

Personal Finance & Wealth Building

LIFETIME ECONOMIC ACCELERATION PROCESS™





Wealth Building Challenges

The Goal...

You want to be happy and successful financially. Financial independence is the ultimate goal of money management.

1. Have as much money as possible
2. Minimize taxes
3. Reduce or eliminate risks
4. Cost recovery
5. Wealth preservation

The Problem...

We live in a world of complexity and change. A complex society like ours demands many complex money decisions. You are vulnerable to a variety of wealth eroding factors that are in place within our economic system, such as:

1. You lack the time to properly research all aspects of your money decisions
2. You must deal with numerous financial institutions
3. Government constantly changes tax laws
4. Costs keep rising due to inflationary factors
5. The media contains misinformation such as falsehoods about money
6. Planned obsolescence increases the cost of living
7. Technological change increases the cost of living
8. Liability lawsuits are a leading cause of wealth erosion



What are the Four Basic Rules of Financial Institutions?

Financial institutions are intermediaries between us and our money. They must convince us to do the following four things:

1. They want us to contribute money to them.
2. They want us to contribute money to them **on an on-going basis.**
3. They want us to contribute money to them **on an on-going basis** **and hold on to it for as long as possible.**
4. They want us to contribute money to them **on an on-going basis** **and hold on to it for as long as possible** **and then distribute the money back to us in a limited manner.**

Look at the strategies on the next page and compare them to the four rules of all institutions.



Financial Strategies & Products Promoted by Institutions

1. Compound Interest
2. Dollar Cost Averaging
3. Term or Group Life Insurance
4. Payroll Deducted Qualified Plans
5. Roth IRA & 529 Plans
6. Low Deductibles on Insurance
7. Nondeductible Loans, Credit Cards, etc.
8. Mortgages of Less than 30 years
9. Prepaying Mortgages by Accelerating Payments

The examples above are promoted by institutions, their agents, brokers or representatives as potential strategies for their customers. Only through careful strategic evaluation will these strategies be proven to be effective or ineffective.

These examples are not a complete list.



Five Ways to Make Money Decisions

1 Lifetime Economic Acceleration Process™ (LEAP)

The Lifetime Economic Acceleration Process focuses on the efficient and effective building of wealth. It seeks to protect that wealth from being eroded by taxes, inflation, market fluctuation, claims from creditors, and other costs. LEAP's main objective is to build wealth beyond predetermined needs and goals. In most cases, this will be achieved without any additional out-of-pocket outlay.

$$\text{MP (Max Potential)} = \text{MB (Max Benefits)} + \text{MS (Max Money Supply)}$$

2 Financial Planning

Financial planning focuses on meeting predetermined needs and goals. The methodology used in financial planning often involves number crunching and monitoring of mathematical variables such as interest rates, investment rates of return, inflation rates, income tax rates and future income needs. Financial planning focuses on how much additional money is required to obtain a predetermined fixed need or goal.

3 Needs Planning

Needs-based planning focuses on meeting needs such as saving for a house, college tuition costs, retirement income, paying estate taxes, disability income needs, etc. This kind of decision making usually takes place only when the need is present or obvious. It is reactive versus proactive.

4 Occasional Planning

Occasional planning is how many people make their money decisions. This type of planning usually keeps people one step behind where they should and could be. Occasional planners are part of the “do-it-yourself” mindset and do not understand the importance of having professional assistance given on a timely basis therefore, they tend not to reach their full financial potential.

5 No Planning

The results of no planning can be devastating. People who do no planning tend to live day by day and may lose control over their financial lives. They become vulnerable to the events and circumstances that surround them. In a complex society such as ours, people who do no planning have less chance for financial security and the peace of mind it brings.

Which do you use? _____

Comparison of Objectives

Our Process		Traditional Planning
Maximize wealth potential	vs.	Meet needs and goals
Multiply wealth (geometric) $w = mV^2 \times r \times t$	vs.	Accumulate wealth (arithmetic) $w = m \times r \times t$
Cost recovery methods	vs.	No cost recovery methods
Maintain control over money	vs.	Relinquish control to institutions
Reduce or eliminate tax	vs.	Defer tax
Maximize protection against risks	vs.	Minimum protection against risks
Grow, enjoy and conserve estate	vs.	Conserve estate
Maximum flexibility	vs.	Minimum flexibility
Macroeconomic verification	vs.	No verification

Without a Financial Model

Decisions are made with different people, at different times and under different circumstances.

