A book proposal for

The Financial Book

More Wealth, Less Tax, and Financial Freedom

By

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Submitted by

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Presented on

Today’s Date

I. CONTENT

A. Premise

When Financial Advisor's father passed away unexpectedly, he and his family were left unprepared, with a mortgage, a small business to run, and no idea what to do. However, as he helped clean up the financial mess following the tragedy, he realized he had found his life purpose in financial planning. Since then, he's helped thousands of people find their own life purposes, teaching them how to stop letting money control their lives and start using money as a tool to help them achieve their own personal definition of a Financial Freedom. The Financial Book is the result of a decade-long search for a better way to save, prepare for the future, and protect your assets so you can retire with confidence.

B. Unique Selling Proposition

If consumers in the target market purchase and read The Financial Book, then they will:

- Live a rich and meaningful life, regardless of where they are in their financial plan.
- Protect themselves from the financial chains which can steal their family's financial future, including downturns in the market, taxes, critical illnesses (I.E. Cancer, heart attack, and stroke), long-term care events, and even premature death.
- Accomplish the basics of creating a financial plan, one that ensures a safe future.
- Build a lasting legacy for their children and grandchildren.

Because the book will:

- Show how money fears and concerns is one of the main factors that can rob people of their Financial Freedom, and how to incorporate money as a tool that improves your life rather than a burden that controls your life.
- Teach readers the elements of the Financial Book security system which will protect their financial future from the Five Thieves.
- Teach readers how to "Know Your Numbers," which alone will put them in the top five percentile for financial acumen.
- Model for readers how to communicate with their loved ones about money which will save them from future conflict since 48 percent of divorces are caused by money issues, and construct the $5 a day retirement plan.

C. Overview

The manuscript will be divided into six parts:

PART I: The Big Problem: Life Never Goes According to Plan. Most financial advisors focus on finding best investment vehicles for their clients' money, including 401K plans, mutual funds, IRA plans, bond funds, savings accounts, and CDs. They setup a "perfect" plan that will accomplish their client's goals if they follow all the "correct" steps. However, life almost never goes according to plan, and when the unexpected strikes, most people are left unprepared with much of their hard work destroyed.

PART II: What Happens If You Get Everything You Want, But Lose Your Financial Freedom. On the other hand, what if life goes *exactly* as planned, and you wind up with all the money you ever wanted but realize you had to sacrifice everything that was important to you to get it. Following up on the bestselling book, *The RichLife: 10 Investments for True Wealth*, in this section, we meet the Miserable Millionaire, someone who achieved all of his financial goals but who lost everything that made life worth living in the process. Your financial advisor might help you find the right mutual fund, but can they tell you what to do when you and your spouse argue about money, or how to build your relationship with your children when you have to work all the time, or even how to be genuinely happy *regardless* of how much money you have?

PART III: Let's Talk About Money. Most people aren't comfortable talking about money, and this not only affects their finances. It can dramatically affect their relationships. Forty-eight percent of divorced couples say conflict about money led to their divorce, and children raised in a house that doesn't talk about money often end up unprepared to handle their finances when they grow into adulthood.

PART IV: Build a Financial Freedom Security System. You *can* protect yourself from the five financial thieves if you setup your Financial Freedom security system right. I will show you how life insurance can protect your family's assets against premature death, how long-term care insurance and life insurance with living benefits can protect against a long-term care event or a critical illness (I.E. cancer, heart attack, or stroke), how to protect against taxes, future tax increases, and even unexpected downturns in the market through a variety of different savings plans and investment strategies. Finally, I will give you a checklist you can take to your financial advisor so you can get help building a strong financial foundation.

PART V: Retirement for the Rest of Us. You don't need to make a lot of money to retire. I teach you how to create your $5 a day retirement plan, and then give you three strategies to save more.

CONCLUSION: Leaving a Rich Legacy. Being truly rich is more than just having money. It involves having close relationships, peace of mind, and investing in valuable experiences. You can live a Financial Freedom no matter how much money you have. More importantly, you can teach your children how to handle their money as a tool to build their own Financial Freedom, allowing you to leave a lasting legacy to those you love the most.

II. MANUSCRIPT

A. Manuscript Status: The first draft of The Financial Book is complete.

B. Special Features: The book will include several custom charts and graphs to illustrate financial concepts, most of which have already been created. The back of the book will include a perforated card stock checklist that readers can remove and take to their financial advisors. We would also be open to talking about creating a financial workbook for readers to go deeper into the concepts discussed in the book.

C. Anticipated Length: The length of our first draft is 34,000 words. We anticipate the final draft to be 35,000 to 40,000 words.

D. Anticipated Completion Date: The manuscript can be completed within a month after commitment from the publisher.

III. AUTHOR INFORMATION

A. Background

Financial Advisor is the author of *The RichLife: 10 Investments for True Wealth,* the host of The RichLife Radio Show and the RichLife Minute, and the founder of RichLife Financial. Financial Advisor is a financial planner who has personally worked with over 4,000 clients. Beau isn't another financial planning guy. He has made it his mission in life to help people live their personal definition of a Financial Freedom.

B. Previous Writing

Financial Advisor is the author of *Another Financial Book*, which has sold over 12,000 copies. He is also the co-author of *Leadership* with Dr. John Doe, *The 5 Most Common Relationship Problems* with Neil Compton, and *Healing Life* with Jim and Jenny Jones.

Joe Bunting is the ghostwriter and author of four books, including the well-reviewed *Kingdom Journeys* by Seth Barnes and the bestselling writing instruction book, *Let's Write a Short Story.* In addition to writing books, he is the founder of one of the top writing blogs online, The Write Practice, which currently receives over 350,000 visitors a month. He has contributed to *Copyblogger, The Santa Barbara Independent,* and other national and online publications.

IV. THE MARKET

A. Demographic Description

Our primary demographic is both men and women aged 40 to 55, many of whom are just starting to think about retirement and never got a financial education. Our secondary demographic is Millennials, the children of our primary demographic, who may be given the book by their parents and who have the most to gain from these principles.

B. Psychographic Description

This book's audience will be made up of people just beginning to think of retirement. Like most people, they're frustrated with their ultra-safe investments (savings accounts and CDs) but at the same time, they're terrified of the stock markets after two 50 percent downturns in a decade. Most of all, while they're hungry for financial education, they also know what true wealth is, not how much you have in your bank account but valuable relationships and enriching experiences.

