



BEYOND RICE & BEANS

7 SECRETS TO FREE UP CASH TODAY

by Chris Miles

Introduction

“Chris, let me ask you a question. What principles do you teach your clients?”

My friend, Doug patiently waited on the phone for a response from me after we just debated about whether stocks or real estate investing were better. I was positive that investing in stocks and mutual funds was the way to success. Doug had just shocked me with the news that he and his father had increased their monthly income by more than \$7,000 in just 4 or 5 months after he quit as a financial advisor.

As I looked out of my office window that cold, late December day in Utah, I was puzzled by this question.

“What do you mean? Are you talking about things like the Rule of 72 and compound interest?”

“No.”

“Then I don’t know what you mean?”

“Alright Chris. Let me ask you another question. How many of your clients are financially free? Free where they don’t worry about money?”

I reflected on my previous 4 years of experience as a financial advisor. I considered my wealthiest clients, like a 72-yr old retired physician who always asked me whether the apocalypse was about to occur.

“None,” I replied. “They still wonder whether they will have enough money.”

Doug laughed, “Ok. What about this? How many financial advisors do you know that are financially free? Not from the commissions they earn, but from the actual investments they have been recommending.”

My pride was quickly melting away by this point. I considered all of the financial advisors I had encountered. I knew many were making money off of the reoccurring commissions. But I couldn’t think of any that were financially free with the savings vehicles we were selling.

"None. Maybe one. I'm not sure if he really is though."

Doug's voice calmed down and he wisely declared, "There's your problem."

With a feeling of defeat, mingled with curiosity, I asked, "So what's the answer?"

"I'm not going to give you the answer. I don't think you'd believe me anyway."

"C'mon man! I'm listening! Give me something!"

"Fine. If you're really serious about this, and I don't think you are, listen to this radio show on AM630 each morning at 9am, and get the book *Who Took My Money* by Robert Kiyosaki. If you do those things, we'll talk more."

We said our good-byes, and I immediately grabbed my coat to go to the local bookstore. On the drive there, I felt a strong, nagging desire to find the answers to know how Doug created such massive results in such a short period of time.

I purchased the audio book and immediately began listening to it. By the following day, I had finished listening to the entire book that poked holes in mutual funds.

Having been in the industry for several years, but still willing to be honest, I saw the flaws in the traditional way to "financial freedom." I taught people how to "save for the long haul." How they needed to take "high risks to create high returns." And how it "takes money to make money."

However, I noticed that traditional financial advice wasn't cutting it. People were still retiring with less money than they expected. Stock markets were producing less than people believed. Those with no debt still worried about money, and felt they had to work longer to save more.

No one seemed free of their money worries, no matter how much they saved up!

I did as Doug asked and began tuning in to a radio show hosted by two millionaires, both in their 30's. I kept waiting for the "secret sauce" or magic investment that made them millions. Day after day I

listened, but no answer came. I updated Doug that I did everything he asked. He and I began having conversations about how he and his dad leveraged their assets to generate monthly cash flow.

Between our conversations and what I was learning on the radio, I knew I couldn't keep living, and making a living, based on a lie. In March, I resigned at the height of my financial business. I was sick to my stomach! I had spent 4 years of my life teaching lies that everyone has accepted as truth. I was a deceiver and I didn't even know it!

Over the next few months, I received counsel from those that were getting real financial results that experienced financial freedom like I had never seen before. When they asked me to do something, I would do it immediately. I craved to know what they knew. I had to know how they did it.

As I stopped focusing on saving money, and began focusing on generating income by creating value for others, I was able to retire by July with only \$2,000 in my checking account!

I had more than enough income streams coming in, while working 3-4 hours a week!

It happened so much more quickly and easily than I had expected. I was amazed at the simplicity of it all. I didn't have to save millions to live off the interest. I only had to figure out how to be a wise steward with the resources I had. As I controlled my costs and focused on generating streams of income, I found myself financially free!

What would your life look like if you were no longer living paycheck to paycheck?

Do you ever feel like there is too much month at the end of your money?

Would it be worthwhile if you could **free up money now** and not have to live cheap (aka live on rice & beans), using resources that are already at your disposal that you just don't see?

In my opinion, financial freedom IS NOT saving up enough money to live off of the interest for the rest of your life.

Financial freedom means having options, or choices, to do what you want, when you want, regardless of money.