This results in assets that are:

- Uncoordinated
- Limited to Needs Only
- Disorganized
- Non-Integrated
- Limited to Goals Only
- Not Accessible
- Purchased on Opinion
- Purchased by Convenience
- Purchased One at a Time



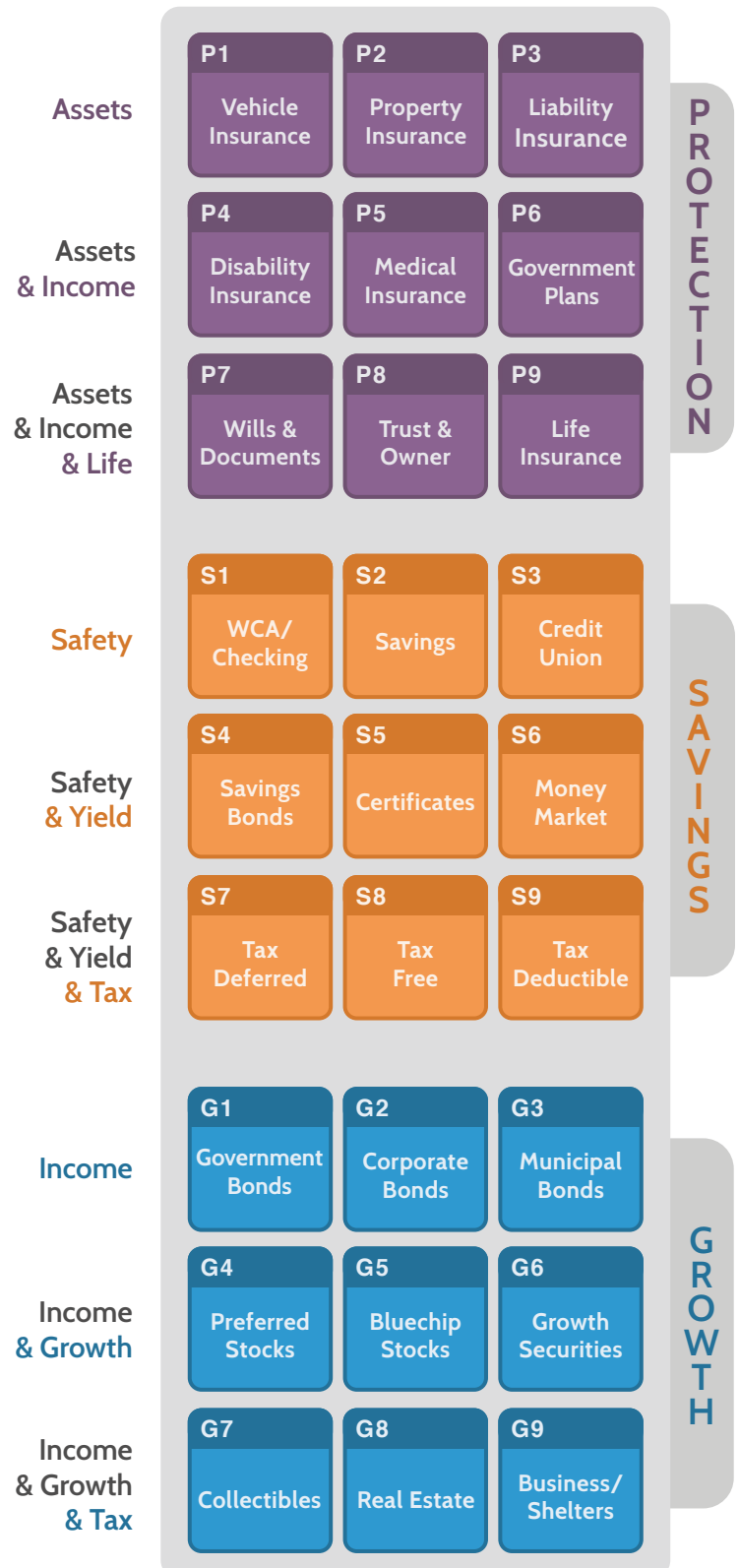
The Importance of Using the Leap Model®

The Protection Component

Objective

- Reduce risk
- Protect assets
- Protect income
- Protect economic life value
- Protection importance grows
- Minimize cost
- Maximize coverage

→
Protection



The Savings Component

Objective

- Improve yields
- Minimize taxes
- Manage/reduce risk

→
Yield

→
Risk

←
Liquidity

The Growth Component

Objective

- Increase rate of return
- Provide tax benefits
- Provide income
- Manage/reduce risk

→
Growth

→
Risk

←
Liquidity

How the Leap Model[®] is Used

First Step

Internal Design

The products and services in each drawer of the Model should be made to perform properly.

