



A Brand New 200 Year Old  
Secret to Build **Rock Solid Wealth**

By Bonnie Clark

[bonnie@retirement-planning-tools.com](mailto:bonnie@retirement-planning-tools.com)

**This presentation will discuss certain financial strategies. Any information obtained during the course of this meeting may be used for the solicitation of life insurance and/or annuity products by a properly licensed insurance professional.**

**Any discussion of the tax treatment of products and services discussed within this presentation are based on our current understanding of tax laws and regulations, which are subject to change. Such information is presented for educational purposes only, and should not be relied upon as professional tax advice.**

**You should always consult your personal tax advisor or attorney.**

# Why Do **YOU** Need to Look at This?

## My Financing History Worksheet

In the left column, please take three to five minutes to list all the items you have paid for or made payments on since the age of 18; include both cash purchases and items financed. Don't concern yourself with the interest totals; that would take too much time to figure out but imagine what that total might be! Include items paid on your behalf. Some examples are cars, college, weddings, down payments on items, homes, boats, recreation vehicles, vacations, furniture, business start-up costs, etc. If you are married, have your spouse do the same and add the totals. In the right column, list what you will likely pay for in the next 20 years.

1. \_\_\_\_\_
  2. \_\_\_\_\_
  3. \_\_\_\_\_
  4. \_\_\_\_\_
  5. \_\_\_\_\_
  6. \_\_\_\_\_
  7. \_\_\_\_\_
  8. \_\_\_\_\_
  9. \_\_\_\_\_
  10. \_\_\_\_\_
  11. \_\_\_\_\_
  12. \_\_\_\_\_
- TOTAL \_\_\_\_\_

1. \_\_\_\_\_
  2. \_\_\_\_\_
  3. \_\_\_\_\_
  4. \_\_\_\_\_
  5. \_\_\_\_\_
  6. \_\_\_\_\_
  7. \_\_\_\_\_
  8. \_\_\_\_\_
  9. \_\_\_\_\_
  10. \_\_\_\_\_
- TOTAL \_\_\_\_\_

Now take a moment and imagine if the total of all that money, as well as any additional interest you paid to lenders, was sitting in **YOUR** account? What if that money was working for you, earning you **guaranteed** interest? Take a moment and list a few things you would be able to do if you had the additional resources of the above total. Some examples might be start a new career, have a baby and stay home for the first year, take my family on a dream vacation, go back to school, buy an investment property or second home, etc. Use additional paper if necessary.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**This is why every family needs to consider a better, smarter way to buy. My goal is to help you maximize your money and minimize your mistakes.**

# THE PROBLEMS OF THE BEATEN PATH

The definition of the word "Plan" states, "It is a system for achieving an objective; a method of doing something that is worked out in advance." The definition of the word "Wish" is, "Wanting something to happen or wanting to have something." Do you have a financial PLAN or only a wish?

Savings=money set aside for future use.

Investment=the outlay of money with the object of making a profit.

Most Americans are investing for savings.

"Invest in 401k retirement plans."

That's the one thing I learned about finances when I first came into the workforce. I was told it was the most solid and accepted financial move I could make. Everyone else I knew was doing it so it must be right. Right? **WRONG!** I found out the hard way. This is what supposedly made it the best...

- EMPLOYER MATCH

To be honest, this was the one that did it for me. "It's free money," I heard. Who doesn't want free money? I do, of course.

- TAX SAVINGS

You're putting your money in before you pay taxes. So, you're saving all this money by not having to pay taxes. And your money continues to grow faster because you don't have to pay taxes on the gains within the plan.

- FUTURE LOWER TAX BRACKET

You will access your cash when you retire. Since your monthly income will be less than it was when you were working, you will be in a lower tax bracket. This sounds like a great plan!

What turned out to be the reality...

