

Financial Success Strategies -- Getting Rich in Turbulent Times

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We are going through an unusual and sometimes scary time in the financial world, both in the U.S. and worldwide.

We have been here before. Approximately every 10 years, there is a financial reversal. In 1907 there was a financial panic during which J.P. Morgan personally wrote a 500 million dollar check to bail out the U.S. Government.

In response to concerns, he said that "The market will fluctuate."

To become a top economist, all you have to do is predict growth in America. You will be right, 80% of the time.

Recessions last 6 - 16 months. The free market readjusts the value/prices of homes and stocks, like a store that has a clearance sale, and business gets back to normal at the new, more realistic prices.

The subprime mortgage meltdown was triggered by government regulations that forced banks to make "Ninja Loans", to people with "no income, no jobs, no assets, and no credit rating, for nothing down."

The current situation is a result of this government regulation from Washington.

The four most profound words, always true, under all circumstances, throughout history, are "this too, shall pass."

Kenneth Fisher, the billionaire investment expert asks, "How do you make money in the stock market?"

Answer: "Buy when stocks are low, sell when they are high."

But what do most people do? The opposite. They buy when stocks are high and sell when they are low. It is the same in real estate, especially today with so many foreclosed homes for sale.

The starting point of dealing with any financial turbulence is to stay calm.

1. Get the facts - asked questions - don't overreact.
2. Think on paper - do an exact analysis of your current situation:

- a) How much do you have? How much are you worth today?
- b) How much do you earn? Monthly? Annually?
- c) How much do you owe? Overall? Monthly?
- d) How much are your monthly expenses? How much does it cost you to live if you had no income at all?
- e) Where can you start to cut back, save money immediately?
- f) Whatever steps you would take under the worst possible conditions, take them now.

3. Make a written financial plan to get your finances under control.

4. Resolve to get out of debt, and stay out of debt.

5 Make a decision to become pro-active, to become financially independent in the years ahead.

Here is the good news: With 5% of the world's population, and 5% of the world's landmass, the United States produces 30% of the world's gross national product and contains 50% of the world's wealth.

The United States has created more millionaires, multi-millionaires, billionaires and multi-billionaires in the last few decades than all the rest of the world put together, throughout history.

In 1900, there were 5,000 millionaires in the United States, most of them self-made. By the year 2000, there were 5,000,000 millionaires in the United States, an increase of one thousand times! In 2004, the number of millionaires in the US jumped by more than 2,000,000, an increase of 33%, the largest expansion of personal wealth in the history of man on earth. And if anything, even more millionaires are going to be created in the years ahead.

The United States today has a \$13 trillion economy that is growing by approximately 500 billion dollars per year. The average income in the US of \$42,000 per year is the highest in the world and continues to grow at 3% - 5% per annum.

According to the OECD of Paris, the United States is the "Most entrepreneurial country in the world." More than 2,000,000 new businesses are formed each year in the US.

More people are making more money in more different ways than ever before. More people will become financially independent, if not self-made millionaires, in the next few years than in the last 200 years.

Your goal should be to become one of them. In this Teleseminar, you will learn some of the most important of all principles of wealth creation.

My Own Story

I came from a poor family that struggled with money all my young life. I didn't graduate from high school. After I left high school, I worked at laboring jobs for several years, washing dishes, stacking lumber, carrying construction materials on building sites, digging wells, working on the production line in factories, working on farms and ranches, and even working as a galley boy on a freighter in the North Atlantic.

In my early twenties, I began asking, "Why is it that some people are more successful than others?"

Perhaps the biggest breakthrough for me was the discovery of the "Self-Concept." I learned that you always perform on the outside based on the way you think about yourself on the inside. As you change your self-concept, your idea of yourself, your external performance and results change as well.

In short, "You become what you think about, most of the time."

What do self-made millionaires think about? Many thousands of self-made millionaires have been studied and interviewed. Most self-made millionaires seem to have certain qualities in common:

1. They think long-term. They make efforts and sacrifices in the present in order to achieve financial independence 10 and 20 years in the future.
2. They practice frugality, frugality, frugality in their financial lives during their prime earning years so that they can achieve financial independence as early as possible.
3. They develop the habit of enjoying the process of saving and accumulating rather than spending everything they make as they go along.

The key measure of how well you are doing is your "Survival Rate." This is the number of months and years that you could support your current lifestyle if you never worked again. Your goal should be to get your survival rate up to 20 years.