Second Step

Coordination

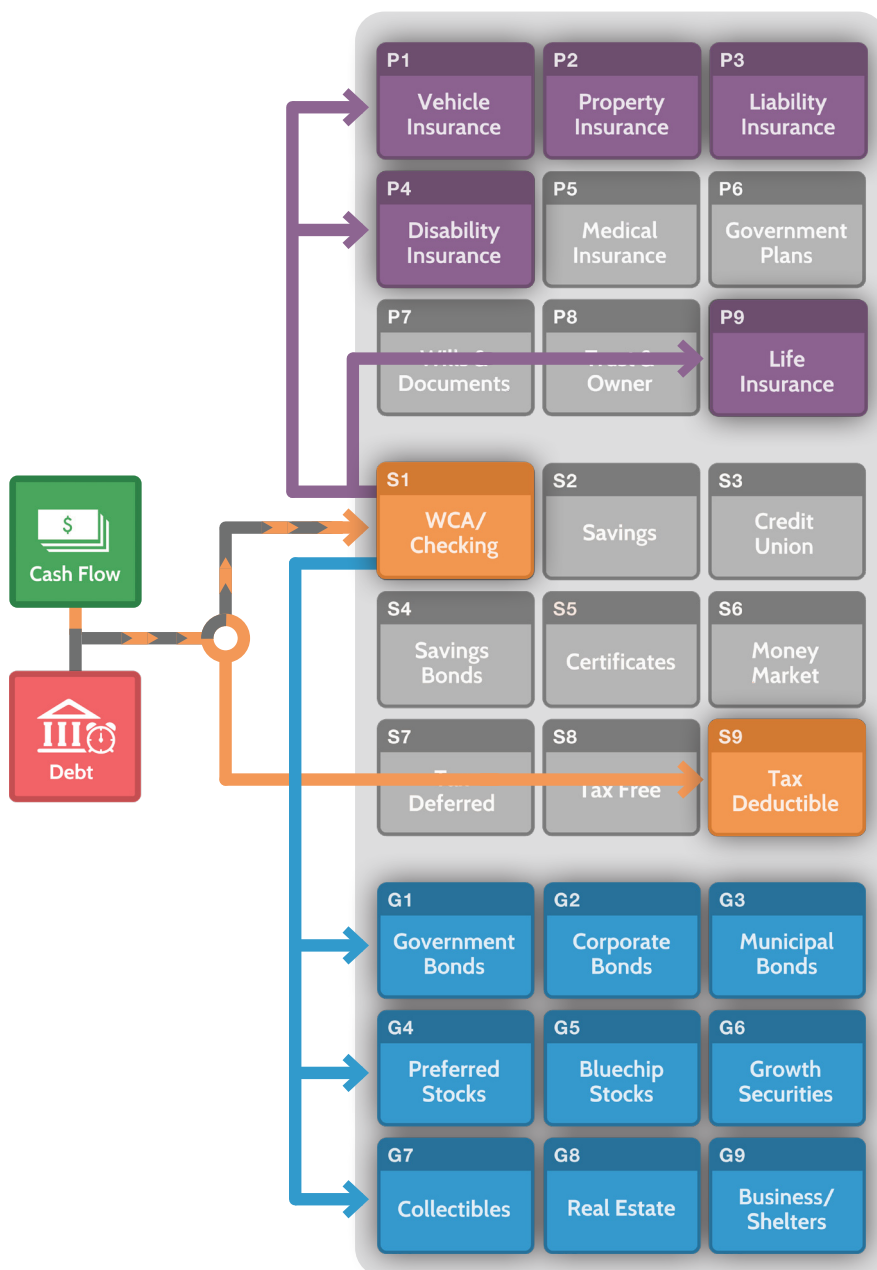
To maximize your benefits and money supply, each drawer should be harmoniously coordinated with every other drawer.

Steps 1 & 2 are necessary for efficiency, but do not create real wealth themselves. Only Step 3 creates real wealth.