There's no dollar amount saved that makes you free. It's about always having money there when you need it. This is why I believe having more cash flow in your life is key to freedom. If you knew that you always had enough money, would you be afraid?

Cash flow is the difference between your income and expenses. If you make \$5,000 per month and spend \$4,000, you have a profit of \$1,000 per month. If the opposite is true where you earn \$4,000 per month but spend \$5,000, you are losing, or in the hole, \$1,000 per month.

Obviously, which one feels drastically different than the other? Was it having \$1 Million in the bank that makes you feel better or KNOWING you have more than enough to meet your needs and desires? From my experience working with hundreds of entrepreneurs, many of whom have a lot of money set aside, it's not how much is in savings, but knowing you have more coming in every month than is going out.

Cash flow creates life!

Just like water flowing through a rainforest, or blood flowing through your body, it brings life wherever it flows. Once it stops flowing, things begin to die. The same is true with your money. You need it to flow in, and flow in abundantly, to have a fighting chance in our world today. Once money stops flowing in, your financial life and freedom withers away.

As an entrepreneur, cash flow is king. Without it, the business dies. On the other hand, when you have a lot more coming in than going out, you not only have a thriving business, but also the value of your company increases as well. Investors are more likely to look at your business and say, "I want a piece of that too! How much do you want?"

In fact, of more than 600 entrepreneurs that I have personally helped to date, the average one has found an extra \$33,000 per year! They can now use that money in their business, breathe easier, and enjoy

more time and freedom with their families doing what they love!

Ask yourself this question, would an investor want to invest into your family's "business?" Would they look at you and say, "This looks like a great investment!" Or would they say, "Yikes! They look like a money pit! They don't even know how much money is coming in or going out. In fact, they just spend whatever's there and are caught up in a rat race."

Finding your money leaks, and stopping those leaks, is essential to having real financial freedom and wellness. The good news – you don't have to be a millionaire or be a financial genius to have the money and freedom to do what you want. It's all about having more cash flow.

As an example, I was 28 years old when I was able to retire after being broke only a year and a half prior. Why? Because I found ways to have a lot more income than expenses. I found ways to produce income streams that paid for my family's expenses. ***What was so neat about that is I kept working because I wanted to, NOT because I needed to.***

What would your life look like if you only worked because you loved it, not because you needed a paycheck?

How would it feel if you knew you could take time off from your career or business because you had everything in order to live comfortably?

Just remember! It's not about how much money you make. It's about how much you keep...and then make on top of that, that allows you to be free.

Real Life Lessons

In 2006, I was able to retire when I was 28 years old because I had income streams coming in that exceeded the money I needed to live on each month. It was so foreign to me that I worked only a few hours a week and had more than enough to provide for my family.

Prior to this, I told myself, "Chris, all you need to do is work your tail off, put off spending much time with the family for the next decade or so, save about \$2 million, then you can retire by the age of 40 and enjoy your life."

However, when I learned to look at money more abundantly, delegate, and focus on providing value to everyone I came in contact with, money came easily and naturally with less effort.

I did it! I no longer had to work like before. I had all the time in the world to enjoy my life, my family, and start ballroom dancing again. (Yes, I was one of the nation's top amateur ballroom dancers...when I was 40 pounds younger) This especially helped as our 2nd of 5 children was born. I could support my wife in raising our family.

However, I realized pretty quickly that I was getting restless. I needed deeper purpose in my life, and I felt like I lost my purpose when I was only taking care of my family's needs.

I began teaching from my home office the same principles (some which are mentioned in this book) that helped me see money in a whole new, abundant, and positive way. However, I still felt like I could do more. I didn't want a "4-hour work week" kind of lifestyle! I believe I was put on this planet to do a whole lot more.

My wife and I began looking at places where we could start a dinner & dance business. But again, something didn't quite feel right. On one property, we stopped just short of signing the documents to purchase a building we would need to renovate. I felt like there was another path for me.

In December 2006, I was asked to come help start the company, Freedom FastTrack, founded by Garrett Gunderson, best selling author of the book "Killing Sacred Cows." Finally! I found something that gave me purpose doing the same exact things I was doing from home for free! I notified my wife that I'm coming out of retirement and working

from an office once again. I began my journey to “give back” and bless more lives.

However, have you ever noticed that when you commit to something big, something worthwhile, life finds a way to test your commitment?

That’s what happened to me at the end of 2007.