**TAX SAVINGS:** This statement is actually false. The correct term to describe this aspect of a 401k is tax deferral. This means you are putting off paying taxes on the money you paid into the plan. There are no tax savings. What you are essentially doing is delaying the inevitable...paying taxes. Now I will be paying on the harvest, not just the seed. Hmmm?

**LOWER TAX BRACKET:** This is wrong on so many levels. Let me ask you a question. Would you rather pay \$1,000 in taxes or \$100,000? If you said \$1000, may I ask you why? I would love to pay \$100,000 because that means I made so much more money than in the scenario where I only pay \$1000. Do we hope to be poor when we retire!?! Most of us would love to have our homes paid off by the time we retire. Will that impact our tax bracket as we lose that deduction? For most of us our children will be grown and out on their own so we will lose that deduction as well. So will we REALLY be in a lower tax bracket? And lastly, with trillions of dollars of national debt, most state and the federal government running on deficit spending and our national healthcare proposals, where will that money come from?

Collecting more taxes than is absolutely necessary is legalized robbery.  
~Calvin Coolidge

## EVERY IRA HAS AN IOU TO THE IRS!

**So does your 401k.** This is another problem with the well worn path so many before us have trudged. Do you believe tax rates will stay the same as today, be lower, or will they be higher in the future? Everyone I have asked this question has responded with “higher.” If I asked you how much do you have in your 401k, the only honest answer is you are not sure because unless you are retiring today, you have no idea what portion of “your” 401k or IRA you will get to keep. In most cases you have two beneficiaries to your estate, your loved one and the IRS. Are you sure that is the way you want it to be?

### Lack of control. It's My Money-Why can't I have it?

Location, location, location are known as the three most important words in real estate. I propose the three most important words when it comes to your money are control, control, control. The lack of control to access or not access your own money poses another problem commonly confronted by those following the common path. Have you wondered why...

- You have to start taking Required Minimum Distributions at age 70 ½ whether you need to or want to and have no choice when you put your money in for all those years?
- Why there are so many restrictions and penalties if you need your money before age 59 ½?

IRAs and 401k are investment vehicles produced by the IRS. Do you think it was for your benefit or theirs? The IRS was banking on the tax produced on the harvest to be much greater than the tax on the seed. What does the change in allowing Roth conversions tell you? Think maybe some money now may be looking real good compared to what they expect the harvest to look like? Just a thought.

## A ROCK SOLID WEALTH “SECRET”

This alternative approach to wealth building has stood the test of time. It weathered the Great Depression and all 12 recessions since.

It is called infinite banking. We finance everything we buy. Either we are paying interest to someone else or we are paying cash and losing the interest our money could have been earning. That is called “lost opportunity cost.” In a desire to help you increase your wealth I want to expose you to a better way than either traditional financing or paying cash. This is not the only financial tool for you to have in your toolbox and it may not be suitable for every single one of you. But it should be considered by each family as a possible and probable foundation for building wealth.

The core of the “Infinite Banking Concept” is to recover the interest that you normally pay to a lending institution through the use of dividend paying life insurance and then lend those funds to yourself again or others so that you as the policy owner make that money work for you instead of the bank. You control the use of your money...that is good. Your plan must have a very specific design which most insurance agents don’t understand and many of those that know of it don’t share it because to structure it to be the most efficient for you cuts their commission way down.

### **What is so “infinite” about the infinite banking concept?**

The reason it is called "infinite" is that it can be continually expanded over the course of one’s lifetime and beyond. For many families, it can be designed to build and expand for future generations in its reach and impact. If the IBC is used as the foundation of a family-wide financial strategy it can grow exponentially over the course of many years and the results can be quite impressive.

Imagine what your family's financial picture could look like if **NO INTEREST WAS EVER PAID AGAIN TO AN OUTSIDE INSTITUTION** by any family member over the course of two or three generations but instead, was recaptured and compounded for your family's own use. With proper forethought and execution a well-designed plan could make this a reality to achieving a rock solid personal wealth design.