C. Affinity Groups

In my experience as an author, public speaker, and advisor to over 4,000 clients, the people who respond to this message are associated with the following groups:

- Small Business Owners
- Members of Christian Churches
- Readers of The Purpose Driven Life
- People in the Healthcare and Education Industries
- Dave Ramsey Show
- Clark Howard
- Suze Orman

V. MARKETING

A. Personal Marketing

To market this book, Financial Advisor will launch the book to his email list of over 17,000 subscribers. He will talk about the book on his syndicated radio shows "The Financial Advice Show" and syndicated daily feature "The Financial Minute" which reach over 2,000,000 listeners. He will also engage his strategic relationships, including [more names here].

B. Sample Cover Copy

When Financial Advisor's father passed away unexpectedly, he and his family were left unprepared, with a mortgage, a small business to run, and no idea what to do. However, as he helped clean up the financial mess following the tragedy, he realized he had found his life purpose in financial planning. Since then, he's helped thousands of people find their own life purposes, teaching them how to stop letting money control their lives and start using money as a tool to help them achieve their own personal definition of a Financial Freedom.

Do you know what your life purpose is? Do you know how to use money to achieve your goals, or do you feel like your stuck living paycheck to paycheck, never moving forward? The Financial Book is the result of a decade-long search for a better way to save, prepare for the future, and protect your assets so you can finally live your Financial Freedom.

VI. COMPETITION

A. *The Total Money Makeover: A Proven Plan for Financial Fitness* by Dave Ramsey.

Dave Ramsey's foundational finance book promises to help readers pay off debt and save more for retirement. Ramsey walks readers through common financial myths that he claims get people into trouble. Then, he teaches them his signature financial system, including the cash-only envelope method, to help people spend less and save more.

Similarities: Both *Total Money Makeover* and *The Financial Book* pull the rug out from under the current financial system that most people use to manage their money. Both offer people a new system, one that empowers them to get smarter financially and grow their personal wealth.

Differences: While Ramsey frames his financial principles with a core concept of living frugally *now* so that you can achieve prosperity *later*, *The Financial Book* is founded on the Financial Freedom, the idea that you should be living your personal definition of a meaningful life *now* no matter how much money you have. Money, with this worldview, is just a tool to help you achieve your Financial Freedom goals, not an end in itself. It's not about making more or even saving more. It's about using money effectively so you can live your Financial Freedom.

B. *The Purpose Driven Life* by Rick Warren.

What are you here for? What were you made to do? Who were you made to be? These are the questions Rick Warren's mega-bestseller asked millions of people to reflect on. Coming from a background of faith, Warren's book encourages readers to discover their own unique purpose in life and challenges them to live out that purpose every day.

Similarities: *The Financial Book* is about putting money inside the context of life purpose. Coming from a background in psychology, Henderson helps readers discover their unique purpose, then trains them to use their money to help them achieve it.

Differences: The core difference behind *The Financial Book* and *The Purpose Driven Life* is that *The Financial Book* specifically focuses on money's role in helping people achieve their personal definition of a meaningful life. In this way, it's more specific but also more practical.

C. *Rich Dad, Poor Dad* by Robert T. Kiyosaki.

Rich Dad, Poor Dad is a personal finance book that gives people a new system for making money and building their assets. For many, this book created a paradigm shift that caused a radical shift in their lifestyle. Kiyosaki asks people to think differently about what an asset really is, that it's not something on a balance sheet (like your house), but it's something that can earn money even if you're not actively working on it. He gives the principles behind what most people call financial freedom.

Similarities: Who wouldn't like to be financially free? Both *The Financial Book* and *Rich Dad, Poor Dad* set financial freedom as the ultimate financial goal, giving readers a practical roadmap for achieving it.

Differences: Originally written in the 1990s, *Rich Dad, Poor Dad'*s method of achieving financial freedom is terribly out of date. *The Financial Book* updates and builds upon the core principles laid out in *Rich Dad, Poor Dad*. At the same time, it inspires readers to live a meaningful life even as they're working toward their financial goals.

VII. OUTLINE / CHATPER SYNOPSIS

CHAPTER-BY-CHAPTER SYNOPSIS

THE FINANCIAL BOOK

Grow More Wealth, Pay Less Tax, and Retire With Confidence

Financial Advisor

PART I: THE BIG PROBLEM: LIFE NEVER GOES ACCORDING TO PLAN.

Introduction: How I Joined the Financial Book

It wasn't until my father passed away unexpectedly, leaving my family with a mortgage, a small business to run, and no idea what to do, that I realized I wanted to be a financial planner. Before long, I fell into the dream job, managing the retirement plans for 3,000 employees of a local hospital. For five years, I spent nearly every day meeting with my clients, helping them do all the "right" things to manage their money. However, I watched as too many of their futures were wiped out by the unexpected: a workplace disability, a heart attack, a downturn in the market. It didn't take long before I became disenchanted with the way we manage money in the U.S., and so I started searching for a new method, a new strategy that not only takes real life risk into account but can thrive in spite of "when life happens." It took a decade of searching, but I've finally found a strategy that takes real life into account. *The Financial Book* is the result of that search.

Chapter 1: The Big Problem

Who doesn't want to achieve financial freedom? This chapter tells the story of the Wilsons, a couple who did all the "right" things, but when the unexpected strikes—which in my experience happens more often than we'd like to admit—the Wilsons found themselves in big financial trouble. How do you achieve financial freedom when your money is such a slave to circumstances outside of your control?

Chapter 2: 5 Thieves That Will Steal Your Financial Freedom

There are Five Thieves in particular that most Americans are vulnerable to, and these Five Thieves can rob you not only of your financial future, they can destroy your peace of mind. If you've been wondering why so many Americans are stuck, why it's so hard to move forward financially, you can blame these thieves. This chapter explores the Five Thieves in depth, showing how market risk, taxes, critical illness, long-term care events, and unexpected death, plus two "bonus" thieves, will try to rob your Financial Freedom.

PART II: WHAT HAPPENS IF YOU GET EVERYTHING YOU WANT, BUT LOSE YOUR FINANCIAL FREEDOM.

