

## **"7 WEALTH-BUILDING SECRETS BANKS AND THE IRS DON'T WANT YOU TO KNOW"**

Pamela Yellen, who many of you are familiar with from the [www.findoutmorenow.com](http://www.findoutmorenow.com) website, has written a great 4 page report on the "7 Secrets".

I know that many people find it difficult to read a report as long as the one on the website, so I thought I would provide this "short and sweet" report to you as an alternative. This shorter report does not short-change you on explaining the basic principles of Bank On Yourself. These ideas are the foundation of my work as a Certified Bank On Yourself Advisor. These are the blueprints for helping my clients succeed financially.

The report covers the facts you need to know about some of the most common myths and misconceptions people have about finances and debt.

If you get this newsletter by email, you will find it as an attachment. If we mail you this newsletter, you will find a copy of the report with the newsletter.

**IF YOU ARE ALREADY AND CLIENT AND HAVE STARTED YOUR OWN "BANK ON YOURSELF" SYSTEM THIS REPORT WILL HELP YOU UNDERSTAND THINGS BETTER, SO PLEASE READ IT.**

**IF YOU HAVE NOT STARTED YET, HOPEFULLY THIS REPORT WILL HELP YOU GET EXCITED ABOUT WHAT CAN BE DONE AND MOTIVATE YOU TO CONTACT ME AND LEARN HOW THIS STRATEGY CAN SPECIFICALLY BENEFIT YOU.**

I will cover a couple of the "Secrets" that especially hit home for most people.

For example, most people feel that it is better to use 401k's, IRA's and other tax deferred plans to save for their future than it is to pay tax on that money today and save it somewhere else.

**Since the late 90's, I have seen with my own two eyes how much this one helps the IRS and hurts the retiree!**

How would you like to pay a higher percentage of your income in taxes retired than when you were working?

This is exactly what is happening to more and more retirees who have income coming from their pensions and tax deferred plans.

**The double whammy is that they also wind up paying more income tax on their Social Security benefits!**

WHO DOES THIS SITUATION HELP? I'LL GUARANTEE YOU THAT IT IS NOT THE RETIREE!

Another big secret that really hurts many people is #2, too much home equity. I have personally been caught in this trap. About 18 years ago I had a disability that lasted for a whole year.

**Being sick was certainly no fun, but what happened when I went to see my "friendly" bankers only made things worse.**

At the time, we had about \$70,000 equity in our \$120,000 home. I naturally figured that I could get my hands on some of that to help us out. After all, my wife was still bringing home a nice paycheck from the power company. Right?

**WRONG!!! NEVER ASK A BANKER FOR A LOAN WHEN YOU REALLY NEED ONE!**

I was literally laughed out of several bank offices. What's ironic is that the same thing had happened to my dad years ago when he needed a new well for our house.

Shame on me! I hadn't learned the lesson the first time it was taught!

**I wound up with no way of getting my hands on a penny of my home equity, because the bankers had control of it instead of me.**

If I had done things differently before I got sick, I would have been the one in control and the situation would have been much better.

A Bank On Yourself plan would have also saved me thousands of dollars of interest paid to lenders for cars and home improvements (forget the mortgage!) since then. If

I really wanted to pay off my mortgage, it could have happened a few years sooner using the BOY strategy.

And, lastly, people think that it is very hard for them to become their own financing source for purchases and create their own "safety net". They seem to think you need a ton of money to do it.

**THIS IS JUST NOT THE CASE!**

Everything is proportional. I started a small plan 5 years ago. Yes, I have not bought a car with it yet, but I have bought a new refrigerator for \$1,800, done \$3,000 of home improvements and pre bought my heating oil for \$3,000. I also paid off \$7,500 of credit cards. With these loan repayments and additional money I found, I have been able to add 3 more plans to my B.O.Y. system since then. My maximum loan amounts are really starting to snowball.

**The money I pay back on these loans every month is mine and I am now the one making the profits instead of the lenders.**

I hope that by now you have heard enough to want to take the time to read the 4 page (or even the big) report. I'd love to hear from you. **It would be my pleasure to help you start down the road to getting the lenders out of your life!**

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*Confidential Wealth-Building Report...*

## **"7 Wealth-Building Secrets Banks and the IRS *Don't* Want You to Know"**

**by Pamela Yellen, Bank On Yourself™**

### **Wealth-Building Secret #1: Don't Postpone 'til Tomorrow Taxes You Could Pay Today**

If you're like most people, the lure of *not* paying taxes now, if you can pay them later, is very powerful. But let's crunch the numbers, which reveal a surprisingly different and unexpected outcome...

If you put \$4,000 a year into a traditional **tax-deferred** 401(k), IRA or pension plan for 24 years and earn 6% annually on it, you'll have \$209,807. However, if you are in the mid-range 28% tax bracket, after paying taxes you'll end up with \$151,061.

But what happens if you put the same amount into a plan where you pay taxes on your contributions in the year you make the contribution, but you get to take your withdrawals tax-free?

