

BUILDING THE 10%

by L. Carlos Lara

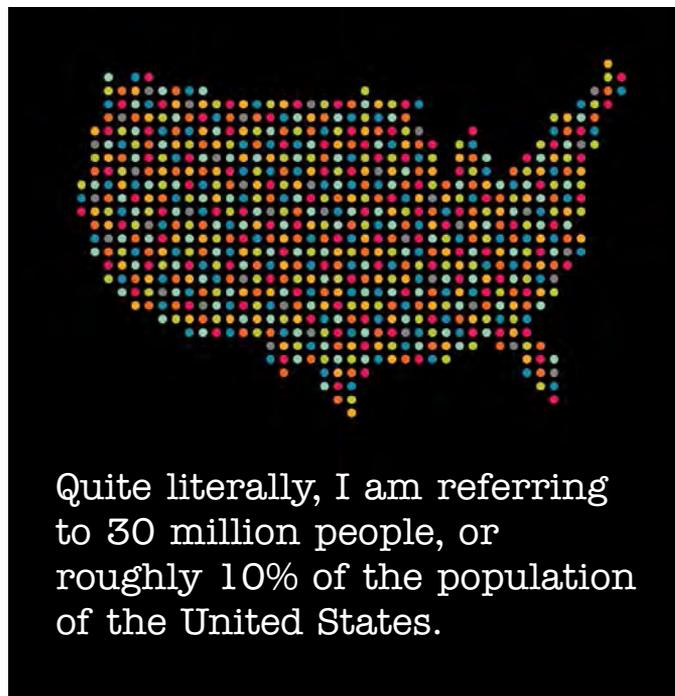
“EVERY INDIVIDUAL IS CONTINUALLY exerting himself to find out the most advantageous employment for whatever capital he can command. It is his own advantage, indeed, and not that of the society, which he has in view. But the study of his own advantage naturally, or rather necessarily, leads him to prefer that employment which is most advantageous to society... *He intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was not part of his intention.*”

—Adam Smith, *An Inquiry into the Nature & Causes of the Wealth of Nations. Volume I, 1759*¹

Within this quote by Adam Smith resides the fundamental premise for the creation of the *IBC Practitioner Program* for finan-



These principles must be held with extraordinary conviction in order to prevail and ultimately triumph against Socialism.



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cial professionals. This educational program came about in the aftermath of the 2008 financial crisis and targets the financial professional for a specific reason that I hope to highlight in this article. But its overarching motive for its development focuses primarily on benefiting all of society utilizing the power of *self-interest*.

The genesis for this strategy evolved out of a conversation between a businessman and an economist of the Austrian School tradition. That conversation, a form of conversion between the parties, was later summarized in the introduction to the book, *How Privatized Banking Really Works* with the broader elements of this strategy spelled out in the remainder of the manuscript. But at the very heart of this new idea was Nelson Nash's *Infinite Banking Concept (IBC)* as it is described in his great book entitled, *Becoming Your Own Banker*. Both of these books now

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serve as the textbooks for the IBC Practitioner Program. For an in-depth explanation of the central themes of their message, both books should be read and studied.

If we lose liberty here, there is nowhere else to go.

Imbedded in the IBC Practitioner Program for financial professionals is a vision of a goal that must be reached and this goal requires the participation of quite a large number of individuals all believing the same ideology.

Quite literally, I am referring to 30 million people, or roughly 10% of the population of the United States. Although this number may seem staggering in size and scope, the reader must understand that it is not a randomly picked percentile. To the contrary, the number is calibrated by scientific research and historical examples as supporting evidence. These studies and historical examples serve as part of the motivation to the goal's attainability.

The ideology I refer to and the one that must be held in the minds of this unique group of people are the tenets of the *laissez-faire* market economy as exemplified in the free enterprise system, otherwise known as *Capitalism*. These principles must be held with extraordinary conviction in order to prevail and ultimately triumph against *So-*



The only way to eradicate it is to change the current thinking of the American populace.

cialism. Since socialism is the control and ownership of all the means of production in society by government—either directly or indirectly through excessive taxation and regulation, it must be stopped or individual liberty and economic freedom will perish.