Determine how much you need to live on each month and multiple that amount by 240 (20 years times 12 months). This then becomes your financial goal throughout your lifetime.

The Key to Wealth Creation

The “Secret” of wealth creation has been the same throughout history: “Add value!”

The fact is that everyone works on commission. Everyone is rewarded by receiving a percent of the value that they create with their work. The greater results that you get, the more value that you add, the greater will be your “Commission.”

Most people start with nothing at the beginning of their careers. Virtually all wealth in America is first generation.

Almost all wealth begins with the sale of personal services, with “Sweat Equity.” To achieve financial success, you must be continually seeking ways to add value to whatever it is you are doing.

- Always put in more than you take out.
- Always do more than you are paid for.
- Always go the extra mile. (There are never any traffic jams on the extra mile).

How to Add Value

1. Make a list of everything you do over the course of a week or month at your job.
2. Review this list and ask yourself, “If I could only do one thing all day long, which one activity would contribute the greatest value to my business or my career?”
3. Once you have identified the one activity that contributes the most value, ask the question again, “If I could only do *two* things all day long, what would be the second item?”
4. Once you have determined your top two tasks, ask the question again, “If I could only do *three* things all day long, what would be the third?”

5. In almost every case, your three key activities contribute 90% or more of all the value you bring to your work. The key to success is for you to spend more and more time on those top three tasks, and dedicate yourself to getting better and better at each of them.

80% of Millionaires

1. 80% of self-made millionaires own their own businesses.
2. Fully 90% of businesses started by people with business experience eventually succeed.
3. Fully 90% of businesses started with no business experience ultimately fail, at least in the short-run.

Resolve to start your own business today, even if it is only a "Sole Proprietorship."

4. Remember, "If you build it, they will come." When you start your own business, you will create a force field of energy that will attract into your life opportunities to activate this business.
5. You can form a sole proprietorship simply by naming it after yourself. If you name it after yourself, you do not even have to register the name to protect it. You do not need permission from anyone to start a sole proprietorship.
6. If you want to start an "S" Corporation, you can usually do this on the Internet at low cost. The advantage of a sole proprietorship or an S Corporation is that everything you invest initially can be deducted against your current income as a legitimate business deduction in the current tax year.
7. The IRS allows as much as \$5,000 in deductions for a person who owns his/her own business. Expenses that you normally pay for with after-tax dollars can be deducted as business expenses.
8. See yourself as the President of your own personal services corporation from now on.

Start Your Own Business

1. The key to starting a business is simple: you simply find, create, acquire or offer a product or service at a price that allows you to make a profit.
2. All business, sales and money making skills are learnable. No one starts off with any of these skills.
3. Once you learn a business or sales skill, you can do it over and over again.
4. Each time you use a business or money making skill, you get better and better at it. You make fewer mistakes and therefore get better results.
5. The key qualities required to start and build your own business are courage and skill. The rule is to do the things you fear and the courage comes afterward. You perform in the skill area where you are weak, and the skill and expertise will come afterward.
6. The key to success in business is for you to think through what you sell and who you sell it to:
 - 1) Who is your customer?
 - 2) Why does he/she buy your product? Why does he/she buy it from you?
 - 3) What specific benefits does your customer seek in buying your product or service? Is it clear that your customer will receive these benefits?
 - 4) How does your product or service improve your customer's life or work?
 - 5) Why doesn't your customer buy from you? What holds him/her back?
 - 6) Who are your competitors? Why does your customer buy from your competitor rather than from you?
 - 7) What is your Unique Selling Proposition? Your competitive advantage? Your area of excellence? Your area of superiority? These are the keys to business success.
7. Dedicate 80% of your time and effort to selling, to new customer acquisition. Businesses succeed because of "High Sales."

8. Start small, test each step carefully, grow slowly.
9. Keep accurate records of all transactions. Know where your money comes from and where it goes.
10. Always concentrate on “Net Profits,” not gross sales volume.
11. Always focus on positive cash flow – the life blood of your business.

Rule for success: “Don’t lose money.”