Chapter 3: Living Your Financial Freedom, No Matter What

The Five Thieves don't want to just steal your money, they want to take your peace of mind and distract you from living your definition of a meaningful life. But what does your Financial Freedom look like? How do you find it? It's about more than money. Finding your Financial Freedom requires that you put money in a tool chest filled with other important tools that can be used to achieve Financial Freedom. Some financial gurus say you should sacrifice the present so that you can live better in the future. The Financial Book is about striving to live in Financial Freed no matter where you're at with your financial goals.

Chapter 4: Unlock Your Financial Freedom

How do you actually live a Financial Freedom, though? And how do you use your money as a tool to help you achieve that life? It starts with two courageous fundamentals: communication and clarity. In this chapter, I tell the story of Charles, a client who was so terrified about opening up about his money that he would physically shake every time he talked about it. Unfortunately, Charles' fear was destroying his Financial Freedom. Together with his wife, we pushed through the fear, communicating with his whole family about their financial situation, and then bringing a deep clarity that drove away the fear and helped them begin to move toward their financial goals. Now, Charles is finally living his Financial Freedom as a counselor and community organization director, a dream he never thought was possible.

PART III: LET'S TALK ABOUT MONEY.

Chapter 5: What Do You Do When Life Happens?

Our Financial Book is to help readers build a security system to keep the Five Thieves off of your property, out of your home, and away from your Financial Freedom. In this chapter, we talk about how to protect yourself from three of the Five Thieves, premature death, long-term care events, and critical illnesses. Taking out these three thieves isn't just about safekeeping your money, it's about protecting your peace of mind.

Chapter 6: Pay Less Taxes!

The difference between how the wealthy approach financial planning and the middle class approach it is that the wealthy know how dangerous the Thief #2 of the Five Thieves is: Taxes. One of the secrets to getting rich is to give less of your wealth away to Uncle Sam, and the Financial Book is about helping people get smarter about tax. This chapter presents three different strategies that the wealthy have been using for years to pay less tax and that are now available for the average American to take advantage of.

Chapter 7: Protecting Yourself from Market Risk

After two major market downturns in the last 15 years, Americans are understandably skittish about putting money into the stock market. However, because of high inflation and low interest rates, if you're just putting your money in savings accounts or CDs, you're actually *losing* money to inflation. How can people put their money to work for them while keeping the Thief of Market Risk well away from their wealth? This chapter answers that question.

PART IV: BUILD A FINANCIAL FREEDOM SECURITY SYSTEM.

Chapter 8: This is How to Test Your Term

Life Insurance is an important part of the Financial Book financial system. However, too many people are paying for *much* more insurance than they need. At the same time, if you have too little insurance (or the wrong kind) you may be leaving your family open to unnecessary risk. In this chapter, I'll show you how to test your term to make sure you have the insurance that's right for your Financial Freedom.

Chapter 9: Set Up Your Financial Book Plan Today

No one has the same Financial Freedom, and just the same, no Financial Book plan will work for everyone. We want to help you create a financial "plan of defense" that's perfect for you and your Financial Freedom, one that will protect you from the Five Thieves while moving you toward your financial goals. Here, we lay all our cards on the table, giving you all our best strategies so we can help create the right plan for you.

Chapter 10: Why You Need to Know Your Numbers

Getting "courageously clear" is one of the fundamentals of our Financial Book, and to get clear about your financial situation you need to know your numbers. However, I've found that only 1 in 20 people know how to create a financial statement. In this chapter, we'll talk about how to join the top five percentile in financial literacy and get real so you can get rich.

Chapter 11: Your First Income Statement

What gets measured gets managed. Creating an income statement and setting up your financial dashboard might sound intimidating but it doesn't need to be difficult. This chapter will tell you how to create your first income statement so that you can truly leverage your money to build your Financial Freedom.

PART V: RETIREMENT FOR THE REST OF US

Chapter 12: The $5 a Day Retirement Plan

If I told you saving just $5 a day would allow you to retire with confidence, would you believe me? More importantly, could you do it? In this chapter, I share the $5 a day retirement plan that's helping thousands of people retire with confidence.

Chapter 13: 3 Easy Tricks to Save More

Saving isn't easy. I've struggled with it myself. Here I tell the story of how I lost my habit of saving money every month, and what I did to get back on track. Then, I share three tricks to easily save more money, even when you're young.

CONCLUSION: LEAVING A RICH LEGACY

Legacy is about more than just money. Leaving a rich legacy, one that your children and grandchildren can be proud of, involves investing quality time into relationships, creating valuable experiences, *as well as* protecting your financial assets for the next generation. Most of all, to leave a legacy, you have to model what living in Financial Freedom, a truly free life, looks like to your children and grandchildren. In the end, that's our mission, to help you leave a rich legacy. Perhaps it's time to join the cause. Are you in?

Appendix A: Financial Statement Worksheets

To help you fill out your first income statement and balance sheet, we include an easy-to-use financial statement worksheet to help you get started down the road of courageous clarity and communication so you can get your Financial Freedom.

Appendix B: Financial Strength Checklist

Which Financial Book strategies and habits have you incorporated into your financial plan? Are there any that you want to talk about with your family or a financial advisor? Check each piece off the list when you accomplish them, or circle it if you have more questions. Getting your Financial Freedom has never been easier.

VIII. SAMPLE CHAPTERS

Chapter 1
The Big Problem

To illustrate why I believe in this cause so much, I want to introduce you to the Wilsons. The Wilsons are what we would consider Level 1 Investors. Alex Wilson was in his late twenties and had a good job as a radiology technician. His wife, Mia, took care of the kids and worked on her small, online business selling handmade goods. Alex and Mia are Level 1 Investors because they were earning money and accumulating money, but they weren't involved in much investing yet. The Wilsons were just getting started.