Third Step

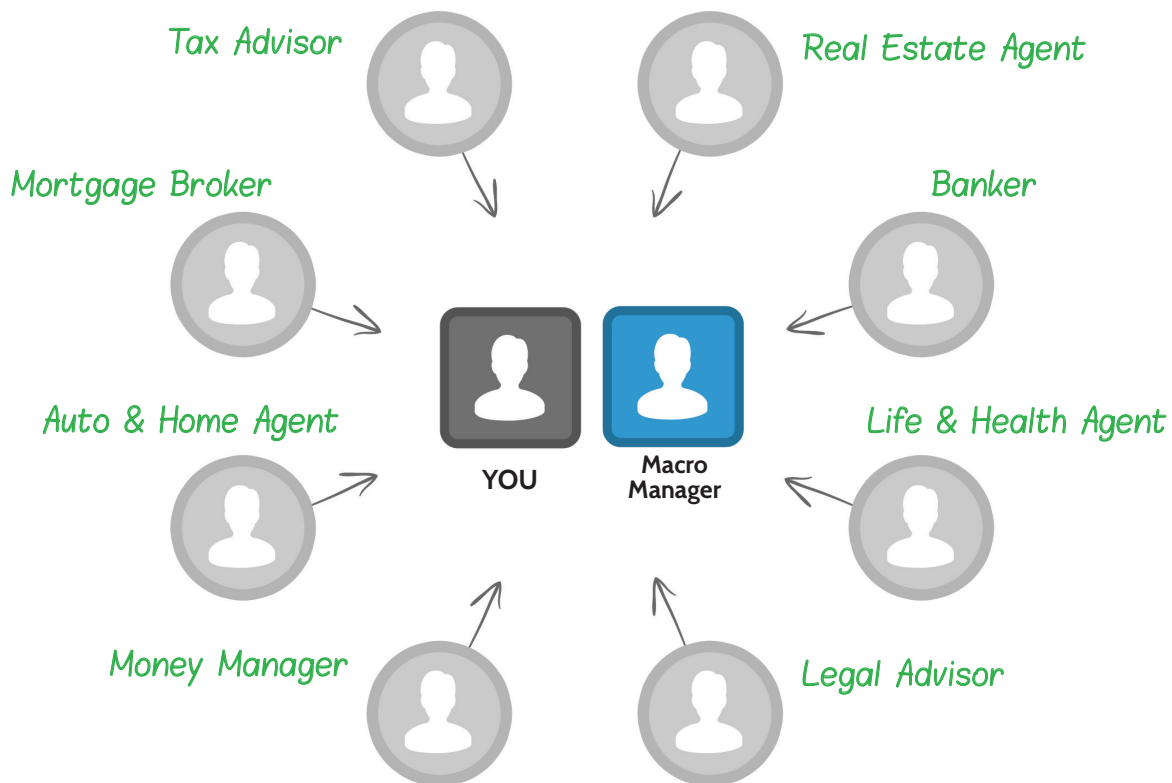
External Design

A cost efficient and productive model uses the Velocity of Money multiplier.



Macro vs. Micro Managing Your Financial World

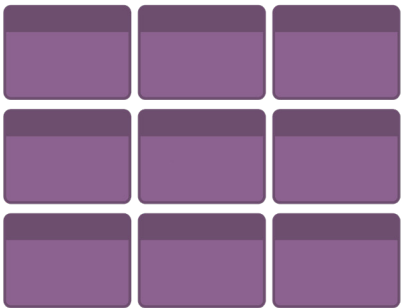
You have aligned yourself with various **micro-managers** to assist with your financial decision making. You may neither have the time nor the expertise in each area to evaluate the performance of your micro-managers. The presence of a **Macro Manager™** may enable your micro-managers to better perform their services.



Objectives Established for Each of Our Clients

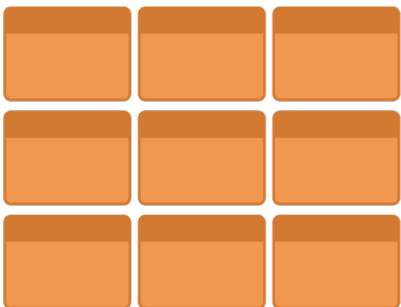
1. Build Additional Wealth

-
-
-



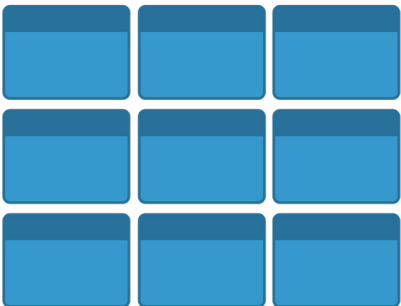
2. Risk

-
-
-



3. Protection

-
-
-



4. Cost

-
-
-



What is the Cost of Our Services?

1. Fees

-
-
-

2. Licensed Financial Products (commissions)

-
-
-

3. Referrals

-
-
-

