DAVID BACH'S

THE AUTOMATIC MILLIONAIRE® UNIVERSITY

PUT YOUR FINANCIAL LIFE ON AUTO PILOT AND FINISH RICH

YOUR MILLIONAIRE GUIDE

Author of **9** *New York Times* Bestsellers

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Your Millionaire's Guide

Welcome to The Automatic Millionaire program. Congratulations on your decision. You know, a lot of people have looked at The Automatic Millionaire and said to themselves, "Oh, come on, that can't possibly work. How could I become an Automatic Millionaire?" Those people just walked away. Not you. You did something different. You looked at the title, The Automatic Millionaire, and you said to yourself, "Why not me? Why couldn't I become a millionaire?" You took action. And that action is about to pay off.

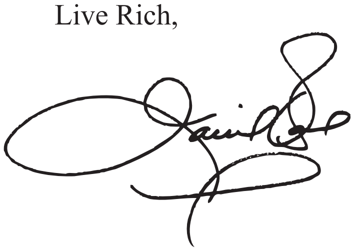
This program will teach you powerful concepts, tools, and ideas that will literally transform your life. You're going to transform yourself from someone who wants to be rich into someone who can be rich.

The Automatic Millionaire is a system that doesn't require motivation. It won't require you to keep the energy going to be rich. It won't require you to have discipline. It won't even require you to have a budget! Traditional wealth building programs tell you that you've got to have a budget, you need to have discipline, you need to be motivated and you need to write out your goals. The Automatic Millionaire teaches that those things ultimately fail when you're trying to be wealthy. The truth is, you're too busy to spend all day thinking of wealth building. You need a system that will work while you sleep – a system that is automated.

Are you ready to set up the system that will help you become an Automatic Millionaire?

Then, let's get started!

Live Rich,



David Bach
Founder & Chairman
www.FinishRich.com

How To Use Your Millionaire's Guide

How can you get the most out of your Millionaire's Guide? By using it in conjunction with the audio program. For each session, do the following:

1. Preview the section of the Guide that goes with the audio session.

2. Listen to the audio session at least once.

3. Complete the exercises in this Guide

By taking the time to preview the exercises before you listen to each session, you are priming your subconscious to listen and absorb the material. Then, when you are actually listening to each session you'll be able to absorb the information faster—and will see results faster.

Session 1: HISTORY POINTS TO NOW

Meeting the Automatic Millionaire

INTRODUCTION

What is the American Dream? The American Dream means different things to different people. For some people the American dream is to have a million dollars. It's not a coincidence that the titles of the most popular television shows always have a million dollars in them. Well, the American Dream is not necessarily a million dollars. The American Dream is having the freedom to do what you want to do when you want to do it.

> ***Income <u>alone</u> does not create wealth.***
> – David Bach

The idea behind the American Dream is freedom. But you need to have money to have that freedom. You can have a really big income and make a whole lot of money and still not have freedom. Making more money won't make you rich unless you do something with that money for yourself.

ARE YOU LIVING THE AMERICAN DREAM?

Circle the appropriate answer:

1) Do you pay yourself first?
   And if you do, do you pay yourself first 10% of your gross income? ❑ Yes ❑ No

2) Do you have an emergency basket of cash? ❑ Yes ❑ No

3) Do you know what your Latte Factor® is? ❑ Yes ❑ No

4) Do you own your own home? ❑ Yes ❑ No

5) Do you tithe? ❑ Yes ❑ No

6) Is your financial plan automatic? ❑ Yes ❑ No

The Automatic Millionaire is not about getting rich overnight. You don't get rich in days; you get rich in decades by creating a system that makes it so that you literally can't fail.

You're going to learn that there are all kinds of ways to pay your bills automatically so that you don't have to write the checks yourself. You're going to learn that today, with technology, you can literally, in less than one hour, completely 100% automate every aspect of your financial life so that if you go on vacation for a month you'll still be getting rich—automatically!

Why This System Works

- ❑ **You Don't Need a Lot of Money**
- ❑ **You Don't Have To Change Your Life**
- ❑ **You Don't Have To Be Good at Math**
- ❑ **You Don't Need To Have a Budget**
- ❑ **It Doesn't Require Motivation**
- ❑ **It Doesn't Require Discipline**

Action Steps For Session One

One: Commit to Your Next Session

It could be tomorrow, it could be next week, but you have to make a commitment to yourself. Write down what day you're going to listen to this program. Then, immediately put this in your calendar or whatever scheduling device you use.

Commitment: I will listen to Session Two on ___________________
Signature: ____

Two: The Finish Rich® Clarity Question

Over the next year, what one thing would have to happen for you to feel you've made great financial progress?

MY NUMBER ONE GOAL FOR THE YEAR

Today is ___________

One year later will be: ___________

I have made great financial progress this year by:

____
____
____
____
____
____
____
____
____
____

Session 2: THE LATTE FACTOR®

You truly can become an Automatic Millionaire® on a few dollars a day. The problem is not how much we earn; it's how much we spend. This concept works for all kinds of people; from those who are making minimum wage to people who are making hundreds of thousands of dollars a year. The Latte Factor® is an incredibly powerful metaphor that can change your life.

The Latte Factor® isn't about setting a budget. In fact, the point of the Latte Factor® is to get you to throw the budget out by simply changing the way you think about your money.

> ***It's not how much you earn that determines whether or not you'll be rich. It's how much you spend.***
> – David Bach

You have more money than you think—RIGHT NOW.

This is a core concept. Chances are, in your day you have money that is leaking out of your pocket. This is money you have that could be getting you rich. How does your day compare to the following?

YOUR HOME

You wake up in the morning. Instead of heading out to Starbucks for your morning coffee, you brew a pot at home. Quickly scrambling an egg, you can also skip the muffin or Power Bar later this morning. Getting dressed, you notice that your spouse has washed and ironed your shirts instead of dry-cleaning them. Great! That's another couple of dollars saved. Flipping through the channels of your television, you are proud that you downgraded your service to Basic Cable. You really weren't watching movies like The Hangover for the fourth time anyway. Picking up the phone to call your sister, you smile remembering that you changed your long distance carrier and are now only spending 7 cents a minute for long distance. Walking to the refrigerator you laugh as you remember the look on the salesman's face when you turned down the extended warranty on the refrigerator when you bought it last month. You knew you would never use it. When you said to the salesman, "Why would I be buying this appliance from you if I thought it would break?" he didn't know what to say. Opening the door to the fridge, you see all the food you bought with coupons. You are now getting so good at using double coupons and store club cards that you are saving 35% every week on your food bills. That translates to more than $100 a month! Heading out to work, you grab your lunchbox filled with the chicken pasta salad you prepared last night. Sure beats that fast food burger you used to waste money on! Turning off the lights, you walk out the door, confident that your home is an efficient, streamlined money-saver.

YOUR CAR

Getting into your car, you remember the money you saved by buying it used. In fact, you were able to get a nicer car for less money because you shopped around. You cancelled the road service part of the policy because you have AAA. That multi-car discount really helped too. You drive by the gas station where you used to fill your tank, and go to the station next door. These days you are saving nearly 10 cents a gallon by choosing the gas station right next door. You are also smart enough to know that most cars today don't need "premium" gas, and you fill up on the least expensive gas. You maintain your car, drive the speed limit, and only use your air conditioning when you really need it. All of these things add up to dollars in the bank.

