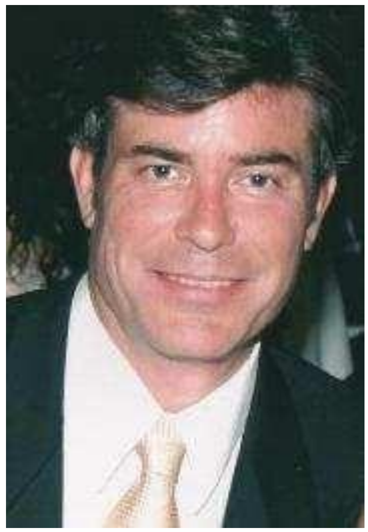
"The UnCanadian Way To Create Wealth"



Authored By:

Mark Huber, retired CFP, Author

“The UnCanadian Way To Create Wealth”

Don’t let the title of this book fool you. **This is NOT an unpatriotic book by any means.**

This book is about to expose the way Canadians have for generations dealt with their cash flow, personal debt, mortgages, homes, and investments and why you should immediately change the way you are dealing with yours.

This ebook was written as a direct response to the many requests we received from our subscribers to our FREE 20 part mini course – **“The UnCanadian Way To Create Wealth”**

We were asked if the information provided in the mini course could be compiled into a handy reference guide.

We were happy to oblige.

So here it is…just for you!

We sincerely hope that you will find this book to be of value to you.

Furthermore, we trust that the ideas presented – <u>when acted upon</u> - will make your trip towards your financial success a rich and rewarding one.

Remember, you are where you are because of your upbringing, conditioning, beliefs, thoughts and actions.

It is our upbringing, conditioning, beliefs, thoughts and actions that give us the results we have. If we don’t like those results and wish to change them – then our beliefs and actions must change!

Keep an open mind as you read along.

As Canadians, there IS a better way to deal with our cash flow, personal debt, home, and investments than have been taught to us by our parents, friends, bankers and those in the financial services industry. It’s the “UnCanadian Way”!

When you begin to change how you traditionally have managed your finances your cash flow will increase and you will see the results pour directly into your bank account that you thought were only possible for the wealthy.

Do you want to capture your share of the "wealth" pie? Then pay close attention to what I'm about to reveal. Without a doubt it's the best-kept secret that will help you acquire the unlimited success and wealth you've always deserved.

In fact, it's the secret that has launched the net worth of hundreds of thousands of business legends like Bill Gates, Steve Jobs, Elon Musk AND individuals such as you and I alike.

In fact, you are probably already using this strategy and not even be aware of it because you are underutilizing the worlds greatest wealth creation secret.

No, it's not a new invention, manufacturing system, management system, marketing strategy, distribution channel, or technological advance. This secret drills much deeper.

The secret I'm talking about is the only reliable way to grow your personal fortune.

What is this secret?   **Money at work!**

You are going to learn 20 powerful secrets that the rich know and have used for generations.

So read on and begin changing your life and creating real wealth for yourself.

Introduction To: "The UnCanadian Way"

Regardless of your level of education, you are a human being and you have the capacity to learn if you so choose. As a human being, you were born pre-equipped with all the tools you need to create prosperity and financial wellbeing for yourself and your family!

These tools include intellect, emotion, instinct, ability to develop habits (both productive and counter-productive) the ability to communicate, the ability to make choices, and an amazing capacity (at least equal to the next person) to create a substantial amount of money. You simply need proper instruction on how to use these tools to your own financial benefit.

This eBook is designed to give you this instruction.

What you choose to do with your wealth-building tools is entirely up to you as an individual. However, these tools will prove to be the most valuable resources for prosperity you will ever know if you only allow them to do so by applying the techniques that are going to be covered off in this eBook - just as the wealthy do.

Still the burning questions remain!

Why is it that some people become independently wealthy while others struggle just to pay the rent and put food on the table? What is it that they know that the other social classes do not?

Then one day the answer hit me with the force of a freight train!

It became clear to me that most people simply have no knowledge whatsoever of the secrets the wealthy use to create their wealth. They don't realize that they came into the world pre-equipped with the necessary tools to create their own financial independence.

People really just don't understand how money works, or how it is created. Once I came to fully understand this, I decided to share these secrets with my clients. And now, I have decided to share these secrets with you.

To begin with, the one undeniable fact which I consider to be the most important brick in the foundation of true wealth creation is that:

“The only guarantee you will ever receive for your own success is the “guarantee” you provide to yourself.”

I realize this may be disappointing and uncomfortable to hear.

However, it is fact!

If you are looking for any form of guarantee from anyone other than yourself, you had better redirect your attention back to the person in the mirror and seriously consider your level of commitment to your own success. Nobody can, will or ever should provide you with an unconditional guarantee that you will become wealthy.

There is not a single “guru” in the financial services world today who will carve for you on tablets of stone a guarantee that you will generate money from your efforts. Why? The answer is simple.

Nobody can guarantee that you will do what it takes to become wealthy. Nobody can guarantee that you will follow the instructions provided to you for techniques which have been tried, tested and proven through the ages by the world’s wealthiest individuals for the creation of financial wealth.

Nobody can guarantee your willingness to be coached or trained with regard to how financial wealth is really created. And nobody can guarantee that you will apply what you learn to your own life.

The only guarantee you will ever receive is the commitment that you provide to yourself - To become wealthy, no matter what it takes.

The techniques for wealth creation can easily be taught to you by those who have already achieved it. However, if financial independence is truly your core desire, the commitment to make your desire a reality must come from within you.

This means that you must take action on your own behalf. To make yourself wealthy – follow the advice and instruction of those who already are. The sooner you realize and accept this as the truth, the sooner you will be able to take control of your own financial destiny. You must understand how the wealthy become that way and begin modeling what they do.

You will become wealthy only by duplicating the behaviors of those who have already created wealth themselves.

If you are to succeed, we must agree on one thing. You must first realize that you are running a "business". It's called – "You Inc." The bare essence of "You Inc." is that there is money coming into this venture (usually a salary check) and expenses associated with this venture (we call it "the cost of living") going out. (Any money left over from subtracting your expenses from your income may (or may not) go into some type of savings or investment plan. Now your hope for this savings program is that it will be enough to pay for your lifestyle at such time you decide to retire. Sound familiar?

Everyone who is in business does so with the expectation of turning a profit! Right? Otherwise, what's the point.

That being said, understand and accept the truth relating to any business venture (like "You Inc,") from which you expect to make any form of meaningful profit:

•Investment in your business is a requirement for your own success.

•It will cost some money for you to make money and it will take some time for you to make money.

•Anyone who tells you otherwise is not being forthright with you.

• Nobody is going to hand you the means of making a fortune entirely free from effort and free from expense.

The number of people who expect to become rich overnight with absolutely no financial investment and with little to no effort is absolutely astonishing!

It is in your best interest to understand and accept right now that you will be required to invest some time and money in order to make money. If you refuse to do that, then financial independence is not in the forecast for your future. It's that simple. However, the good news is that it will not cost all that much in relation to what you want to achieve but it will mean some time on your part.

"If you think education is expensive, try ignorance"…Benjamin Franklin

So, it all begins with the information I am about to share with you in this eBook.

Pay close attention and carefully consider how you can apply this information to your own life and financial situation.

In order to create wealth, you must first understand and eliminate what is keeping you from generating the wealth you desire.

I trust that you will find the information you are about to learn of great value to you. If accumulation of financial wealth is truly your core desire, the path has been paved for you in the lessons to come. The decision to take immediate action is all yours to make. You will immediately begin reaping the benefits of not only significantly increased cash flow but creating a wonderful peace of mind and assurance as you see yourself getting closer to your goals

Secret #1: The UnCanadian Know Their "Why"

The first key to creating wealth is to determine your "why." Ask yourself, "Why do I want to be wealthy? What will financial wealth accomplish for me? What kind of pain will it eliminate in my life? What will wealth empower me to do? What are my wants, needs and desires?" Answer yourself honestly – and write those answers down! Simply saying "I want money" is not enough to create unlimited wealth. Your own personal and very specific "why" is the only thing that will drive you to achieve your wants, needs and desires.

There are no wrong "why's" and they are always very personal.

Maybe it is that you want to have a better lifestyle, more time freedom, you want to travel or just spend more time with your kids.

It could be that you are just flat tired of living paycheck to paycheck.

Maybe you want to give to your favorite charity, or perhaps you have suffered financial devastation in your past and you never want your own children to experience the same kind of suffering. Maybe you are just burnt out on the corporate rat race and the uncertainty in today's job market and you desperately need stress reduction.

Regardless of your reason "why," you must first identify precisely what it is before you will ever be motivated to take any action on your own behalf and follow a suggested formula for achieving your goal of wealth creation.

Simply stating that you want more money is rarely enough for any individual to commit themselves to reaching their goals. As simple as it sounds, a well-defined “why” from the bottom of your heart is absolutely critical to wealth-building. Anyone can tell you how to create wealth, but only you can determine the true reason you will. It will be based upon your own personal “why.”

Secret #2: What the UnCanadian Buys On Payday

Most people don’t realize this, but creating financial wealth begins with the money and resources that you already have. If you find yourself thinking “If I had any money, I wouldn’t be reading this course then you need to closely examine where the money that you do have is going on a monthly basis.

Poverty originates from unwise distribution of cash flow.

In order to understand how the wealthy become that way, you must first understand two critical facts:

•There is nothing that will create money faster than money itself.

•All debt is not equal, nor is all debt bad.

More about this later on, but for now, it is essential that you understand these two critical facts to be absolute truth when it comes to creating wealth for yourself. Now what you must do is to understand what you need do to change the direction of the money you already have - to make it work for your benefit and create wealth for you instead of creating wealth for someone else.

The major difference between those who want to be rich and those who are is: self gratification!

The class of individuals wishing to become wealthy spend their money buying “stuff”. Stuff that gives them pleasure in the initial purchase but very little else afterwards.

The rich on the other hand, invest their money into financial vehicles which create more money for them. That is how they became wealthy and how they continue to add to their wealth.

Which class do you fall into? Do you need to do things differently? Because you are reading this course, chances are that the answer to that question is an undeniable yes!

Now, let's move on to see how you can begin doing things differently to increase your own cash flow.

Wealthy people are not any smarter than those who wish to be rich, they just have different and more supportive money habits.

It may not be the most glamorous of topics, but it comes down to this: the single biggest difference between financial success and financial failure is how well you manage your money.

It's simple: to master money, you must manage money.

As for those who use the "I don't have enough money to manage" rationale, they're looking through the wrong end of the telescope. Rather than say "when I have plenty of money, I'll begin to manage it", the reality is "when I begin to manage it, I'll have plenty of money."

Saying "I'll start managing my money as soon as I get caught up" is like an overweight person saying "I'll start exercising and dieting as soon as I lose twenty pounds." First you start properly handling the money you have, then you'll have more money to handle.

You must acquire the habits and skills of managing a small amount of money before you can have a large amount. Remember, we are creatures of habit, and therefore the habit of managing your money is more important than the amount.

Poor people think it's all about the income; they believe you have to earn a fortune to get rich. If you mismanage your money, you can't become financially free, even on a huge income.

That is why so many high-income professionals - doctors, lawyers, athletes, and even accountants - are basically broke, because it's not about what comes in, it's about what you do with what comes in.

Remember, it's not the amount...it's the HABIT!

NOT KEEPING TRACK OF EXPENSES

Where Does It Go?

Do you have any idea what you spend on every month?

Convenience store purchases? Meals away from home? Movie rentals? Coffee?

The fact is you probably have an idea but I'd bet you probably don't know the exact number.

The trouble most of us have is with the concept of "mental accounting".

We don't look at the fifty cents jingling around in our pockets as real money. However, fifty cents per day for 30 days is $15 and for a year is $182.50.

So yes, in fact, fifty cents IS real money and if you keep track of every penny you spend for at least 30 days, you'll probably come up with some great ideas for using your money more wisely.

If you are married, you will want to have your spouse do the same thing. Get the kids started on this habit early.

For example: If you are now spending $7.50 a day to go to lunch and you bring a bag lunch that only costs $2.00, you will save $5.50 per day. If you take $27.50 per week and invest it at 8% for 30 years, you'd have almost $100,000 invested after taxes!

I recently talked to an individual who wasamazed to find that they were spending $75 a month at Starbucks!

It certainly puts new perspective on those "little" expenses.

Secret #3: The UnCanadian Understands That Creating Wealth Requires Some Risk

So, do you consider yourself a high risk investor? No?

You paid cash for your home then right? No? You mean rather than pay cash you opted to borrow from the bank? Why? I thought that you just said that you weren't a "high risk" investor". Isn't borrowing money a risky venture? Not for real estate you may say. Really!

Now, what would you say is I came along and offered you an investment opportunity where the typical "holding period" for you would be 20-25 years. Where it was mandatory for you to put at least 5-25% into the deal and then borrow the rest of the money to maximums of $300,000, $400,000 or $500,000 (or more). Where the interest rates that would be charged on the loan would fluctuate over time and where the interest on the loan is not even tax deductible on your tax return.

What I am offering is an investment that is relatively illiquid (meaning, not particularly easy to sell-especially in some market conditions) and is situated in a narrowly defined geographic area (i.e. your neighborhood).

Furthermore, this investment's value will vary over time and there is no real easy (or free) way to accurately tell how much money you are making on this investment at any given time unless you pay to have the investment professionally appraised – or wait once a year for your official assessment – which is always notoriously low.

Ultimately, you will not really know how well your investment has performed over time until you sell finally sell.

Oh, and let's not forget the up keep and maintenance of this investment. In the ideal cases, the annual maintenance is routine and is nothing much more than mowing the lawn, occasionally cleaning the drains and painting the interior/exterior every 5-8 years.

However, in some circumstances much more radical and expensive services are necessary like installing a new furnace, re roofing the shingled roof and "heaven forbid" dealing with a 'leaky condo" situation – which could bring the investment value way, WAY down!

Does any of this above sound familiar? Does this sound "risk free"?

Are you still interested in committing to this type of an investment?

I am describing an investment type that we all do without really thinking about - real estate. Now the answer to the question: Are you a high-risk investor? I say yes! And yet we all do this.

Why do we do this? Well, besides providing shelter and a place to raise a family – to make money! How many people like to brag about the tons of money they made in real estate? I do! And I know that you do as well.

However, the money we make in the housing market has no relation whatsoever to the money we put into the house initially or subsequently. Also, the bank does not ask to participate in the resulting profits. (Well, nor should they because they made a ton of money from you in the form of interest along the way).

What's your biggest asset? Your home. Your biggest debt? Your home.

If you were so risk averse that you would only pay cash – you would still be saving your money towards your first home.

It's "risk capital" or leverage that has provided us with an asset valued many times over our annual salary.

So, if we are comfortable with this form of wealth creation strategy (and it's a great one believe me) why is there hesitation with doing the same thing again.

Why would you not be just as interested (or more so) in an investment or (group of investments) that is liquid (easy to sell on any given day) AND has the potential for a above average returns AND where some of those returns are tax preferred AND where the interest carrying costs to buy this type of investment IS tax deductible.

Now I can just hear you say, "well, that's different -real estate is a safe investment".

Is it really? It's an asset class just like stocks or bonds.

Listen to me when I say this. The reason people make money in real estate is that they are in it for 20-30 years! The thing about real estate is that you can't open the paper up each morning and see what happened to the "appraised value" while you slept.

The markets don't make us lose money – it's our "reaction" to the markets that make us lose. Fear and greed! Usually investors end up reading the popular media and react to the reported news. Based on fear and greed they will usually do the wrong thing at the wrong time!

That’s how you lose money! If the real estate market is off 20% I never hear anybody saying that they are going to put their home on the market.

If fact the opposite happens. Usually, (if they want it badly enough) they scrap some money together and borrow the rest and pick up another piece of property! Now that’s smart investing!

(Why this same strategy is not practiced by more people with other asset classes is really still a mystery to me).

Furthermore, whether or not you have a home that is paid off, your investment return on your property will go up or down dependent on the real estate market in your area not on whether the home is newly mortgaged, mid way mortgaged or mortgage free.

Savvy investors tap into the built up equity of their homes to allow them to get into investments that give liquidity and tax preferred returns all the while getting generous tax deductions on the borrowed money.

“Borrowing to invest” can be practiced on any income level. Let’s say that right now you have a $200 per month pre-authorized chequing plan with your investment fund company.

In 10 years, assuming growth of 8% you would have contributed $24,000 of your own dollars to this account, however, your portfolio would be worth somewhere in the neighborhood of $35,152 – allowing for growth.

Now for this same $200, you could qualify for a loan of $40,000, which can start growing today – 10 years sooner. (The interest costs of $200 per month is tax deductible – just like making an RRSP contribution).