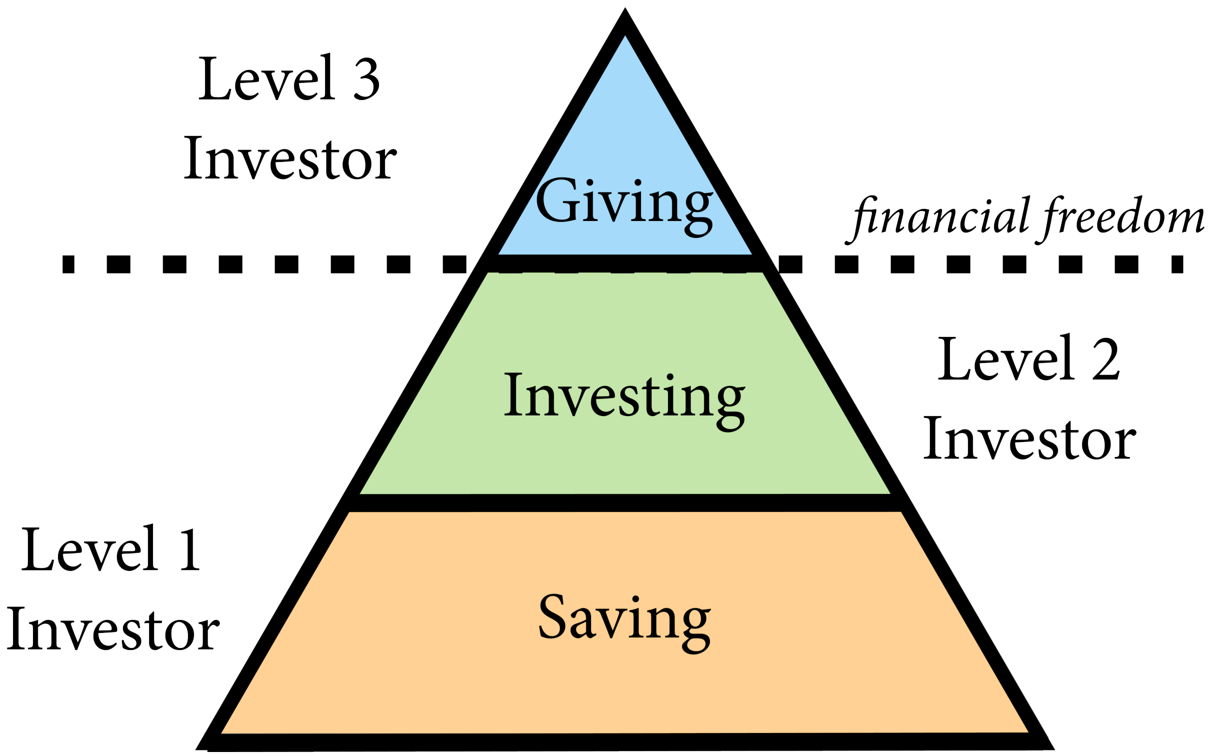
Most financial planning books are focused on which financial vehicles you should be investing in. For example:

- 401K
- Stocks
- Bonds
- Mutual Funds
- Gold
- Real Estate
- Your Small Business

Most people invest in some of these. You probably have many of these investments yourself.

When you're at this stage, we consider you a Level 2 Investor. You're making investments for your future, but those investments are probably not paying you back much yet, and you're not in a place that you're financially independent, where you can live solely off your investment income.

Financial experts say that if you stay disciplined and make good investments, you might be able to graduate from Level 2 to Level 3. Level 3 Investors go from being earners to givers. At this point, your assets are earning enough money that you have financial freedom. You can begin to invest in a purpose beyond money, your true passions, whether that looks like donating your time and money to charity, starting your own business, or just spending time with your family.



We all want to make it to Level 3. More than just the peace of mind of financial independence, there's something about living generously that's deeply appealing. But how do you get there? How do you become financially free?

Most experts will advise you to invest invest invest, but what happens if the unexpected strikes? What happens if one of the Five Thieves we're going to discuss later in this book come and steal your financial future?

After five years, the Wilson's financial future was looking secure. Alex continued to grow in his career and his income, and Mia, with her growing small business, was able to hire employees to take on the brunt of the work while she got to spend more time doing what she loved. Even better, their financial advisor friend proved to be something of an investment guru. In just a few years, their initial investments had doubled and were beginning to return dividends. The extra money supplemented their income, allowing them to work less while spending more time doing what they loved. In a few years, their advisor told them, they would be financially independent. With their house nearly paid off, their investments growing, and Mia's business paying them while she had to do less and less work, they knew that soon, Alex could quit his job and they could devote themselves to following their passions, whatever they decided to do.

While things were looking great for the Wilsons as they climbed up the three levels of investing, they were being set up for the Big Problem: If you focus solely on these three levels, as most financial planners are taught, your investments *might* pay off *if* life goes according to plan.

The problem is that life almost never goes according to plan.

A few years after Alex turned 40, the unthinkable happened. They had been coming home from one of the kids' football games when he complained about chest pain. Then, when they got home, Alex went into cardiac arrest. Mia called the ambulance and they rushed him to the hospital. Alex's life was saved, but he would be in recovery for months. The Wilsons were grateful that Alex survived the heart attack, but they soon discovered how expensive it is to recover from a critical illness. While their insurance covered most of the hospital fees, their were dozens of doctor copays, prescription drug payments that would go on for years, and physical therapy bills. On top of it all, his lost pay from being out of work amounted to the tens of thousands and since they never thought something like this would happen to him at his age, Alex wasn't covered with disability insurance. The Wilson's emergency fund was completely burned up during Alex's recovery. After a few months, they tried to take money out of the house, but without Alex's income, the bank wouldn't give them a loan.

Life seemed to only be getting worse. After an infant choked and nearly died on one of Mia's handcraft goods, the parents filed a lawsuit against her company and won. Her business was owned as a partnership, which meant Mia and her business partner were personally responsible for the suit and legal fees. Also, since the Wilsons had decided to roll Alex's 401K into an IRA so their financial advisor friend could manage their account, their retirement account was potentially vulnerable to the lawsuit, too. Whatever was left of their savings and retirement after Alex's illness was wiped out by the suit. Mia and her partner decided to close their business.

The Wilsons did everything right. They listened to their financial advisor and followed everything he told them to do. However, even after following all established advice, they still went from being on the verge of financial freedom to losing almost losing almost everything in less than a year.

What had happened to their promising future? How could things have come out so wrong?