VACATIONS

Later, driving home from work you begin to anticipate your family vacation next week. In years past you might have racked up the credit cards with an expensive trip to Las Vegas. This year, though, you did your homework. You did some research on the Internet and found a great package vacation that will still get you to Las Vegas, but for 1/3 the cost of the trips you used to take. And, because you are paying cash, you'll enjoy yourself all the more knowing that you can afford the trip.

PERSONAL

Arriving back home you change into your exercise clothes. Canceling your gym membership was a great idea. Now you just go for a power walk with the dog every day and know that you are saving $43 a month. You've given up Gatorade and now drink water. You also quit smoking, which is saving you a whopping $7 a day. Not to mention you are feeling healthier and so your co-payments for doctor visits are decreased too. On your walk you start to think of your kids' birthday party next month. A slumber party, rather than a trip to the local party place, is saving you hundreds of dollars. You also saved a lot of money last Christmas by paring down your gift list, and making simple, meaningful gifts for many on your list. That visit to old Aunt Mary was better than any bouquet of flowers you could have sent. Returning home you see the basket of aluminum cans that your kids are recycling for money. You are happy that they are learning how to live reasonably. You may be wealthy, but it's because you manage your money wisely. You are proud to teach your kids the same thing.

While this is a bit of an extreme example, you can really see that it is easy to live a perfectly nice lifestyle while shaving thousands of dollars off your expenses every year! All it takes is some planning and foresight.

ACTION STEPS FOR SESSION TWO

One: The Latte Factor® Challenge

Starting tomorrow, from the moment you wake up until you go to sleep, track your expenses for one day. Print out the form below and bring it with you as you go about your day. Include everything, from the $1.00 newspaper to the $50 sweater you bought. If you need more room, make a copy of this tracker.

Then, ask yourself honestly, is there anything that you spent money on that was something you could cut back on?

> ***As our income goes up, our spending goes up.***

THE LATTE FACTOR® CHALLENGE

Spending Tracker

ITEM I SPENT MONEY ON:	HOW MUCH I SPENT	WASTED MONEY
		❑ Yes ❑ No
		❑ Yes ❑ No
		❑ Yes ❑ No
		❑ Yes ❑ No
		❑ Yes ❑ No
		❑ Yes ❑ No
		❑ Yes ❑ No
		❑ Yes ❑ No
		❑ Yes ❑ No
Add together the money you spent today =		
How much money did you waste? =		

You can't positively think your way to wealth,
You have to positively do your way to wealth.
– David Bach

Two: Do the Latte Factor® Math

List one item from your spending tracker that you can find a less expensive alternative for. The chart below can give you an idea. Fill in the last row with your own item.

CURRENT ACTIVITY	NEW ACTIVITY	AMOUNT SAVED
GOING TO THE MOVIES	RENTING A VIDEO	$5.00
LATTE COFFEE FROM COFFEE SHOP	MAKE COFFEE AT HOME	$3.50
TAKE SHIRT TO DRY CLEANER	IRON AT HOME	$3.00
LUNCH AT FAST FOOD RESTAURANT	LUNCH FROM HOME	$5.00

The amount you filled in the last column "Amount Saved" is your Latte Factor. Take a look at how quickly this Latte Factor® can add up!

A Latte a Day = $3.50

A Latte a Day for a Week = $24.50

A Latte a Day for a Month = $105

A Latte a Day for a Decade = $12,782

A Latte a Day Keeps Retirement Away

Now let's say you were able to get your Latte Factor® up to $10.00. How quickly can $10 add up? Do the Latte Factor® math!

$10 a day at 5% = $1 million in 54 years

$10 a day at 10% = $1 million in 34 years

$10 a day at 15% = $1 million in 25 years

$20 a day at 10% = $1 million in 27 years

$20 a day at 15% = $1 million in 21 years

Session 3: PAY YOURSELF FIRST

Chances are you've heard of the concept that you should "pay yourself first". But, do you really know what it means? Do you know how much you should "pay yourself first"? Where you should put that money? Even if you know all this, is your plan automatic? This session will cover these important ideas.

Whom do you work for?

Why would you wake up in the morning, leave your family, not do what you want to do with your day, go to work all day long for 8, 9, 10 hours a day, commute back home, get up and do it all over again? Why would you do this 5 days a week, 4 weeks out of the month, 12 months out of the year? Why would you do all that to earn money and not pay yourself first?

Most people pay everyone else before themselves: the government, their creditors, and their bill collectors. Everybody else gets paid first and then if anything's left over, then they pay themselves.

That system stinks and is designed for you to fail financially. If that's the system you're using right now, and you don't have money, that's why. The odds are set up against you. It's too tough for you to get rich if you're paying everybody else first. You need to change this. You need to completely redirect your income so the first person who gets paid is *you*.

> ***The first hour of every day that you work should be going to you.***
> – David Bach

What you need to do is pay yourself first automatically. See, if you take the money automatically out of your paycheck and pay yourself first, then you are living on what's left over and you won't need a budget.

How much money are you paying yourself?

Let's say you make $10 an hour. How much money did you earn this week? Let's say it's $400 during the week. Of that money, how many dollars did you pay yourself first with?
If you're not using a retirement account, a pre-taxed retirement account, a 401K plan, a deductible IRA, or if you're self employed and are not using a self-employed retirement account, then you didn't pay yourself first at all. The average American saves less than 30 minutes a day of their income. Putting it another way, the average American saves about 6% of their income. Now again, why would you work all week long and not have some of the time in your day go to you?

Six Routes to Wealth

Win It

Marry into It

Inherit It

Sue for It

Budget for It

Pay Yourself First

Pay Yourself First Formulas

If you want to be Dead Broke:
Don't "pay yourself first" anything.

If you want to be Poor:
Spend everything you make, no matter how much money you make.

If you want to be in the Middle Class:
"Pay yourself first" 5 to 10% of your gross income.

If you want to be Upper-Middle Class:
"Pay yourself first" 10 to 15% of your gross income.

If you want to be Rich:
"Pay yourself first" 15 to 20% of your gross income.

If you want to be Super Rich super fast:
"Pay yourself first" at least 20% of your gross income.

All fundamental wealth begins by paying yourself first.
– David Bach

Action Step For Session Three

THE AUTOMATIC MILLIONAIRE PROMISE

I ________________________ (insert your name,) hereby promise myself that starting this week, I will work at least one hour a day for myself. I deserve it! Therefore, I promise that I will start paying myself first, _________ % of my gross income no later than ____________(insert the date).

Signed by ___________________

Session 4: MAKING YOUR FINANCIAL LIFE AUTOMATIC

Making your financial life automatic is one of the core principles of this program. If you miss this first main step, the program will still help you, but it won't help you as fast. The government figured out how to get you to automatically pay them first. Corporate America has figured out how to get you to automatically pay them first. Why in the world wouldn't you use the exact same technology that they're using to pay yourself first before you pay them? The technology is not difficult to use. What do you need? You need a phone and a pen.

