



Thoughts on  
**Nelson Nash**

by Robert P. Murphy

*“Far above the millions that come and pass away tower the pioneers, the men whose deeds and ideas cut out new paths for mankind. For the pioneering genius to create is the essence of life. To live means for him to create.”*

—Ludwig von Mises

I LIKE TO BE PRECISE WITH MY TERMINOLOGY, and so for example I draw a distinction between being *smart* (knowing a lot of facts) versus *intelligent* (having a powerful mind). In the same vein, I do not throw around the term *genius* lightly. Someone could be very smart and very intelligent, but to be a *genius* you have to be a creative inventor. You have to produce new ideas and frameworks, which others will then argue over and refine.



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The recently deceased R. Nelson Nash was smart and intelligent, but he was also a creative genius. He looked at dividend-paying whole life policies, and in particular their standard feature of policy loans, and realized, “That’s not merely an asset that provides a death benefit. It’s also a cashflow-management device that allows you to free yourself from bondage to commercial bankers.” Where others saw merely protection, Nelson saw a way to *become your own banker*.

### What Would Jesus Do?

In my short piece for the April 2019 issue of BankNotes,<sup>1</sup> I labeled Nelson’s foes in academia and Wall Street as the “Pharisees of Finance.” These were the people giving horrible advice to regular people, while posturing as the smartest guys in the room and hiding behind fancy jargon and intimidating financial instruments. These were the people who would scoff at something so “simplistic” as life insurance, which they would confidently tell people was “the worst place to put your money.”

In contrast to the Pharisees of Finance, I explained, Nelson spoke directly to the common person, often using metaphors and personal anecdotes. (In this way, of course, he mimicked Jesus’ use of parables.) Although his book, *Becoming Your Own Banker*, contained numerical illustrations, that’s all that they were: *illustrations*. The underlying principles were of paramount importance. You didn’t need to calculate an “internal rate of

return” to know that it was a good idea to wean yourself off of reliance on commercial bankers to buy your next car or to run your business.

(Indeed, over the years people would often ask Nelson to update his book with illustrations that reflected the drop in interest rates, but these requests would frustrate him: the case for IBC didn’t rest on what bonds happened to be yielding. It was about taking control of the banking function and returning it to the you-and-me level.)

### Wisdom Comes From Experience

Besides being a smart, intelligent, creative genius, Nelson was also *wise*. (In contrast, John Maynard Keynes was a smart, intelligent, creative genius who was a *fool*.) By this I mean that Nelson understood the true value of things. He knew what was a critical principle to be upheld at all costs, and he knew what was a trivial issue that could safely be ignored.

When I first got to know Nelson and the IBC world, I thought he was making a tactical mistake by focusing on the “big picture” rather than battling people over the details. For example, when Nelson often declared, “This isn’t about rates of return,” I thought he was foolishly conceding that investors could do better by ignoring IBC.

However, as time went on, I realized the long-term wisdom of Nelson’s approach. People have limited attention spans, and



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they are reading a lot more than just *your* stuff. That’s why you have to boil down your message into memorable, “idiot-proof” principles. Nelson would often chastise people for “majoring in the minors,” i.e. he was telling them they were agonizing over details while missing the big picture.

For those who didn’t know him well, let me assure you, what you see is what you got. Nelson wasn’t putting on a show for the public when he would give a talk; he was the same guy on a video conference call with Carlos and me (and David Stearns) as he was, when giving a lecture to a room of newcomers. Nel-



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son would not hesitate to remind us about the basic principles of IBC. Sometimes this seemed redundant, but now in hindsight I understand better why he did it.

### Battling the Arrival Syndrome

Nelson was a true man of learning. During our weekly video conferences (as the board of the Nelson Nash Institute) he would quite often hold up a new book that he was reading, and tell us all about it. My own reaction was often along the lines of, “Ah yes, Nelson, I’ve heard of that. I haven’t had time to read it, I wish I could.” Well, up until the very end, Nelson always made time to read new books. That was an important part of his routine.