## **COMPOUND INTEREST AT WORK FOR YOU**

**“The most powerful force in the universe  
is compound interest”**

**Albert Einstein**

Albert Einstein, arguably one of the most intelligent people who ever lived, was asked what he thought was the greatest of mankind's discoveries. His answer: "compound interest." **He went so far as to call it the eighth wonder of the world!**

As an example of just how powerful this can be, consider the following scenario.

Let's say Christopher Columbus made an investment in the new world's future in 1492. If Christopher had placed a single penny in a 6% interest-bearing account and instructed someone to remove the interest every year until 2005, the value of the interest earned would be almost 31 cents. Nothing to brag about. But if Mr. Columbus had placed the same measly investment of one cent into the same interest-bearing account but LEFT the earned interest to compound—earning interest upon the interest—the results would be drastically different. What would you guess the account would be worth now? \$10,000? \$100,000? A million? 10 million? 100 million?

In actuality, the resulting balance of a penny invested at 6% COMPOUND interest for 513 years would be \$95,919,936,112. That's 95 BILLION!

Not bad for a single penny. Do you see what Al Einstein was so thrilled about? It's powerful!

# Benefits

In his book *Money For Life*, author and friend Jeffrey Reeves lists “the dazzling dozen” reasons to own your own “bank,”

- 1) You can get to the money in your ‘bank’ whenever you want it or need it . . . no penalties, no waiting, no taxes and no application.
- 2) The government, your employer, or any other outsiders have nothing to say about how you operate your ‘bank.’
- 3) Your ‘bank’ is protected from creditors and lawsuits (protections are not the same for every state so check with your state).
- 4) You can borrow from your ‘bank’ for any reason and you don’t have to qualify in any way.
- 5) When you borrow from your ‘bank’, the money in your ‘bank’ keeps growing as if you hadn’t borrowed a cent. . . your money does double duty.
- 6) Your ‘bank’ allows you to recover the money you pay to purchase cars, household furnishings, vacations, and other big ticket items or to fund education, business start-ups or any other costly expense, and deposit both interest and principal you recover back into your ‘bank.’
- 7) Your ‘bank’ allows you to put all of the interest you would normally pay to credit card companies, banks and other credit grantors into your ‘bank’ where it compounds for your benefit.
- 8) Your ‘bank’ allows you to prepay the cost of future health and long term care so the money you need as you age is in your ‘bank’ when you need it most.
- 9) Your bank funds an inflation-protected income that you do not have to work for and you can’t outlive.
- 10) You can use the money in your ‘bank’ when an unforeseen life event throws you off the track.
- 11) Your ‘bank’ lets you grow your wealth tax-free every year . . . no sliding backward . . . no worries about stock market crashes or real estate bubbles . . . just peace of mind about your money.
- 12) Your ‘bank’ serves you without compromise while you are alive and allows you to pay forward – tax-free to anyone you choose – your legacy of wealth and wisdom.

Once you know and practice this 200 year old secret you will be able to live free from debt to others.

You will be able to build tax free supplemental income you don’t have to work for that can be accessed when you want it and not touched when you don’t. Control, control, control. The choices become yours...to retire at 48 or not until 74. No penalties or restrictions. Want to fund your children’s college without sacrificing your retirement? Your own “bank” may open up more options to you and your family than you have ever imagined.

**Where else can your money continue to work for you and grow your net worth even when you are using it for purchasing power?**

In conclusion to your introduction to this 200 year old secret to building a rock solid financial plan that can take your finances to new heights, remember the opening exercise you did. If you want the next 15 years to allow you to build wealth for your family rather than the banker’s family pursue finding out what this would look like for you. Talk to someone who specializes in this process. If you are in Southern CA join me for a seminar or email me for an invitation to one of my webinars that may help you get a bigger picture. Feel free to email me your thoughts or questions and thank you for your time.