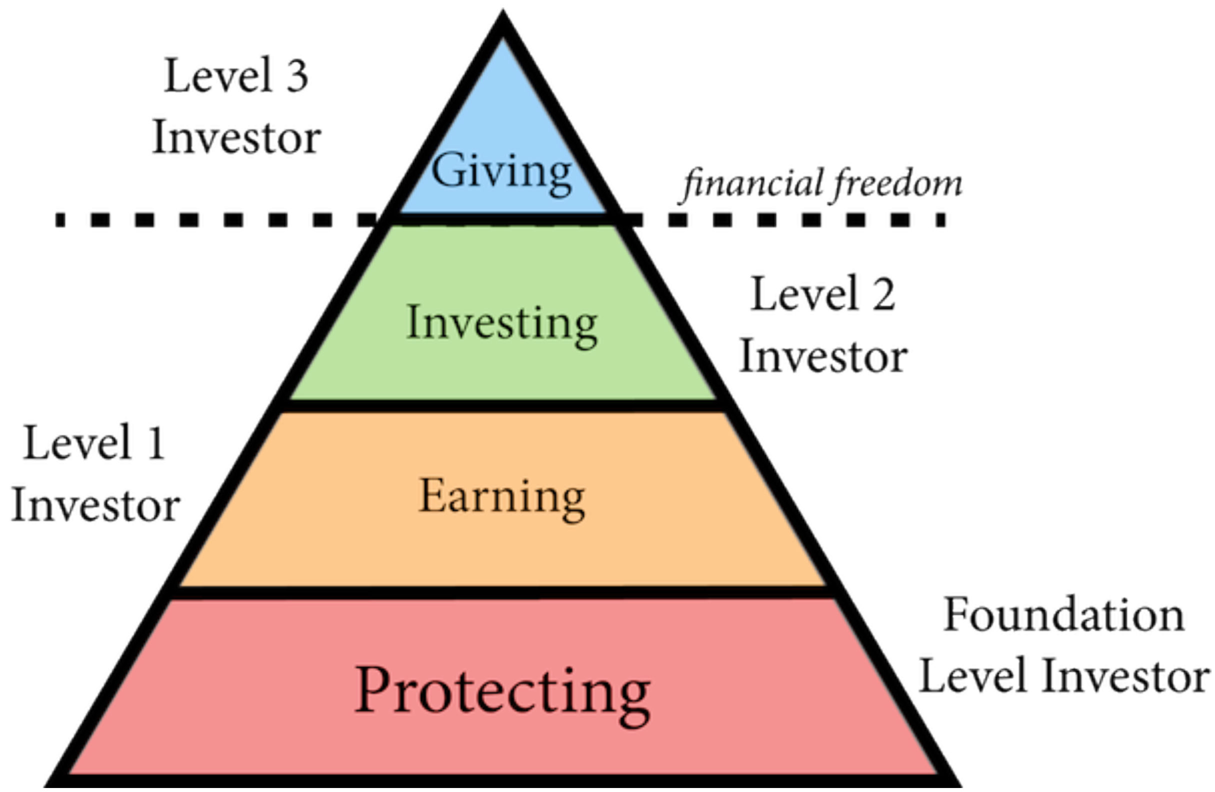
and Life Still Comes Out Wrong

While the Wilson's story may seem surprising or even unbelievable to you, after working with over 4,000 people over the last 14 years, I've seen personally how quickly life can reverse its fortunes. And if you think about it, you probably know someone close to you who has experienced exactly what I'm talking about.

I've also found that most people are working hard on Level 1 and Level 2, but they leave themselves open to huge amounts of risk. To put it bluntly, if you're just a Level 1 or 2 Investor, you may be building your financial future on sand. A plan that only covers Level 1 and Level 2, a plan that doesn't address the *foundation* of financial success, runs the risk of getting completely wiped out when "life happens." If you only focus on saving and investing without setting up your foundation, don't be surprised if your financial home gets washed away in the storm.

This is what *The Financial Book* is about. It's great to work on these other levels, and we want to create a path for you to do that. However, our cause is to make sure this often neglected foundation piece is in place. We've seen too many people wiped out because they built their financial foundation on shifting sand instead of solid rock.

Besides the three levels of investing, there's a Core Level most people ignore. You can see the Core Level in the chart below.



Most people are doing pieces of Level 1. Some are even up to Level 2. However, we've found that very few people know how to create their financial foundation, and it leaves them open to the risk of the Five Thieves discussed in this book.

However, just because we focus on the Core Level, don't misunderstand our intent. We're here to make you a Level 3 Investor. In order to do that, you need a strong foundation, one that can survive anything that life throws at you. We don't want you to get taken out of the game before you accomplish your goals.

The advice and strategies we cover in this book have traditionally been reserved for the wealthy, but we want to open them up for the rest of us.

Most financial planners are taught to focus on Level 2. Even I was taught that way. However, common knowledge leads to common results. If you want to do something everyone else is doing, feel free to focus on your Level 2 investments without setting up a financial foundation, your Core Level, that we'll be talking about in *The Financial Book*. On the other hand, if you want to earn more, pay fewer taxes, and achieve peace of mind for your future, then *The Financial Book* may be for you.

No Matter What, Live Your Financial Freedom

Some people look at these levels and start to despair. How are you ever going to get to Level 3, to experience financial freedom and generosity? More importantly, how do you live a Financial Freedom even if you're not a Level 3 Investor? There's a misconception that most people have that you have to be a level 3 Investor to finally live your definition of a Financial Freedom.

Not only is it possible to live a Financial Freedom if you're not a Level 3 Investor, I believe it's crucial that you do live your Financial Freedom. When I first began learning about these levels, I was reminded of Maslow's Hierarchy of Needs, and I wondered if above Level 3 was self-actualization, your Financial Freedom. However, I quickly realized you need to be living your Financial Freedom during each level. Your Financial Freedom might not be taking your family to Barbados. Instead, it might be scheduling time to go on a walk at the park. Start now. Moving up the financial levels just allows you to put more resources into the habits you already have. Your Financial Freedom is not a destination. It's the journey.

As we said earlier, it starts with gratitude. **The amazing thing about intentional gratitude is that even if you're not where you want to be, it allows you to be content where you are.** Find contentment in the knowledge that you are going in the right direction. At the end of the day, if we're being mature about our lives, the journey is the most important part. As soon as you reach your goals, you'll automatically invent a new one. By the time you reach your destination, it will have changed. If you stay grateful, it won't matter how much further you have until you achieve your goals. You'll just be enjoying the ride.

Remember, it's about progress, not perfection.