Assuming an 8% growth rate you would have an investment portfolio of approximately $86,357. Or $46,357 after you pay back the loan.

This is $11,205 greater than going the usual savings route! And this is only after 10 years.

The numbers grow exponentially larger – and in increasingly in favor of borrowing to invest as time goes by.

Now that is the reward of having more money working sooner!

So, are you a high risk investor?

You bet you are!

Secret #4: The Canadian Works Hard for Their Money, While the UnCanadian Make Their Money Work Hard for Them.

I recently heard a local radio talk show host made a whole show out of a letter that the station had received. The letter started out by saying "I'm 78 years old and I was going to work at 6:30 a.m. the other morning and blah, blah, blah."

No one else seemed to pick up on the fact that this guy was 78 years old and GOING TO WORK! Do you want to be going to work at age 78? What happened to retirement at 55? Or 65?

We can think positively and say this guy WANTED to continue working because he loved what he does. Maybe. In all likelihood he HAD to work to survive.

Do you realize that most people are two missed paychecks away from financial difficulty?

This means that if they lose their jobs, they would have a really tough time just to get by.

There is a lot of financial advice out there today. Despite all this "good" advice Stats Canada tells us that only about 4% of Canadians will retire with any sort of stability. Most others will rely heavily on government social programs as the major supplement to their retirement income.

Watch the news the next time there is a delay in the direct deposit of Canada Pension checks. Millions of Canadians will be distressed because they have no money to buy groceries.

Yet, these are the same people who during the course of their entire working life earned from $500,000 to $2,000,000. (Don't believe me? Well, you do the math. For example, $30,000 X 30 years = $900,000!)

So where did it all go?

I am sure that many bought into the various bits of financial wisdom most Canadians accept as “gospel”.

For example:

“Debt is bad.” (However, there are two kinds – good and bad-we will cover this off later).

“Pay off your house first.” (Right, and end up in retirement “house rich and cash poor”)

“Look for a “safe and guaranteed return”.” (How many investors are pleased about holding GICs at 2%? It’s called “going broke safely”)

In my opinion, these “bits of wisdom” are not only wrong - BUT dangerous!

(I see what effects subscribing to these “pearls of truth” have done to those that have long cherished these “truisms”. And it’s not a pretty picture).

Please keep an open mind as you read.

Remember that over 95% of Canadians end up financial failures thinking the very same things you have always been taught. My aim is to present not only viable alternatives but alternatives that the wealthy have used for generations. These alternatives are mathematically sound and provable - not just my opinion.

So Who Wants To Be A Millionaire?

What are the ODDS of becoming a Millionaire?

Inheriting $1 Million---12 million to 1

Winning the Lottery---12 million to 1

Playing the slots in a casino---6 million to 1

Winning a game show---4 million to 1

Saving $800 a month for 30 yrs.---1.5 million to 1

Working for a dot-com that goes public---10,000 to 1

Owing a small business---1,000 to 1

We all have the same amount of expendable hours (twenty-four) in a day. What do you do with your time? Do you trade it to an employer, in exchange for dollars? If you do, you are creating what is called linear income. This type of income is a kind-like exchange; you work an hour and you get paid for an hour's worth of work. Linear income will keep you in the same financial class you are presently in. It does not and will not create wealth for you.

The wealthy, on the other hand, work for what is called residual income. This kind of income pays you over and over again for work that is done once.

Did you notice that the odds of owning a business were a very achievable 1000 to 1.

However, if you don't want to start a business – harness the power of a business workforce. Buy into a company through its publicly traded security. To start you may best served by contributing into a quality investment fund. Then as your asset base grows you can diversify into other assets. (The power to time and money will begin working for you. Example: $200/mo. X 20 years at 8% = $110,655)

So stop spending money on lottery tickets that will NEVER give you any kind of a return. Instead, begin saving that money into something that will begin creating real and lasting wealth for you.

Investing in income producing investments such as property, stocks and bonds have the same effect as producing royalty dividend checks for a music artist.

Each time a consumer purchases that artist's music CD from Future Shop or Wal-Mart, for example, the artist receives royalty income from that purchase. This happens for every album a music artist ever creates! As their music gains popularity, more of their CDs are purchased by consumers. Millions of copies of their albums are sold. The music artist is paid millions of dollars from all of the sales. Do you think they place this money in a piggy bank or stuff it under their mattresses? No!

They invest their income into other business ventures, income producing properties and investment portfolios. They live off the income produced by their investments while they create the next music album.

Wouldn’t it, then, make sense for that music artist to create multiple music albums? After all, he or she stands to profit each time someone purchases one of his or her music CDs!

The wealthy make their money work for them in this very same fashion. They invest their money into multiple financial vehicles that provide for continuous financial returns, growing larger over time.

Remember the adage of “pay yourself first” and save “10% of what you make”. This is an excellent strategy which too few do not adhere to.

However, there is so much more to be gained through the power of leverage - which we will review in the next lesson.

Secret #5: The UnCanadian Understands That True Wealth is Created Through the Power of Leverage

The Power Of Leverage!

Have you heard the saying, "Give me a lever big enough and I will move the world!" That is one of the core mindsets of the wealthy.

To this day, the power of leverage for investing is highly under-rated, and under-used.

In fact, we practice leverage on a daily basis! We just couldn’t function efficiently without it!

Look at all the time saving devices we have – and use! A vacuum cleaner vs. a broom, a dish washer vs. washing by hand, a VCR vs. missing our favorite TV show, a car vs. walking, a computer, robotics.

Well you get the picture!

Leverage allows us to quickly and easily to produce massive results!

That's what you should always be after...massive results with the least amount of time, effort, and resources.

The way to do that is to use the power of leverage... leverage your time, effort, and resources.

Here's a simple, and fairly common, example that illustrates the power of leverage:

Let's say that you and I both came into some money, and we both decided to invest in a $400,000 house. We both found similar properties. I plopped down the entire $400,000 cash, and got the house in my name.

But, you decided to just put down 25 percent or $100,000, and agreed to make a $1,000 monthly payment for the rest of it.

Now, who's the smarter of the two? You or me? YOU are! Why?

Because while I quickly tied up my entire $400,000 into one house, you were smart enough to take advantage of the power of leverage! You only tied up $100,000 of your money...and you still own the house, just like me!

Well, guess what...now you can go out and do the same thing with another house, and another. Or you can choose to invest in other areas. While I tied up my entire $400,000 into one house, one investment!

With the same $400,000, you can do so much more than me, simply because you used the power of leverage.

So you see, you're probably already using the power of leverage to your advantage in your life right now.

But, are you using it to it’s optimum?!

The bottom line: leverage is mandatory for wealth creation.

You will NOT become wealthy without exercising the power of leverage.

Getting Wealthy on Other Peoples Money

Everyone wants to do a little better, or get ahead a little faster.

Borrowing to invest, is the way of helping yourself to reach your financial goals.

All of the very wealthy people throughout history have gotten there by borrowing to invest. Whether it was to start a business, or to make an investment, it is only by taking some risk that they were able to succeed.

For most people buying a home is the largest single investment and it is most often also their biggest debt. In fact, we have already established that we are all "high risk" investors. Why? Because your home is already highly leveraged and is in fact a high-risk investment.

Additionally, your home it also lacks the basic safeguards of prudent investing. These core elements are diversification, liquidity and debt servicing options. I am not suggesting that home ownership is a bad thing, only that it needs to be kept in perspective. (Have you taken a look at your net worth statement lately?

How much of it is in real estate – your house? Probably anywhere between 60 and 90%.) The rest may be in RRSPs and some low interest paying GICs. Does this look familiar? If you are really serious about creating real and lasting wealth - it's time to change this picture!

For the majority of people who come to see a financial advisor their goals cannot and will NOT be achieved without some changes to their lifestyle, such as investing a portion of their income. Or, new tactics such as borrowing to invest.

Most individuals will tell a planner that they are opposed to any risk, while in the same breath they claim that they want to retire wealthy at age 55. Unfortunately, you cannot have one without the other!

You must not only consider investing with leverage but actually do it.

Just as you did with your home. (And see how well that is turning out for you – especially for us living in the Lower Mainland of British Columbia).

Leverage only allows you to produce far more wealth than is possible with a monthly savings program – and the interest costs are tax deductible! (Unlike the interest costs of your home). However, there are legitimate strategies that actually allow you to make the interest costs on your home tax deductible.

Remember in the last lesson we took a look at the relationship of time and money (Example: $200/mo. X 20 years at 8% = $110,655)

Well, if that same individual had borrowed $40,000 with a 6% interest cost on an "interest only" loan the monthly servicing cost will be $200 per month. At a realistic growth rate of 8% (the same as assumed above in the "save only" example) in 20 years the value of that account will stand at $186,438! If you were to then pay off the $40,000 loan from the investment portfolio you still have $146,438!

Or $35,783 more! That's as much as some people make in one year from salary!

Secret #6: The UnCanadian Keep More of the Money They Make - By Paying Less Tax

Not only do the wealthy make more money - they keep more of the money they make! That way they can then go on to use more of their money to create even more money!

How do the wealthy do this?

The first thing that you must understand is that it doesn't matter how much money you make, it's how much you keep that's important!

If you are sending all of your hard-earned money out the door, even if you make a million dollars a year, you aren't really creating wealth at all.

The Wealthy Leverage Their Income Tax Structure

Do you know what the largest annual expense for Canadians is? It is Income Taxes. In fact, most Canadian tax payers spend more on taxes every year than they do for food, clothing, lodging and transportation combined!

Tax Freedom" day in Canada is now the 1st of July. Rather ironic isn't it – being Canada Day and all! Essentially we must work 6 months each and every year to just pay the taxes that we owe!

That bite is far bigger than it should or has to be. This should be of grave concern to those who are trying to create wealth, as the Canadian tax system is the largest obstacle preventing us from creating wealth for ourselves.

Many individuals do not understand just how much they are really spending in taxes every year.

Assume for a moment that you are a 40-year-old single male with no dependents and you make $65,000 per year. Do you realize that you will be paying over $30,000 in taxes alone!

If you live in Canada, work for your money and pay taxes to the government, you should be actively looking for, making and taking tax deductions. Which you are most likely not.

A little education goes a long, long way and can make you wealthy.

So here goes.

Tax write-offs provide you with increased tax returns, reduced expenses of living and an overall lower consumption of the money that you do make.

So, if you have not properly structured your taxes to receive the maximum benefits allowed by federal tax law, you are losing big money which would otherwise be flowing into your bank account!

Of course if you own and run your own business you will no doubt be working with an accountant who is writing off all legitimate business expenses against income for you already.

However, for most individuals that are working for employment income there is still tax relief that they may not have known was available to them.

8 Fresh Ideas to Slash Your Tax Bill

1. Employer Contributions to RRSPs Here is a terrific strategy that you should consider. I'm referring to employer-direct RRSP contributions.

If you're wondering how to maximize your RRSP contribution this year, consider approaching your employer to help out. You see, your employer is able to pay all or a portion of your compensation, including bonuses, to your RRSP at any time.

Provided that your employer believes, on reasonable grounds, that you've got sufficient RRSP contribution room available, your employer can contribute some of your compensation directly to your RRSP and bypass the requirement to withhold income tax on that amount. While you won't escape the requirement to make Canada Pension Plan contributions, or to pay Employment Insurance premiums on that compensation, the income tax savings will enable you put a lot more into your plan.

Consider Shawn's example. Shawn received a $10,000 bonus this week from his employer. If his employer had paid the amount directly to Shawn, taxes of $4,000 would have been withheld (assuming a 40-per-cent marginal tax rate), leaving Shawn with just $6,000 to contribute to his RRSP. That $6,000 contribution would save Shawn taxes of $2,400 ($6,000 x 40 per cent).

Shawn's employer, however, paid the $10,000 directly to Shawn's RRSP carrier as a contribution to his RRSP with the understanding that he had sufficient RRSP contribution room.

In this case, the full $10,000 made its way to the RRSP because income tax withholdings were bypassed.

The tax savings on a $10,000 RRSP contribution in Shawn's case is $4,000 -- much higher than the $2,400 he would have had.

What's really happening here? The tax savings that result from the $10,000 RRSP contribution are effectively refunded to Shawn at the time of the RRSP contribution by his employer, and those dollars make their way into his RRSP. As a result, Shawn should not expect a refund when he files his tax return for 2005.

I particularly like this strategy when it comes to bonuses paid early in each New Year. Why? Because you'll be entitled to a deduction in the prior year for the contribution, but you won't pay tax on the bonus until the year it's paid out. So, if you received a bonus in January, 2021, that was contributed by your employer to your RRSP, you'll be entitled to an RRSP deduction in 2020, but won't pay tax on the bonus until 2021.

There's no need to apply to the Canada Customs and Revenue Agency (CCRA) for approval to reduce the tax withheld on the contribution. Regulation 100(3)(c) of Canadian tax law permits your employer to bypass the income tax withholdings on the amount contributed to your plan.

Your employer needs to have reasonable grounds for believing that you've got sufficient RRSP contribution room. Your employer may simply ask you to verify in writing that you've got sufficient room. This requirement became effective June 7, 2001, when the regulations were amended.

Your employer can simply make the cheque payable to your RRSP carrier, with a note that it is to be deposited to your RRSP account. The amount contributed to your RRSP will show up on your T4 slip for the year it is paid out, but you'll receive an RRSP deduction slip on the flip side to offset that income. Pretty cool eh?

2. Swap Your Debt. Create an interest deduction by converting non-deductible interest into a deductible cost. How? Liquidate some investments to pay down your non-deductible debt (mortgage, charge cards, etc). Then borrow to replace those investments.

Alternatively, as you pay down your mortgage this year, consider borrowing against the new equity in your home to invest those dollars. Both ideas will create a tax deduction for the interest costs since you'll be borrowing to invest.

Borrowing to invest can AND SHOULD be practiced on any income level.

Let’s say that right now you have a $200 pre-authorized chequing plan with your mutual fund company.

In 10 years, assuming growth of 8% you would have contributed $24,000 of your own dollars to this account, however, your RRSP portfolio would be worth somewhere in the neighborhood of $35,152.

Now for this same $200 monthly commitment, you could qualify for a loan of $40,000, which can start compounding today – 10 years sooner. (The interest cost of $200 per month are tax deductible – just like making an RRSP contribution).

Assuming an 8% growth rate you would have a non registered investment pool of approximately $86,357 or $46,357 after you pay back the loan.

This is $11,205 greater than going the RRSP route! And this is only after 10 years.

The numbers grow exponentially larger – and in increasingly in favor of borrowing to invest as time goes by.

Now that is the reward of having more money working sooner!

3. Lend In The Family Income splitting with a lower-income spouseis one of the few legal ways a family can reduce its tax burden. So why not take advantage of it? In fact, loaning money to a lower-income spouse or another family member is even more attractive since Ottawa introduced a prescribed interest rate. In the past, attribution rules required you to report any investment income your spouse earned on money you lent him or her. Now you can charge your spouse a set interest rate on money you lend, (currently 3%), and any resultant investment gains are claimed on his or her returns-possibly at a lower tax rate.

Let's say you lend $10,000 to your spouse to invest, at borrowing cost of 3%. You have to report that interest as income, but any appreciation in the investment, say, 7%, would be taxed in the hands of your spouse. Your spouse deducts the interest paid, thus paying taxes on the net amount (4%) of the investment income. Over time, as investment returns continue to exceed the cost of the loan, more of the investment income shifts to the lower-income spouse, where it grows tax-effectively. To make this strategy work, there must be a written loan agreement in place and your spouse must pay interest charges before January 30 each year. **Bonus:** the interest rate stays at3% as long as there's a balance outstanding.

4. Work From Home. Create a tax deduction for home costs you're already paying. How? By negotiating with your employer the requirement to work from home. Provided your home office is your primary place of work, or where you have a designated area of your home set aside for regularly meeting clients or customers, you may be entitled to deduct a number of costs.

5. Go With The Flow Flow-through shares are a great way to combine a business opportunity with tax savings. These are equity investments in venture-oriented companies-often oil & gas, mining or biomedical firms-that need cash for research and development or exploration. Such companies receive tax write-offs from Ottawa in the hopes their discoveries will expand the Canadian economy. Those tax breaks are "flowed through" to the investor, whose investment is tax-deductible.

6. Seek The Best Shelter Not all investment returns are equal. You'll pay your full marginal tax rate on the interest earned from fixed-income investments such as bonds, GICs and term deposits, for example, while equity-based products are taxed at a lower rate. Stock dividends, for example, qualify for the dividend tax credit. So choose carefully what investments to protect in your registered portfolio. For greater tax efficiency, allocate your most highly taxed investments to your registered portfolio; leave lesser-taxed holdings in your non-registered accounts.