It’s also the case that Nelson’s quiver of quips would be adjusted over time. For example, although Nelson had been a student of the Austrian School for decades, I believe it was only after seeing Carlos’ PowerPoint presentation on fractional reserve banking that Nelson began using that particular argument in his case against commercial bankers (and *for* the life insurance sector). So even though Nelson’s presentation style came off as if he were merely repeating “folk wisdom” handed down from his grandfather, in fact Nelson was always refining his position in light of new things he’d read or heard.

### Commanding an Audience

Whenever I watch a public speaker or entertainer, I try to divorce myself from the content in order to note the techniques the person uses to command attention from the audience. For example, Judge Andrew Napolitano will walk out into the crowd and stick the microphone in students’ faces, asking them questions about the Constitution. I promise you, *nobody* is dozing off when that happens, because they’re all terrified he will walk up to them next and demand to hear a summary of the 6th Amendment.

Nelson actually held a *10-hour seminar* (over the course of two days) on IBC. Not only did he get people to attend, but it was often *the same people* who would attend multiple times, in order to absorb every detail. How could he possibly do this? Nobody would want to watch 10 hours of Richard

Pryor or Frank Sinatra. So to watch a guy teaching about *life insurance*?!

Part of the answer, of course, is that Nelson wasn't there to entertain, but to educate and above all to *equip* the attendees to "become their own bankers." If you thought someone could teach you how to fly like Superman, you'd certainly be willing to sit there for 10 hours. So by the same token, Nelson was showing people how to wrest control of their financial lives away from the "snakes and dragons." This was crucial, life-changing material.

Yet even so, Nelson had to intersperse personal anecdotes and outright jokes, in order to keep people from nodding off. He would also actively engage the audience by asking them questions, by name. ("Now Mary love, tell me, where in the Constitution does it mention that?") Rather than posing as a guru dispensing mysteries, instead Nelson acted more as a safari guide, leading the group on an exhilarating adventure through beautiful yet dangerous terrain.

### Nelson the Evangelist

Finally, I must mention Nelson's strong Christian faith. Here as elsewhere, Nelson wasn't posing. Behind closed doors, among his friends and relatives, Nelson would talk about the Bible just as much as he did in public.

This is probably the area where Nelson influenced me the most. As a believer myself, I

nonetheless had originally thought I should "stick to secular matters" when talking about financial topics. This wasn't because I was embarrassed or fearful of rejection, but (for whatever reason) I thought it would be inappropriate to mention the Bible if I knew some of the people in the audience weren't Christian.

Needless to say, this was *not* Nelson's approach. Not only did he sprinkle Bible verses throughout his books, but in a very memorable segment of his public talks, Nelson would explain how he knew his older brother was in heaven (because he, the older brother, was a strong Christian). Nelson would then tell the crowd something like, "And if you aren't



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sure where *you're* going to end up, then you and I need to talk, because that's far more important than life insurance.”

For people who never heard Nelson speak in public, the above might sound “divisive” and off-putting, but if you saw him do it, his delivery was perfectly authentic and in-offensive. Even committed atheists would know that he was trying to help, and would (in their minds) safely put that religious talk aside, to focus on the financial wisdom.

In any event, it was primarily because of Nelson's example that I personally became more relaxed about sharing my own faith. When Carlos and I, for example, would give talks to the public warning of the con-

sequences of the Federal Reserve's actions, I would mention that I was ultimately at peace with it all, because I knew God was in control and everything on this earth is fleeting. After all, that is the real answer, when people are full of anxiety about the economy.

## Conclusion

Nelson Nash was a great man, a creative genius whose mission was to free people from financial bondage. Through his books, seminars, speeches, and personal example, Nelson showed the difference that one man could make.




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## References

1. My piece, as well as touching remarks from David Stearns and Carlos Lara, are available at: <https://s3.amazonaws.com/IBC-BankNotes/BankNotes+Apr+2019.pdf>.