Sooner or later we must all face the fact that *Socialism* has gained supremacy as an ideology, not only in this country, but worldwide and that it is being executed daily by government mandated monetary policy. If we searched far and wide for the most succinct definition of society's main "*problem*" it is encapsulated in the word *socialism*. Defeating this idea is of such vital importance that one of the most famous economists in history, *Ludwig von Mises*, once described it as an evil idea that no one should give into. Sadly, this idea now has the world in its grip and it is exemplified in every form of government stranglehold we are currently experiencing. The only way to eradicate it is to change the current thinking of the American populace. This is the *why* for the building of the 10%.

It is the masses that determine the course of history.

In his magnum opus, *Human Action*, Mises made a profound statement that should not be ignored by any of us and gets at the crux of the matter. He said, "The masses do not conceive any ideas, sound or unsound. They only choose between the ideologies developed by the intellectual leaders of mankind. But ***their choice is final*** and determines the



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course of events... it determines the whole process of human history."²

During the middle of the 21st century free market advocates, especially those of the Austrian School, recognized the meaning of Mises' penetrating truth and began individual efforts designed to educate the public by forming educational institutes to turn the tide against the growing menace of socialism. Leonard Read was first to launch the *Foundation for Economic Education* in 1946, which became the model for scores of educational institutes similar to it, such as the

Mises Institute, the *Acton Group*, the *Independent Institute* and many others. Together, these educational non-profit centers have laid a formidable foundation of published material, books, and scholarly journals much of which is distributed to the general public for free. Over the past 60 years they have educated millions of people of all walks of life in the type of economic education rarely taught in our schools and universities. They continue to this day to fan the flame of liberty and due to their efforts there is faith,

hope, and expectancy that a dramatic change in the political and social landscape may be right around the corner—a belief that a great change can take place overnight when the ideological conditions are right. Every conscientious citizen should join and become an active member of one. Obviously, the more like-minded people we have in our ranks the closer we get to achieving this goal.

There is only one problem with this approach. In spite of these valiant efforts the world has become even more socialistic than when these educational programs first began. Even after the fall of communism in 1989, the popularity of socialism as an idea continues to advance at an alarming pace. Although these educational institutes' explanation of the real *problem* is far superior to any one else's interpretation, the *solution* offered, which is the spreading of the freedom message through education, lacks one very important, but absolutely necessary ingredient—*individual incentive* for the masses of society.

What we see is that education alone cannot advance very far or very quickly unless there is behind it an individual incentive for spreading the message of freedom to others. Some way, somehow, we need to benefit immediately from the message or we just won't bother passing it along. This is the main characteristic of the self-interest that resides in each individual human being. Since bondage today is very clearly represented in the financial realm, the solution must be effective in releasing the individual from financial bondage immediately and without

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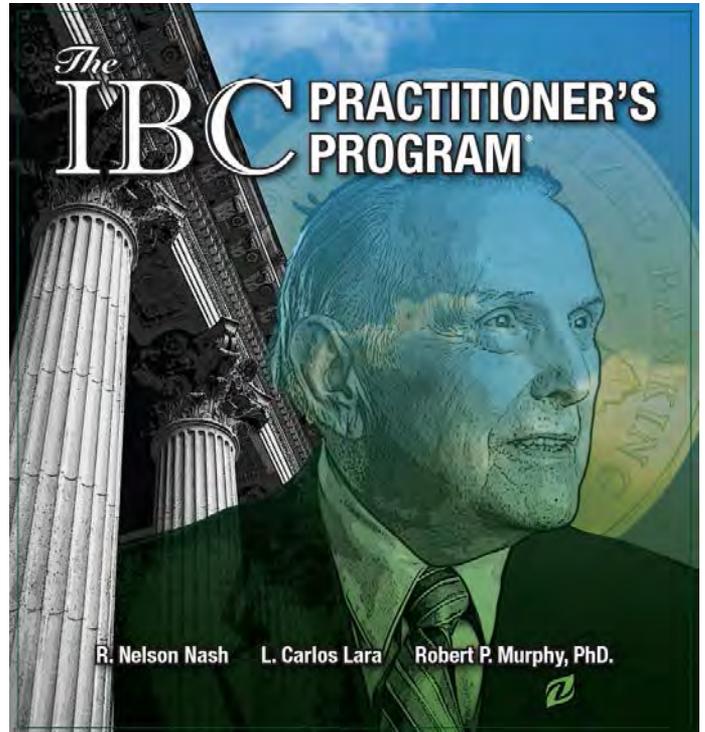
The solution must be effective in releasing the individual from financial bondage immediately and without reservation.