Second, invest in meaningful relationships. The best memories I have of my dad aren't about the gifts he gave me. It didn't matter to me how much money he spent on me. The best memories I have of my dad are about the seasons he coached my football team, the time we spent on the field, just father and son. He was a busy man, a business owner with the responsibility of his family and employee's lives on his shoulders, but even with all of those burdens, he still chose to have those experiences with me. The favorite times I had with my dad weren't about big vacations or gifts. It was just the time he spent with me.

Unfortunately, meaningful experiences are often the first to go when you're stressed about money, and what usually destroys them is the "When I, then I game." So many people claim, "I'm going to climb this corporate ladder in the name of taking care of my family because the more I can provide for them, the happier they'll be." Sadly, these are the ones who lose their spouses and kids because they neglected those relationships.

Instead, start where you are. You may not be able to take care your kids to Disney World but maybe you can take them to the park. Meaningful experiences aren't just a luxury. I think of them as a business appointment. I've realized that if I don't put it on the schedule, it probably won't happen. I know you're busy. However, to live a Financial Freedom, you need to make experiences such a high priority that you schedule them like they're your most important appointment.

The best part about living a Financial Freedom is that your money might be a mess, but you can still be grateful, you can still start creating those experiences, however small they need to be, you can still invest in those relationships. You practice the habits along the way so that when you get there, you'll have the skills to live your definition of a Financial Freedom. The Financial Freedom is about more than your financial goals. It's about the journey you take to achieve your financial, relational, physical, emotional, and spiritual goals.

Our Cause is to help you live your definition of a Financial Freedom, to enable you to pursue your Financial Freedom with peace of mind. Money is just a tool, one that we all have to learn to use to create the life we want. It can be a stressor or a strength, and that's why I'm writing this book. If you don't have the money to live your Financial Freedom, you might have a much harder time achieving it. If you don't build your financial foundation, it's much more likely that you'll be detoured or even buried by difficult circumstances. At the same time, if you completely focus on making more money at the cost of your relationships, your health, and experiences, you could become like my friend the Miserable Millionaire, who I discussed in *The Financial Freedom*, who sacrificed everything to make more money to provide for his family, and then after getting everything he wanted, realized he had driven everyone and everything that made his life meaningful away.

No matter what life throws at you, you want to be as protected as you can be so you can enjoy your Financial Freedom with peace of mind.

Five Thieves That Will Steal Your Financial Freedom

Our Cause is to help you live your definition of a Financial Freedom, to enable you to pursue your Financial Freedom with peace of mind. Money is just a tool to create the life you want. If you don't have the money to live your Financial Freedom, you might have a much harder time achieving it. If you don't build your financial foundation, it's much more likely that you'll be detoured or even buried by difficult circumstances. At the same time, if you completely focus on making more money at the cost of your relationships, your health, and experiences, you could become like my friend the Miserable Millionaire who sacrificed everything to make more money to "take care of" his family, and then after getting everything he wanted, realized he had been working so hard to support them he had lost everyone in the process.

No matter what life throws at you, we want to help you control the controllables. We all recognize that we can't control everything. You can't control whether a loved one gets sick and can't work or the stock market takes a sudden downturn. However, there are steps you can take to protect yourself for those times when "life happens." The Financial Book is about setting those protections in place so that you don't have to stress about the "what if's" anymore and you can enjoy your Financial Freedom with peace of mind.

The other side of this conversation is that many people aren't planning for their future at all. The sad reality is that one in seven seniors live below the poverty line, according to a U.S. Census Bureau report in 2013, and nearly half are just squeaking by with incomes $26,000 or less. Unfortunately, as people live longer, more and more retirees are outliving their savings and ending up only a little above or well below the poverty line. One of the things my clients tell me that breaks my heart is that they don't want their family to come visit them because they can't handle the embarrassment at not being able to take them out to lunch on their fixed income. The Financial Book is about making sure you retire with confidence that not only will you be able to survive on your savings if you live a long, healthy retirement, but that you'll actually thrive, living your Financial Freedom every day.

Why Is It So Hard To Get to the Top?

The truth is if we lived in a world without risk, everyone would be able to become Level 3 Investors and live in complete financial freedom. We all know that in the world we live in, life happens. Things rarely go according to plan. Risk is everywhere. Big companies understand this, which is why every Fortune 500 Company has an entire department devoted to "Risk Management." Risk managers make sure all those things that could go wrong *don't* go wrong, and if things do go wrong, they make sure their company is protected.

This book is like your personal risk management team. I will show you the five most overlooked and least understood risks to your financial well-being so you can create a security system that will protect your Financial Freedom.

My goal isn't to scare you. In fact it's to put a plan in place that will remove any fear around your finances. My cause is to prepare you for the worst while setting you up for the best. Through the next five sections, I want knock off your rose colored glasses that keep you from seeing how life really works (hint: it's not the way your financial planners' charts would like you to believe). I want to make you hungry for a new way to manage your money.

Are you sitting down? I hope so. If you're ready, let's jump into the Five Thieves that can steal your Financial Freedom.

Thief One:
Taxes

What most financial planners won't tell, what many may not even understand, is that losses in the stock market hurt you more than gains help. Let me explain. Pretend you're having a typical meeting with a financial advisor to talk about investment options. He suggests investing in a mutual fund with an average return of nine percent. "This fund averages a nine percent gain every year," he tells you. "That means if you invest $10,000 today, in eight years you will have $20,000 back, doubling your money."

While this sounds great, this very common illustration that many financial advisors use is based on complete fantasy. The truth is there can be a huge difference between *average return* and *actual return*. While the average return might give you a rosy picture of your money's growth over a period of time, your actual return, the amount you actually end up with, could tell a totally different story.

To understand the difference between average return and annual, let's say it's 2008, the height of the financial crisis, and you invest $10,000 into an index fund that tracks the S&P 500. It's a tough year for your investment. The market drops 37.28 percent. Your initial investment is worth just $6,272. However, you figure the market will go back up and decide to stay in the market. In 2009, your patience is rewarded by a 23.75 percent rise followed by a 13.14 percent rise the following year. In fact, between 2008 and 2012, the fund completely recoups its loss and ends 2.53 percent up on average, even after you lost over a third of your money in the first year.

So if the fund's average return is 2.53 percent, doesn't that mean your investment is now worth $10,253?

The answer is *no*. In fact, you didn't gain anything. You actually *lost* money.