At that time, real estate was beginning to get hit hard, and I felt it with my own properties. Unfortunately, everyone I was working with also invested in real estate and could no longer afford to pay me. This began the discouraging, downward spiral of my finances.

In 2006, I had purchased a new, \$740,000 home, a new \$65,000 Mercedes, and everything you would imagine comes with a more affluent lifestyle. Although I had savings, I put every last dime to paying down my mortgage. After all, during those times, if you ever needed money, just go to the bank and ask for a line of credit, right?

You guessed it – I was wrong! My property lost its value and any savings I put into my home vanished. Furthermore, I began to track my money in my business and my home more seriously. It was at that moment in the fall of 2007 that I discovered the harsh reality.

My income was about \$5,000 that month, but my expenses were \$21,000!

Can you imagine that? I knew I was leaking some money, but I didn’t realize it could be this bad! I knew I had to get my expenses under control and my income had to rise to dig myself out of this pit.

It wasn’t long before I was in debt by nearly \$1 Million because I couldn’t stop it overnight, nor did I see the signs quickly enough. Every morning, I woke up optimistic, determined, but still uncertain, about how I was going to stop it. I knew I could do it, but I didn’t know how.

Have you ever been in a situation where you didn’t know how to solve the problem, but you knew there had to be an answer?

That’s how I felt for almost 2 frustrating years. I gradually got my expenses under control, sold off nearly everything I owned, including my Mercedes. In the Spring of 2008, I drove it to the dealership, telling them to take it back since I wouldn’t be able to make the

\$1,159 per month payments. They auctioned it off and sent me a bill for the \$30,000 difference. I didn't enjoy that very much.

We tried selling our home, but the bank wouldn't accept any of the short sale offers. At the end of April 2009, right as we were starting to get some traction financially, we heard a knock on our door. The gentleman at the door said, "I just bought your home at the county auction a half hour ago. I bought it for my sister to move in immediately. How quickly can you get out?"

I replied breathlessly, "It might take a little while. My wife is about to have our 4th child in the next week or so."

He obviously wasn't happy with that reply, but I agreed to pay him \$2,000 to rent the home two more weeks. We had our son, found a place to rent, and moved out when he was only 9 days old. I remember having to pack up with only a few family and friends, while my wife cried throughout the entire day about losing our dream home and having to start over. Post partum and moving out of your dream home is not a good combination!

I would say to myself, "I'm a hypocrite! How can I teach others to be financially free when my financial life is in ruins?"

The answer came about the same time that we moved out of the house. In my mind I could plainly hear, "Teach them what you've learned from your experience. You know how to get creative finding money in ways no one else can. That's your gift to give to the world."

What I'm about to share with you is exactly what I learned that not only allowed me to retire early, but also helped me pay off over \$900,000 of debt in 4 years and have a thriving, profitable business.

Unfortunately, financial planners have not been teaching this. I know, I was a financial advisor for 4 years and the companies we worked for never taught us how to have more money *TODAY*. Instead, they would teach us to convince you to just believe the secret to success is accumulating a large nest egg over several decades where you can *eventually... hopefully*, live off the interest.

Have you ever done the math on this? Most planners are starting to be more realistic and teach that you shouldn't pull out more than 2-3% of your money each year to live on because of people living longer with

rising inflation rates.

What that means is if you save up \$1 Million, you would only be able to take out \$20,000 - \$30,000 per year! You'd be a millionaire living below poverty levels! Is that what you really want? Is it possible that this is why decades of advice have not worked? Now, more and more retirees are in poverty living off of Social Security, not savings!

To put that into further perspective, to have \$1 Million, you would need to save over \$1000/month for the next 30 years assuming you earn an average of 7% per year and your taxes stay low! Is that really exciting to you?

Instead of buying savings plans from salesmen in suits who make more money from commissions than they ever make from the products they sell you, take back control of your own life by freeing up cash NOW that benefits you today AND in the future too! It doesn't take a financial genius to figure out that finding an extra \$500 - \$1,000 each month, and even hiding it under your mattress, will probably do better than anything a financial advisor can promise you. Especially when they have you sacrifice by taking away your kids' lunch money, birthday party budgets, and vacations (or anything else priceless to your family) so you can have a few thousand dollars down the road. And that if they even let you touch it!

Imagine this - What would you rather have? Taking money away from your family or business today and hope that you can squander enough for tomorrow?

Or... have more money today that can be used to enrich your life right now, as well as in retirement?

Do you see what I mean?

Cash flow provides more options, and more options create financial freedom!

