

The Money Dam™

A Framework for How to Think Wealthy



THE MONEY DAM

If you don't give a dam about your money, no one else will.

- The only financial goal in life is **DEPENDABLE MONTHLY CASH FLOW** until game over, not (necessarily) a high net worth.
- There are only **THREE** things you can do with your money:
 - * SPEND
 - * SAVE
 - * INVEST
- Your Money Dam is built **HIGH** by your **DESIRE** to be wealthier than you are today, knowing you **DESERVE** it and the belief you **CAN FIGURE IT OUT**.

Your Money Dam can be built at **ANY TIME** in your life.

You will never attain and maintain financial **WEALTH** without understanding the principles of The Money Dam.

WEALTH = INCOME > OUTFLOW

- This is also known as **EARN > Spend** (EARN more than you Spend) and it's the **ONLY** equation for **WEALTH** you ever need to learn.
- If you simply have **Income > Outflow** every month for the rest of your life, you will instantly be **WEALTHY** because you'll never run out of money.
- CASH** pays the monthly bills, but **MONEY** grants you three things: **short-term SAFETY**, **long-term SECURITY** and **total FREEDOM** ...in that order.

1 INCOME

To find work you **LOVE**, follow your **CURIOSITY** into the Land of Opportunity, using skills you're good at that help others or solve a problem and that can pay you well.

Money is completely **ABUNDANT** in the world when you know **WHERE** to find it and **HOW** to collect it.

You **CHOOSE** what to do with your income...its only job is to flow to what you **VALUE** in life to make you healthy, happy and wealthy.

2 OUTFLOW – Your Monthly Lifestyle

aka: CASH or Checking Account

- MONTHLY BILLS**
You will **ALWAYS** have monthly bills, regardless of how much money you store behind Your Money Dam. Billionaires have monthly bills, too.
- MONTHLY LIFESTYLE**
Your monthly lifestyle consists of: Housing, Utilities, Food, Transportation, Insurance, Donations, Entertainment and Gifts.
- ALWAYS IN CONTROL**
You are **ALWAYS** in control of the Outflow (Monthly Expenses + Debt) of your life...and always have been... based on each **CHOICE** you make with your money.
- OUTFLOW = WHAT YOU VALUE**
You **SPEND** your money based on what you **VALUE**. If you never set **SPECIFIC** financial goals, as most people don't, your Money Dam will never be built.

BUT BEWARE...

- DEBT!**
Consumer debt (credit cards, student loans, car loans, etc.) creates a big **HOLE** that weakens the very heart of Your Money Dam. You want to plug it up **ASAP** while building your foundation.

3 SAFETY - Your Foundation

aka: Savings Account (High Yield)

GOAL: Your Monthly Rent/Mortgage + 0
(example: \$800 rent + 0 = \$8,000 SAFETY)

- Savings **SAVE** you.
- Savings make you feel **SAFE** in life.
- With Savings, you finally begin to **LIVE LIFE** because you start trusting that you can handle **anything** that comes your way... first financially and then emotionally.
- To have any financial **FUTURE** you must first build a strong Foundation.
- Don't think of your Foundation as an "emergency fund" or "rainy day fund" - you maintain this until the...[ahem]...very end.

Your Foundation does **NOT INCLUDE** anything you **SAVE UP FOR** such as a vacation, a down payment on a house or car, etc. That grows in a separate **SAVINGS** account with its own specific **GOAL**.

Once you start successfully saving step-by-step toward your x10 goal, you realize you can do **ANYTHING** you put your mind to.

4 SECURITY – Your Future

aka: Investment Accounts (tax-advantaged retirement accounts such as 401(k)s, IRAs, TSPs...), pensions, Real Estate that produces cash flow...

GOAL: Your Monthly Rent/Mortgage + ,000
(example: \$800 rent + ,000 = \$800,000 SECURITY by retirement)

- This is the traditional model of retirement where you start investing in your long-term **SECURITY** as **EARLY** as possible to leverage the amazing power of **COMPOUND INTEREST** to grow your lake of **NET WORTH**.
- While feeling **SAFE** requires the simple saving of dollars, feeling **SECURE** relies on **INVESTING** and leveraging time and the markets so your dollars make **EVEN MORE (FREE) MONEY**.

- From here on up Your Money Dam wall, the only thing to learn about is how to **INVEST** your money.
- Don't worry - there's help! The **WEALTHIER** you become, the larger your team of professional tax, legal and investment advisors who will support you.
- The larger goal of **SECURITY** is to amass income-producing assets (i.e., stocks/bonds, investment real estate, etc) so your **INVESTMENTS** replace your salary later in life.

5 FREEDOM – Your Legacy

aka: Businesses, Foundations, Family Estates, Trusts, etc.

GOAL: The sky's the limit! This level of wealth is more money than you can spend in your lifetime based on the needs of your lifestyle.

- This is the level of Philanthropy, Foundations, Family Offices, Heirs...an ever-increasing level of responsibility based on the level of wealth you attain.
- The **BIGGEST** investment for Financial Freedom is **INVESTING IN YOURSELF**.
- Reaching financial freedom is a great **ACHIEVEMENT...but it is not FULFILLMENT**.
- Wealth is a **PROCESS...not an event**.
- Wealth is not acquiring more and more **THINGS...it's the FREEDOM** to live your life on your terms.

* Earn More than You Spend and Invest the Rest - Dam it! *
ThinkWealthyBook.com