Buy Your Secure Financial Future

Your first priority is to pay yourself first for a secure future. Normally the government gets paid first, right? You earn a dollar and they've got the ability to take anywhere from $.15 of that dollar upwards of $.50 of that dollar. That is called income shrinkage. It's very hard to get rich when you have income shrinkage.

Let's just go to an average American family earning $50,000 a year. If they lose a third of that to taxes, by the time they get their paychecks they're now only earning $30,000 a year. It's tough to live off of that. That's why no matter how much money most people make they still feel broke.

The only legal way to get out of taxes is to pay yourself first.

There's only one legal way for you to get out of those taxes. The only legal way for you to get out of those taxes is to pay yourself first using a pre-tax retirement account.

What's a pre-tax retirement account? That includes the following:

- A 401K Plan
- A 403B Plan
- A Deductible IRA Account
- A SEP IRA Account (if you're self-employed)
- A Solo 401K Plan
- A Defined Benefit Plan

Six Reasons To Get A Retirement Plan

One: You don't pay any tax on the money.

Two: You can put thousands of dollars into the account, depending on what year it is.

Three: You can arrange to have the money automatically taken out of your paycheck and automatically put in your retirement account.

Four: In most cases your plan at work is free.

Five: You get free money—both in the form of saved taxes and in the form of matched contributions.

Six: The power of compound interest.

Pretax Pay Yourself

If you had a $1 bill, and you took that dollar bill and you put it in a pretax retirement account (the 401K plan at work, the 403B plan or an IRA account) if it earned 10% interest, you'd have $1.10.

You put in a dollar, it wasn't taxed, and at the end of the year you'd have $1.10. And because it's in a retirement account you won't owe any taxes on this money until you take it out. So you put in a dollar, you got $1.10.

$1 → 10% interest → $1.10

After-tax Pay Yourself

Let's say you earn a dollar. You're going to pay taxes first. So you're going to pay your federal tax and state tax. Let's say you lose a third of that, $.30. So you paid a dollar, now you've got $.70 in your pocket. Now if you take that $.70 that you have in your pocket and you earn the same 10% interest, at the end of the year you've got $.77.

$1 → Pay .30 taxes → $.70 left → 10% interest → $.77

Now let's take it a step further. Imagine that you had a dollar. You put it in your retirement account. Your employer matched you just 25%. So they basically gave you a quarter. Now that money earns 10%. So the $1.25 earns a 10% return. At the end of the year you would have $1.38.

$1 → .25 match → $1.25 → 10% interest → $1.38

Which Would You Rather Have?

$1.38 **$1.10** **$.77**

Greatest Excuses Why Some People Don't Use Their Retirement Plan

My Employer Doesn't Match

What difference does it make? Again, go back to the example where your employer doesn't put any money in. You invest $1.00, you have $1.10 at the end of the year, or you invest $.70 after tax and you have $.77. We've already agreed that $1.10 is better than $.77.

The Investments Are Not Doing Well

First of all if the stock market goes down the chances are that your money that you put inside your plan is going to go down if you invest in the stock market. But a key thing is that when you invest in a 401K plan at work you're given a host of options. You can put your money in a money market account, you can put your money in bond funds, and you have stock funds. If all you did was put half of your money into bonds and half of it into an index fund, chances are you'd do very well over a long period of time. You'd probably earn 6%, 7%, 8%, 9%, because that's what things have earned historically.

Once I make the decision there's nothing I can do about it.

It's not true. Most companies today will allow you to change how much you contribute to your plan every 90 days. So once you make a decision, if you're not happy with how much money you're having taken out of your paycheck and you don't feel like you have enough money at the end of the month, you can go back and have them change it.

I won't be able to access my money if I need it.

Most plans today allow you to borrow out of your plan. In most cases you can borrow up to $50,000 of your money out of your plan. And, provided you pay that plan back, there are no taxes involved.

When I take the money out I'm going to have to pay taxes anyway. So I might as well just pay the tax up front and get it over with.
This is not true either. Here is an example.

Scenario One: The Tax Deferred Account

Imagine that you had $100,000 pile of money and you put it in your 401K plan. You let it grow at 10% a year. You never added another dollar to the plan. In 30 years at 10% interest you'd have $1,744,940. That's the pretax plan where the money grows tax deferred.

Scenario Two: The Taxable Account

Now let's use a second example. You have $100,000 and you invest that in a taxable account. How much would you have at the end of 30 years? Well, in this example if you're in a 35% tax bracket, the answer is you'd have $661,437 dollars.

$1,083,503	**$661,437**
Tax Deferred	Taxable

So you get to the end of 30 years and in one pocket you've got $661,000 and in the other pocket you've got $1,083,503 in additional value. That is a huge difference.

What Is An IRA Account Not?

An IRA account is not an investment. When you go to a bank or a brokerage firm you don't buy an IRA account. A lot of people think when they have an IRA account that they actually own an investment. You don't. An IRA account is a holding tank. It's like a checking account. It puts your money inside that holding tank. Now you have to invest it in something. What you invest it in determines how fast it grows. So if you invest it in certificates of deposit and the bank gives you a fixed rate, say 3% interest, that's what it's going to grow at. If you put it in a bond fund and the bond fund earns 6%, that's what it's going to grow at. If you put it in the stock market you don't know what it's going to grow at because some years it will go very high and some years it might go down. What we hope is over time with a good stock market mutual fund, you'll average about 10%.

Here are just a few places you can go to get more information and
sign up for a SEP IRA: E*Trade, Fidelity, Vanguard, and Charles Schwab.

> ***If you're not sure right now what's in your IRA, go back to your bank or your brokerage firm and have them meet with you and explain to you what you actually own so that you can figure out if you've got the right investments.***
>
> – David Bach

The Investment Pyramid

The investment pyramid is a model that you can use based on your age that tells you where to invest your money. So if you're in your teens to your thirties, you'll find a breakdown of where you should put your money, how much money should go into cash, bonds, and mutual funds. You'll also find between the age of 30 to 50, 50 to mid 60's, the 60's on up, the retirement years, where you should invest your money. This is a very simple system that you can use.