Let's get started!

Secrets to Free Up Cash Today

Below for some simple tips that can forever change your financial situation starting today! Remember, it's not enough to simply read this. ***To see real results, you've got to take action too.***

Secret #1 - Track It!

One of the biggest reasons that many people lose money each month is because they aren't tracking how much is coming in and how much is going out. This is often due to fear of reality or simple laziness. Trust me, I was doing the same thing. Remember, ***I was in the hole nearly \$15,000/month, partly due to not tracking my own money!***

You've got to start with a starting point before you can get directions to your destination. Otherwise, you are lost. You'll feel just as broke making more money as you did when you were making less.

On one occasion, we had a coaching member that took weeks before she finally decided to track her income and expenses only to free up almost ***\$5,000 each month*** from eating out! This money came back to her because she began tracking her money. Can you believe that?!! She was letting money slip right thru her fingers because she didn't want to know what was really happening. She preferred to turn a blind eye as she ignored the wealth vanishing out of her life.

How many of us can relate to that? How often do we *think* we know where every dollar is going because we check our checking balances or keep some sort of tally in our head? I can assure you that this is one of the biggest reasons that most people have a hard time living within their means.

I had a dentist I worked with that found another ***\$16,000 a month*** in his practice by simply tracking his money and determining which expenses were helping him grow his business

An important law to understand is called Parkinson's Law. This law states that your expenses rise to meet your income. In other words, whenever you increase your income or free up money, within a few

months, you'll wonder where that extra money went. Have you ever experienced that before?

Remember! The opposite is also true. Whatever you ignore leaves you! If you were to ignore your health, it'll leave you. If you ignore your spouse or partner, he or she will leave you. And if you ignore your money, IT WILL LEAVE YOU TOO!

Tracking your money keeps your money working for you rather than slacking off and robbing you.

If you don't use the proper discipline, you will usually lose money you never even knew you had. Ignorance about our money is like that silent thief in the night that regularly breaks into our homes and takes whatever he wants. Unfortunately, due to our negligence, we keep leaving the key outside with a note on it saying, "Come on in!"

Ignorance is not bliss when it comes to your money; it's expensive!

A great tool to use for your personal finances is www.mint.com. Not only is it a free resource, but it also helps you track your money without any messy papers, check registers, or using a lot of your time. I only need about 5 minutes to update my numbers each week! Imagine if you could be financially fit just like being physically fit by only investing 5 minutes a week! Wouldn't that be amazing?

For your business, I recommend you use programs like Quickbooks or Quicken where they make tracking your money much easier than spending hours or even days doing it before tax time.

I have a client that is saving herself 2 hours a week using these tools, instead of her old methods. Money can always come back. But time can't. Using tools like these can save you time and money.

Only by facing the truth about your finances can you be set on your path toward financial freedom!

Secret #2 - Earn More!

You can only reduce expenses so far. One option that has *limitless potential* is find ways to increase your income by increasing ways to providing value for others. As a result of your efforts, you would receive money in return. The beautiful part of this is that it does not need to require more time from you. It requires more creativity around how you are able to give others what they want so that you can get what you want. In fact, it doesn't even require more money to make more money right now!

For example, one of my coaching members, Bryon, like many of you, was frustrated as an independent contractor. A few years ago, he was only making \$15/hour for the company he was contracted with (Most of us could not survive on that little of money)!

However, I asked him to go to his manager and ask, "What value can I create for you and this company that would merit me a raise?" The manager gave him a list of a few things to do. Subsequently, Bryon did everything he asked and the manager said, "A deal is a deal, but don't expect any more raises." However, a few months later, his manager said while passing by his office, "I'm giving you another raise." A few months after that, Bryon was promoted to assistant film editor!

But wait! It gets better!

After 10 months, Bryon was having an annual review when the manager offered him a raise for the work he did. The raise was \$1.15/hour more. Bryon replied, "No! I've worked overtime, saved the company thousands of dollars with the projects I've over-delivered on, and a number of other things to make me a great asset to this company. I deserve more than that!"

The manager then asked, "What raise do you feel you deserve?"

Bryon confidently stated, "At least \$5.00/hour more."

His manager couldn't argue with the facts, and said, "Alright, Bryon, I'll give you the \$5/hour raise AND the extra \$1.15/hour more too."

To add more fuel to the fire, they gave everyone, including Bryon,

about a dollar an hour raise to replace the vacation and sick time they used to offer. As a result, Bryon's income increased from \$15/hour to \$27.13/hour within a year and a half!