After paying taxes on your \$4,000 each year (assuming the same 28% tax bracket applies), your annual contribution is \$2,880. If you did this for 24 years, earning 6% annually as in the first scenario, you'd end up with... \$151,061! ***Whoa! It's the exact same amount!***

However—and this is a BIG "however"—when you withdraw that \$209,807 from a **tax-deferred plan**, as in the first scenario, you have to pay taxes on the **entire** \$209,807—the \$96,000 you contributed **and** the \$113,807 of interest you earned.

But, when you put that same \$96,000 into a Bank On Yourself™ plan **after** taxes (like the second scenario above), you only pay taxes on the \$96,000 you contributed. **You can get all the growth earned in the plan, tax-free**, if you follow certain guidelines, according to current tax law.

Which would you rather do—pay the government 28% of \$209,807 (\$58,746)... or 28% of \$96,000 (\$26,880)?

**That's a Whopping 118% More Tax!**

Plus, almost every expert today is predicting taxes can only **increase**, due to the aging demographics of our country, out-of-control health-care costs, and because

*somebody* has to bail us out of the pension crisis gripping our country. And that "somebody" is going to be you.

## **Wealth-Building Secret #2: Having "Too Much" Equity in Your Home Can be Dangerous to Your Wealth**

Your bank or mortgage company *definitely* isn't going to tell you about this! Many people like the feeling of security that comes with paying down their mortgage, or owning their home "free and clear."

But what most people don't realize—and usually don't discover until it's too late—is that the *bank* controls the equity in your home, *not* you. You'll discover the awful truth about this if you lose your job or become disabled, and you can't qualify for a loan... which means your equity will be **locked up** in your home, where you can't use it in an emergency!

You can beg and plead with your banker all you want, but your next payment is *still* going to be due—in full—in 30 days. And if you can't make your payments for 90 days, the bank will foreclose on your mortgage and you could lose **all** the equity you sweated so hard to build up in your home!

There's also the fact that the *equity* in your home does *not* earn any interest for you. Your home is going to appreciate at the exact same rate *regardless* of the size of your mortgage. And there's **no** tax advantage to having equity in your home. You only get a tax break for the interest you pay.

When you Bank On Yourself™, however, you could have the capital to be able to pay off your mortgage **in full**, in an average of 7-18 years, and **STILL** have the use of your money to spend or invest in other things! And **you** will be in control of your money, **not** the bank!

## **Wealth-Building Secret #3: "There are TWO Systems of Taxation in Our Country—One for the Informed and One for the Uninformed"**

That's a quote from Judge Learned Hand, of the U.S. Tax Court of Appeals.

Under current tax laws, you get back every penny you put into a Bank On Yourself™ plan, **tax-free**, and you can also access the **growth** on your money—**tax-free**—if you do it right. (Caution: Be sure to implement this strategy only with the advice and guidance of a Bank On Yourself™ Certified Advisor. If this is done wrong, you could lose the tax benefits, and if your plan is structured incorrectly, it won't grow

nearly as fast. Less than 1 out of 1,000 financial advisors have received the rigorous training and continuing education required to be a Bank On Yourself™ Certified Advisor.)

**Wealth-Building Secret #4:**  
**The Banking Business is One of the Most Profitable Businesses**  
**in the World... But it's a Lot Easier than You Might Think for "Regular**  
**Folks"**  
**to Earn the Profits that Banks Now Make on Us**

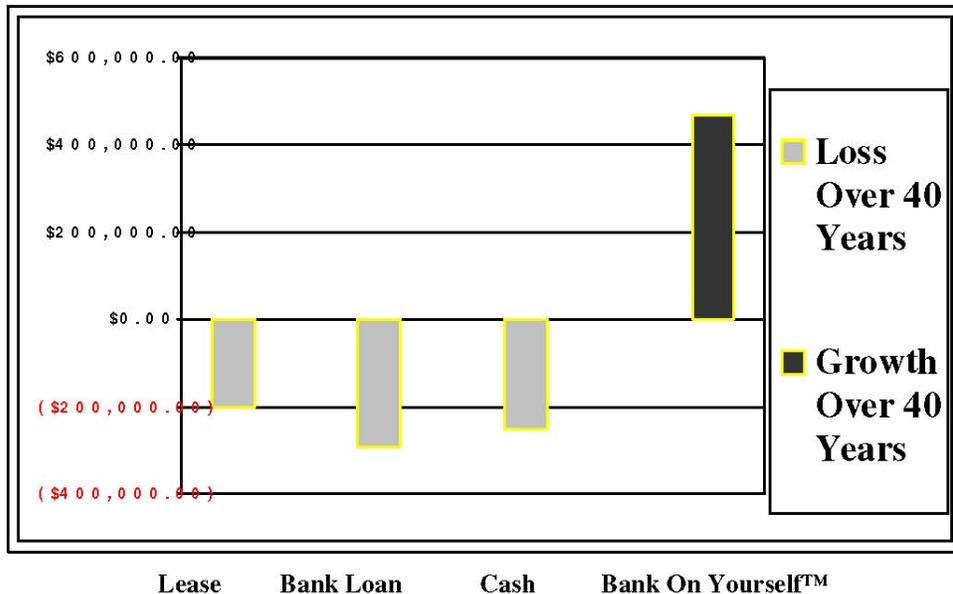
Obviously banks, credit card and finance companies don't want you to know how relatively easy it is to become your own source of financing, and pocket the interest you'd otherwise pay to them (and never see again).