Teens to Thirties (The Getting Started Years)

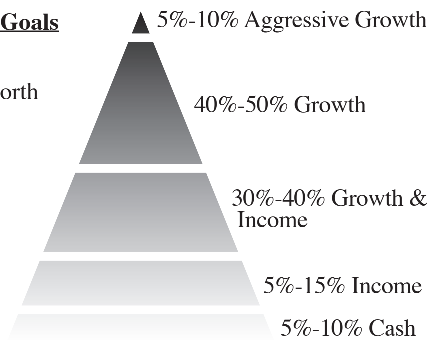
Situation and Goals

Aggressive

Growing net worth

Very long term outlook

Willing to take a fair amount of risk



Thirties to Fifties (The Making Money Years)

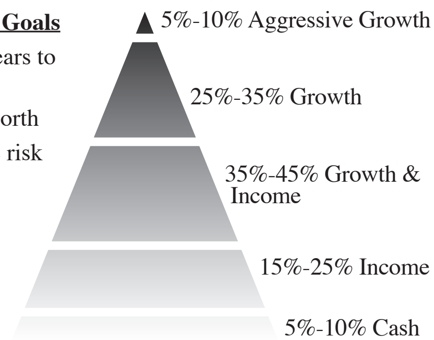
Situation and Goals

Ten or more years to retirement

Building net worth

Willing to take risk

Not needing investment income



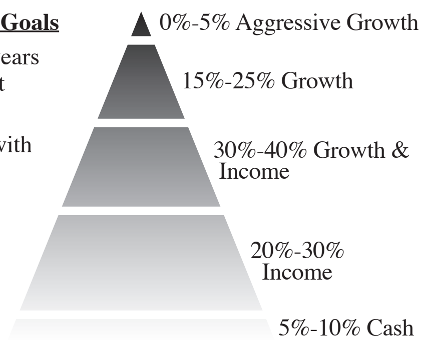
Fifty to MidSixties (Pre-RetirementYears)

Situation and Goals

Less than ten years until retirement

Typically high income years with less financial resposibilities

Willing to take some risk but wanting less volatility



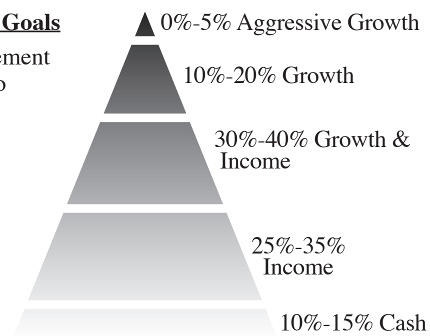
Sixties and Up (The Retirement Years)

Situation and Goals

Enjoying retirement or very close to retiring

Protecting net worth

Prefering less risk



You'll see when looking at the above picture that the safest investments are at the base of the pyramid, and as you make your way up the pyramid, the investments take on more risk. You'll also notice that the older you are, the more "safe" you want to keep your money. The younger you are, the more risk you can take. The principle is amazingly simple, and it actually works!

How To Automate Your Financial Life

The easiest way to automate your entire life financially is to use what is called online bill pay. Now there are three major companies today that do what is called online bill pay and most banks offer this service too!

Online Bill Pay Companies
www.paytrust.com
www.myezbills.com
Quicken.com

Action Steps For Session Four

One: Make sure that you are signed up for your plan at work if your employer offers one.

Two: Increase the percentage from whatever point you're at right now.

Three: If you don't have a plan at work, get an IRA account.

Commitment:
I will go to a bank, brokerage firm, or go to my employer and open a pre-tax retirement account by this date:_____________

Signature:____

Four: Go visit PayTrust.com or myezbills.com or Quicken.com.

Session 5: BUILDING YOUR EMERGENCY BASKET

The average American family reportedly has less than one month of expenses in savings. What would you do if you lost your job, got injured, or were otherwise unable to bring in any money? You need to have an "emergency basket" of reserve funds that you can easily access in case of emergency.

How much should you put aside in this emergency basket?

Ideally, you'll have six months of expenses set aside separate from your checking account in case of emergency. At a minimum, you should have up to 5% of your income going directly into your emergency basket of cash. How much you have in this emergency basket is up to you and your comfort level. Some people are comfortable with one month's expenses; others need as much as 24 months.

Once you decide how much you're going to save, it's time to make it automatic.

Three Ways to Save Automatically

Payroll Deduction
Automatic Bank Deduction
Online Bill Payment

Where should you put the money?

Money Market Accounts

Money Market accounts are liquid investments, meaning that when you put your money into them you can get your money out of them immediately What happens with the Money Market account is it's a mutual fund that invests in very short term government securities and bonds.

Here is a list of companies where you can find out about Money Market accounts. Please note that David Bach is not recommending any particular institution. Do your own research and make up your own mind as to which is best for you.

E*TRADE ($1000 minimum)
(800) ET BANK1
www.etrade.com

Fidelity Investments ($2500 minimum)
(800) FIDELITY
www.fidelity.com

Merrill Lynch ($2000 minimum)
(800) MERRILL
www.ml.com

Morgan Stanley ($2000 minimum)
www.morganstanley.com

Charles Schwab ($5000 minimum)
(800) 225-8570
www.schwab.com

Edward Jones (No minimum)
(314) 515-2000
www.edwardjones.com

ING DIRECT (No minimum)
(800) ING-DIRECT
www.ingdirect.com

Vanguard ($3000 minimum)
(877) 662-7447
www.vanguard.com

You can also get ***The Wall Street Journal*** or ***USA Today*** and you will find in the business section a list of Money Market accounts. You'll find a list of savings accounts. You'll even find a list of certificates of deposit (bank CDs). There you'll find phone numbers, what the rate is at the different banks, what the rate is in different money market accounts.

Online, you can go to www.finishrich.com. Go to the free stuff tab, click on money market accounts and follow the links.

Another website is www.bankrate.com. They list all the rates all over the country by state and depending on what you're looking for: Money Market accounts, savings accounts, and Certificates of Deposit. You can also look in your local paper. If you pull out your local paper's business section, you'll find a listing of Money Market accounts and Certificates of Deposit. And they'll show what the rates are.

FDIC coverage is as close to a sure thing as you can get in the financial world. You can check whether a particular bank or savings association has FDIC coverage by calling the FDIC toll-free at (877) 275-3342 or by going online to the FDIC's website (www.fdic.gov.)

Certificates of Deposit (CDs)

The bank will give you a guaranteed rate for a specific period of time and they'll insure that rate.

Government Bonds

The government has made it easy for you to set up your security account and make it completely automatic. You can literally go online and in a matter of minutes, with as little as $25, set up an automatic investment plan with the government. Their website is: www.treasurydirect.gov.

What types of savings bonds can you get from the government?

I-Bond

I-Bond stands for Inflation Bonds. An I-Bond allows you to invest with as little as $25. The maximum that you can buy right now a year is $10,000. The interest is added monthly. You can sell your I-Bonds after one year. So in other words, you go out, you put $100 in this bond, you can leave it with the government now for 30 years and they'll pay you interest.

EE Bonds

EE Bonds are reliable, low risk, government backed savings products. You can purchase, manage and redeem these bonds through TreasuryDirect.com. Similar to an I-bond, you can purchase them for as little as $25 to as much as $10,000 per Social Security Number and they will be issued at a fixed rate of return as of 2005.

Treasury Direct

Go to www.treasurydirect.gov and they can explain to you how to use a checking account to buy savings bonds. They will automate everything for you in minutes. You can go on to this website and literally in minutes set up your entire security account and be done with it.

What if i have debt? How much should i be saving?

Get one month of emergency money in savings. Then you can start focusing on paying down your debt. Even if you've got credit card debt, get a month expenses in your security account. Don't stop paying your credit cards but don't lose sleep over the fact that you're not paying off your debt. Get a month of expenses put aside, then start tackling your credit card debt.

The Sleep Well At Night Factor

A key component of what we're doing today is the "sleep well at night" factor. Now what is that? It's really very simple. What keeps you up at night? One thing that keeps people up at night is worrying about money. It's really important to completely put that aside. The way you put that aside, the way you're able to get a good night's rest is to have an emergency basket of cash. Money worries are pervasive, and your emergency basket of cash can be better than any sleeping aid on the market today.