Imagine how it would feel and what your life would look like if your income increased by 80.8% in the next year and a half! What would you start doing that you're not doing already? What excuses would you stop saying to your family because "you can't afford it?" What would their faces look like when you told them "the surprise?"

This especially works if you are a business owner. Not only has it worked for us, but many of our coaching members have made hundreds, or thousands, of extra dollars each month by increasing their fees/prices, while ensuring that they are adding more value (without using more of their personal time) to their patients, clients, or customers.

The beautiful thing about producing more is that although it might require some extra focus and creativity, it doesn't mean you have to work longer hours or spend more money. It requires you to create more value. Because –

Dollars follow the value that you create for others!

Understanding this principle alone is what allowed me to retire with little to no money in savings. The more I looked for the "win-win" in my relationships, the more money I made.

Most of the time, entrepreneurs (and even employees) don't consider ways to justify more money by delivering more value. As you are looking to deliver more value, ask for compensation in return. Too often, we, especially as entrepreneurs, don't ask for more compensation because we would do what we love regardless of the money. However, if you don't ask, very few will ever pay you more. However, you may be surprised to find out that when you raise your prices, especially if it's been a few years, people are willing to pay for it.

Key Point – If you haven't raised your prices in the last few years, you need to do so today!

And serving others requires human capital, not financial capital. Look

for more ways to serve others and solve problems for them that they need solved, and I can *guarantee* you will make more money, increase your cash flow, and therefore, increase your quality of life, confidence, and financial freedom!

Secret #3 – Save on Taxes!

Although I support paying taxes, I believe you should only pay what is required. Ignorance is often one of the costliest problems in taxes too. If you keep getting a tax return each year, you are overpaying every paycheck. For example, *if you get back a return of \$6000, you overpaid, on average **\$500/month!!!***

Many people believe their accountant is doing a great job for them. I can attest that this is false about 95% of the time. One of our coaching members from California, Grace, told us that she thought her accountant was the best since he worked with some very famous people in Hollywood. What she didn't realize is that although he was a good accountant, he wasn't a great one. She was able to legitimately **free up TENS OF THOUSANDS of dollars each year** by using our accountant instead because he paid more attention to the details.

Another chiropractic client of mine only had 3 things to change with his taxes. That totaled to be at least \$9,950 EACH YEAR! Consider how something so small as 3 details will make nearly **a \$100,000 difference over the next 10 years!!!**

Many people might say, "Don't sweat the small stuff." However, it's the small stuff that makes the difference between someone enjoying time with their loved ones and doing what they love, or wasting time with irate shoppers at Wal-Mart!

- **Bonus Tip for W-2 employees - Turn your hobby or part-time work into a business.** By setting up the *right* corporation(s), you could save even more on taxes than you are right now! There are many expenses that you are already paying for that can be written off if you own a business! Things such as auto expenses, utilities, Internet, phone, insurance, mortgage payments, etc. For example, when I started my business several years ago, even though I earned twice the money as the previous year, I paid HALF the taxes. Amazing, isn't it?

If you already have a business, you may consider getting a 2nd opinion on your tax structuring. Too often, I see business owners that *think* they have the right company structure, but in reality, it costs them thousands in extra tax dollars each year. With the clients I have worked with, *about 96%* are missing ways to lessen their tax burden.

What I find interesting is most of these business owners believed they were getting all of the tax benefits they could! Many even had the right corporation in place but weren't *maximizing* their tax benefits! All too often, "passive" accountants don't teach you where to look for your tax leaks. They usually just take your numbers and do your taxes. That's it!

Be sure to hire an accountant who's got your back that will teach you how you can write off your vacations, your properties, hiring your kids, or even writing off your home!

Secret #4 – Refinance!

Put your credit to good use. By merely refinancing or consolidating your loans, *you could free up money each month without spending a dime!*

To have better peace of mind, get the smallest minimum payment possible, *and then* you can choose whether you want to keep making the old payment to pay it down faster or pay the minimums so you can put your money to better use.

Some people will worry that refinancing just adds more time to paying it off. This can definitely be true, and is not a good idea if you're only going to blow the money you free up. However, most people I work with are natural savers, and also worry how they can get their money working for them. At the same time, we never know if one of us may end up in a situation where our income decreases due to layoffs, life changes, the economy, etc.