Example: If you are in the 40% tax bracket you pay this shocking amount of tax for each $1,000 of income…

Salary: $400
Interest Income: $400
Capital Gains: $200
Dividends: $165

(Now that you know – what are you going to do about it!)

7. Apply to Reduce Source Deductions. If your previous years tax return shows a big refund, consider filing Form T1213 to request a reduction in the taxes deducted from your pay. You'll effectively get your refund earlier in the form of increased take-home pay.

Use this form if you are making monthly contributing to RRSPs, paying interest on a loan for investment purposes, have rental loses, have child care deductions, etc.

Get your "Reduce Tax At Source" forms here:
https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t1213.html

Example: Child Care Deduction - Tax Savings Here is a way to increase your monthly cash flow without actually taking away from anything. Did you think your children would ever put money in your pocket? Parents with children under age 7 who pay for day care are allowed to claim a child-care expenses deduction on their income tax return.

Having your employer apply to Revenue Canada for a source deduction waiver allows your boss to reduce the amount of tax taken off your paycheck each month based on the tax refund you will be entitled to receive after you file your income tax return in April.

Your employer just has to write to Revenue Canada and supply receipts for day-care costs. Come tax time, a family with 2 children, will be able to claim the maximum $14,000 child-care deduction ($7,000 per child). With a tax earner at the 40% marginal tax rate, the tax refund will equal $5,600. A source deduction waiver, however, would lower taxes withheld by $467 a month!

8. Change Property Ownership. Each family unit is entitled to its own principal residence exemption, allowing you to fully shelter from tax the gains on one principal residence.

Once a child is 18 years of age or married, he or she is considered to be a separate family unit. By purchasing a second property in the name of an adult child, or transferring ownership of an existing property to an adult child, you may be able to save tax as a family by multiplying the number of principal residence exemptions used.

Here is a great resource which you should begin to use. And it's FREE!

"My Account", a new online service from CCRA, allows individuals to access their personal income tax data at
http://www.ccra.gc.ca/myaccount

Information on the site includes tax refund information, statements of account – including balances and installment payment information, deductions claimed, RRSP contributions made; contribution limits – as well as the Home Buyers Plan and Lifelong Learning Plan information.

You may access "My Account" by providing the amount reported on Line 150 of the tax return filed in the previous year, along with date of birth and social insurance number and Web access code – printed on every notice of assessment issued after February, 2003.

Taxpayers without a notice of assessment can get an access code by calling the e-service help desk at 1-800-714-7257.

Secret #7: The UnCanadian Makes the Most of Their Money by Paying Less for Consumer Purchases

In general, people are uneducated on the subject of saving money. This is particularly true with those individuals who are defined as the "middleclass." Because of their dependence on credit, their financial obligations typically equal, and often exceed their monthly income.

They do not become wealthy because every dime they make goes out the door as fast as it comes in to pay for all of their liabilities.

Life is a juggling act for these people. They are caught in a vicious cycle of debt, and usually married to their jobs.

Yet, they continue to spend as if they are wealthy.

They are anything but!

These individuals desperately need to stop wasting money.

The Wealthy Consume Less of Their Money

The rich live much better than most others because they are very aware of where their money goes.

This makes their cash flow stretch farther, freeing up their disposable income to create even more wealth for them!

However, if you also want to become wealthy you must re-train your shopping habits to get more value than you've ever received before.

By learning to maximize your consumption dollars, you can increase your household cash flow far more than you can imagine, and apply that extra money to wealth creating methods.

If you consistently get $500 or more back from CCRA (Revenue Canada) every year. Stop giving the government an interest free loan with your money! Immediately reduce the amount of income tax withholding.

You’ll have more money in your paycheck every week and you can put that extra towards other things like investment loans, RRSPs and the like.

Get your “Reduce Tax At Source” forms here:
https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t1213.html

Automate any loan payments you can. It saves time, prevents late fees and trims service charges. Check with your bank about such a service.

Use only your bank’s ATM. Cash machines are convenient, but if you use them often at other banks, fees running at least a dollar pile up quickly. Or, take out your weekly cash when you grocery shop. Use your ATM card and ask for cash back. There’s usually no charge.

You can save more than $100 a year in fees by selecting a checking account with a minimum balance requirement that you can AND do meet.

The more banks (or credit unions) you have in your area, the better. More competition.

Offered lower credit card rates? Mailbox full of them? Instead of switching all the time, call your current company and say “I’m paying 15% with you but I get offers of 4.9% in the mail, will you lower my rate?” Many will. If not, call back the next day and get another operator, maybe a different answer.

Use savings to pay off credit card debt. If your credit card interest is higher than what you’re getting for your savings account, you should draw from your savings account to pay off your credit card debt. Realize that if you pay off a credit card and don’t cancel and close the account, you could use that card for emergencies. That’s what the savings account was for, right?

Record your credit card purchases in your checkbook as a regular check and you’ll know EXACTLY how much money you have spent.

Pay off any balances on special offers (like no interest for 3 months) before they expire. Otherwise, you'll be hit with accrued interest from the date of purchase.

Offer to pay cash in exchange for a discount. (I live in Richmond, British Columbia, Canada and this always works! In fact, it's now a way of life!)

Haggle over the price of anything costing $300 or more. You'll be surprised at how often you can save up to 20% or more. It never hurts to ask. All they can say is "no".

Save your lunch money. If you are spending $7 a day to go out to lunch and instead bring a bag lunch that costs you $2, you'll save $25 per week. Take that $25 per week and invest it at 8% and in 30 years you'll have $100,000!

Avoid impulse buying!

One statistic I read said the average household spent $3500 per year on impulse purchases alone. OUCH!

Don't make snap decisions. Wait at least 24 hours before making a purchase. This will give your emotions a chance to cool off so you can evaluate clearly whether you need the item or not.

If you have a tendency toward impulse buying leave your cash, checkbook, credit cards, and ATM cards at home!

Buy holiday gifts on sale throughout the year and store them. Do this until done and there will be no last minute shopping or cramming to wrap presents.

Barter. Can you provide a service to a friend or neighbor in exchange for a service that they can offer you? For instance, you are a great painter and you have a neighbor who is great at wallpapering. You need wallpapering and she needs painting. Look around for more bartering opportunities. Hair cuts, babysitting, cooking, errands, yard work, etc.

The possibilities are endless…! Start thinking! Trade services and save money.

Look for cooperative purchase possibilities with friends and neighbors.

Share the expense of a snow blower, lawnmower, ladder, boat, etc. Anything that is not used regularly is a candidate for a cooperative purchase.

Shop out of season. Buy snow blowers in July and air conditioners in January.

Sell in season. Sell your no-longer-needed air conditioner in July and snow blower during a snowstorm! (Well, OK we don't have snow blowers here in Vancouver, but you get the picture, right?)

Read the classifieds. Anything you're looking for can be bought inexpensively from someone who already has it and no longer needs it. If you don't see something advertised that you want, ask friends and relatives if they know anyone who has it. If all else fails, put your own ad in the WANTED section. Look on the internet.

Start a 'side hustle'!

Review your home and other insurance coverage's. Go "on line" to get a sense of the new types of policies, coverage's and premiums available. Some companies will give discounts if you have all your coverage with them.

Never take credit life insurance on any account. Realize when you get this type of insurance, the lender is the beneficiary, NOT your survivors. Get a cheap blanket term life policy to cover your house, credit card and car balances.

Leasing a car is not a good idea for 95% of the population. Sure, the low payments are nice, but at the end of the lease, you have nothing to show for all your payments, except an empty driveway or more payments. If you are self employed and can deduct and depreciate and have a good accountant, maybe leasing is a good idea but most often it's not.

If you'll be buying a car from a dealer, the end of any month and the end of the year are great times to save a bunch of money. Dealers have quotas and if they haven't met them, they will bargain with you.

When looking for a car you will need to finance, show up at the dealership with the financing already in place, from your bank or credit union. You are in a much better position to bargain. It's like having cash. You get the deal you want or you walk.

Sell your used car yourself rather than trade it in. You'll ALWAYS get more for it.

Find a good mechanic BEFORE you need one. Friends and relatives will be full of suggestions.

Stock up on non-perishables when you find a great price, including as toilet paper, diapers, napkins and the like. You'll always need them.

Finding a good price is key. Buy in bulk quantities only if you think that you will use it all, and of course, if you really need it. Can anyone say Costco?

Make saving a group effort. It's difficult for one person to save while the rest are going wild. Get the whole family focused on saving and debt elimination.

Buy the cheaper brand of everything. Major manufacturers often make other "brands". So you may be paying more for a different name tag and a few cosmetic features for an item that's basically the same.

----Here a few examples:

Chrysler makes Jeep, Dodge, Plymouth
Ford makes Lincoln and Mercury
General Motors makes Chevrolet, Cadillac and Buick
Frigidaire also makes Gibson, Kelvinator and Tappan brands
Maytag makes Admiral, Magic Chef and Jenn-Air brands

Buy a floor model appliance or a demonstrator car. Make sure the warranty is still good, but if you're willing to sacrifice on the cosmetics, substantial savings can be had.

Keep your loose change. A couple who are clients of mine saved $1600 in loose change over two years and went on a cruise with the money.

The worst part was wrapping them. Your bank will probably use one of their coin machines to do that for you.

Can you do it? Then do it yourself. Mow your lawn, clean your pool and paint your own house.

A home energy audit can identify ways to save up to hundreds of dollars a year on home heating and air conditioning. Surprisingly, most utilities are very helpful in this area. Many will do the audit for you

FREE or a reasonable fee. If not, they can probably refer you to someone who can.

A great resource for us living in the Lower Mainland of British Columbia is home “guy” - Shell Busey, he maintains a great Web Site here at: http://AskShell.com

Use fluorescent bulbs and save 75% of light costs when compared to incandescent bulbs.

Check out the rebate coupons just beyond the cash registers at computer and office supply stores.

Watch the price scanners at the register and check your receipts. They make mistakes and often reward you if you catch them.
Keep visits to the grocery store short. The more time you spend in the store, the more money you will spend.

Join a buying club. You can make up the difference on one purchase for the cost of the membership.

Get furniture that requires some assembly. It is less expensive and is usually simple to assemble.

Make your own greeting cards on the computer. Most computers come with a program already installed for doing this. Or, have your kids do a drawing. Relatives love it!

Buy used merchandise instead of new. Garage sales are a favorite pastime for many, and you can get wonderful deals.

Have your own garage sale and make some money. Can’t stand sitting around all weekend? Hire kids to do it for a split of the profits.

Shop at consignment shops. If it’s been a long time since you’ve been to one of these, you will be amazed at the change. Today’s consignment shops act as trendy boutiques. They will not accept junk, and some even specialize in designer clothing. They want high-quality merchandise. You may be surprised with whom you may be “rubbing elbows” with.

Use those same consignment shops to sell stuff that is gathering dust in your house right now. It's found money and you don't have to go through the hassle of selling it yourself.

This is by no means an exhaustive list.

You can search the internet for even more ideas.

If you are lucky you might not have to do any of this stuff. If you are going along nicely, paying your bills on time, socking some money away and generally having a great life, this program will just work great for you!

The point is, you have to work at it!

Secret #8: The UnCanadian Leverage Their Assets To Create And Increase Their Cash Flow

If you won the lottery tomorrow, would you pay off your mortgage?

Most people would. After all, isn't it "The Canadian Dream" to own your own home – and own it outright with no mortgage payment or lien encumbering the deed to your property?

Can you imagine how much more money you would have if you weren't required to send a check to the bank every month for that big, fat mortgage payment to keep a roof over your head?

Imagine the sense of liberation you will have after 25 long years (300 months!) of monthly mortgage payments!

It would feel as if a thousand pound weight just rolled off your shoulders! All your money and the housewill finally be yours!

You would be loaded – filthy rich, indeed!

A mortgage is a debt and debt is a bad thing! Right? Of course youwould pay off your mortgage - it's the smartest thing to do, right?

Hold on a minute!

How then can you explain the fact that thousands of financially independent individuals – people who already have more than enough money to do so - refuse to pay off their mortgages? One of the most disturbing comments I hear people say is "I want to make money so I can pay off my mortgage and be out of debt."

In my view, it is this type of mentality of "mortgage debt relief" that is keeping them broke.

Successful and wealthy individuals are not troubled by carrying a big, long mortgage. Compare yourself to them.

If you are struggling to payoff your mortgage and dreaming of the day you will have the deed to your home in hand, you are trying to do something that the wealthydo not do. And there is a very good reason they don't.

It is crucial that you understand what is really happening here. You need to figure out why you are doing what you are doing! Your burning desire to satisfy your mortgage is not about economics or finance – it's about emotion.

You "love" the idea of owning your own home. You "hate" having to pay your mortgage payment. If you are like most, you may even "fear" your mortgage. Your drive to pay off your mortgage early is fueled by emotion, not by good financial sense!

A mortgage is a financial tool, not an emotional state of mind, so why are you making decisions regarding your mortgage based upon emotion? And why do you feel the way you do about your mortgage?

Could it be that your perception of mortgages is a learned perception, influenced by your parents and grandparents?

Think about this – just about everything you have ever learned about money, you learned from Mom and Dad.

When you told them that you were planning to buy your first home, they said, "Better make a big down payment, and keep that mortgage payment low!

You better pay extra to pay it of just as soon as you can! You don't want to be a slaveto that mortgage for the next 30 years!

You don't know what you are getting yourself into!"

This is precisely what my parents said to me.

Myparents were wrong!

Because, as a result of their advice, I lost thousands of dollars by paying extra toward my mortgage in order to "beat" the interest and pay off my loan early.

We were taught that mortgages are "bad", require us to work extra hard to pay them off early, or that we should avoid them completely if at all possible.

But what they never told us is why they felt this way about mortgages!

It is important that you first understand their perspective in order to clearly understand why their financial advice is bad for you. Let's take a look at mortgages through the eyes of our parents and grandparents.

Back in the 1920s, homes typically cost around $5,000. That sounds like pocket change until you consider that the average annual household income in 1925 was only $1,434.

Just like today, very few could afford to purchase their homes outright, so they borrowed money from the banks to buy their homes.

Times have changed drastically and so have lending laws. Back then, banks had the right to demand full repayment of mortgage loans at any given time. If you failed to repay your loan when it was called due, the bank had the right to seize your property, force you out of your home and sell it to satisfy the debt.

On October 29, 1929, when the US stock market crashed, millions of investors lost huge sums of money.

To make matters worse, the money they lost was not theirs to begin with – it was borrowed money. Back in the '20s, investors commonly purchased stocks with money borrowed from stockbrokers, from what was called a "margin account."

Under laws and rules in effect at that time, you could purchase $100 worth of stock for a payment of just $10 to your broker; your broker would then put up the other $90.

When the Crash hit, 30% of the value of everyone's stock portfolios was sheered right off the top.

A typical brokerage account previously worth $100 was now worth only $70. The investor was left holding the bag, having borrowed $90 to buy the stock!

The Crash led to a "margin call" where the broker would demand that the investor come up with more cash because his account had exceeded the "margin limits."

If the investor couldn't cough up the cash, the broker would begin selling off the investor's stocks until enough cash was generated to meet the margin call.

This is the last thing an investor wanted the broker to do!

Stocks were already down in value 30% - this was the worst time to sell!

To avoid having his stocks sold, the investor would go to his bank and withdraw enough cash to meet the broker's margin call.

The investor had to move fast, because under stock exchange rules, margin calls were required to be fulfilled within 24 hours (nothing like a little pressure, eh?)

In the days following the Crash of '29, swarms of investors went to banks to make cash withdraws.

Within a very short period of time, the banks' cash supplies were depleted.

When the banks ran out of cash, word spread like wildfire and panic set in.

Bank depositors stampeded the banks, demanding their money, but the banks were unable to meet their demands because the cash supply had completely dried up.

To get more cash, banks started calling their loans due.

They sent word to their borrowers demanding they satisfy the full balances owing on their loans immediately.

The homeowners didn’t have the cash, so the banks foreclosed on the homeowners’ properties, forcing millions of families from their homes and into the streets.

The banks’ plan of raising cash by calling mortgage notes due backfired.

Nobody had the money to buy the homes repossessed bythe banks, so the banks were essentially left holding worthless real estate.

Unable to meet the demands for cash by their depositors, US banks began closing their doors, many of them to never open again.

The Crash caused a domino effect – investors couldn’t meet margin calls, brokers couldn’t find buyers for the stocks and with no one willing to buy, brokers had to continuously drop the stocks’ prices.

More than half of US banks failed. Tens of millions of Americans lost their jobs as companies declared bankruptcy. Millions were rendered homeless. Thousands committed suicide.