Action Steps For Session Five

One: Go to www.treasurydirect.gov

You don't have to sign up for the plan, just go there and see what's available. If you don't have Internet access, you can use the public library to look up any of the sites mentioned in this workbook.

Two: Familiarize Yourself with the Newspapers

Get a USA Today, or The Wall Street Journal, and look where they list the bank CDs and the Money Market accounts. Make yourself familiar with what is available out there.

Three: Bankrate.com

Go to BankRate.com and also see what's available on that website.

Four: Commit to Your Emergency Savings

What are your monthly expenses? What is it costing you monthly to live? Give yourself an estimate on that. Then compare that to how much money you have in emergency savings. What's your goal?

Now, you don't have to get there overnight, but what's your goal? Do you want 1 month of expenses saved? Do you want 3 months of expenses saved? Do you want to go with the David Bach formula and have 6 months of expenses put aside? Commit to it here.

THE EMERGENCY SAVINGS COMMITMENT

I _______________________ (insert your name,) hereby promise myself that

starting this week, I will save at least ____% of my income to emergency savings.

I will then have at least $_________ saved no later than ___________(insert date).

Signature:____

Session 6: AUTOMATIC DEBT FREE HOMEOWNERSHIP

The likelihood of you being rich as a renter is low. Statistically, renters in America do not become millionaires. The average renter in America has a net worth of a little more than $5,000. Homeowners, on the other hand have an average net worth of $200,000, according to a recent report by the National Association of Realtors.

So "yes", even with the recent turmoil of the housing market in the last few years —real estate still works and prices of homes are now even more affordable than ever.

Therefore, I still believe that one of the first things you should be saving for and one of the most important purchases that you can make is – not stocks, not mutual funds – it's a home. Homeownership is still the smartest investment you can make in your lifetime.

Homeownership is still the smartest investment you can make in your lifetime.

People's homes are actually often their greatest asset and are the greatest amount of equity that they have when they retire. Here are eight reasons why homes make great investments.

One: You have to live somewhere for the rest of your life.
Yes, it's a fact—as long as you are alive you will need to live somewhere. The choice is really simple—you can rent or you can own. Long term, the cost of renting goes up, and price of homeownership (if you do it correctly by paying down your mortgage) goes down. According to one study, rent is now the highest it has been since 2007 and prices of primary homes have gone down. The one thing you can count on if you rent is that ten to twenty years from now it will be more expensive. However, if you buy a home with a fixed mortgage, and pay it down—long term your housing costs will decrease.

Two: Homeownership is a solid long-term investment. In fact, it is still one of the best investments you can make. Homeownership has proven to be a critical contributor to the financial well-being for American families for decades. While residential real estate did particularly well from 1998 to 2005, it's not just that period that has shown gains. Housing has been a wealth creator for families since at least the early 1950's.

Three: It's forced savings.
When people buy a home, you're forced to pay that mortgage. When you study wealth in America you find that the people who own homes accumulate greater net worth because over time they pay

down their mortgages, which in turn builds savings and equity. Compare this to people who rent and just plan to save and build equity without real estate, studies show that these renters will not save as much, if at all.

Four: The power of real estate is truly about the power of leverage.

You're using a little bit of money to get a lot more assets. Even if you use a large down payment (say you put down 25%) you are still borrowing the remaining 75%. This is often referred to as "OPM", (Others People's Money.) In most cases that means the bank's money. Today, about 25% of homes being bought are being purchased for cash. But still, most homes are being bought with financing—aka "OPM".

Five: There are amazing tax breaks.

The government has made it easier for Americans to buy a home by making the interest on your mortgage tax deductible. The interest on your mortgage is tax deductible on the first million dollars of money that you borrow. This is why homeowners can in many cases, afford to pay more for a monthly mortgage than they can afford for rent. By the time they get their tax deduction, it equals out to be the same or it actually becomes cheaper to be a homeowner than to be a renter. Furthermore, you also still get tax breaks on the profit of primary homes that are sold (up to $250,000 for singles and up to $500,000 if you are married and you own the home for over two years).

Six: There is a pride of ownership.

When you own a home there's just a different feeling that comes from owning versus renting. It's that pride of ownership. It's knowing that you now have a piece of the American dream.

Seven: Buying opportunities have improved.

Today in most parts of the country, the amount of homes on the market has risen steadily, making this a buyer's market. Sellers (including banks with foreclosures) are now more willing to make concessions on prices and may even pay closing costs. Homes in many parts of the country are now so affordable you can purchase them for below replacement cost.

Eight: Smart home financing options are still available.

People say "the banks won't loan money now". That simply isn't true. The banks are loaning money and there are a wide array of mortgage products out there filling various needs for borrowers. Most importantly, mortgage rates are at the lowest they have been in decades—making those that qualify for a home, very fortunate to lock in historically low rates for the life of the loan. While it is certainly harder to get a loan today than five years ago—it is doable.

How Much Do I Need For A Down Payment?

This is a question where the answer is; "it depends." There are loans that are available from lenders and from the government that can enable a first time homebuyer to finance their home with 97% of the purchase price. Not that I am suggesting you buy a home with such a little down payment but it is still possible. I recommend that most people put somewhere between 10% to 25% down for their down payment. Although, the fact remains it is still possible to buy a home with less than 10% down. Here are some places you should check out to find assistance and information about home financing.

HUD	US Department of Housing and Urban Development www.hud.gov (202) 708-1112
FHA	Federal Housing Administration (same as HUD)
NCSHA	National Council of State Housing Finance Agencies www.ncsha.org (202) 624-7710
FANNIE MAE	Federal National Mortgage Association www.fanniemae.com (800) 732-6643

How Much Home Can You Afford?

The FHA recommends that people can afford to spend 29% of their gross income on housing expenses—and as much as 41% if they have no debt. Even though the FHA looks at gross income, it's better to look at your net (after tax) income.

No more than a third of your income should be going to housing costs

Here are a few different types of loan products that exist.

30-Year Mortgage

The 30-year mortgage is what most people use. It locks in your interest rate for 30 years and is ultra conservative. The nice thing about a 30-year mortgage is that you know exactly what you've got for the next 30 years; you're locking in your rate. And it's affordable because you're paying it over 30 years. The downside, however is that with a 30-year mortgage you're paying for it over 30 years. So, it's actually very expensive in the long run.

15-Year Mortgage

With a 15-year mortgage you've locked the interest rate for 15 years, so you're guaranteed at that rate. The payments are going to be higher in comparison to a 30-year mortgage because obviously you're paying your home off faster. Now what's happened with rates dropping from 8% to below 6% is that some people who have been aggressive have actually refinanced their mortgages from a 30-year to a 15-year and their payments have stayed the same.

Short Term Adjustable Rate Mortgage

Short term adjustable rate mortgages called ARMS. There are 3-year ARMS, 5-year ARMS and 7-year ARMS. These mortgages lock a rate for a specific period of time. For example, you may do a 5-year ARM. Your rate, which is a lower rate than a 15 or 30-year mortgage, is locked in and you'll get that rate for 5 years. At the end of the 5 years the rate adjusts based on interest rates.