Stock Market Investing

1. Self-made millionaires do not make their money in the stock market.
2. 80% of stock market experts, with many years of experience, are unable to beat the stock market averages over time.
3. Self-made millionaires store money in the stock market temporarily, usually in safe, stable, value stocks. They spend an average of six minutes per day checking on their investments.
4. Warren Buffet recently wrote, sitting on \$27 billion dollars in assets, that “There is nothing worth buying in the stock market today.”
5. Trading stocks does not “add value.” The only way that you can acquire and achieve great wealth is by adding value in some way.
6. If you are going to invest in the stock market, the best of all investments is an “Index Fund.” These track the stock market, out perform almost all mutual funds, and have the lowest cost of acquisition and sales.

Real Estate Investing

1. The ownership of income-producing real estate is a major source of wealth in America.
2. It is possible to buy real estate with no money down, but you require a “motivated buyer,” someone who is anxious to sell and who has no idea what his property is worth.
3. Real estate experts on the subject of “No Money Down Investing” will tell you that you must look at 100 properties before you can find 10 on which

you can make an offer. Of the 10, you maybe able to purchase one property. It therefore requires several weeks and even months of hard work to find a home that you can buy for “no money down.”

4. Even if you can buy a home with no money down, you still have to pay bank fees, mortgage fees, points, closing fees, legal fees, title fees, and a variety of other hidden expenses. Once you own a house for “no money down” you have to pay all the upfront cash costs of upgrading, renovating, landscaping, repairs, and advertising to find a tenant. If you don’t find a tenant immediately, you must pay the monthly operating and mortgage costs out of your own pocket until you do.
5. One of the best methods to start in real estate is called “Buy-em-fix-em.” This consists of finding a home that is run down, buying the home at a below market price, moving in or fixing up the house on your evenings and weekends, and then either renting it out or selling it and making a profit.
6. The first time you buy and fix a house will take several months, even a year. The second time you do this it will take less time. After two or three years of experience, you can be buying, fixing up, repairing and reselling four to six homes per year, making a profit each time, at little or no risk.
7. You add value to real estate by making it more attractive so that you can rent the property at a higher price, thereby increasing its market value.
8. The key to success in real estate is for you to think long-term. Never buy a piece of property with the idea that you are going to flip it quickly and make a quick profit. Always think about owning a piece of property for five or ten years before you buy it in the first place.
9. Key to success in real estate? Learn every detail about the property. Learn about the city. Learn about the neighborhood. Learn about the local economy. Learn about the local schools, shopping centers and roads. Become intimately familiar with the property before you buy it.

Becoming Financial Independent

1. The simplest way for you to become financially independent is to develop the habit of saving 10% - 20% of your income throughout your lifetime.
2. If you are starting off in debt, begin by saving 1% of your income and living on the other 99%.
3. Once you become comfortable living on 99%, increase your savings rate to 2% of your income, then 3%, 5% and eventually 10%.

4. Within a year or so, you will be living quite comfortable on 80% - 90% of your income and saving/investing the balance. If you do this throughout your working lifetime, you will become a millionaire.
5. Self-made millionaires develop the habit of living within their means. The key to financial success is always, "Spend less than you earn."

Five "Don'ts" For Financial Success

1. Don't seek easy money or get led astray by get-rich-quick schemes and ideas.
2. Don't look for rewards without working, for shortcuts to financial success.
3. Don't expect someone else to do it for you. You are responsible.
4. Don't trust to run into luck, or hope for miracles. They never occur in financial matters.
5. Don't expect to be successful the first time. You will make hundreds of little mistakes on the way to developing the wisdom and experience you need to get and keep the financial fortune you desire.

Five "Do's" For Financial Success

1. Study and understand every aspect of any investment you ever make for the rest of your life. If you don't understand it, don't put your money into it.
2. Continually look for ways to add and increase value in some way in every situation.
3. Be prepared to get rich slowly. All serious money is long-term, patient money.
4. Be frugal with your money at all times, be careful and thoughtful with how you invest it and spend it. Continually watch your money like a hawk.
5. Resolve today to get your savings rate up to 10% to 20% of your income for the rest of your life, and then invest that money carefully. "Don't lose money!"

Remember, all money-making skills are learnable. You can learn anything you need to learn to achieve any goal you can set for yourself.

Everyone who is wealthy today started off *poor*. By studying what other financially successful people have done in the past and doing the same things over and over, you will eventually get the same results. You will eventually achieve the financial independence you desire.

Good luck!
Brian Tracy

Want to learn how to change your financial life forever?

Learn the 12 **Steps to Becoming a Millionaire** – this program will change your financial life and propel you into the next phase of success.

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