Who weathered the Crash of ’29 without feeling the fury of its devastating impact?

Those who owned their homes free from mortgage.

These few fortunate individuals were immune from the banks’ collapse. With no loans to repay, they succeeded in keeping their homes.

They may have had no work and little food to eat, but they kept a roof over their families’ heads as their neighbors went broke and were forced into homelessness.

My grandparents lived through the Depression, and were raised with the Depression mind set that mortgages were a bad thing.

This belief was passed down to my parents, who then passed it along to me.

And yet, a small group of Americans (the wealthy!) insist on carrying homemortgages even when they can afford not to.

Why would they voluntarily place themselves at such risk? Don’t they know what they are doing? The truth may surprise you. They wealthy know exactly what they are doing.

These people are among America's elite: the wealthiest 1% of the population. Not only do they know what they are doing, they understand why they are doing it.

The wealthy understand things about how money works which most of the middle class do not.

America took her hard knocks in the '30s and learned her lessons well.

Both the US and Canada have never seen such financial devastation as happened in the '30s.

However, it cannot happen again because of the safeguards for consumers that have long since been put into place by both Canadian and US governments.

This is not to say that a Depression cannot occur again – but that a Depression like the 1930s cannot occur again.

Should financial disaster strike, the causes will be significantly different.

Let's consider some of the safeguards for consumers today:

1. Banks are no longer able to cancel your mortgage. This means thatif you have a mortgage, you are no longer at risk that the bank will suddenly mandate that you pay the loan in full or take your home. If you are current on your loan payments each month, no bank can forceyou to pay off the entire remaining balance upon demand.

2. Consumers can no longer buy stocks with only 10% down. The maximum margin limit is 50%. It is zero for speculative investments (such as internet stocks.)

3. The Canadian Deposit Insurance Corporation. CDIC is a Canadian Federal Crown Corporation, created in 1967. Before this, consumers were unprotected in the event their bank went bust – this is no longer the case. Today, consumer accounts up to $100,000 are protected, providing consumers with security they did not have in the '30s. Since the birth of the CDIC, no one has lost their life savings due to bank failure because they are now protected by insurance.

There have been 43 financial institution failures since it was formed. The last was in 1996 when Calgary-based Security Home Mortgage Corporation closed its doors. About 2,600 Canadians had deposited $42 million in the firm. All but $10,000 of the deposits were insured and CDIC paid back all insured deposits within three weeks of Security Home Mortgage's closure.

4. The major lesson that governments learned after the stock market crash of 1929 is that the best way to prevent economical disaster is to grant banks all the cash they need, rather than withhold currency like the US government did in 1929. Back then, the government believed that flooding the banks with cash would result in inflation. Instead, the government created the worst depression in history. Hard lesson learned, but learned all the same.

5. Competition in the mortgage industry has dramatically increased. If Bank "A" won't provide you with the loan you seek, odds are in your favor that Bank "B" will. Additionally, new, innovative loan programs now exist, which make mortgages more affordable than ever before, significantly reducing the likelihood of consumer default.

For those of you who are still hell bent on getting rid of your mortgage, let's talk about that. Let's paint the most extreme picture of financial disaster imaginable.

If something so cataclysmic happened to our world – whatever that may be, our financial markets would ultimately crumble. And by markets I mean all markets – real estate, mortgage, stock and bond markets, currency, etc. If that happened, the real estate that we own would be rendered worthless. (The equity we had built up in our home would not be available to us in anyway shape or form.)

The mortgage market would be in tatters. (No one would be coming to collect on the mortgage because even though there is still a financial obligation nothing would have value anymore and everyone would be out of work).

The GICs in our friendly bank would be worthless because the financial institutions and/or governments "guaranteeing" them would not be around.

In fact, there would be looting and pillaging in all urban centers here and abroad as everyone tried to get food! "The law of the jungle" would be the order of the day.

Now if this sounds as extreme and far fetched to you as it does to me, our reality probably will continue on as it has for generations. There will continue to be wars, famines, pandemics and all the things that make up the fabric of our modern day era.

However, as individuals we will continue to dream and work to accomplish those dreams. We will look for love, and love and be loved. In fact, we will live and die…and the cycle will repeat itself again and again and again as it has for millennia.

However, what we do during our brief stay on this earth will have a profound effect on us and those we love and have in our lives AND for generations to come.

We have the ability to dream big dreams and make those dreams into our realities. Or we can dream and never quite seem to get a grasp the brass ring to achieve the good life.

The choice is ours to make. We have the intelligence, we have the knowledge all we must now do is TAKE ACTION.

So what is the point of all this?

Well, those who tell you to pay off your mortgage are basing their beliefs and advice upon their fears!

They fear that having a mortgage might cause them to lose the roof over their heads. These fears were well justified – fifty years ago.

Today, however, these fears are largely unfounded.

You will note, I said largely – but not entirely. Still remaining are additional aspects of mortgage loans we haven't discussed yet. Two of them are:

1. The challenge of affording monthly mortgage payments;
2. The interest to be saved by not making that monthly payment.

Do you worry that you might not be able to make your mortgage payment each month? Is your job in jeopardy due to corporate downsizing and the instability of today's job market? This can be a very real problem, because the bank can foreclose on your home in the event that mortgage payments are not made on time. If you were suddenly to lose your job, you may not be able to make your house payment and you could potentially lose your home.

Wouldn't it then make sense to eliminate your mortgage? Believe it or not, the answer is NO!

Even though on the surface it does not make sense, the truth is that the less money you have, and the more worried you are about the possibility of losing your job, the more important it is that you keep a big mortgage on your home! I realize that this sounds absurd, but it is true, and it is imperative to your own financial health that you understand this point as gospel truth!

Here's why!

If you have little money, and even less job security, the safest way to keep your home is to have a mortgage securely in place.

There are those in life who have so much money that having a mortgage doesn't matter one way or another to them. But for the average person who does not have an unlimited cash supply, mortgages are absolutely critical. Why? Because there is more to life than just having a home – like feeding your children.

The Story of Lisa and Lori and YOU!

Lisa and Lori each earn $55,000 a year from their respective jobs. Both have $35,000 in savings. They live in Vancouver, British Columbia so a starter condo will set them back to the tune of $350,000.

Both Lori and Lisa got pre approved mortgages and were able to go condo shopping knowing that their financing was in place. The pre approvals were no problem for the banks to OK as they felt that these women would be good "risks" for the loans and able to service the mortgage payments based on their respective incomes.

On the one hand, just as her parents had told her to do - Lori wants to get rid of her mortgage as soon as possible. She spent some time on her banks Web Site with their "Mortgage Freedom Calculator". Based on her inputs she decided on using her entire life savings of $35,000 as a 10% down payment, and chose a 5 year closed mortgage at 6% with an 18-year amortization period.

Her mortgage of $315,000 meansthat her monthly payment is $2,375. She will reach her goal of being mortgage free in 18 years – 7 years earlier than the standard 25 year amortization and saving a whopping $107,804 in interest costs alone!

Lisa on the other hand chooses the same 5 year closed mortgage term at 6% but with a 25-year amortization. She goes for the 5% "down" option with $17,500 of her $35,000 savings and finances the remaining balance of $332,500.

Lisa's monthly mortgage payment is $2,127. The monthly difference between the two mortgage payments is $248. (Let's say $250 to keep it simple). Lisa's mortgage balance is higher than Lori's, $332,500 compared to $315,000 but her monthly payment is just $2,127 because she went with the 25 year amortization.

Where as, Lori is sending that extra $250 each month to her mortgage lender, Lisa invests these savings of $250 each month for five years, earning 8% before taxes per year.

The result: At the end of five years, Lisa has a total in savings of $17,599.

Lori has no savings.

Suddenly and without warning, both women are re-engineered out of their positions due to corporate downsizing. This comes as no big surprise given the instability in today's job market.

Who will survive?

But, is Lori or Lisa in a better position?

Well, let's see…

Remember, Lori wanted to get rid of her mortgage as soon as possible and so used all of her money as a down payment, so she now has no savings to rely on. However, she has $57,369 worth of equity built up in her house because she started with such a large down payment and has been making larger monthly payments since the beginning of her mortgage.

Unfortunately, that won't help her to put food on the table and she now has no money coming in.

The only thing that Lori can do to support herself is to use her credit cards, thereby creating consumer debt for which she cannot afford to pay because she has no income.

As she is now unemployed, she cannot refinance because her bank denied her application for a home equity line of credit due to lack of stable income! If Lori is to access her home equity in order to support herself, she will have to sell her home. This would force her to do the one thing she wanted to avoid to begin with – lose her home.

Sadly, Lori has just discovered the biggest secret of home ownership the hard way: <u>Your mortgage is actually a charge against your income - it is not a loan against the value of your home.</u>

With no income, you are powerless to borrow money against your equity. Lori must land another job, and fast! Not something that is easy to do in an unstable job environment.

Not only can she not afford to feed herself, Lori is about to lose the roof over her head!

Now, let's see how Lisa is doing. Lisa has only $33,793 in equity built up BUT she has $17,599 in savings!

She will be able to make her monthly mortgage payment with ease, even with no job. In fact, she has enough money saved to make her monthly mortgage payment for 8 months!

No worries here!

Lisa sleeps soundly at night without worry that she will lose her home.

Here is the irony: Lori wanted to avoid a large mortgage and did everything she was able to pay off her mortgage quickly. To her dismay, she has discovered that her plan backfired in her face. Rather than protect her home, she now faces losing it!

The moral of the story?

You should never hand a large down payment to the bank. You should never be in a hurry to pay off your mortgage. The less money that you have and the less secure your income, and job situation the more important the idea of carrying a mortgage is to your financial wellbeing.

Now here's an interesting angle an alternate savings program, Lisa could have taken out a $50,000 investment loan and with an interest only payment - based on 6% interest she could have used her $250 a month to service this – instead of just saving it. The beauty of this program is that the interest cost is tax deductible.

In this case, to the tune of $3,000 each year. She gets to deduct this amount from her taxes just as if she had put the money into an RRSP.

However, the real beauty is that she has more money immediately working for her AND her investment portfolio is not bound by the restrictive rules and taxes that come with RRSP investments.

Furthermore, each and every year she gets to "write off" the $3,000 so at the end of 5 years she has written off a total of $15,000 (and all things being equal received refunds totaling $6,000).

And how has the investment done? Well, if she were to achieve 8% a year in a conservatively managed balanced fund her investment portfolio would be worth in the neighborhood of $73,466.

Let's say that because of her job loss she prudently decides to cash out $50,000 from her portfolio to pay off the loan. She is still left with $23,466 remaining in her non registered portfolio.

This is $5,867 MORE than the more traditional Canadian way of saving monthly.

In fact it is essentially 23 months of $250 a month saved - MORE!

Lisa still has the $33,793 in equity built up in her home as before, however now if she wants to dip into her savings (which is the investment portfolio) she does not have to fear the tax burden as if the money were in RRSPs.

Now, who do now think is the smarter of the two? Lori or Lisa? Which one are you? Which one do you want to be?

This example reinforces what I believe to be true. Do you know what it is? Don't tie up all your financial resources in your home!

2 critical points that you must be aware of and clearly understand right now if you are ever to generate wealth:

1. **Nobody ever got rich by saving money alone!**
2. **Paying off debt is not the same as accumulating assets!**

Many people believe that it would be to their financial benefit to eliminate their mortgage. They think that if they don't have to make a monthly mortgage payment, they are in much better financial shape than the guy who does have a mortgage.

In my opinion, this belief is completely in error.

Your current thinking got you into the situation where you are now – if you are not totally pleased with this picture you are going to not only have to change your thinking BUT change your game plan.

Learn the real rules of wise wealth creation. Maximize your wealth building opportunity by reading AND implementing the information you learn – like this!

Make today the day you took action and positively changed your financial world forever!

Now let's look at a "typical" Canadian and see how they deal with their mortgage.

Let's assume a $300,000 mortgage with 6% as the mortgage interest cost, a 5 year term and 25 year amortization

By doing nothing more than paying $1,919.42 (principal & interest) a month you will see your mortgage end in 25 years and you will have paid over $275,000 in interest costs. Now remember, you will have had to earn over $950,000 to do all this!

However, if you do the bi-weekly accelerated payment of $959.71 this essentially translates into a $2,079.37 a month mortgage payment. Here, you pay off your mortgage in 21 years and "save" $52,000 of interest costs. Sound appealing?

By going the bi-weekly accelerated way you are going to be forking over an additional $159.95 more each month rather than the "usual" monthly payment of $1,919.42.

Does any of this sound (and look) like stuff you may have already done?

And what's you home worth? Any more or less from paying the accelerated rates?

No, you home is worth exactly what the prevailing real estate market in your area says it's worth. So then where is the true advantage of paying off your home faster? Is it that you saved over $50,000 in interest costs?

So is this such a great deal for you?

A homeowner can accumulate the amount of cash needed to pay off a home just as soon or sooner by using a conservative, tax-advantaged mortgage acceleration pay down plan.

What I am talking about is managing your home equity effectively and efficiently so that it achieves YOUR goals – not someone else's. The most important elements of home equity management is maintaining liquidity, safety of principal and creating the opportunity for your home equity to grow in a separate side account, where it is immediately accessible for you in the event of emergencies or opportunities.

Look at another Canadian who has the commitment to create real wealth and so does an annual "equity take out" from their $300,000 mortgage and does so for 5 years.

Fast forward to 5 years into the future.

The total debt still remains constant at $300,000, due to the fact that the mortgage stands at $269,510.12, but you have stripped out a total of $30,489.88 of your equity via your investment LOC.

You would have not only pulled out a total of $30,489.88 of equity over the 5 year period, you would also now (at 8% growth) you have an investment portfolio valued at $35,560.04. Make sense?

You have paid a cumulative total of $1,829.39 in interest (tax deductible) on the LOC and have received a cumulative total of $731.76 in tax refunds.

You now have an investment account generating investment returns, powered by generous tax deductions. But more importantly you have just created liquidity for yourself and your family. Where before there was none – now there is!

The investments and their liquidity mean you now have options.

Options as what to do with the capital as it grows – now and in the future!

And this can only grow exponentially for you.

Remember, this is not about reducing or eliminating your mortgage debt. This is ALL about transferring your non tax deductible (bad) debt to tax deductible (good debt) status.

This all begins as you start to manage your home equity – outside of your home.

By doing this you are "borrowing for investment purposes"making the interest costs – tax deductible. Getting larger tax refunds and having and investment pool growing for you.

Now can you see that by managing your home equity you are truly the master of your financial destiny!

By seizing control of your home equity you now can begin to allow it to earn a rate of return for you.

In fact, if you faithfully continue this strategy you can actually pay off your home in HALF THE TIME! With no more money necessary out of your own pocket!

Pay off your mortgage early by using the lazy idle dollars that are currently trapped in your home!

It is my belief that the majority of Canadians who continue to use accelerated mortgage pay down strategies by using up more of their fixed monthly cash flow are setting themselves up for a future lifestyle that is nothing like what they had dreamed of.

The retirement these Canadians will be faced to live will be one where they are house rich and cash poor.

Secret #9: The UnCanadian Use Their Cash Flow To Multiply Their Wealth

Carrying a mortgage does not cause you to lose any money at all.

In fact, just the opposite is true! Carrying a mortgage is actually quite profitable. Why? Because it allows you into the real estate market.

It is paying off the mortgage that causes you to lose money, because time and profitable opportunities are lost as mortgages are eliminated!

The people who hate (rather than fear) mortgages feel that way because they know that over the life of a 25-year loan, they will spend more in interest than they paid for the house to begin with.

Take Lisa, for example.

By choosing a 25-year mortgage, she will spend over $226,000 in interest on a house that cost only $300,000! The idea of paying out all of that money in interest charges drives homeowners insane!

So, to avoid paying so much money in interest, these "mortgage-haters" do some very crazy things, like making larger down payments, paying extra money toward the principal every month, or making bi-weekly accelerated mortgage payments.

This is completely counter-productive to their overall financial wellbeing.

In fact, all of these things are harmful to your financial health and absolutely nuts! These people are failing to see the big picture when they make such outrageous financial decisions. To me, their choices bear a striking resemblance to a dog chasing its own tail!

They do these things all in the name of saving money in interest charges. (That's the Canadian way, eh?) For some strange reason, they think that saving money and making money to be one in the same. They are not the same at all– in fact they are two completely different animals!

You will never create true wealth on the money you save! You will only create true and lasting wealth on the money your money makes for you!

Instead of factoring multiple components into their financial decision making process, these people focus on only one issue at a time – the right here, right now. They make incredibly costly decisions based upon a single issue, such as saving money on mortgage interest.