Here's why. When the market went up 23.75 percent in 2009, your initial $10,000 didn't go up. The return was on your much smaller new balance of $6,272. In the two years after the crash of 2008, your fund average nearly *erased* its earlier loss. But that increase only affected your diminished $6,272 after the crash so by the time the market was up on average in 2012, your actual return was down .17 percent. Instead of *gaining* $253, you *lost* $17.

To put it another way, if you have a 20 percent loss one year, and then the next year you have a 20 year gain, your money is not back to break even. You may have a zero percent average return but negative cash value.

Average return and actual return isn't the only issue with the stock markets. Who has been paying attention to the news in the last few years?

My friend Shirley had done everything right. She had worked at the same company for 33 years, building her 401K to over $1.3 million. It was 2007. The markets were doing great, and she was planning to retire the next year. She couldn't wait to step into the future she'd worked so hard for.

But you know what happened the next year.

In just a few months, her precious savings lost nearly half of its value. Her one-point-three million-dollar nest egg went down to $715,000. She was infuriated. She had done everything right, followed professional advice, and now the plan she had worked so hard for was out the window. In the course of just a few months, the market took her out of the game.

Most people have done the best they know. They've done everything "right" based on the information they had. However, what if doing everything "right" isn't good enough. Maybe what we've been taught isn't the best plan for our future.

That's what this book is about. I'm not interested in what's popular. I'm not interested in what's easy to sell. This book is about what functions in you and your family's real life. We hear financial advice so often and accept it as truth, but there can be huge advantages to doing the exact opposite of the established "correct" practice.

For example, people sometimes tell me, "You're supposed to buy term life insurance and invest the difference."

"Why do you say that?" I ask them.

They rarely know why. They just know what they've been told.

In my financial advising over the last decade I've learned that what functions best in people's day-to-day life is building a security system to protect their family and their assets from these thieves.

A few years after her daughter, Natasha, was born, my friend Diane bought a 529 plan for her college education. A 529 plan is a tax-deferred plan, similar to a 401K, that allows you to save money for your children's college tuition. Diane continued contributing to the plan throughout Natasha's childhood, even when it wasn't easy. In fact, there were months when she had to lower her own standard of living to make that payment, but she still gave faithfully every month. Then, when her daughter was just about to graduate high school, the market fell apart in 2008. Natasha's college account suddenly went to half of its value at the moment she needed it most. Like Shirley, Diane had done everything right, but it didn't protect her daughter's future. She was devastated. Half of what she put aside for Natasha's college education was wiped out.

Market risk isn't just a problem for retirement accounts. It's a problem for anything you're purposely saving for, especially anything with a deadline like a college education, your retirement, or even the purchase of your first home.

What if there was a plan that protected your retirement, your college savings, and your personal savings from unexpected market downturns, so that it was there when you need it?

The problem is that most people don't know they're exposed to these problems until it's too late, until their retirement account has lost half it's value on their 65th birthday or they can't send their daughter to her top choice college because the savings plan they put the money was just decimated by the market.

The good news is there's a solution. It's not another cookie-cutter product. It's a solution to your problem.

Sometimes, even though we've read something and been told it's the right thing to do, it's still our responsibility to understand how your plans protect you from these thieves.

How about you? What's a story you've heard or experienced personally involving the thief of market risk?

Thief Two:
Taxes

Here's the question: Do you think your tax rate will go up or down in the next twenty years?

Before you answer, go to usdebtclock.org and take a quick look at our national debt. As of 2013, our U.S. national debt was $17.1 trillion. If you add in state and local debt and divide per each U.S. citizen, you get about $190,000 per citizen. That's right. The United States government owes nearly $200,000 for every one of its citizens. Now, compare that to how much the average family has saved, about $6,500. And that's per *family*, not just per person. If you think that's bad, look at Japan, the U.K., France, Italy, Greece, and even Germany. Those countries have it even worse.

It's difficult to convey in words just how bad the situation our government has put us in.

As terrible as that sounds, because of the way the government does their accounting, the reality is that it's even worse than it first appears. Here's something that will shock you (or not!): every corporation in America has to take into account future obligations. However, the U.S. Government has decided they don't want to follow the same accounting rules they set up, and unlike any other corporation in America, they don't take into account any future obligations when they disclose their books. If they did, as every corporation in America is required to do, the national debt would be closer to $50 Trillion. I don't mean to provoke fear, but I believe more people need to understand this this. Most people agree the $17 trillion is horrendous enough, but if I, as a business owner, did my accounts the way the government does, I would be in jail.

Are you awake yet?

The question, then, is how is the government ever going to pay off that debt? The only thing they can do is reduce spending or increase taxes. Let me ask you a rhetorical question. Do you think governement is more likely to decrease their own spending or increase taxes on people like you and me? If you're like most of the people I know, you probable don't see the government reducing spending. No matter which party is in power, each seems bent on outspending the other.

The reality is that a major increase in taxes in the future is almost inevitable.

Raising taxes even makes sense historically. We may complain about how high taxes are, but the truth is that tax rates are historically low. In 1944, the income tax rate on the top bracket (people who made over $200,000) was 94 percent. Can you imagine that? If you made $200,000 that year, the U.S. Government would only allow you to go home with $12,000 of that. However, that's not the only time taxes were high. In the 1960s, 70s, and 80s, the top paid 70 percent or more.

The truth is, we could easily move back to that range.

This might not be a problem now, but what if taxes are higher when you retire? Are you okay with Uncle Sam taking 94 percent of your hard earned money? What if you're currently calculating your retirement plan with a 25 percent tax rate? Not too big of a deal. Compared to the top tax bracket in 1944, you've hit the jackpot. However, when you want to take your money out, what if the tax rate has been raised to over 50 percent. How would that affect your future? How would an extra 25 percent haircut on your savings change your lifestyle?

Most financial advisors will tell you to diversify your investments to make sure you don't lose everything if the stock market crashes or the bond market suddenly has a meltdown. However, very few talk about diversifying your tax-saving strategies. Currently, over Americans have over $17 Trillion in qualified tax accounts like 401Ks and I.R.A.s. When these Americans retire, 100 percent of this money will be taxed at the full rate by the Federal Government. Just think about how much Uncle Sam is salivating when he thinks about how best to take a chunk out of that fortune. For this reason alone, we should be thinking about how we can use a variety of tax-saving strategies so that we can make sure, no matter what the Government decides to do tomorrow, we have protection in place today.