LIBOR Loans

They are called monthly flexible mortgages (typically called LIBOR loans). These mortgages adjust to the London Index of Bonds. These mortgages have the lowest possible rate. As rates move up, though those interest rates adjust monthly. This means your mortgage payment could change every month as well.

Again, let's go back to the American Dream. When you don't have debt and overhead, you don't have to work and make money! You know you need money for food but you don't need money for the bank. The faster you're debt free the faster you get your time back.

Hire A Great Real Estate Agent

A great real estate agent can change your life. They spend their full time helping people find homes and sell homes. A great real estate agent will listen to you and help you identify what type of home you need and can afford. Furthermore, they can save you time by narrowing your search and they can educate you on the local real estate market. Finally, they can help you determine the right price to offer and pay as a buyer or the right price to sell at if you are listing. A top agent will save you time and money. I recommend you also visit ***www.realtor.com*** to read more about working with a realtor who is a member of the National Association of Realtors.

The Secret Of Debt Free Homeownership – Bi-Weekly Payments

What does a bi-weekly payment mean? Here is a very simple example: say you spend $2000 a month right now on your mortgage. If you took you're mortgage and instead of paying the $2000 once a month like everybody does, you paid $1,000 every two weeks. At the beginning, paying $1000 every two weeks probably won't feel any different from paying the $2,000 once a month. But as anyone who's ever looked at a calendar could tell you, it's not really the same thing. A month after all is a little longer than four weeks. And so what happens as a result of switching to a bi-weekly payment plan is that over the course of a year you gradually get further and further ahead in your payments, until by the end of the year you have paid the equivalent of not 12 but 13 monthly payments.

Benefits of a Bi-Weekly Mortgage Plan

- It saves you thousands of dollars in interest payments.
- It's a forced way to save additional dollars.
- It makes your cash flow easier because you're now paying for your mortgage when you get paid.
- It's automated (no late mortgage payments)
- It cuts years off your mortgage.

How Do You Get A Bi-Weekly Mortgage Plan?

There are a couple of ways to do this. One, you can go back to the bank who has your mortgage and you can ask them if they have a bi-weekly mortgage plan. In other words, can you take the mortgage that you've currently got and can you make a payment every two weeks? The answer is probably "yes." Many banks are now offering this "bi-weekly payment plan" for free as a service to their customers. If they don't offer it they will more than likely have a service partner they can refer you to who handles this. There will be a cost to do it however, so you've got to ask them what the cost is. The typical cost to set up one of these plans right now is running a couple hundred dollars upfront and then anywhere from $4 – $7 a month. Most banks today are outsourcing this process. The company that has done this for years is called PayMap which is now owned by Western Union. Their program is called Equity Accelerator ®. Again ask your bank if they offer this program.

Action Steps For Session Six

One: Get the Free Report from Fannie Mae

Whether you own a home or not, I would check out Fannie Mae's website, www.homepath.com and review their guide to homeownership.

Two: Go to eloan.com and bankrate.com and look at the mortgages

Check out what you can afford based on your situation right now. They've got a great website, great calculators; you'll find the mortgage calculator for BankRate on their website.

Three: Check with your bank if they offer a "Bi-Weekly Payment Plan"

If you own a home, call your bank and find out if they offer a "bi-weekly payment plan".

Four: Make a Commitment

If you don't own a home, decide today, when are you going to buy your first home?

THE HOME PURCHASE COMMITMENT

I___________________ (insert your name,) herby promise myself that I will buy a home no later than____________________ (insert the date).

Signature: ____

Session 7: AUTOMATIC DEBT FREE LIFESTYLE

We're going to talk about today the automatic debt free lifestyle. Now this is going to be a unique session because for some of you, as you listen to this program I know you're in credit card debt. How do I know that? The average American family right now has reportedly over $16,000 in credit card debt.

How much money should you "pay yourself first" if you've got credit card debt? Whatever amount of money you decide that you're going to save to pay yourself first, if you have credit card debt, whatever that percentage is, half of it, should go into your retirement account for the future. That's paying for the future. The other half should go into paying for your past, that's your debt.

To make it simpler, let's use dollar amounts. Let's say you're saving $200 a month. $100 would go in your 401K plan or your IRA account, and the remaining $100 would go to pay down your debt.

Now earlier we talked about your security account. What do you do you do about that? If you've got debt we want you to build your security account, remember, up to one month of expenses, then pay down the debt as fast as possible.

Credit card debt holds us down.

Action Steps For Session Seven

Operation No More Debt

There are seven steps to getting out of debt. They are:

1. Stop using credit cards
2. Renegotiate the interest on your debt
3. Consolidate your debt
4. Find out your credit score
5. Stop the credit card applications from coming to you
6. Consider debt counseling
7. Make it automatic!

Step one: Stop digging yourself deeper into the debt hole

If you've got credit card debt you need to take those credit cards and honestly, you need to cut them up, you need to bury them in your backyard, or you need to put them in a bowl of water in your freezer. Whatever works for you, you've got to make it easy to not use them.

"I don't need to cut them up! I just won't use them anymore," you say.

Would you:

- Go on a diet but keep chocolate cake in your refrigerator?
- Kick a drug habit but leave a marijuana cigarette on your nightstand?
- Quit drinking but hold a rum and coke at a party?
- Stop smoking but carry a pack of cigarettes in your pocket?

No you would not. Not if you were serious about changing your life. You are serious about getting out of debt and building wealth, so you have to take some serious action.

Don't be depressed about it. Make it a ceremony! Have a retirement party for your credit cards. Gather your family together and share your vision for the future. Tell stories of the dumbest things you ever bought with a credit card. Get out the scissors and start snipping! Celebrate the fact that you are no longer at the mercy of the credit companies. **You are taking back your power!**

Step two: Renegotiate the interest rate on your debt

This one idea might just pay for this audio program in the first month. Pull your credit cards out of your wallet, line them all up and figure out what interest rate you are paying on each and every credit card. You can look at your statement, or you can call the credit card company and find out the interest rate. Ask them, "What is the interest rate that you're charging me? I want to know the effective rate." Make sure they're quoting you the real rate. A lot of times they quote you the rate over prime. If prime's at 4% they quote you 6% over prime, you're actually at 10%. You need to know the effective rate.

On average you are probably paying over 17% right now on your credit card debt. It could be different. But the key thing is that what you're paying is probably twice as much as you should be paying.

Go to www.bankrate.com, click into the area that shows credit cards. You'll see what the going offers are right now on new credit cards.

After you find out the going rate, call your credit card company back. Ask to speak to the supervisor. Don't try and negotiate your credit card interest rate with the first person you call.