Once that issue is resolved, they move on to the next – like saving for retirement. They do so by scraping and skimping, to put what they can into retirement savings at the end of the month after paying extra on their mortgage to pay it off early. They have actually prevented themselves from accumulating wealth in the process because they have failed to see the role that a mortgage plays in saving for retirement.

Essentially, they have won the "mortgage interest battle," yet lost the more important "wealth accumulation war."

The reasons why are quite simple, yet they are not always immediately clear. We know that by reducing the mortgage payment, or even completely eliminating the mortgage, a borrower will save lots of money in interest charges. While that is true, the borrower is ignoring another, equally critical fact:

Every dollar you hand to the bank is a dollar that you did not invest.

It is important that you clearly understand how vital this is.

Let's assume a mortgage today costs 6.5% to 7.5%. Over the next 30 years, on an average annual basis, would your investments earn at least that much?

Absolutely, they would! In fact, they would earn substantially more. Even long-term government bonds pay close to that amount, and stocks have been averaging 11.2% since the 1920s. Giving your money to the bank to avoid a 7% interest charge denies you the opportunity to invest money where it could easily earn 10%! By trying to get rid of your mortgage, you actually have allowed yourself to take a 3% loss!

By giving the bank all of your hard earned money in an effort to beat the interest on your mortgage, you have just placed your own financial ledger in the red.

Some people feel they are making a wise "investment" by paying off their home loan, when in actuality they are no better off than if they stuck that money in a piggy bank, under their mattress or buried it as "treasure" in their backyard! They aren't investing it at all, but are only straining their own cash flow.

Why is paying off a home loan an unwise investment?

Because your home's value will continue to increase over the next 30 years whether you have a mortgage or not!

Please read and REREAD this last sentence! Do you get it?

Think in these terms: When you sell your house, does the buyer care one way or another whether there is an existing mortgage on the property or not? No, they don't care because it makes no difference to their ability to purchase the home. Does a mortgage keep them from buying your property for what the property is worth? No, it does not. Neither does the government care.

The simple truth is that a mortgage has no bearing whatsoever on a home's value.

You have a choice. You can pay cash to buy a $200,000 house, enabling you to own it outright, or you can buy the house with 20% down.

Let's look at each of these scenarios and see which is instrumental in helping you to accumulate wealth.

The Story of Frank and Fred

Frank just sold his house and received a check for $200,000 at closing. He wants to buy a new home with the proceeds of sale. The new house costs $200,000. Frank pays cash for the home. This takes all his cash but it allows him to own the home outright with no monthly mortgage payment. What a relief! In 30 years, his house will be worth $600,000 assuming it grows at the rate of 3.5% per year. Smart move, Frank.

Fred takes an entirely different approach. Fred also has $200,000 in cash. Fred also wants to buy a $200,000 home. But Fred views things differently than Frank. He puts down only 20% (or $40,000) on the home and obtains a $160,000 mortgage. The monthly mortgage payment is $1,064. To help him make those monthly payments, Fred invests the $160,000 he didn't give the bank and earns 10% per year on his money.

Fred must pay taxes on those profits of course but he can reduce that burden by investing in tax preferred investments such as dividend paying securities vs fully taxable interest income from GICs and the like.

So, Fred earns a net return on his money of $1,067. After he has paid his mortgage payment, he has $243 per month left over, which he reinvests.

After 30 years, Fred (like Frank) has a house worth $600,000 fully paid for (like Frank.) But that's not all – Fred still hashis $160,000 that he didn't give the bank, as well as another $550,000 from investing $234 per month over a 30-year period of time!

Frank was determined to avoid the expense of a mortgage. While Fred wanted to accumulate wealth, even if it meant carrying a mortgage to do so.

The end result?

Fred's net worth is $1,310,000 – more than twice as much as Frank's.

Some of you reading this will not be convinced by this example.

You may argue that Frank can invest $824 per month more than Fred since Fred is stuck with the monthly mortgage payment that Frank was able to avoid. You may believe that this advantage will enable Frank to accumulate more money than Fred over a 30-year period of time.

Sorry – but this is also incorrect. Even though Frank can invest $824 per month, Fred can invest his entire $160,000 right now. By investing

$824 per month at 10% per year for 30 years, Frank would have $1.86 million. But, by investing $160,000 today for the next 30 years, also at a return of 10% per year, Fred will have $3.17 million – far more than Frank.

No matter how you analyze it, the bottom line is that carrying a mortgage enables you to produce greater wealth. The following are just a few of the reasons:

1. You receive no tax break when handing the bank extra cash to apply toward the reduction of your principal.

2. If you are determined to be mortgage-free, you are likely going to be broke. When you apply all of your cash flow to your mortgage, the money only builds your equity and pays no return (it is not making you any money because the bank does not pay you interest on your equity! It is like stuffing money in a piggy bank!) In order to access your "savings" securely tucked away in the form of equity in your home, you will have to sell your home. Alternatively, you will have to take out a mortgage! And pay interest to the bank to get back your very own money! You can't have your equity and your house at the same time unless you have a mortgage!

3. Money you give to the bank is money you will never see again, unless you refinance. You are struggling now so that you can turn around and borrow against your equity later for the kids' college or your daughter's wedding. Pardon me, but this makes sense exactly how? It makes no sense at all! Why don't you just invest your cash now so that it grows by earning a nice return and is available whenever you need it?

The most important reason you don't want to give the bank anymore money than necessary is: Cash flow is a life necessity!

Having a home free and clear from encumbrance must be great, but being able to pay the mechanic when your car breaks down or replace the washing machine that quits unexpectedly is another. If you are laid off, not owing the bank money on your house won't do much for you when they come to repossess your car because you don't have enough cash flow to make the monthly payment!

And most importantly of all, having no cash flow will prevent you from building a residual income, such as the income you could be generating from a growing investment portfolio or a successful business or other cash generating investments such as rental property.

Secret #10: The UnCanadian Understand How To Make The Bank Pay Them, Instead Of Paying The Bank

I am going to going to pass on to you a financial secret that has taken me years to learn. But you must agree to pass the secret on to two people as well.

Agreed? Good! Because what have you got to lose? OK, here we go.

You have choices. When it comes to mortgage interest always choose to pay the lowest interest possible.

When it comes to the mortgage principal - pay it to yourself and you will become rich like a bank.

Why Make Double The Payment?

Mortgage Amount
$300,000

Typical Mortgage Payment at 5.10%
$1762

Interest Only at 3.50%
$875

Payment Savings Per Month
$887

You have the choice to make half the mortgage payment if you want to. Of course you want to but how would you then pay off your mortgage I can here you ask?

Ask yourself this question.

"Do you want to pay off your mortgage or become wealthy"? Now I can hear you say that you want to become wealthier by paying off your mortgage.

Total Payments Are Twice As Much

$300,000 Mortgage

Typical Mortgage at 5.10%

Principal Paid Off In Five Years
$34,000

Interest Paid In Five Years
$71,000

Total Payments In Five Years
$105,000

versus-

Interest Only Mortgage at 3.50%

Principal Paid Off In Five Years
$0.00

Interest Paid In Five Years
$53,000

Total Payments In Five Years
$53,000

However look at what the difference in payments will mean to you.

Can you see how this will make you wealthier?

$105,000 could and SHOULD be spent very differently to create wealth and still make your mortgage payment.

Why not use an Interest Only 3.50% mortgage but make the payments based on 5.10%.

The following will explain what I mean.

$300,000 Mortgage

Mortgage Payment Same as 5.10%
$1762

Bank Is Paid Interest Only
$875
Invest Balance To Build Wealth
$887

Invest $887 each month into an Investment Account at 6.00% For Five Years
$71,223

Do you see it now?

The typical five year mortgage paid down $34,000 of principal in five years compared to the Interest Only mortgage creating $71,223 of compounding wealth in your investment account.

Even if you were to stop paying into your investment account the $71,223 would continue to grow but the $34,000 would always remain at $34,000.

OK, I can hear you ask. Yes, I would like to have an Interest Only mortgage but isn't it risky having a variable rate mortgage? Like many Canadians you want to know how much your mortgage payments are going to be.

Well, a mathematics Professor by the name of Moshe Milevsky at York University in Canada has provided detailed evidence showing that Canadian consumers are better off financing a mortgage with a floating interest rate, compared to a long term fixed rate.

His conclusion - you are better off 88% of the time with a variable rate mortgage than a fixed rate mortgage based on his data from 1950 to 2000.

You can read his articles:

"Mortgage Financing: Floating Your Way to Prosperity"

"Mortgage Financing and Liability Allocation"

"Go with the Float? Fixed-rate mortgages offer piece of mind, but not much else." National Post Business magazine

"House Allocation"

Now, I bet you are thinking about the other 12% of the time that a fixed rate mortgage was better. Right? Sure you are.

Well, think of it as this. There is positive insurance and negative insurance. Positive insurance is taking advantage of the lowest rates by having $71,223 in your investment account. Negative insurance is paying for something that statistically never happens.

The Prime Rate would have to rise up to 7.75% before your Interest Only payment would come close to matching the typical 5.10% payment of $1,762. Even if Prime increased you still have your $71,223 in your investment account to help out if required.

As you pass this advice along to 2 others (remember our bargain?) Don't become frustrated if others don't share your enthusiasm.

<u>Remember that when most Canadians are presented with new and exciting financial information that could dramatically improve their financial lives they are prone to say, "Don't confuse me with the facts. My mind is made up!"</u>

Here are just some of the reasons why.

As many Canadians have no emergency/opportunity funds when push comes to shove they turn to the closest thing to tap that's "liquid and near at hand. Well, that happens to be their RRSP. (And the only reason they have them in the first place is because of the initial tax deductions). I have seen this happen time and time again over my 28 year career as a financial consultant.)

In fact, recently I had a couple who took $40,000 from their RRSPs to buy a new car! Can you imagine that?! Insanity! When I asked them why – their answer was that they didn't want to get into debt! I was dumfounded.

So break this circle of poverty! Don’t get into this problem in the first place. Begin creating some non registered investments what will still be there for you but without the tax consequences when you want some money!

Another excellent variation on this strategy would be to use the additional cash flow of $887 to “borrow for investment purposes”.

If you were to do this with just $250 of the $887 you could service a $50,000 investment loan (at 6% interest). And don’t forget the deduction against your taxable income of $3,000 per year! (Just the same as if you had put the $3,000 into an RRSP on an annual basis).

At 6% growth in 5 years you would have an investment account worth $66,911. You could pay off the loan and still be ahead by $16,911!

And of course you would have the accumulation of the $637 monthly savings into your investment account which over 5 years at 6% growth would be around $51,149.

And at the end of the day – what’s happening to the value of your home?

Well, it’s increasing in value!

Regardless of whether it has a fresh mortgage on it or it is fully paid off or somewhere in between. Irrespective of if you went the typical conventional 5 year term route or interest only your home is still appreciating in value. It does not appreciate more or less due to the type of financing you have in place.

The value of your home is driven exclusively by inflation and your local property values!

As you can now see, the decisions you make on your mortgage will either help to create wealth for you or you can continue along as you have always done.

Don’t be a slave to your home – make it a slave of your wishes and your investment strategy!

The choice is yours!

(The above information is based on Prime at 4.25%, a 40% tax bracket and an investment yield of 6.00%.)

Here is some additional information on Interest Only mortgages I thought you may find helpful.

In most instances, borrowers get out from under Canada Mortgage and Housing Corp. (CMHC) insurance fees. This is the "premium" charged by most lenders to go into a loan above 75 per cent of the purchase price. This is great news because all that CMHC insurance does is make us pay an insurance premium so that in the event we default on our obligation the lender of our mortgage gets their money back. How does that help YOU? Well, it doesn't. But is sure is good for the banks!

These fees are typically in the 2.75-3.25% range. So on a $300,000 mortgage you would end up having to pay an additional $8,250-$9,750!

If you don't have to pay these fees you have just given yourself a huge savings.

Additionally, the lower monthly payments on an Interest Only mortgage can also mean that you may qualify for a higher-priced property.

Crunching the numbers shows that you could get 17 per cent more property with only five per cent down, or as much as 25 percent more if you put 20 per cent down.

This turns the 32-per-cent pre-qualification rule on its head, with an interest-only mortgage, a gross annual income of $128,000 that pre-qualified for a $400,000 "traditional" mortgage, with 20 per cent down can now get you a $500,000 mortgage.

For example, if you were to buy a house for $350,000 with just five per cent down, you would end up saving about $240 per month in payments!

That savings plus the fact that the lender doesn't require a 'heat component' of $85 per month enables you to purchase with income of some $12,200 per year less than going through the conventional institutional sources for high ratio funds.

And, of course, you always have the option of paying down principal whenever you want – penalty free!

Rock bottom mortgage rates have already driven down the cost of purchasing a house.

Remember that posted five-year mortgage rates averaged 8.35 per cent in 2000 and just 6.39 per cent in 2003. This interest rate decline has profoundly increased activity in the real estate market, as borrowers are able to qualify for ever-larger mortgages helping drive housing prices ever skyward.

Now, combined with the arrival of interest-only mortgages, a whole lot more Canadians are qualifying not only for mortgages, but also for much bigger mortgages.

Are marginal qualifiers seeking out interest only mortgages?

The answer is NO. If fact, it has primarily been a product that fairly well-to-do clients have used to accumulate more assets with a minimum of cash outlay.

Did you get that? Please re read and thoughtfully contemplate!

This is what we are talking about. This is what this eBook is all about. How to more effectively and efficiently use your cash flow to YOUR advantage - NOT to the banks advantage!

This allows you to become your own bank. Now that's a nice switch isn't it?!

Secret #11: The UnCanadian Answer Immediately When Opportunity Knocks

For the longest time, people believed that the earth was flat and that if you traveled all the way to the end, you would fall off. People were trapped; they were stuck in a world that reached out only as far as they could see - a world much, much smaller than the actual size of earth. They were stuck not because that was all that they had available to them, but because that's all they "believed" they had.

They firmly held on to this belief until one day someone proved them wrong by sailing around the world. And in doing so, he opened up a whole new world of possibilities and opportunities for everyone. The rest of earth became available to them.

Beliefs are funny things because beliefs are not necessarily based on what's true or factual in the world. The power of each belief comes only from the believer (you and me) of that belief; the strength of your belief depends on how strongly you believe it to be true.

That means that you can believe whatever you want to believe.

Because as long as you believe it to be true, it will be true in your life. You will constantly attract events, experiences and people into your life that will match your beliefs, which will in turn strengthen those beliefs further.

The level of success you will achieve in life is based almost entirely on what you believe to be true! So it is vital for you to adopt only the beliefs that serve you and to let go of those beliefs that limit you. Agreed? Are you with me on this?

We don't always see what is "real." We view the world based on our beliefs. As we go through life, we begin to realize that a lot of what we learned growing up was not very useful, or even true. We begin to realize that life is really about "choices." That we can choose to believe whatever we want. And if a certain belief is not very useful, we can change it.

You have done it before. It takes courage to be willing to look at your current beliefs and then decide whether they serve you or sabotage you, whether to keep them or get rid of them. But you have that choice. You have the power to change your beliefs, and to change what is "real" to you.

Don’t let these 9 common money & success myths hold you back from achieving wealth and success in your life...

9 Common Money & Success Myths

Myth #1: I don't have what it takes to be successful and wealthy.

Fact: Successful people were not born that way. In fact, many of the most successful people today have had very difficult lives. They were regular people who wished for more. And they decided to do something about it - to change their circumstances. Anyone can do the same, including you and I.

Myth 2: I don't have any experience or education in anything.

Fact: Many successful people started with no experience. Many of them also flunked high school and never had any college education.

The only way to get real education and experience in anything is by doing, by "starting." Once you start doing it, you learn very quickly. Many people don't begin because they don't want to make mistakes. Wrong! That is the only way you learn.

We are all eternally grateful to Thomas Alva Edison who invented the light bulb.

However, when asked how many times he had failed he answered that he now knew 2900 different ways NOT to make a light bulb. Do you see how he phrased back that answer? Not as a failure but as one who learned what not to do the next time and pressed on to ultimate success.

Think of all the things that you know how to do. Driving a car, riding a bike, playing sports, reading, writing, speaking...even walking. All of these things have one thing in common: at one time in your life, you didn't know how to do any of them.

And despite how impossible it seemed at the time, you decided to do it anyway. It's the same with everything in life. You learn by doing. You get experience by doing something a few times.

Get started.

Do it once, twice, three times and you're already on your way to becoming an expert in no time!

Myth 3: Money isn't that important.

Fact: Tell that to the family who's starving right now, or to the family who needs money for serious medical help for a member of their family. They'll tell you how important money is.