reservation. Only a strategy of that caliber creates a strong enough reason to tell others about it, especially close friends and family, after first having implemented the strategy with quantifiable results.

But how is such a financial strategy even possible when government has seized and cartelized the institutions of *money* and *banking*? Incredibly the solution, the way out of this mess, is in learning how to *become your own banker*. It is to be found in *Privatized Banking* as described by Nelson Nash's *Infinite Banking Concept (IBC)*. This is the missing link the businessman and the economist stumbled upon in their conversation. In other words, there was no need to wait on government to change anything. There was no need for *Sound Money* or *Sound Banking* to be incorporated into public policy for real change to occur. *Privatized Banking* could be done immediately and it could be done by virtually anyone! Here, for perhaps the first time ever since the inception of the Federal Reserve Act of 1913 and since the Federal Income Tax passed into law the very same year, was a formula that actually had the power to free us from government control, peacefully and legally.

In Search of the Perfect Investment.

In order to change the ideology of our present world and speed up its progress, the non-profit educational institutions need *partners* that are already versed in financial



The
IBC PRACTITIONER'S
PROGRAM

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Not only are there no such things as perfect investments, financial products and services offered by the financial services industry ultimately fall short of providing the results most needed for the general public.

matters. By that we mean licensed financial professionals who are already earning their living by advising people about their money issues. They are the ones who must be taught the precepts of sound economics first, in order for the masses to then receive the same kind of education. By hand picking a few good men and women from the ranks of these professions and educating them in the principles of *Austrian Economics*, *The Sound Money Solution* and *Privatized Banking* as the *IBC Practitioner Program* for financial



And so it goes, one individual at a time with each party receiving benefits and freedoms not thought possible due to our present economic environment.

professionals actually does, reaching the 10% goal is definitely possible. But not only is it possible, the financial incentive to follow through with it is tremendously motivating once we see how the numbers are actually calculated.

As we all know, financial professionals are in the business of selling financial security to the general public and are privy to an enormous array of financial products and services to accomplish that end. Conversely, the general public is always looking for that perfect investment to use as a storehouse for their money and to keep it earning a rate of return until they reach passive income time. They look to the financial professional for guidance in these matters. Unfortunately, not only are there no such things as perfect investments, financial products and services offered by the financial services industry ultimately fall short of providing the results most needed for the general public simply because of the government controlled economic environment in which we live. Thankfully, the

Infinite Banking Concept (IBC) is neither a product, nor an investment. Instead it is a cash-flow management system that utilizes dividend-paying Whole Life insurance as the means for practicing *Privatized Banking*.

At this point in the discussion, the mere knowledge of this strategy's infrastructure turns many people away. They can't believe it. But if you the reader are willing to go further in your own research by examining the Nelson Nash Institute website and perhaps even discussing the concept with a trained financial professional who is one of our graduates (www.infinitebanking.org), you will discover what many refer to as the best kept secret in finance. Once you understand how it works and implement the strategy for yourself, one more individual is added to the ranks of the 10%. That individual will be you!

And so it goes, one individual at a time with each party receiving benefits and freedoms not thought possible due to our present economic environment. Due to space constraints I can do no more than allude to

these financial advantages. But with each new educational conversion that is transacted a new way of life emerges that is beneficial immediately and showers financial benefits even to future generations. However, it is very important to realize that nothing significant in terms of a national movement against our real enemy—*socialism*—is visibly apparent as long as the numbers stay under 10%. But once that 10% critical mass is reached—the so-called “*tipping point*” occurs and according to the scientists at the *Rensselaer Polytechnic Institute of New York*—the idea turns into an evangelistic explosion. At that point freedom will prevail!

