THE KEYS TO CREATING WEALTH

When asked “Do you want to be financially independent?” most people answer YES! Yes they want the freedom, travel, investments, and not punching a clock.

But the answer is really NO. The truth is they don’t really want it. If they did, they would already have it.

What you HAVE is a direct reflection of what your THOUGHTS have been.
(Your thoughts, beliefs, habits and point of view.)
The OUTSIDE is a direct reflection of what is on the INSIDE.

Your THOUGHTS lead to CHOICES which lead to ACTIONS which lead to HABITS which lead to OUTCOMES/RESULTS/CIRCUMSTANCES.

Think about it, how do most people live? Paycheck to paycheck, lots of bills, buying more than they can afford, and living off credit cards.

The hardest part of creating financial freedom is knowing not just that you want it BADLY, but that you HAVE TO DO IT, you have NO CHOICE!

YOU CAN HAVE ALMOST ANYTHING YOU WANT IN YOUR LIFE, BUT YOU MUST DEFINE WHAT IT IS... AND THEN GO DO IT!

Money is just a medium of exchange. You get it by contributing something. The more valuable your contributions, the more money you will make. What do you contribute?

Work hard on your job, make a living. Work hard on yourself, make a fortune.
Work hard on your job, get paid for your time.
Work hard on yourself, get paid for your value.

The person you are today is the person you have settled for up until now! Regardless of your current financial situation, if you created it, you can fix it!
You need a new set of skills that will give you massive financial freedom.

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Take a minute and think about your life: your wealth, health, happiness, relationships, spirituality... even your weight. Identify for yourself the ways you have “settled” and know you could have more!

Did you know?

3% of the graduates of the Harvard Business School make 97% of the money?

Ask yourself ....

If all those graduates had the same teachers, same classes (the same tools in their tool belts) what makes a few of them so much more successful financially?

Once you have the **7 Keys to Creating Wealth**, you will have the core tools to create your financial independence.

- You are going to acquire a “tool belt” (structural things to do, a financial “to do” list).
- And you will also acquire other parts of the equation, because the tool belt will only take you so far!

There are rules to the making money game, just like rules for making a great body, or rules for successful relationships.

**Freedom is the ability to choose.**

One thing is certain:

If you don’t have financial freedom in your life... you have no choice!

You have to punch the clock, and trudge around in the rat race.

This tape series will give you the seven fundamental rules (or KEYS) to successfully creating wealth and financial independence!

**THEY WORK!**
7 Keys to Creating Wealth

1. Pay Yourself First.

It is not about how much you make, it is about how much you keep!
   Income is how much you make.
   Wealth is how much you accumulate.

If you make a good income and spend it all each month/year you aren’t getting wealthy, you are just living high.

Wealth is your assets and passive income that you earn from something other than your job and your W-2 income.

   “Wealth is the number of days forward that you can live without working.”
   Buckminster Fuller

A Balance Sheet has three parts:
   • Assets (things you own).
   • Liabilities (what you owe).
   • Net Worth (what would be left over if you sold everything and paid off all of your bills).
If this number is positive, your assets exceed your liabilities.
If this number is negative, then your liabilities exceed your assets.

What is a liability?
   • Is a house an asset or a liability (can it be both)?
     It shows up as something you own, on your asset side.
     It may cost a fortune in mortgage payments, taxes and insurance.
   • Is your diamond ring an asset (would you sell it, and for how much)?
   • Are your clothes assets (what would they bring if you sold them, resale)?

Quick quiz to identify assets and liabilities:
   • Assets Feed Me.
   • Liabilities Eat Me.
A house is an asset if it can be rented for more than the monthly mortgage payment.
If it puts money in your pocket, it is an asset.

   The root definition of the word “Mortgage” is: “Owing until death.”

Refer to Appendix “A” for information regarding completing a balance sheet and income statement.
Everyone invests in something and their balance sheets tell the story of those investments.

**Poor people invest in surviving and making ends meet.**
- Usually have a low income.
- They make just enough to pay their bills, sometimes late.
- Have very poor credit ratings.
- Few credit cards or home loans because they cannot qualify for them.
- They may have a car payment (probably with a high interest rate).
- They don’t worry about the cost; they worry about the monthly payments.
- They tend to spend until the money dries up.
- Their Balance Sheets have virtually no assets and few liabilities
- At the end of every month, poor people have nothing left over.

**Middle Class people generally have an adequate income.**
- Have steady jobs and get raises every year or so.
- Generally have a house and two cars.
- Credit cards are almost never at zero balances.
- The average American has 6.5 credit cards, with an average balance of $2,500 on each, for a grand total of $16,500 of high interest credit card debt per person.
- The average dual income family has: 13 credit cards with a total of $33,000 of debt.
- Bankruptcies and home foreclosures are at an all-time high (due to the easy money of the “90’s”) with nothing to fall back on.
- The average 50 year-old has less than $5,000 of net worth.

**Middle class people are consumers… not accumulators.**
- Dig deeper in debt: cars, homes, vacations, clothes, jewelry, toys and doo-dah.
- Spend more than they have (and more than they make).
- Lots of debt from consumption (bad debt).
- Little debt from investments (good debt).
- What investments they have are leftover from 401(k)s (before stock meltdowns).
- They rarely budget their money.
- Hand their investments over to “professionals” (who usually live paycheck to paycheck!).
- Don’t have business or investment savvy.
- Don't have people to guide them who are wealthy, successful or financially independent.

**They invest in consumption and lifestyle (looking good and looking affluent).**
- “Instant gratification” is why they have no long-term assets that are appreciating in value.
- 30% of the households valued at over $300,000 are owned by people who make less than $60,000 per year.
- They have to spend their income just to make ends meet.
- They can’t afford to invest because their lifestyle is consuming them.
- They are in the proverbial “rat race.”

"Wall Street is the only place where people ride in Rolls Royces to seek advice from someone who rides the subway.”

*Warren Buffett*