We've been conditioned from Day 1 to believe that money is not important. We have been conditioned to believe that wanting money is wrong and unethical. And yet the entire world seems to run on money.

It is one of the biggest myths known to man. And it's one of the main reasons why the majority of the people are not wealthy.

Money is simply a way to measure the amount of value you create for others.

If you have a lot of money, it means you have created a lot of value for other people.

If you don't have the kind of money you'd like to have, that simply means that you just haven't yet found a way to produce the kind of value for others that you're capable of, or the value that you'd like to.

Just look around at the countries or even cities that have lack of money. You'll find that in these same places, there are usually more crimes being committed, more people taking advantage of others, more diseases, more suffering, more deaths, and none or very little education.

Money may not be the most important thing in life, but let's face facts here... Money is pretty darned important in this day and age. It's how you support yourself! It's how you buy food, water, shelter, clothing. It's how you pay the bills. It's how you help and support others around you, including your loved ones. And we know that those are very important things.

And by the way, if you feel that it's more important to contribute to others than to be rich, well guess what, when you have more money, you can contribute more! You can do much more for others and you can help a lot more people when you have more money.

Only good things can come from having more money.

Myth 4: Money must be made slowly.

Fact: Nothing could be further from the truth. The only way to make money is to make it quickly! What good is money if you can't enjoy it right now instead of 20 years from now?

What good is money if you can't contribute to others now as much as you'd like to, instead of 20 years from now?

The quicker you make money, the quicker you can change your life and the lives of those around you - for the better. There are no rules stating that money should be made slowly.

The only way to make money is to make it quickly! You will also find that the more money you make, the easier it becomes to make more because you begin to shift your focus from survival to abundance and contribution, in the process. And that shift in focus simply attracts more wealth to you.

Myth 5: If you weren't born into money, you'll never be rich.

Fact: Millionaires are made every day. Many of them are self-made millionaires - people who started with nothing or close to nothing and amassed fortunes. Simply because they decided to and they didn't let anyone dissuade them from their goals.

If you believe that you have to be born into money to be rich, you're missing out on all the riches out there, waiting for you to claim.

Myth 6: If I win, someone else has to lose.

Fact: This is absolute, high-grade, premium quality nonsense. There is enough opportunity and enough money in this world to go around so that everyone can be a winner. In fact, there is more than enough to go around.

The only reason they're not winners is because they don't believe they can ethically and morally do so. (Remember "the earth is flat" story?) As soon as we get rid of that belief and take a step into the unknown, we begin to realize how much wealthier you can be. You also realize how your being a winner can only help others win as well!

You can become rich by using ethical and legal means – without having to cheat or hurt others.

In fact, that's the only way I recommend that people do it.

The easiest way to become rich is to create value in other people's lives. There are no losers in that scenario.

In fact, that is THE rule I live and work with in my life.

Myth 7: Making a profit is a sin.

Fact: If you cheat or hurt others to make a profit, then yes, in that case, making a profit would be bad. But if you create value for others, then making a profit is always good.

By creating more value for others, you're helping them live better lives. There is nothing sinful in helping others, doing a great job at it, and getting paid for it.

Money doesn't turn good people into bad people.

Money simply magnifies the qualities that are already inherent within a person. If you're a good person, having more money will only allow you to do more good! If you're a bad person, having more money will allow you to do more bad.

And most of us really are good people. And we have a lot to offer others. And you can only do more good by having more money.

Myth 8: Having more money will mean that I'll have to work hard all day and not have time for my family, friends and leisure.

Fact: There's a huge difference between working hard and working smart.

Successful people have learned to work smart! They have learned to find other successful people they can model after so they don't make the same mistakes other people did. And by doing so, you can save a lot of time, money, effort as well as some major headaches.

Doing your job well or getting a business started and running does require work. There's no way around that. But, you can still take time out for your loved ones and for your leisure. In fact, it's highly recommended that you do that. If you're spending all your time trying to keep your job or your business afloat, you're either not going about things the right way or you're just in the wrong business.

Myth 9: If I have more money, people will judge me, and they will not like me very much.

Fact: People will judge you anyway. They are judging you right now!

It's what they do, unfortunately. Most people don't know who you are anyway!

They don't know the "real" you. They only know who they think you are, based on what little information they have about you.

So, let them think or feel what they want. They don't know any better. And you really shouldn't be concerned about those people.

Remember, respect and friendship are earned. If they can't appreciate who you are, then they don't deserve your time, or your thoughts.

Many of these myths that have been floating around for hundreds of years and were typically conjured up by people who didn't know any better. Many of them got programmed into us when we were very young.

But, we're adults now. We can think for ourselves. We can choose to adopt only those beliefs that benefit you and drop the ones that are no longer useful or empowering. It's all up to you.

Beliefs are very powerful indeed. They, for the most part, are what dictate the quality of your life. Change your beliefs and you change your life.

Free your mind, and success will follow!

Secret #12: The UnCanadian Never Say "Can't"

I have heard it said many times that the creation of wealth is 95% mindset. I have personally found this to be absolute truth.

However, the other 5% is a combination of resources and action. Even if you have the mindset but take no action, you will still not create wealth!

It is undeniable that the wealthy have a different mindset than others who would wish to become wealthy. They have a definite purpose.

First and foremost is their plan of action – to create wealth!

Once they have developed a solid plan of action, they see their plan through, making adjustments only as necessary until they achieve their intended goal.

They let absolutely nothing stand in their way of their goals.

If there is not enough money being generated in their investment or business model to achieve their goals, they restructure. To the wealthy, the investment is merely their vehicle for reaching their intended destination.

I have discovered that those that are not wealthy operate in a way that is exactly opposite from the wealthy. This is a primary reason why they remain financially within the same financial constraints - never creating the wealth they desire.

They set out with a vague idea of a moneymaking strategy merely hoping that it will generate wealth. On the other hand, the wealthy set out with a definite focus, knowing that they will generate wealth.

The wealthy do not let circumstances stand in their way of reaching their destination. They never, ever say "can't!" They simply have no comprehension of the word.

They manipulate their circumstances as necessary to achieve their clearly-defined goals, and they continue to work toward their goals until they have been achieved. They don't stop there either – they simply establish new goals and keep on moving forward, always pushing themselves a little bit harder. They are always striving, and never stop putting out the necessary effort.

The rich are not afraid to think outside the box, and don’t allow their comfort zones to keep them in a state of crisis and financial limitation.

In short, there is no such thing as “I can’t” to one who is determined to create wealth. To the wealthy, “I can’t” is interpreted as “I won’t.” The moment the word “can’t” is said, it is a sure bet that the goals will never be achieved.

Furthermore, the wealthy don’t waste their time with people who have an "I can't" mindset.

We become what our thoughts make us! Free your mind, and success will follow!

You may also want to double check the type of friends you hang with. Are they helping or hindering you on your journey to creating the wealth and the life you want?!

Secret #13: The UnCanadian Understand the Value Of Investing In Themselves and Their Businesses

Do you know that there are people right now who are thinking seriously and planning for success now, next year, the year after that, 5 years out and 10 years out?

Why?

Because they are all looking for a better way. They are looking for the path that will free them from the stultifying imprisonment of 9 to 5 jobs and to create the financial security that has been stripped away from many hard working individuals by the uncertainty of today’s job market.

We have already looked at how the wealthy leverage their financial resources through harnessing the power of their mortgage to increase their cash flow. Now we will review

The 12 Reasons Why People Don't Get Wealthy

According to Wallace Wattles, in his popular wealth treatise called the Science of Getting Rich, said that, "There is a science of getting rich, and it is an exact science, like algebra or arithmetic. There are certain laws which govern the process of acquiring riches, and once these laws are learned and obeyed by anyone, that person will get rich with mathematical certainty."

Those who create wealth know that it comes about by applying simple rules and principles. Those who don't make wealth don't know about these simple things, and so they assume that wealth is a result of luck or pure chance.

The 12 Reasons Why You Will Not Become Wealthy

1. You never decide and really specifically define what wealth means for you. The keyword here is specifically. Can you imagine how hard it would be to build a house without making a blueprint or sketch drawing of it first? You have to know what your target is before you go chasing after it.

2. You make wealth a moving target instead of a fixed one (this is related to point one above). Once you have your target, fix it. Don't change it until you reach it. You must accomplish each step, celebrate, and then set course for a new step, a new target.

3. You define it in a way that seems unreachable. You only achieve what you believe. No more, no less. So you must make it believable for you. Set goals that will make you move forward and stretch, but not too high that even you yourself don't believe you can. Take the biggest step you believe you can, achieve it, then take the next biggest you believe you can. This will build positive reinforcement in your self-confidence as well.

4. You never start. Ok, this is obvious. If you keep thinking about it forever, it will forever remain in the thought level. You have to act! Start somewhere, anywhere! Only after you start do you begin to get some feedback which will help you plot your course better. A rocket has to take of first before it starts to adjust its course towards its intended destination. You must start, somewhere, anywhere, doesn't matter, just start! Act!

5. You never make it a must. Making it a must means marshalling all your intent, your will, your direction, into one singular flow that is directed towards your goal. All obstacles are viewed as challenges to be overcome. You will meet obstacles, and so expect it, but also expect to move forward anyways. Use your obstacles to develop strength and skills, don't run away. Find out how to go past them. Find out! There is always a way, always. And if your emotions are acting against your desire, embrace them, learn what they are, know yourself, but keep moving forward. Make it a must, and it will happen. Guaranteed. You don't know in how many steps it will take, but you know it will happen.

6. You don't have a realistic plan. If you want to do something, find out how it is done from someone who has done it before. Make a realistic plan. Copy from those who have succeeded before you. But don't throw away your intuition. Your intuition is extremely powerful once you learn how to listen to it with practice.

7. You never follow through on the plan. Well, if you don't follow the plan, who will?

8. You give responsibility to others ("experts") instead of to yourself. This way, you never really learn how to do it, and if there are failures you never learn why the failures happened and so you are bound to repeat them. It is important to get advice, but at some point you are going to have to shoulder some of the work yourself. At least understand it yourself even if you will delegate the actual doing.

9. You give up when you face challenges. Going through the challenges is what has made people rich, not giving up. Look, there are always challenges. So get used to that. You will only get where you wish to get to if you are willing to face the challenges along the path. All challenges are opportunities dressed in work clothes. Remember that! After the challenge is over, you will discover the amazing fruit it held for you.

10. You fail to conduct your life as a business. You never ensure that you make a profit year by year. Review the personal finance package you use. You will need to have budgets and cash flow statements for your personal finances (You Inc.). It is easy with many of the software programs out there. In fact many of them are free! If you don't keep records and track, you won’t know when you are making or losing money until it is embarrassingly too late.

11. You allow other people's ideas to affect your decisions unreasonably. There will always be people who don't believe in your way, or who are pessimistic and who try to pull you down. In fact, they will sometimes be your closest friends and family. You cannot change that - they have a right to be who they are. It is OK. Allow them their thoughts, don't judge them for that, but don't feel obligated to accept their thoughts or to follow their way. Don't allow other people, now or from the past to unreasonably affect your decisions. Allow them their way, and you live your way!

12. You don't get quality coaching. This is extremely important! Coaching is simply getting mentored by someone who has succeeded wildly in the area of your interest. Get coaching! Our education system hardly equips us for real life, so don't assume that because you went to college you are properly equipped. Hardly. You need to keep learning. The most successful people attend seminars, read books, join mastermind groups and clubs, find mentors, network, and even hire expensive personal coaches to make sure they succeed.

Now, how many of these reasons can you identify with?

Well, now that you see the reasons, you now can look at yourself and make sure that you don't follow ways that are known to not lead to wealth.

Follow what works and it will work.

And don't forget to enjoy yourself along the way.

What are you waiting for?

Get started today!

Secret #14: The UnCanadian Understand The Value Of Time

We all have the same twenty-four hours in every day.

There is no question that wealth-building and time investment are precise counterparts.

So then it really is no surprise to me that the number one complaint that I hear from individuals is that there is never enough time or money. If there is enough of one, it is always at the expense of the other.

My only response to this “perennial” complaint is that they are not using either their time or their money wisely.

The wealthy understand that they do not have to sacrifice time for money. They structure their time and their money to support one another synergistically. So it is no wonder, they have plenty of both.

Why is this? In order to understand why the wealthy have more time than other social classes, let’s review some of things we have already touched on earlier.

Remember the music artist who is paid royalties for each of his CDs sold? That music artist recorded the music album one time. From this recording, millions of duplicate CDs were created and placed in stores where people could buy them. As his music caught on with the public and became more popular, more and more people began to buy his music CDs. For each CD sold, the music artist received yet more royalty payments. Within a very short time, the music CD had paid the music artist millions of dollars, for work performed one time. Bear in mind, the music artist does not record each of his CDs individually. No, as a matter of fact, you can bet that music artist is spending his time creating his next music CD, which will bring him at least another million dollars!

The example above clearly illustrates the power of momentum created through leverage of time and resources. It is called leveraged or “network” marketing. One person tells another, that person tells someone else, and so on until millions of people have purchased the same product. This is a classic example of one who leverages both time and money. This is how the wealthy become wealthy.

Also, when someone works for linear income by spending eight hours a day “on the job”, that person is incapable of building momentum for themselves because they are required to devote that time to the employer’s interest. However, if you subtract the eight hours required to provide our bodies with the rest necessary to maintain optimal health, what are we left with? Eight hours. If you have a full-time job working for an employer, and you sleep eight hours a night to maintain your health, the remaining eight hours of the day is what will dictate whether you become wealthy or remain where you are currently financially.

It is true that this means making a choice. It is equally true this could mean sacrifice for you. If you decide to spend your “free” eight hours in front of the television set, chances are you will never get wealthy.

But if you choose to wisely invest your time and money, within a very short time you will find that you no longer need to spend eight hours per day at that job because you will have replaced (and most likely increased!) your employment income. When you dedicate your spare time to building momentum through the power of leverage, before you know it your investment will provide you with a healthy return – and your expendable time will double.

The choice is all yours to make.

Secret #15: The UnCanadian Understand The Importance of Protecting Their Wealth

Does creating and managing wealth just mean making it grow? No. It also means keeping it safe!

As we know - Everything in life carry's risk!

What we must come to terms with is…either to...

Avoid It. Assume It. or Transfer It!

In today's economy, protection is more important than ever.

In early 2000, many people have learned how it feels to lose 20% to 30% of their portfolio from a market downturn. Imagine losing as much as 80% due to illness or death! The future is uncertain; the economy unsure, and even government and company plans don't cover everything.

To many people, saving begins and ends with their investment portfolios. They rarely think of insurance, but they should, because even the best laid plans can be derailed by unexpected events.

For example, what would happen to you and your family if your spouse became ill had an accident or even died? Any one of these can reduce your income and increase your expenses so you may have to dip into your savings sooner than planned. You may even need to spend it all before you reach retirement.

That's where personal insurance is invaluable -- to cover unexpected costs so your investments are left intact to grow. Critical illness insurance, for instance, can pay for extra medical expenses and long term care. Disability insurance can replace your lost income. And if you or your spouse should die, life insurance can cover the lost income as well as estate debts and taxes.

Think of savings and insurance as offence and defense.

When it comes to a good wealth management plan, you need two things - to grow your investments, and to keep those investments safe until YOU are ready to use them. That takes both investments and insurance.

Neither can do the job alone, but together they're a team. Investments such as stocks and bonds, term deposits and registered portfolios (offensive players) push your nest egg toward your retirement goal. Insurance policies (defensive players) protect it from being intercepted along the way.

Safety is worth the sacrifice in contributions.

You only have so much disposable income (cash flow) to put away, there's no question that buying insurance will leave less for investing.

However, on the other hand NOT buying insurance may leave your total investments and estate exposed to undue risk. As always, the best approach is diversification - don't put all your eggs in one basket.

Just as spreading assets across several types of investments can minimize risk of loss from market volatility, allocating some of your savings to insurance can minimize risk of loss from illness or death.

Depending on your age and income, a sensible proportion might be 70% to 90% savings and 10% to 30% insurance.

The good news? The younger you are today, the lower your insurance premiums will be - and the more will be left over for investment purposes. And as your income increases over time, the proportion required for insurance can (and should) then be adjusted.

“If insurance were free – we would all have as much as we wanted. Because it's not free – it then becomes a matter of negotiating the price for the amount we need”. – *Mark Huber, retired CFP*

As a person who wants to prosper and succeed you have an obligation to yourself and your family to consider the risks to your wealth, and have the proper insurance products and strategies that can protect you.

The need for life insurance can be divided into two categories:

"If-I-die" and "When-I-die".

"If-I-die" life insurance refers to having protection for a specified period of time. An example of "If-I-die" life insurance is insuring the family income earners so that there are sufficient resources to raise children in the event that one or both parents pass away. Once the children are raised, the need for this coverage is greatly reduced or in fact ceases.