The supervisor will get on the phone and you will say to them this, "You are charging me 17% interest rate. Your competitor today mailed me an application." Look at the competitor who's offering it. You went and you did the research, give them the name. Say, whoever it is, "MasterCard has offered me a credit card at no percent interest. In order for me to continue to work with you, Visa, you need to lower my interest rate right now while I'm on the phone. I want you to lower my rate to below 6%." Now, you don't have to throw out there what you want them to lower it to. You may let them offer you something. You might be wondering, will they really lower my interest rate just by asking? The answer is almost always yes. Because number one, they know that you can move your credit card back to somebody else and they don't want to lose you. It's extremely expensive to acquire a customer. It costs them in many cases well over $100 per customer to get you. That's why the credit card industry is forced to send over 4 billion pieces of mail a year to solicit people for credit cards. So they don't want to lose you. If you've been paying your bills you've got a really good chance of getting your interest rate lowered. And if they won't lower your interest rate, you've already done the research, you can move your credit card debt to another company that will give you the lower rate.

It's your interest rate that is causing your debt to get bigger and bigger.

SCAM ALERT! Not all credit card offers are the same. Let's say that your 0% interest for six months, at the end of six months some of these credit cards state that if you haven't paid it all off, you'll be charged the interest rate for the first six months. You've got to really read the fine print before you transfer your debt.

Step Three: Consolidate Your Debt

Here's another secret. When you renegotiate your interest rate you can also often get your credit card company to consolidate all of your debt. Let's say you have $2,000 on Visa, you have $1,000 on MasterCard and you have $500 on some other credit card company. Well, you're talking to Visa. You say, "You're charging me 17% interest. I'll move over all my credit card debt to you, I've got $3,000 in additional credit card debt with all these other credit card companies, I'll move it all over to you if you'll give me a rate for six months of 6%."

Why Consolidate Your Debt?

- First, you're only getting one bill.
- Second, you can often get the rate even lower by consolidating all your debt.
- Third, it's the power of focus.

The DOLP System™
The acronym DOLP stands for "Done On Last Payment". Now this is a very simple idea that if you're not going to consolidate your debt you've got to have an attack plan for which credit cards you pay off and in which order you pay them off.

Below is a worksheet for you to fill out that will help you decide which credit card to pay off first.

First, get all your credit card statements and calculate their DOLP numbers. To do this, take the current balance on the credit card (the total amount you owe) and divide it by the minimum monthly payment. Don't worry about which card has the highest or lowest interest rate. The result is your DOLP number for that card.

Once you've figured out your DOLP number for each card, rank them in reverse order. That is, the account with the lowest DOLP number is first; the second-lowest number is second and so on. Use the following chart to fill in your DOLP rankings.

Account	**Outstanding Balance**	**Monthly Minimum Payment**	**DOLP Number** (Outstanding Balance ÷ Minimum Monthly Payment)	**DOLP Ranking** (Lowest DOLP number is ranked #1)

Now, whenever you can afford to make a larger than minimum payment on a credit card, you'll put that toward the card listed as DOLP card number one. Use your Latte Factor to come up with this extra money. Continue doing this until you've DOLP'ed your way to debt freedom!

Step Four: Find out what your credit score is

www.myfico.com is the website to use. A company called Fair Isaac runs Myfico.com. What Fair Isaac has been doing for years is keeping track of our credit records. They take the three major credit card companies, Equifax, Experian and Trans Union Corporation, they pull your record, they look at your debt, and they see how fast you pay your debt off or if you pay your debt late. They take a look at your overall debt structure versus your income. They've got all kinds of systems in place to score your credit record. When you go to buy a home or get a home loan or even apply often for a credit card what they do, these companies, is they go and look at your FICO score. And FICO has the score based on you. It is like your financial GPA. For $12.95 online you can get your score instantly in minutes. Now this is a very important thing to see because not only does it give you your score, but also because it consolidates all of your information you're able in a matter of minutes with one little report to see everything you've ever done financially. It's a little bit scary; it's like getting your financial transcripts. They'll have every credit card account you ever opened. They'll have every single time you ever made a late payment. Everything that is known about you will be on this report. And the report tells you why your score is what it is, and it tells you what you can do conceivably to get your score up. So it's very helpful.

Step Five: Stop all those credit card applications from filling up your mailbox

You can call the national opt-out center, which is 1-888-567-8688. Another thing, when you get a call at home, it's from a credit card company and you don't want them calling you, you just tell them, "Take me off your call list. Put me on the do not call list." Legally they have to stop calling you.

Step Six: Consider debt counseling

The idea of asking about credit counseling may strike you as embarrassing, but it's time to stop being embarrassed and start taking action. Ask your friends and co-workers as well as professionals you may work with (such as accountants or lawyers) if they happen to know a GREAT non-profit credit counseling organization in your area. If you can't get a personal referral, get the names of several agencies in your area from the NFCC or the AICCCA – and then ask the agencies for references or testimonials from people like you whom they have helped. And then call those former clients and get their feedback on the their experience

National Foundation for Credit Counseling
www.debtadvice.org
(800) 388-2227

Association of Independent Consumer Credit Counseling Agencies
www.aiccca.org
(866) 703-8787

Step Seven: Make it automatic

The last step of this session is to make it automatic! To avoid late fees, you want to make sure you're paying your credit card companies early. Don't go to the last day. Figure out what day your credit cards are due and set your bank up or your online bill pay company to automatically pay your credit cards at least five days before the credit is due. That way you know you won't get hit with these late fees.

By the way, if you get hit with late fees, again it comes down to negotiations. Pick up the phone, call your credit card company, tell them you're furious that you always pay your credit cards on time and can't believe they've penalized you with this late fee and that you want the late fee credited back. If they won't credit you back, tell them you're going to move your credit card debt. You will find that they will credit you back in almost all cases.

Buying a Car versus Leasing a Car

If you are out of debt, should you pay cash for your cars? It really depends. Cars are the worst investment that you could ever buy. If you buy a brand new car, the moment you drive it off the lot it's gone down in value at least 30%. Let's say you buy a $30,000 car and you drive it off the lot, you turn around the corner, you bring it back, they're going to give you $20,000 for that car. That is not a good investment.

When you go to buy a car, if you can get somebody else to let you borrow money to buy that car, which is a depreciating asset, and give you a super low rate of interest, then do it!

The smartest thing you can do, however, if you're going to buy a car is to buy a car that's at least 2 years old. There's a huge movement in America to lease cars rather than buying them; and a lot of those cars have 2-year leases. After the two years, these cars come back to the dealership, they're almost brand new, and they don't even have a lot of miles on them. But you can buy that car for half the price of buying a new car. That's a really smart thing to do.

Leasing might be a smart thing …

if you're in business, and

if you can write off your lease, and

if you drive less than 10,000 miles a year

then you need to talk to your CPA about leasing

A lease does not work if you're putting a lot of miles on your car because most leasing companies, once you've driven the car more than 10,000 miles, start hitting you with penalty fees upwards of $.05 a mile. If you drive a lot of miles there is no way a lease is going to work. Then you need to buy the car. When you buy the car be sure and look at buying a car that's at least 2 years old.

Session 8: AUTOMATIC TITHING

"We make a living by what we earn. We make a life by what we give."
– Winston Churchill

The idea behind this last session of The Automatic Millionaire is this: make a difference with automatic tithing.

What is tithing? The key behind tithing is the idea that a piece of what you sow you give back. In other words, as your income comes in you give some of your income back to the world to help it. That can be your church, your temple, your community, whatever your source of spiritual inspiration. You're helping people in need.