Wouldn't it be comforting to know that you had plenty of savings to weather that storm with lower monthly payments on your loans than it would be if you had high payments and no savings?

Remember – More cash flow creates more options. If you're stuck with high loan payments, even if they're almost paid off, you could lose your peace of mind, good credit scores, and the assets you worked so hard to get in the first place.

One of our good friends, Tony, was able to *free up over \$2,700 per month* by simply refinancing his loans and leases. As a result, he was able to pay off his debt faster and start taking time off with his family more often. Which do you think was more valuable to him – the money or the time he was able to spend with his greatest assets? Isn't it nice to know that you could have both?

Another client of ours, Jeff & Debbie, are in their 50's and were

worried if they'll be able to save enough money for retirement. **By consolidating their loans, they have another \$2,000 per month that they can put towards savings AND STILL HAVE THEIR DEBT PAID OFF BY RETIREMENT!!! Jeff was also able to quit working in his job and has now started his new business just because they were able to free up cash and use it more productively!**

And that's the beauty of it! You CAN have your cake and eat it too. Just be sure to not pig out on the cake.

Secret #5 – Stop Retirement Contributions!

Some people feel they have to put money away into retirement accounts for "someday", but ignore how they can have a great rate of return that could *free up hundreds of dollars* each month! Have you ever noticed that some people will insist on putting money into a retirement account that may lose money, but not pay off a 13% credit card that would immediately give them more cash to put in their retirement accounts each month anyway? What makes sense to you? On top of that, what if you could earn a better return than where your money is sitting right now?

To give you an example, I had one particular business owner, 62 years old, in the Midwest that I worked with where he wasn't even paying all of his bills. He was relying on credit cards during those lean months. He had no idea how he was going to avoid having to work until he was 80. Even though he loved what he did, regardless of the money, he didn't want to feel trapped *WORKING BECAUSE HE HAD TO*.

Once again, the lack of cash flow was destroying his freedom by limiting his options.

One thing he was ignoring was his IRA. In his IRA, he had \$500,000. ***By refinancing and only using \$100,000 of that money, he was able to free up \$50,000 per year!!!***

Ironically, he was worried that he was going to have nothing left in retirement. Crazy, huh? It took his wife and I several minutes to help him see that he would still have a lot of money in his IRA, but now he would have his bad debt paid off, and a surplus of cash flow every month to replenish that money quickly. How long would it take him to make up that money? Only 2 years! On top of that, because he was able to relax at work, he began earning an extra \$1,000-\$2,000 a month!

Retirement contributions aren't a bad thing, but should be lower on the priority list than paying off your loans and building an emergency savings account.

The key here is that your money needs to be used in a way that gives you the biggest rate of return or "bang for your buck." For some of you, paying off loans, credit cards, etc. make the most sense. For

others, investing that money into your own business can pay much bigger dividends than you would have otherwise.

For example, when I was a financial advisor in the early 2000's, I built up enough courage to approach my brother-in-law about investing money with me. He came from a very affluent family in Utah so I made sure I did my best to impress him.

I arrived in my best suit, brought the sharpest guy from my office to back me up, and spent a lot of time on my presentation. When I was done presenting, he asked me a question that I'll never forget.

He inquired, "Chris, so let me get this straight. If I were to give you \$10,000 to play with, you're telling me you *might* be able to make me 12% in a year, or \$1,200, correct?"

I replied confidently, "That correct!" I loved how this conversation was going.

He further remarked, "Now, if I were to take \$10,000, put a down payment on purchasing a semi-truck for my business that I would turn around and sell to a customer for \$10,000 more than what I paid for it, I would make \$20,000 in just a few months."

At this point, my confidence began waning. He continued by asking the question ALL business owners should ask a financial advisor.

"So, Chris, why would I invest my money with you?"

I stumbled for a second or two but came up with my quick, brainwashed answer from the financial planning industry, where I said,

"Well, you should be diversified."

My brother-in-law did the best thing he could have done for me. He DIDN'T invest with me.

The reality is many of you are costing yourselves hundreds of thousands of dollars because you look to invest in places that you can't control rather than investing in places where you can make a lot more money than a financial planner.

Where you invest depends more on who you are and where you can get the best return in your situation.

Secret #6 – Pay Minimums on Loans!

Certain people will try to pay a little extra to each loan every month. *This is likely costing them THOUSANDS of dollars!* Instead, pay all those extra payments to one loan at a time. Just as it is easier to put out a fire with a fire hose than using a garden sprinkler, it's easier to pay off your debt quickly and safely by focusing on one loan at a time.