Because "If-I-die" life insurance is needed for a relatively short time frame, term insurance or low cash value permanent life insurance works just fine.

"When-I-die" life insurance is intended to remain in force until the insured dies. Examples of "When-I-die" life insurance are:

The insured receives a pension that stops upon his or her death—life insurance can provide the insured’s spouse with the equivalent of the missing payments in the event the spouse survives the pensioner—and

As an estate-planning asset. "When-I-die" life insurance is permanent insurance that can be whole, universal, or variable life.

For many individuals, term insurance will usually be able to cover off the risk in your particular situation.

It's cheap, effective, and popular—especially with consumers who've embraced the "buy term and invest the difference" mantra touted by many financial advisors. And for young families on a budget, term is often the only product they can afford that will provide them with the amount of coverage they need.

However, term life isn't a panacea, especially for high-net-worth consumers with complex financial-planning objectives. For these clients, permanent life insurance—either whole life or its two most popular derivatives, universal life or variable life—offers important tax savings and estate planning advantages that often can't be duplicated by other financial products.

Perhaps the best way to decide when permanent life is the better choice is simply to know when term insurance does make sense. For most consumers, term will be the appropriate purchase only

IF:

The period for which insurance is needed is finite (since term insurance is, by definition, finite), and there are no savings or estate planning objectives associated with the purchase.

OR

The consumer simply cannot afford the amount of life insurance coverage needed except by purchasing a term policy.

The general rule, is that permanent insurance should be purchased—assuming the policyholder can afford the premium—if that person wants to have the insurance in force when he or she dies.

That seemingly simple statement reveals a surprising basic truth about term insurance: most of it expires well before the policyholder does. While that's a risk that a 28-year-old father of two might be willing to assume-he needs lots of coverage and he needs it right now, just in case he does die young—it's not palatable to insurance buyers with long-term needs. Let's look at some examples.

Estate Planning

If it's true that death and taxes are the only certainties in life, it's also true that they are tightly, maddeningly linked—and destined to remain that way for the foreseeable future.

Taxes continue to take a big chunk out of estates—ranging from 13% to as much as 40%. Paying these levies can be a tremendous burden on heirs, who in some cases must sell off personal property or the family business to settle up with CCRA (Revenue Canada).

Life insurance provides a way out. Because the death proceeds of an insurance policy are free of income taxes, a policy can provide family members with the wherewithal to pay estate taxes and still retain family assets.

Similarly, an insurance policy can be used to fund a business-succession plan by ensuring that whoever takes over a company upon the death of the current owner can afford to do so. (In such cases, the proceeds of the policy would be used to pay for the business rather than to settle estate taxes.) In a similar manner, an insurance policy can serve as a tax-advantaged tool for bequeathing money to heirs. It can, for example, finance a grandchild's college education or provide for someone, such as a handicapped child, who otherwise couldn't provide for his or herself.

But all of this works only if the insurance policy is in effect at the time of the insured's death.

This is an instance where permanent insurance is not just preferred but almost required, since term insurance is rarely in force at the time of death.

Tax-deferred Investing

For high-net-worth clients who have exhausted other tax-advantaged investment vehicles such as RRSPs, a life insurance policy provides yet another way to build wealth while minimizing income taxes.

Generally speaking, we don't think of life insurance as an investment vehicle, however, if one analyzes this issue from an internal-rate-of-return perspective, many clients can see that if they keep their insurance for a long period of time, perhaps 20 years or more, they may be better off buying a permanent insurance policy and then surrendering it to receive the cash value, rather than purchasing term insurance and investing the difference in a taxable account.

Additionally, if set up properly, the cash surrender value of a policy may be used as collateral for a bank loan or series of loans, the income of which to the investor is TAX FREE. (The interest on the loan is not only tax deductible but need not be paid by the investor, simply left to be collateralized along with the loan. On death the loan is discharged and the residual is paid to the named beneficiaries – TAX FREE).

Planning for the Unexpected

To be sure, conveying the value of permanent life insurance can sometimes be challenging. The younger the client, the farther out the benefit.

Many clients have a difficult time appreciating how much their net worth is likely to grow in 30 or 40 years, or what their estate planning picture might look like. Sometimes, life insurance needs that were expected to disappear at 60 or 70 years of age remain. However, by then, buying a new policy or any sort, term or permanent, may be prohibitively expensive.

With a properly selected permanent policy, you have the ability to say, I don't know what my feelings are going to be or what my needs will be when I'm an octogenarian, but I don't have to worry about that. And if I decide that I don't need my life insurance policy any more, I can cancel it, and there will be a nice cash value waiting for me as a bonus.

In a nutshell - this is what insurance is for!

The objective of “Risk Management” is to make sure that you and your family are in the proper financial position in the event of emergency or opportunity – NOW and in the future. It involves a well thought-out plan to pass your wealth on to your heirs and to ensure that they are well provided for in the event of your death or disability.

You’re Worth How Much?

What is the value of a human life? Most have heard the story of how much you’re worth if you were to break the human body down into its chemical and mineral components and sold them. You’d be lucky to be worth $130 (not counting various add-on items such as pacemakers, gold fillings, etc.).

But we know that people are worth more than that. On the opposite end of the spectrum you will have heard the phrase "he’s worth millions", referring to the value of a person’s property, investments, etc.

But in asking the question I’m not really looking for either answer. I am posing the question with respect to how much life insurance you should buy to insure that your dependents are cared for in the event of your death. In my view the majority of people are underinsured because they don’t know how much they are worth.

We buy insurance to replace something that we might lose. If your house burns down you have insurance to make sure you can rebuild it. If your car is totaled in an accident you have insurance so you can get another car. When you buy life insurance you are trying to replace the value of your life. Unless you have a clone that's for sale, how do you know how much you are worth?

We know that money cannot replace you as a person, any more than fire insurance can replace the family photographs or the antique jewelry your grandmother left to you. What you get back with payment of an insurance claim is the financial value of the item that you lost. So the more precise question is: What is your financial value? What will your dependents lose if they lose you?

To digress for a moment, please remember that if you have a million dollars in the bank and you die, the million is still there. The taxman may cometh, but the point is that the asset you had didn't die; you died. What I want to examine is what you are worth.

A slave trader would have had the easiest time answering my question. He would have told you that the financial value of a slave was based on their ability to work and produce, and how long they could be expected to do that. And that's your financial value. You're not worth more and you're not worth less. For insurance purposes, your financial value should be based on what you can do (earn) in the future, and how long you could be expected to earn it.

Your gross annual income is the annual value of your life. You may feel you are worth more than what you are being paid, but from the point of view of your dependents, your financial value is the pay cheque that you bring home.

Assume you earn $30,000 per year. If you die, your family loses the $30,000. If you are 40 years of age, and expect to work 25 more years (until you retire) then you would have provided your family with $30,000 times 25 or $750,000. There it is, that's the most that YOU are worth. If you die, that's what they lose. Buy $750,000 of life insurance and your family is in good shape if you die.

An astute investor will stop me at this point and note that this $750,000 will earn interest (or grow in a fund). Assuming you invest $750,000 at 5%, the annual interest income would be $37,500, which is more than the $30,000 you were trying to provide in the first place. Technically, $600,000 would provide $30,000 a year at 5% and the $600,000 would go on doing that forever.

By the way, so you know, a 40-year-old male, non-smoker in very good health can buy $600,000 of 10-year term insurance for less than $50 a month. So before you get spooked by these big numbers, it costs very little to buy that amount of life insurance if it's term insurance. For most, term is the kind to buy.

Now for those who think $600,000 is overboard, let me introduce another component to the calculation which is often overlooked: It's called inflation. "But Mark, inflation is very, very low and it won't make that big a difference." I beg to differ. Assuming that inflation is 2%, and that you expect your dependents to increase the $30,000 each year by that 2% (a $600 increase in year 2, etc.), your $600,000 will be gone in 28 ½ years (that's assuming 5% interest).

So if I wanted $30,000 per year for 25 years, based upon 2% inflation and 5% interest, what would be the lump sum amount to get the job done for just 25 years? The more precise number is $541,300. By lowering your insurance from $600,000 to $540,000, you'll be saving yourself a whopping $55 per year. So much for precision.

The next point that can be made is that I can earn more than 5% on my money; suppose I can earn 8%. Okay, put 2% inflation and 8% interest into the equation and you can lower $540,000 to $410,000. That will save you $110 per year (less than $10 per month). At that point I would argue that 8% is not what you can expect to earn on interest-bearing investments in a 2% inflationary economy; 5% is more realistic. To obtain 8% you will be asking your family to accept some risk in their investments. Are they astute enough investors for that? Is the risk that your family might not get 25 years of income worth the $110 per year in premium savings?

But assume you settle on the $410,000 amount, how many 40-year-olds, making $30,000 per year; actually carry anything close to that amount of insurance?

After many years in this industry, I am now less concerned with what kind of life insurance people were buying, and far more concerned about how much they were buying. Understanding your real financial value to your family, has made me realize that most people don't buy big enough life insurance policies.

Trust me, your widowed spouse does not care what kind of life insurance you bought after you die. Whole life or term. Dependents only care how much the death benefit was for.

The choice is all yours to make.

Secret #16: The UnCanadian Recognize Profitable Opportunity and Act Immediately

Throughout this eBook we have clearly demonstrated how the wealthy leverage the resources they already have in order to accumulate massive wealth.

These individuals either are at the top or want to go to the top, and are focused and committed to achieving this goal.

The secrets we have been providing you over this course are the very same secrets that – if implemented – will allow you to begin to create your own fortune.

Today we are going to talk about how wealthy people recognize opportunities – and then act on them. These ideas can do the same for you!

The key is to put your plan in motion, see it through regardless of what obstacles you encounter, and watch your income launch into a realm all of its own!

You can start right now!

Now I am going to let you in on a little secret. The people who form the wealthy class are a group of highly analytical people. They view things from every angle possible, and with eyes wide open. They are always looking for opportunity, and what it means to THEIR bottom line.

On the surface, you may not recognize what opportunities lies before you because your mind has not yet been trained to view things like the wealthy do – always searching for the hidden income opportunities in any given circumstances.

This is likely the main reason that you have not yet achieved the level of financial success you desire. It is a skill that is acquired through time and practice of what I refer to as prosperity consciousness, so it is understandable that you may not yet recognize it.

People will spend years searching for that one winning product that one hot stock pick or winning the lottery to transport them to complete financial independence.

However, you are not likely to find exponential wealth in one exclusive product or service or even gambling for it with a lottery!

You are, however, likely to find it through multiple products, services and investments that enhance one another, all working simultaneously to build a massive income from multiple income sources.

Rich people know how to perform at higher levels.

Although it seems that rich people do very little, they are actually working far more efficiently than anyone else. It's like the movements of a martial arts master. Quick, to the point, and very effective.

Prosperous people never make the mistake of doing something that will have to be done over again, unless there is some other benefit to doing it. Wealthy people know which tasks to do now, and which ones to put off or delegate to others.

Prosperity is about more than being in the right place at the right time. If it were simply a matter of being in the right place at the right time, then it stands to reason that everyone would have an equal shot at making the big score. But wealthy people consistently score big, over and over again. Obviously, they know something that you don't.

Prosperity is also more than just being in the right business. We all know people who are in the same businesses as rich people, but aren't getting much for their efforts. For every successful inventor, there are thousands more trying to get their inventions noticed.

For every mega-successful author, there are tens of thousands of starving writers banging out words daily and never breaking into the big time. And for every real-estate tycoon, there are thousands of would-be investors being buried by their properties. No, it's not about what business you're in that counts.

Prosperity is about more than simply having the right attitude.

How often have you listened to a motivational speaker say "It's your attitude that determines your altitude"? If that were the case, then all you'd have to do is to think positively (they all stress Positive Mental Attitudes, right?) and you'll attract lots of money. But you and I both know that's not the case.

To become a winner, associate with winners!
You've probably heard this before, especially if you tend to read success motivational material. The basic principle is that we tend to become like those we hang around with. In fact, this basic principle is the primary reason why those who grow up in rich families tend to become rich themselves, and those who grow up in poor families remain poor.

The reason this happens is that when we spend time around a person, we experience a subset of their beliefs. If something doesn't quite go the way they expect, we see their reaction to it. A poor person may get angry, upset, or dive into a depression whereas a rich person may take a more proactive approach and start planning a strategy to overcome the obstacles. Or if they hit a stroke of good luck, the poor person may quit working and throw a party whereas a rich person takes it in stride, as if it were a normal occurrence in life.

When I grew up, my family wasn't quite poor, but we weren't well off either. I remember many times hearing my mother say to my grandmother that there wasn't enough money for this or that, and I saw them sell their time for wages as a means of earning money. It was because of this that I didn't even consider another way of earning money when I got out into the “real world”. I just assumed that the only way to get money was to work for wages. I had heard stories of people making tons of money, but I just couldn't understand what kind of job they could find that would earn them a million dollars a year or more.

It was only through a long process of studying that I found the answers to my questions. Now I understand that wages are only one way to earn money. Real estate and other investments are another. Self-employment is another way, although this really is nothing more than a job where the wages are variable – and you are your own boss!

There are only 2 ways to get rich. Either you learn a skill that's so valuable that people will pay you a lot of money to use that skill, or you invest in something that will produce an income without your personal involvement.

Doctors follow the first of these directions. They have learned a highly valuable skill, and we generally are willing to pay them whatever they want in order to have the benefit of good health.

The other pathway is followed by real-estate investors, stock market investors, and business owners. These people purchase something in order to derive an income from it, or to sell it off for a profit. Either way, they are able to get lots of money from very little effort. Leverage at work again!

In fact, the Internet has created an opportunity for everyone to become business owners. For very little money, anyone can set up a website that handles all the details of the business, leaving the business owner with the simple task of depositing checks that come in every month. And since websites cost very little to set up, just about anyone can set up dozens of websites, or hundreds! And with each one producing a passive income, you can feel just like an oil tycoon with your own set of oil wells producing an ongoing income month after month.

There's a lot more that you can learn by associating with rich people.

Don't wait for the "Perfect Moment" this year…

(The secret that most successful people keep to themselves)

How many perfect moments did you have last year? One? Maybe two? While timing is important in life very often we need to make the best of the situation we find ourselves in.

The perfect opportunity, the perfect conditions and the perfect moment may never exist so we need to take action now.

The most successful people in the world approach life with a very dynamic attitude. They create their world making use of THEIR resources and the resources available to them. They do not waste time waiting for the perfect moment.

The truth is you will never be 100% ready for new challenges. At some point you have to trust in yourself and give it your very best regardless of the results. As long as you are always learning and growing you will get there in the end.

And you will move ahead before the people who are still sitting there waiting for the perfect day when they will be completely ready.

Some days you might argue that you don't feel up to it or that you need more energy before you can get stuck in.

Be honest with yourself!

Are you making excuses? Are you waiting for the perfect day? You will never be completely ready physically, emotionally and mentally all at the same time.

As one of my mentors once said to me, "if you wait until you are ready it'll be too late".

You are a unique work in progress; you are always changing and always maturing. You will always have more to learn and you will always be able to look back and notice how you could have been better.

That is just the way it is!

And if you wait too long any enthusiasm you once had for your goals will fizzle away. You will do nothing at all.

Instead you will have a life of regrets. Last year is already over. If you let things slide like you did last year we will be having the same conversation in 12 months time. How much will that hurt?

All you need to do is unlock your personal motivation style - the step by step formula that works best for you and your lifestyle.

Do that and this year will be the year you took control of your life and felt secure and at peace like never before.

Now imagine how good you will feel about yourself.

So, remember…this year…begin to…"Just do it!"

You have nothing to lose and the gains could be, well...priceless!

Secret #17: The UnCanadian Understand The Power Of Duplication

"If you want what they have, you must do what they do."

There are very specific habits that wealthy people practice in every aspect of their lives to ensure their own continuous creation of massive financial wealth. They make their money work for them, not the opposite. If you are not doing the same, and are still convinced that you are going to get rich, you had better hope that your lottery ticket holds the winning number.

The wealthy analyze each financial transaction they make from every angle possible. They identify, in mathematical terms, the proper way to leverage their finances. In everything they do, they first evaluate the potential for financial return. They do not throw their money at something hoping that it will pay off, like so many "rich wannabes" do.

The wealthy base their financial transactions on fact and educated decisions. They diversify their resources to provide for maximum return. Once the wealthy achieve success in any given venture, they repeat the same process with the next. They see no point in "re-inventing the wheel" when they have a system proven to work. They simply find innovative ways to use the wheel when and where necessary.

