financial independence, you must build that business around something in high demand ... or at least something that most people will want.**

One of the biggest mistakes new business people make is that they charge off trying to build a business around a product or service that tickles *their* fancy — but for which there is no strong universal demand or desire in the marketplace.

The most important thing you'll need to build a successful business is CUSTOMERS. And the only way you get customers is to have something they'll *want* so much they'll give you some of their hard-earned money to have it. Notice I said want, not need. There are many things people *need*, but won't pay money for. But find something they really *want*, and they'll get an extra job to find the money.

Your personal taste is irrelevant. Only the customer's taste matters.

**Reality #4: You must develop and maintain a long-term view.**

This means you must be willing to make some short-term sacrifices to achieve your long-term goals. You must develop the ability to postpone gratification. In other words, you may have to give up the new projection TV, an occasional golf game, or a fishing trip now, so you can do the extra work necessary ... to put you in a position where you can eventually do all the TV watching, golfing, or fishing you want. You simply cannot have it both ways. You can't do whatever you want now AND have all you ever dreamed of later. You'll have to choose, and you'll have to make that choice now. The clock is ticking, and every day you waste *thinking about it* diminishes the level of wealth and independence you can have later.

If you hear yourself saying, "*I really should pay off my debts and start building a retirement fund, but there are a few more things I want first,*" translate that to, "*I want to continue wasting my life, taking no action to build a better future, and I'll RISK the consequences later ...*"

Let's face it, there are only two ways you can respond to this financial challenge. You can *think about it*, and eventually die from paralysis of analysis — OR — you can start *doing* the things required to pay off your debts and build retirement wealth. If you sit around *thinking about it* and never really get underway building a financially secure future — my estimate is that it'll cost you about \$423 in retirement wealth *every day you wait to start!*

**Reality #5: This is critical — it takes more than a few weeks to build true financial independence.**

My debt-freedom plan took just four years and seven months, and five years later I could live off my investments. Now that may seem pretty fast to you. It does to me. But it did not happen overnight. It wasn't magic. I didn't find the goose that lays the golden egg. I just rerouted the money already moving through my life into a plan that allowed it to accumulate for my family's benefit, rather than the benefit of my creditors.

Beware of people telling you it can be done overnight. The world doesn't work that way, and only the naïve or the foolish waste time searching for the magic they think will overcome a lifetime of poor financial management in a moment. That's the lack of wisdom that feeds lotteries ... and lotteries are just a tax on people who don't understand statistics.

You have a statistically better chance of being struck by lightning than you do of winning a lottery. Even the few who do win frequently end up broke because they never learned how to manage their finances, so their lottery winnings only compound their errors and they end up even further in debt ... living beyond their artificially expanded means. Unfortunately there are a lot of folks living like that, including doctors, lawyers, and even plumbers. High-income people who haven't accepted the fact that they can either get rich OR live like they're rich right now — never both.

And to get rich does take some time. My *Transforming Debt into Wealth* system shows you how to do it in the fastest time possible, but it still takes time. Accept that fact and you'll enjoy life more, while you get rich.

**So Let's Summarize**

Here are some of the things I've learned over my years of building financial independence. See if any of it makes sense to you.

I learned that ...

- ✓ I needed a financial independence plan (like the one I now teach in the *Transforming Debt into Wealth* system). I had to go through a lot of difficult times to learn what I teach in this program, so why not learn from my mistakes instead of experiencing them for yourself?
- ✓ I had to get out of debt ... completely out of debt, so I would own everything in my life and interest would no longer be siphoning money out of my life. That way I could put nearly all my income to work to EARN interest and thereby build retirement wealth. I knew I'd never be able to stop working if I did not do this.
- ✓ I had to take action ... change the day-to-day operation of my life ... DO something different! I learned that the path I was on, the same path as the other 95 percent of Americans, led to financial doom. Look around you. If you're living

your life pretty much like most of the people around you ... YOU'RE ALL IN THE 95 percent group!

- ✓ If I was going to attempt a home-based business of my own, I wanted a business that produced residual, cumulative income. And I wanted a business I would enjoy doing every day.
- ✓ I also looked for a business that produced multiplex income, so I could benefit from my own efforts, plus the efforts of others. By the way, that's how the owners of the place where you work right now are building their financial independence. They are benefiting from their own efforts — as well as YOUR efforts.
- ✓ I needed to be willing to pay the price of success in advance. And I learned that I had to be willing to work at it ... maybe even sacrificing some TV or other recreational time to get it done.
- ✓ I needed a long-term vision. I needed to be able to ignore short-term pain in order to be able to achieve long-term gain. And I needed to learn to delay gratification. I couldn't buy everything I wanted — the minute I wanted it — and ever hope to achieve financial independence.
- ✓ I needed PMA squared — that's a positive mental attitude multiplied by productive meaningful action, and it produces positively massive affluence.

Well, if you've got the PMA squared, a plan to get out of debt, and an income stream that will get you to your goal — you have all you need! Don't wait. Don't sit around thinking about it. Do it!

Just think what it could mean to your life ...

- ✓ No more pressure from bills.
- ✓ No risk of losing your home, car, or anything else ... because you'll own it all.
- ✓ Being able to work, if you want to — or not work, if you don't want to.

What would your typical day be like if you didn't have to think about where the next dollar was coming from? That's true independence — and you deserve to be enjoying it.

I do hope that the principles I've shared with you here are helpful to your life. They are as true and real as the law of gravity, and I've learned many of them the tough way. I hope you have the foresight to learn them the easy way — through my experiences and not your own.

Good luck and God bless you on your journey.

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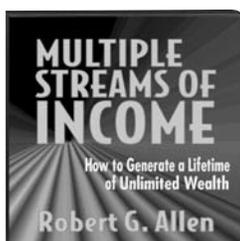


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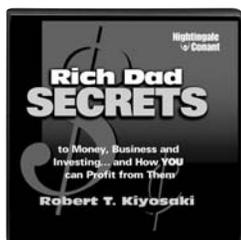


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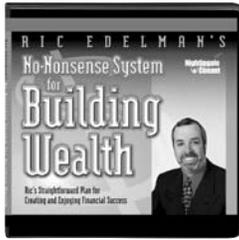
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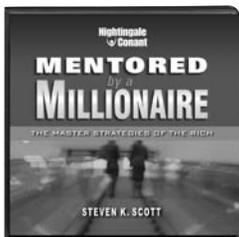
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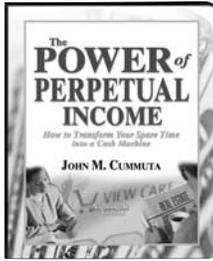


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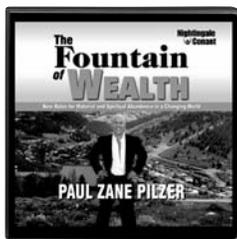
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