Conclusion—Let’s Do The Math.

The financial services industry is by far one of the largest in our entire economy and it is also the most government-regulated industry. It consists of several money intermediaries, also known as “middlemen,” and each is

divided into financial sectors with each sector having a vast army of trained financial professionals that offer advisory services to assist an individual or a firm with saving, investing, or borrowing money. Our particular definition of a financial professional as we used it in the book *How Privatized Banking Really Works*, not only included these type of financial professionals, but it also referenced attorneys and accountants simply because they too are very active in educating people about their money.

In Chapter 2 of our book written in 2009, the total amount of financial professionals in the financial services industry was stated to be approximately 746,000, but attorneys and accountants were not added to this total. These two categories were merely referenced as being “legion.” My point being that this total number rounded off to 750,000 is very conservative in terms of how many financial professionals are actually in our economy, as the statistics listed below will prove.



Seventy-five thousand of the best financial professionals will easily do the job if these men and women are properly educated.



According to the U.S. Department of Labor Statistics, the insurance sector (life, health, disability, property and casualty) listed estimates of 374,700 positions of which 272,050 were insurance agents as of 2014.³

According to the U.S. Department of Labor Statistics, estimates for securities, commodities, and financial services sales agents were listed at 354,600 as of a 2014 report.⁴ However, FINRA's website shows 643,298 registered representatives as of October 2015.⁵ Common sense tells us that there is overlap in these numbers, however, already we can see the conservatism in the original total of 750,000 and we have not even factored in the banking industry, which is the largest sector of them all.

According to figures put out by the American Bankers Association as of 2013 there are 2.1 million salaried workers in the banking industry of which 25% are in financial supervisory and financial management positions—that's an additional 500,000 financial professionals!⁶

If we include the 1.3 million lawyers in the U.S. according to the American Bar Association's 2015 listing⁷ and the number of

Accountants, many of which are CPAs, at 326,720 as of 2014,⁸ these numbers start to add up.

Here again, we have overlap in a lot of these classifications of financial professionals, but we can see that we have a substantial pool of financial professionals to draw from, possibly as many as 2 million. But we don't need that many, nor do we want them. We just want a small remnant—10%. Seventy-five thousand of the best financial professionals will easily do the job if these men and women are properly educated.

Now, let's finish the math. According to research conducted by anthropologists at Oxford University every individual has a contact base of stable social relationships of at least 150 people. This is known as "*Dunbar's Number*,"⁹ named after British anthropologist Robin Dunbar. His study was extended to also examine a person's closest friends, which can be anywhere from 5 to 15 individuals, some of which are family members and represent a person's support group. Therefore, assuming a financial professional has a contact base of 150 people (usually they have more) and assuming each one of those people has close friends and family of

at least 5 individuals (think of these as referrals), then a simple conservative calculation would look something like this: $75,000 \times 150 \times 5 = 56$ million people. Remember we only need 30 million. Obviously this calculation can be done in several ways including factoring the size of an average banking policy sold to each of these individuals. But bottom line, the 10% can be reached!

If you have never done this type of simple calculation for yourself then more than likely you have dismissed the building of the 10% as idealistic. If that is the case then we have no one to blame but Bob and myself, *the businessman and the economist*, for not breaking down these basic numbers more specifically until now.

Nevertheless, it should be well understood that *Building the 10%* is not a fantasy. It is serious work with major social, political, and economic implications. This is why once these financial professionals come into our IBC Practitioner Program it is important that they remain with us; otherwise the 10% can never get the traction it needs to reach



Bottom line, the 10% can be reached!

critical mass. This is all the more reason why these men and women are literally being handpicked by the Board of the Nelson Nash Institute. They must be interviewed before they are allowed to take the course. It is important that we screen each financial professional to make sure they have the right mindset and spirit to see this job to the very end simply because—*“the interests of everyone hang on the results.”*¹⁰



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