What is the common denominator behind billionaires? Most people who became billionaires started tithing at a very young age before they became rich. So before they became rich, before they had financial abundance in their life, these people gave money at a very young age.

Most people get to the end of the year and they look at what they've got left over and then they give. They give because of tax deductions, they give because it's the holidays, and they give because somebody asked, but they give after the fact. In other words, they get to the end of the year, they see what's left over and then they give to charity.

A better way to give is by making it automatic. You decide what percentage of your income you want to give. It could be 1% of your income it could be 10%, but you choose a charity or an organization and you make the process of giving money to that organization automated.

How much should you give? Not more than you can give while still saving. There are many people who are giving 10% to their church or synagogue and saving nothing. That's a challenge because then you're giving everything away and you have no financial security.

The importance of tithing is the spiritual abundance it's going to provide you. But it's also important for you to have financial security. When you have financial security you'll learn how to become more abundant because you'll have more freedom and you'll have more time. When you have more time, one of the things you learn how to do is focus on things other than yourself. While you probably already are focusing on things other than yourself, financial freedom gives you even more time to do that. When you think about tithing--even before you become rich--you're putting yourself in a proactive place every month. Every time you get paid you think to yourself, "Whom do I want to help now?"

There are a lot of people who are rich but who don't feel rich inside.

Action Steps For Session Eight

One: Commit to Tithe.

Just like you decided to pay yourself first and you chose a percentage or a dollar amount, just like you decided to do your security basket and you chose a dollar amount, you want to do the same thing with tithing.

TITHING COMMITMENT FORM

I ________________________ (insert your name,) hereby promise myself that starting this week, I will tithe at least ____% of my income to the source(s) of my spiritual inspiration. ____________(insert the date).

Signature:____

Two: Make it Automatic.

Many charities will allow you to automatically deduct your donation monthly through your checking account or credit card. Just make sure that if you are putting it on a credit card, it is one that must be paid off each month.

Three: Do Some Research.

Make sure before you give the money to a charity that you do some research. There are so many charities today that you want to make sure that your money is going to the cause you believe in. A good rule of thumb is that the charity that you're giving your donation to provides 65% or more of your donation to the actual cause. The question to always ask a charity before you give money to them is, "What percentage of the money is actually going to the organization and how much is for administration?" Ask them to give you written documentation. If they won't, don't work with that organization. Find a charity that will.

Four: Keep Records.

You need to keep track of who you're giving money to because you can get a deduction on your taxes when you give money to charity.

Five: Find Out About Donor Advised Mutual Funds.

It does require $10,000 to invest in these mutual funds. Here's how it works. In essence, a charitable donor advised mutual fund allows you to put your money inside this mutual fund and you'll get an instant taxable donation. The money's diversified, it's managed professionally, and then later when you're ready to put the money into charity, you contact the mutual fund company and they move the money from the mutual fund to the charitable organization.

Six: Share the Idea of Tithing with Someone You Love.

The power of tithing is the power of community. If everyone were giving 1% of their income back to society, back to the community, we would live in a totally different world. Not just a world that's wealthy, but also a world that's rich inside.

Internet Resources

www.bbb.org/us/charity/

www.guidestar.org

www.irs.gov

www.charitablegift.org

http://schwabcharitable.org

www.programforgiving.org (T Rowe Price)

THE AUTOMATIC MILLIONAIRE®

A NOTE FROM DAVID BACH

Well, we've come to the end of the program. I've had so much fun being here with you. And I really have enjoyed this. I hope you've enjoyed it, too. I want to share with you a story. It's a personal story about my grandmother. It's a story I don't tell to a lot of people but I want to share it with you because it really kind of ties all of this together.

My Grandma Rose Bach passed away in 1997, right before my first book, ***Smart Women Finish Rich*** came out. But she didn't pass away suddenly. What happened to my grandmother was that she had a stroke. My grandmother Bach really was my mentor. She was very much my first coach. And the week before she passed away I got to spend time with her in the hospital. She was very proud of the fact that I was writing that book because I was talking about her.

As my grandmother was lying in the hospital bed sick, I didn't know she was going to pass away but there was a feeling in the air that this could be her deathbed. I remember my Grandmother pulling me aside, reaching to me. She couldn't talk very well, but she was able to say the following to me. "David, in my life I've had very few regrets. You know, I've lived a great life, a totally full life. I had a great marriage to your grandfather, Jack, I raised a wonderful son, your father Marty, and I got to be close to my grandchildren. I lived a really full and meaningful life. When your grandfather passed away I could have given up but I didn't. The last 17 years of my life I've been down in Leisure World. I've made lots of new friends."

But she said, "If I have any regrets it's this, and I want you to listen carefully." She said, "In my life I can count on one hand the opportunities that came my way where I really reached a fork in the road. I was going down a path and I could see the fork. On the left side was a very safe approach to life. I could go down that path and I could see the outcome, and I knew how things would turn out. It wasn't guaranteed but I could tell that if I went down that path the chances are things would be pretty good."

"On the right side of the road was more risk. I knew if I went down that road I'd have to take a chance. But I could also see on the right side of the road there was more opportunity, there was greater gold, but it was risky. A handful of times in my life that I can remember like it was yesterday, I always went left. Inside of me was a little girl saying, 'Rose, go right. Take the risk.' But there was also a big girl inside of me saying, 'Rose, you can't afford to take the risk. Go left. Go the safe route. You can't afford to do something new. Go the safe way.' In every case, that handful of times, I let the big girl take over for the little girl inside of me and I went left. I went the safe route."

"I'll never know what would have happened if I had let that little girl inside of me come out to play. And I had taken more risk."

"David, that big girl is inside each and every one of us. You've got a little boy inside of you who wants to come out and play and you've got a big boy inside of you who's holding the little boy back. Let your little boy come out and play." She said, "If I can give you one gift before I die it would be this, take more risk with your life. Then you'll never regret wondering what could be."

I get chills as I think about that. We've all got that little girl or little boy inside of us that wants to come out and play. And we've got that big girl or big boy inside of us that holds us back. The person that got you to buy this program, the Automatic Millionaire, and got you to listen to this program day after day, that's your little boy or your little girl that wants you to come out and play. Let's face it; there are a lot of big girls and big boys out there, not just inside of us, but also in our society. You've got parents to tell you why things won't work. You've got coworkers to tell you why things won't work, and you might have a spouse telling you why things won't work. You've got these big boy, big girl pressures trying to keep the little boy or little girl inside of you from coming out to play. ***Don't let it happen.***

This is your chance. This is your turn. I've given you some incredible tools that you can use. Take my grandmother's advice on her deathbed and let your little girl or little boy come out and play. And as you go on that journey we call life, and you let her out or you let him out, and you go out and you play in the world and you take some more risk, I want you to know that my thoughts and prayers are with you.

And I hope as this journey through life continues, there will be a chance where we get to meet face-to-face, where you come up to me at a seminar and say, "David, I went through your program and here's what happened..." But, until then I'd love to hear from you so send me an email and let us know how you do.

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God bless you, enjoy your journey, live and finish rich.

David Bach

Nine-Time *New York Times* Bestseller
and Founder of FinishRich.com

Notes:

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