Warning - Don't *always* pay the highest interest rate first. You could lose thousands of dollars in interest by buying into that myth.

So which one do you pay off first?

As a rule of thumb, focus on the loan that has the highest minimum monthly payment with the lowest balance ratio. I call this ratio "Cash Flow Index." You want your dollars giving you the "biggest bang for your buck." If you always focus on the interest rate, you could be passing on an opportunity to free up more money that could be used to pay off your other debts faster, but still have the peace of mind in case income decreases or unexpected expenses arise.

Some will want to disagree and say that we should focus on the highest interest rate. Although that's not a bad strategy, I've noticed that some people get themselves into trouble that way. They will put all of their extra money paying down loans or credit cards. Furthermore, they'll refinance their home to be paid off in 10-15 years at a slightly lower interest rate. However, when something unexpected happens in their business or personal life, there's no way to get to the cash, they are committed to higher payments, and can no longer meet their obligations. Many will go bankrupt, even though the calculator told them it would be wise to do.

What if you instead had lower monthly payments by having longer-term loans, kept a large cash reserve, and focused on paying down one loan at a time that required the highest monthly payment for the lowest balance?

For instance, let's imagine I had a \$10,000 credit card that required me to pay \$200 per month, and a \$10,000 car loan that required me to pay \$500 per month. If I only had \$10,000, I'm going to pay off the

car loan.

Why?

Because it frees up the most cash per month. If money got tight, I would rather be committed to pay that \$200 per month on the credit card than being required to pay the \$500 per month on the car. Interest rates don't matter as much in that situation. It feels much better having the option to either pay that extra \$500 per month to the credit card or elsewhere in case we need the money.

Remember that ***cash flow creates freedom***. More money back in your control means you can have more money to pay off the loans in the right way.

Secret #7 – Sell Assets!

Do you ever feel the need to simplify your life? Is your spouse bugging you to clean out your garage? Here's your opportunity to make your spouse VERY happy, and your life much simpler.

If you aren't using your stuff, sell it or give it away!

Financial freedom is best attained when you are being responsible and a wise steward of your resources. **If you're not going to use it, lose it!**

Don't have a gym membership only to show off the key chain. Don't keep certain tools or furniture because you "might use it someday." Put your extra stuff to use by getting rid of it! It's not doing you any good cluttering up your space. You might even be renting a storage shed for nearly \$100 a month for no reason at all! Even if you don't sell it, you can often donate it to goodwill and get a tax write-off. That's something at least.

My wife and I cleaned out our garage the year we moved into our new home. **We made about \$2,000 that year AND I could park my car!**

I had another client who had about \$45,000 of credit card debt. He had several rental properties that were paying him rent each month. However, one property had about \$70,000 of equity and only net cash flowed about \$100 per month. The credit cards were \$1,090 per month. What would common sense tell you here? Keep the property and keep drowning in credit card interest and payments? Or, sell off the property, pay off the credit cards, relieve stress between him and his wife, and keep an extra \$990 per month?

You bet! Me too!

I had another client with a cabin he only used two weeks out of the year. Between mortgage and maintenance costs, he was paying over \$15,000 a year. I suggested he sell the property, get the \$60,000 of equity out of it, and rent a cabin for those 2 weeks. That will save him about \$12,000 a year!

Conclusion

Naturally, there are a lot more ways to free up cash than I mentioned here. At last count, there were roughly 24 different ways that I've seen my clients, and myself, leak money. That's a ton! Remember the wise words of Benjamin Franklin, "A small leak will sink a great ship." My purpose here is to ensure that you stay afloat month after month and year after year.

We all leak money somehow, whether it's from unnecessary expenses or untapped income. However, I would rather give you a few simple ideas for you to use to actually see results. In my experience, when I give you too much to work on, you feel overwhelmed. As a result, you do nothing. I want you to see real, tangible results!

As I once heard a Shaolin monk declare about the martial arts...

"I do not fear the man who has practiced 10,000 moves once. I fear the man who has practiced one move 10,000 times."

In order to master something, it takes practicing the right disciplines repeatedly. To master your money, it requires disciplining yourself to take control of your money and increase your cash flow so you can have financial freedom in a way you never have experienced before.

More cash flow = more options! And more options = financial freedom!

Therefore....

Cash flow = Financial Freedom!