The wealthy understand the power of numbers, and more importantly, the power of duplication. The wealthy duplicate the behaviors and habits of others who have successfully generated wealth before them, to precise detail.

The Power of Duplication

If there is just one valuable lesson that I hope you learn from reading through this eBook, it would be for you to understand the power of duplication as it pertains to creating financial wealth.

Duplication is critical to your financial success!

You are reading this ebook/course because you have a problem and are looking for a solution. Duplicating the methods of successful people who are successful is your solution. Read, learn, study – get a mentor!

The power of duplication is the very foundation upon which the wealthiest men in all of history gained their fortunes: Henry Ford, Andrew Carnegie, Bill Gates, and Sam Walton, just to name a few. None of these men built their fortunes using exclusively their own resources, and neither will you. The only way to build true wealth is through the power of leverage and duplication.

This will mean some expense to you, albeit nominal. It may mean some financial restructure in order to make it happen for you. But if you make up your mind to eliminate the phrase "I can't" from your vocabulary, you will conquer any and all obstacles in your way, and drive a proven vehicle to financial prosperity. If you do this, I can assure you that you will succeed.

I still remember the "Prell" shampoo from many years ago. Maybe you remember it as well. You know, the one where an attractive woman says, "you tell two friends – and they tell two friends and so on and so on…" And the television screen shows an image of the woman and then there were two of her and then four then 16 then 32 until the whole screen was completely filled with her image duplicated many times over to postage stamp size. Well, the memory of this campaign has remained with me all these years and to my mind illustrates the power of duplication and replication.

While there are many great books and resources that speak to the power of duplication and the power of success that is inherent through the power of leverage and duplication working synergistically together, one of the great reads (in my opinion) is

The New Entrepreneurs: Making a Living-Making a Life Through Network Marketing (Paperback) by Rene Reid Yarnell, M.A
The Amazon link is here:
http://www.amazon.com/gp/product/1883599156/103-5525006-5519065?v=glance&n=283155

This truth is the central theme of "The New Entrepreneurs," a dynamic and thought-provoking new book by Rene Reid Yarnell, M.A. Her introduction begins with the assertion that the corporate executive of the 20th century is in the process of being replaced by the entrepreneur of the 21st century: "It is predicted that, with the advancement of technology and the World Wide Web, entrepreneurialism will surface as the defining trend of the business world in the next century."

According to Ms. Yarnell, "We're getting out of the rat race and doing our work at home. No more commutes of an hour or more. Now we're getting our work done in the hours from eight to two or three p.m. And we're home when our kids get out of school. Or, if we've reached that time in our lives when the kids have moved out, we're off to the golf course, the tennis courts, the local fishing hole, or to contribute time and money to serve those less fortunate than ourselves. We can do this, of course, because we've joined the communications revolution. We have phones, fax machines, fax-on-demand; we've signed up for e-mail or web TV; we conduct meetings by video conferencing or teleconferencing and virtual office systems. The Internet and technological advances are making it all possible. By the year 2000, experts predict that 40 to 50 percent of all businesses will operate from home."

At times spiritual and at times pragmatic, this book focuses on an industry Yarnell says is the fastest-growing in the world: network marketing.

Surprised? The truth is, network marketing is quickly losing its reputation as an unscrupulous scheme in which gullible victims become entrapped, then go broke and lose all their friends while hawking worthless products from the trunks of their cars.

Today, network marketing is a respectable (and often quite lucrative) profession that attracts people from all walks of life.

Where can serious entrepreneurs who value their own time and worth find the ultimate solution to both in one business? Network marketing is fast becoming the next major profession of the new millennium.

It's also the only profession that allows serious business people to generate residual and mammoth earnings while simultaneously preserving a well-balanced lifestyle utilizing all aspects of the wellness wheel: inspiration/spiritual, nourishment/physical health, mental health, learning/education, community, recreation, loving relationships, and career.

So who are the people making network marketing "the" business of the new millennium? According to "The New Entrepreneurs," they are corporate refugees who have been downsized or are simply burned out from playing the game. They are women who have hit the glass ceiling and men over 40 who have been replaced by someone younger. They are physicians, dentists, teachers, chiropractors, corporate CEOs, and venture capitalists.

"The typical network marketer for the 21st Century is one who is highly driven and can see the big picture," says Yarnell. "These are often people who are successful in their own realm, but not happy with the circumstances of their profession or career. They are drawn by the unlimited, lucrative, financial opportunity, the lifestyle freedom, and the altruistic possibilities to make a real difference in the world with their excess income.

Those who flourish in this industry have a vision far outside the box of traditional thinking and enjoy the respect of their peers allowing them, in turn, to open their own awareness to new possibilities." Could you be a network marketer? If you're unhappy with your current situation, this book urges you to at least think about it. Whether you choose the network marketing path or not, you owe it to yourself and your loved ones to change your life for the better. And, Yarnell asserts, now is the time to take action: "Stop waiting until you finish school, until you lose ten pounds, until you gain ten pounds, until you have kids, until your kids leave the house, until you start work, until you retire, until you get married, until you get divorced, until Friday night, until Sunday morning, until next year.

There is no better time than right now to go for the things in life you really want." –

So give some thought to the idea of duplication and see if you can't find something you are passionate about and make the power of duplication work for you!

Now, with the Internet this has never been easier. "Affiliate marketing" is making many people a very comfortable living and millionaires out of others.

Remember…

You will never "retire" on the money you make – you will only retire comfortably on the money your money MAKES for you!

Or to re phrase that – on the efforts that others make for your benefit!

Secret #18: The UnCanadian Understand The Importance Of Creating More From Less

Earlier we covered off the notion that the wealthy spend less as consumers than the other social classes. They can do this because they have properly educated themselves as to what their dollar really can buy and how to get the most from their resources.

Here's a secret for you: Most of the world's wealthy population started very small and with little capital. However, they are acutely aware of the flow of money.

Every single day, there are trillions of dollars of transactions being made. Regardless of whether the economy is doing well or in a recession. Whether gas prices are up or down, whether you have a job or not…the money flow will always be there.

And regardless of what you do in life money will always flow in or out of your possession. The trick is to have ever increasing amounts flowing in and around you!

Understand that money is just an object that it will either flow inside your pocket, or it will flow outside. In other words, you'll have "More" or "Less". It's as simple as that!

Now, the question is...

"How can we re-channel the partial flow of the money into our possession?"

Money flow is just like a river. It will keep flowing all the time. Regardless, whether you are happy, sad, frustrated, nervous, or whatever your feeling at that moment, the money will keep flowing.

It will never stop. It doesn't have a feeling. It is just an object. It will just keep flowing in or out from you.

You can either stand in the river and keep crying or you can use a spoon to take the water, or you can even use a big barrel to get the water.

Regardless what you are trying to do, the river will still keep flowing.

It will never wait for you. It will never care about your feeling. Again, it will just keep flowing.

Life is all about balance. It's about flow and circulation.

There must be outflow as well as inflow. The act of giving and receiving is similar to the process of blood pumping through your heart. If blood 'was only pumped out of your heart and never pumped in, the heart would soon run out of blood needed, to pump out to your body, and you would die. If blood was only pumped in and never pumped out, the heart would get clogged up, diseased, and eventually burst, once again causing death.

Money always has to be circulated. You can never hoard money. You must either wisely spend it, give it to others, or invest it. All of these things help your money to grow, to come back to you multiplied.

When creating wealth, don't limit yourself by what you think you're capable of creating. Don't limit yourself to how well you did in the past. Don't limit yourself to what you think is true for you today. Because that could change at any second.

Always think BIG! And always be open to new ideas and possibilities' It doesn't matter how much you made last month. That means absolutely nothing. What you can make this month, or next month, or within the next 6 months has no limits.... unless you limit the amount in your mind - based on what was true for you in the past.

Always think "generational wealth!" Don't just focus on creating wealth for yourself and your immediate family. Think of securing financial freedom for your children's children!

When you come from that frame of mind, you will stop limiting yourself. It will almost force you to think big, because you're now thinking of more people, and a greater possibility.

There is no limit to how big you can think. And, there is no ceiling on how much wealth you can create. The only ceiling is the one that we create for ourselves, consciously or sub-consciously.

Find Wealth No Matter What's Going On Around You!

Here's the simple, yet powerful and little-known secret to creating wealth...

Follow The Money!

That's it! That's the million dollar secret. Understand that and you will become wealthy! Guaranteed!

Realize one important fact: no matter what's going on with the economy or the world, people are still spending money. An incredible amount of money is still exchanging hands every single day.

Whether there's a war going on, a flu pandemic scare, hurricanes and tsunamis, or whatever else... one thing stays unchanged...

We are consumers. We consume. We will always consume.

As I touched on earlier, during the great stock market crash of 2000, close to $5 trillion of consumer money was 'wiped out within just 10 months!

Where did all that money go? Unlike what they would want you to believe, it didn't just vanish into thin air.

That money didn't just disappear, it simply exchanged hands. It went into other people's pockets!

Some went to the crooks that lied to the consumers and investors.

And, some went to the savvy investors who learned to follow the money! It went to those who have learned to pay attention, to dig deeper, to not listen to the media, to make money no matter what! (By the way, yes, you can make money even when the stock market goes down).

If you're willing to choose what you pay attention to, versus what is thrown in front of us by the media, you will find that the best wealth-creating opportunities will be handed to you on a silver platter.

How to 'Follow The Money' to Create Wealth Now!

There's a great saying that I heard a long time ago...

“Lunacy is doing the same thing everyday and expecting different results”.

Makes perfect sense, doesn’t it?

If you do the same things you've been doing all your life, you will get the same results you've been getting so far.

In order to create wealth, the kind of wealth that you really want, you will have to make some small but important changes.

While most people are glued to their TV, watching the next hour of bad news, or the latest "reality" show, you can watch for the opportunities and make more money!

All you have to do is, follow the money, start paying attention to where it's going, how it's getting there, and what it's doing.

Here's how...

Spy On Money

Keep your finger on the pulse. Learn how money is trading hands.

Notice where most of it goes. Follow it. Keep a close watch on the masses and what they're spending money on. The moment you lose touch with the consumers and the customers of the world, you cut the flow of wealth.

Learn, read, watch, pay attention.

But be very selective with the news you watch.

Don't let the garbage pollute your brain. Bad news is happening all around us, almost every day. You already know this. Focusing on it every day doesn't help anyone.

The media will throw at you whatever's making them money. They don't care about your brain. So long as they're making money, they'll keep bombarding the world with melodrama and a barrage of bad news.

Break that cycle. Stop watching that stuff. (I told you you'll have to make small but important changes in your life, right? This is one of the most important ones.)

So, yes, watch the news and read up on what's going on around you. But, limit it to financial and economic news. In short, notice what affects the people and the financial impact it has on them and the world.

Your mission is to spy on money.

When you make more money, you improve the lives of everyone around you, including your loved ones, your neighborhood, your country, and even the world!

Now lend a helping hand by allowing more money to circulate and grow!

Now, with the Internet, it has never been easier to find where the money is going and to spy on it.

Through various endeavors and business models the Internet is making many people a very comfortable living and millionaires out of others.

Secret #19: The UnCanadian Understand Their Responsibility To Control Their Own Destiny By Creating Their Own Success

The wealthy clearly understand that circumstances don’t just change themselves. They don’t sit around waiting for life to accommodate to them, or they would be broke. They take action to change their own circumstances for the better and to ensure their own futures.

Sitting back and waiting for something to happen to improve your circumstances is not going to work.

There are no big mysteries involved where it comes to making yourself independently wealthy.

It will absolutely require that you FOCUS and become passionate about what it is that you want.

Is it worth it, and will it pay off?

It absolutely will.

What if you could have anything you wanted simply by using your mind in a certain revolutionary way?

Undoubtedly, Dr. Robert Anthony author of 15 best-selling books, including Beyond Positive Thinking, is the undisputed master of teaching people to manifest their desires and turn them into reality.

The most important thing, he says, is to realize that you've caused whatever outcome you currently have in your life. The fact is that, consciously or unconsciously, you are causing your lack of success.

You are not a victim of circumstances. Simply by becoming aware of the tremendous effect of your thoughts and emotions you can become a creator of your circumstances and have whatever you want in your life. In fact, you can virtually guarantee a successful outcome.

One universal law and principle that Dr. Anthony reveals is: "You attract what you focus on." In other words, what you focus on expands.

So it follows, if you don't have the life that you want, it's due to focusing on the wrong things. Instead of focusing on the problem, you need to focus on the solution—the outcome that you desire.

Unfortunately 95% percent of people focus on what they fear, instead of what they want out of life.

It's kind of like driving down the road and seeing a pothole. If you focus intently on staring at the pothole, intending to miss it, what happens? Of course! You run smack dab into it.

It's the same with life and business. When you focus on your fears, you make them reality.

As Sir Winston Churchill is so often quoted, "The only thing we have to fear is fear itself." This statement hits the nail on the head. It literally is 100 percent true.

Focus on doing exactly what it takes to get the outcome you want.

With that in mind, the key to success is the more you focus on what you wont, the more your desires will manifest themselves in your life.

Dr. Robert Anthony's ideas have been adopted by Federal Express, Mary Kay Cosmetics, Proctor and Gamble, and Fortune 500 companies. He's been featured on ABC, CBS, and NBC television in the USA.

As a result, many living millionaires now attribute their status to Dr. Robert Anthony's teachings...will you be the next?

"Change your mind ... and EVERYTHING changes."

Secret #20: The UnCanadian Have a Clear Vision – They Are Absolutely Clear About Their Goals And Are Relentless and Passionate In Pursuing Them

This is the last secret!

"The reason most people never reach their goals is that they don't define them, learn about them, or even seriously consider them as believable or achievable. Winners can tell you where they are going, what they plan to do along the way, and who will be sharing the adventure with them." --*Denis Waitley*

It will absolutely require that you FOCUS and become passionate about what it is that you want.

The dictionary defines focus as 'concentrated effort or attention on a particular thing'.

You attract what you focus on. In other words, what you focus on expands. So it follows, if you don't have the life that you want, it's due to focusing on the wrong things.

Instead of focusing on the problem, you need to focus on the solution—the outcome that you desire.

It's the same with life and business. When you focus on your fears, you make them reality.

Focus on doing exactly what it takes to get the outcome you want.

"A Formula For Success"

Believe in the Do - not in the Don't,

Believe that you Will - not that you Won't,

More comes with a Yes - than with a No,

The first step in Achieving - is "Thinking" it so.

How POWERFUL is that?!

Never forget it.

Passion inspires people to do great things, to go beyond normal limits and to soar to new heights.

A visionary leader has focus, articulates their vision with clarity so people understand what it is, and with passion so others want to join them.

When Martin Luther King, gave that riveting speech that echoed around the world, and still does today, he did not say, “I have a strategic plan.” He did not say he had a goal, a philosophy or a manifesto.

What did he say?

“I have a dream...”

How do you turn passion into profit? Do what matters to you and has meaning for you and the money will follow.

What’s your dream? Grab hold of it!

It’s yours…You’re worth it…Go for it!

Don’t Miss Out on Your Fortune

If you have read this far – I congratulate you!

Make this year the year you increased your cash flow, made the interest on your mortgage tax deductible, eliminated your debts and began to live your dream life.

I wish all the very best to you now - and in your future endeavors.

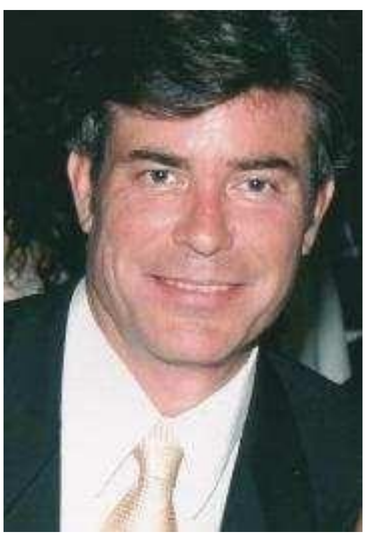
Enjoy the ride and Best of Success!

Cheers!

Mark Huber, CFP

“It's Your Life! Plan For It! Then Live Like You Mean It!"

Who Is Mark Huber?



Mark Huber, retired CFP, Author

Mark Huber is a retired certified financial planner (CFP) with over 28 years of experience in the financial services industry.

Mark’s boutique practice worked with a select group of clients who are all shared a passionate vision for creating true wealth and living their dream lives.

“It’s Your Life! Plan For It! Then Live Like You Mean It!”

Do you have family members, friends or colleagues you'd like to share us with?

It's easy!

Send them to our FB page where they can get our FREE report on **"The Top 10 Myths Of Canadian Home Ownership - Exposed"**

https://www.facebook.com/HowToGetRidOfYourMortgage/