

The 7 Forces of Money Mastery[®]

1 **Mental Magic:** What is money? It's emotion. It's energy. It's anything we believe measures or stores the exchange of value. Creating money begins in the mind, whether it's paper fiat money, digits in a computer, gold, cigarettes, or the stone money of Yap. Consumer confidence drives the economy. If you don't have an abundance of money, it's because you associate more pain with having it than not.

2 **Income:** What's your most important financial asset? It's your mind. It's your capacity for creating wealth, your human capital. Your income reflects the value you create in the marketplace. How much value could you create with your unlimited capacity to imagine, care, focus and contribute? Could you earn twice as much in the same amount of time? How much are you investing in your personal growth?

3 **The Law of Risk & Reward:** The risk/reward tradeoff is like the law of gravity. Risk is the cost of reward. What you can measure or count, you can manage and control. To create asymmetrical risk/reward you must choose the right risks and control them. This law is the difference between financial wealth and random ruin. Creating financial wealth is all about controlling risk.

4 **Saving:** This is the difference between the haves and the have-nots. The only money you keep is what you save. The couple that saves 14.7% of household income when entering the workforce at age 20 can retire at age 55. How much do you save? All decision making is values clarification. Which do you value more, spending or saving?

5 **Power of Compounding:** Would you rather have a million dollars, or a penny doubled daily for 30 days? If you chose the latter, you'd have \$5,368,709.12. When you harness the power of compounding you make money while you sleep, and your wealth grows like a snowball. If time is money and the clock is ticking, what is the cost of not saving 10-50% now?

6 **Free Money:** You must not turn down free money in the form of multiple interest free loans that may never have to be repaid. Imagine the wealth building power of triple tax-deferred and even tax-free compounding. You must maximize the power of the world's best tax shelters—the IRA, Roth IRA, 401k and other tax qualified retirement plans.

7 **Ownership:** You'll never earn your way to wealth. You must transform from consumer to owner of the economy. You do this by becoming an investor. After social programs, owning bonds and businesses inside the world's best tax shelters is the #1 eliminator of poverty. Owning a home properly leveraged is a close second.