We need a strategy that focuses on taxes as much if not more than returns. After all, what matters is how much of your hard earned money you actually get to use. If taxes are going to be higher in the future, you should try to position at least a portion taxes on your in tax advantage strategies, meaning you have either tax deferral or tax-free distribution. We need a strategy that pays tax *now* on the seed while taxes are still historically low, so that when you take your money out to finance your future, you won't have to pay *any* tax and have acces to 100 percent of the account value *regardless* of the current tax rates. No matter what top the tax rate is at when you retire, you will be protected.

Again, this isn't just a strategy. This is peace of mind. We want to ensure future tax increases can't take you and your family out of the game, just as we plan to protect you from market risk.

Our cause is to create peace of mind around your money so that you can focus on living your Financial Freedom. Market downturns can't take you out of the game. Future taxes can't take you out of the game. In fact, nothing can.

Qualified plans, like 401K plans, IRAs, are regulated by the federal government, and currently there are an estimated $10.3 Trillion in private retirement plans like this (see investment company institute 2012 report on US retirement market). (Could they be as high as 17T?) Currently, those plans are not taxed, but with such a large apple in their eye, the government could be tempted to tax those plans as well. These plans are controlled by laws, and the government can change laws as they please.

For some people, moving a portion of their money from these types of accounts into plans that are safe from government manipulation might make a lot of sense.

And for some, like doctors and others professionals at risk of lawsuit, governments aren't the only thieves of your finances. Depending on what state you live in, some of these plans can also be vulnerable to lawsuits (see http://www.latimes.com/la-ira-story3,0,6977190.story#axzz2jnmF4Lt1). For example, if you have your retirement account in an IRA, and someone slips and falls on your property or your sued in a malpractice suit, you could lose your entire retirement. But what if you could put a portion of your savings into an asset that if you were sued in a major malpractice case, your entire savings was protected?

In the Financial Book, we know we can't control everything. Instead, we want to control the controllables. The reality is we can't control what the tax rate will be when you retire. However, we *can* ensure that your money is taking advantage of the best strategies to minimize how much of a chunk Uncle Sam takes out of your hard-earned money when you do decide to retire.

Thief Three:
Critical Illness

No one ever thinks there's a chance his or her life could be shattered by the Big 3: cancer, heart attack, or stroke. We all think, "That's not going to happen to me." Honestly, even though I know the statistics, I often think it won't happen to me either.

Here's the hard truth: If you're married, the statistics say you or your spouse are likely to suffer one of the Big 3. There's a good chance it could happen to both of you.

I often speak to groups and organization. Recently, I was in a room with 20 people. "Look around you," I said. "Fifteen people in this room are going to have cancer, a heart attack or a stroke." They were shocked.

The CDC reported in 2009 that 75 percent of people over 40 will experience a Critical Illness at some point.

We see it happen around us. We watch it affect our friends and family, but there's this egocentric thing that says, "That won't happen to me."

Regardless of your feelings of invulnerability, the odds are against you.

What is more surprising to people is that if you're not protected, *surviving* one of the Big 3 could become your biggest problem. The number one cause of bankruptcy in the U.S. is surviving a critical illness. In fact, medical bills cause 60 percent of bankruptcies in the U.S. If you don't plan for this you're wide open to having your assets wiped out and your future devastated.

This is why it's so important to put in a solid foundation. If there's no contingency in your plan, just one major medical event could wipe out your entire future. You might have a couple hundred thousand dollars in your 401K plan, you might have some term life insurance in case you die, but if the Big 3 hit, there's nothing in place to protect you and your hard earned assets. To avoid bankruptcy, you could be forced to cash out your 401k or borrow against your house. Forget your retirement plan, how would that derail your peace of mind?

Take a moment to stop and think about this, where have you seen the thief of critical illness affect the life of someone close to you?

Thief Four: Long-Term Care Events

At some point in their life, 60 percent of people will have a chronic illness and will be disabled, meaning they won't be able to perform two of the six activities of daily living: dressing, bathing, eating, transferring, toileting, and continence. On average, disability lasts less than three years. However, because the cost of long-term care is so expensive—assisted living facilities can cost more than $70,000 a year—just a few years could easily destroy your savings.

In 2012, nine million Americans over 65 needed long-term care services, and this number is going up dramatically. In 2012, there were 40.3 million Americans over 65, which means one in four needed long-term care. And that's just in one year.

If you're married, a long-term care event will almost certainly affect either you or your spouse. Celebrity financial advisors like Clark Howard and Suze Orman recommend long-term care insurance, but most people don't it because it's so expensive and they think they won't need it. However, the cost of long-term care is so high and it aflicts so many, that building some kind of protection for yourself and your family from this burden is crucial. Could your retirement budget stand another $40,000 to $50,000 expense per year.

What would your biggest concern be if you or your family ever experienced a chronic illness that required long-term care?

Thief Five:
Premature Death

Here's what we usually say to ourselves:

When I reach 40, then I will take a vacation.

When I get that raise, then I will spend more time with kids.

When the kids are in high school, then I'll take some time off.

The when-I-then-I-game is even worse in our financial life.

When I turn 40, then I'll buy life insurance.

When I make $100,000, I'll be able to afford the right amount of coverage for my family and myself.

When I pay down the house, I'll increase my policy. If you play the "when I, then I" game too long, you're always bound to lose.

Most people do this. My dad would have had a lot more insurance if we knew he would die at 49. But by then, it was too late.

Most people don't want to think about death, but one of the most important conversations you can have with your family is what you want to accomplish if something happened to you. The most valuable asset you have is your own capacity to earn money, but if you were gone, what would you want to do for your family?

Would you want to pay for your kids' college? Would you want your family to be supported so they wouldn't have to lower their lifestyle?

Most people want to think about this after something has happened, but the hard truth is that like my father, you may not have time to change your strategy before tragedy strikes. You might get bad news from the doctor that makes you realized how exposed you and your family is, but by then your insurance will be out of reach.

This is one of the hardest conversations every couple can have about money, but it might be the most important.

This cause isn't just a strategy. It's about giving you piece of mind. We want you to be safe in the knowledge that even the worst thing in the world, even your death can't take your family out of the game.