But when you Bank On Yourself™, you reverse the direction of interest payments from cash *out* to cash *in*. In addition, Banking On Yourself™ lets you *get back* the **entire purchase price** of your cars and other big-ticket items you finance this way.

And you **won't** have the enormous cost or red tape required by "regular" banks. Sound "too good to be true"? I don't blame you for being skeptical. But see for yourself. The example below shows the impact financing one family car by Banking On Yourself™ can make in your financial picture, instead of using a bank loan, leasing or paying cash...

**Are You Making this \$751,059 Mistake When You Buy or Lease Cars?**

If you buy a \$25,000 car every 4 years for 40 years (10 cars total), and finance them through a bank or dealer, it will **cost you \$289,920**. Finance the cars by Banking On Yourself™ and you'll have a **gain of \$461,139!** Add those two numbers together and you'll see how you could be **ahead** by **\$751,059**, by Banking On Yourself™! (And if you lease or pay cash for your cars, your loss will be *almost* as big.) Imagine how much more money you'll have when you finance *two* family cars by Banking On Yourself™!



**You Have a Choice: You Can Have the Cars *and* the Money... or *Just* the Cars.  
Which Would You Rather Have?**

(-\$199,680) (-\$289,920) (-\$250,000) +\$461,139 (based on recent rates and assumptions)

You *can* get on the right side of interest payments—rather than *paying* them, you can be *receiving* them—to the tune of literally hundreds of thousands, or even millions of dollars, over your lifetime!

**Wealth-Building Secret #5:  
Whether You "Buy On Time" *or* Pay Cash,  
You *Still* Finance Everything You Buy**

That's because you either *pay* interest to a bank or finance company... *or* you *give up* the interest you *could* have earned on your money, had you invested it instead of paying cash.

In economics, this is called "Lost Opportunity Cost" and can amount to a very substantial figure over your lifetime, if you pay cash for purchases.

Financing things by Banking On Yourself™ actually **beats** paying cash—by a long shot! You'll recapture that Lost Opportunity Cost AND you'll be able to spend or invest your money and **STILL** have it working for you!

(Note: Only a handful of companies offer the right product that allows you to continue to earn dividends on funds you've borrowed from your plan, as though you never borrowed a dime. This is another reason to make sure you work with a Bank On Yourself™ Certified Advisor who has access to these companies and knows how to structure your plan to maximize both the growth **and** tax advantages. To get a referral to a qualified Bank On Yourself™ Certified Advisor and receive a **FREE**, no-obligation Bank On Yourself™ Analysis that will show you how you could benefit from this, visit: [www.FreeBankOnYourselfAnalysis.com](http://www.FreeBankOnYourselfAnalysis.com))

## **Wealth-Building Secret #6: The Government *Wants* You to Put Your Money in Government-Sponsored Retirement Plans—so They Can Have More Control Over Your Money**

When you save for your retirement in a pension plan, 401(k) or IRA, there are strict limitations on how much you can withdraw from the plan and when you can withdraw it, and penalties for withdrawing it too soon or waiting "too long" to take it. Plus, many plans limit or prohibit you from borrowing from the plan at all. If they do allow you to borrow from the plan, most dictate what you can use the funds for and when and how you must pay it back.

In other words, the *government* controls your money, *not* you.

But when you Bank On Yourself™, you have none of these limitations—and a whole lot of flexibility—because you're in control of your money in your plan, *not* the government.

## **Wealth-Building Secret #7: The Handwriting is on the Wall: Experts Now Predict that Most People Will Have to Work Longer or Retire on a Lot Less**

Financial and retirement planning the "conventional wisdom" way **clearly** isn't working. You can stick your head in the sand and "pretend it ain't so," or you can change your course and use strategies that **do** work in a world in which it's clear we can no longer depend financially on the government, or even an employer.

Bank On Yourself™ is a safe, **proven** strategy that **has existed for more than 100 years**. When you Bank On Yourself™, you can create a **worry-free retirement income** that you **know** you can count on. You **won't** be depending on the government or an employer to provide your retirement security.

And, if you're like most folks who've begun Banking On Themselves™, your **only** regret will be that you didn't start sooner!

Would you like to find out how you could benefit from a plan tailored to **your** unique circumstances, goals and dreams? If so, you can take advantage of a **FREE**,

**no-obligation** Bank On Yourself™ Analysis by going to:

[www.FreeBankOnYourselfAnalysis.com](http://www.FreeBankOnYourselfAnalysis.com)

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