Secure Your Retirement Dreams

With $afe Money

Build a Retirement Plan That Will Stand the Test of Time Without Losing Your Money on the Wall Street Roller Coaster

BY

Brent Tycksen

Chapter 8

Super Charging the 7702 Plan™

"The first rule of investing is NEVER LOSE MONEY. The second rule is NEVER forget rule #1."
— Warren Buffett

I've always wanted to fly. Not in a plane, hot air balloon, or with the help of something man-made. I simply want to look up and take off flying through the air. Unfortunately, I haven't figured out how to make that happen—like the old saying goes: "What goes up must come down." I learned that the hard way jumping off the bunk bed as a kid.

As we've discussed, this up-and-down phenomenon is not limited to physics—it happens quite frequently on the stock market as well. We can have some exhilarating rides up only to suffer financial broken bones when the market comes crashing back down. But it doesn't have to be that

way. In this chapter, I'm going to show you how you may just be able to defy market gravity.

One of the most exciting things about a 7702 Plan™ is that you can supercharge the cash value portion of your insurance policy by using a special indexing strategy. The indexing strategy can allow you to enjoy the upside growth of the market without ever risking your money to market losses! (You can go up without coming down!)

In other words, the 7702 Plan™ indexing strategy could give you double-digit returns on up years when the market gains, without the downside risk!

This means when the market goes up, your money can grow (I'll explain more in just a second) *but when the market goes down, you are protected and your money cannot be lost.* This can be extremely beneficial during times of market turbulence. In years when the market goes up, so do your cash values, and when the market falls, you are protected against that loss. Your money is locked in so you don't lose!

Now, why is this so important?

Because inflation is one of the biggest threats to growing your money and wealth. If inflation is running at 3-5% (or even higher, depending on the government's monetary policy) it's important to have your money outpace inflation.

If your money is growing slower than the rate of inflation, you aren't growing your money—you are actually decreasing the value of it over time! The indexing strategy can allow you to outpace inflation by capitalizing on potential double-digit growth in the years when the market goes up.

Wait a minute.

Didn't I just spend several of the first chapters in this book explaining why the stock market may not be the greatest place to invest your money? Am I changing my tune?

Not at all.

The cash value growth in your 7702 Plan™ indexing policy is *linked* to the S&P 500 or some other index of your choice, but your cash is *not* actually invested *in* the market. That way, your money is always safe and guaranteed by the insurance company.

Remember in Chapter 2 when we showed you the different plunges the market had taken over the years and how long it took to recover and return to even? Now you don't have to deal with that at all!

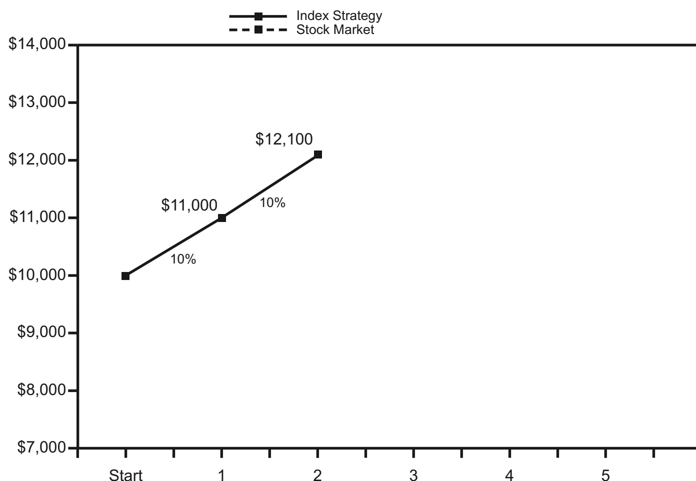
Your money is protected from any market loss because it is not directly in the market, but at the same time, you participate in the growth of the S&P 500 up to a limit or cap. Let's say the upside cap is 12% (this can vary from plan to plan). This means even if the market goes up 14% or more, your cash value growth would be limited to just 12%.

Having a cap is actually a good thing because this is what allows the insurance company to protect you against losses in those years when the market goes down.

Let's look at a picture that will illustrate this point. This is a hypothetical example of a typical stock market strategy vs. a 7702 Plan™ indexing strategy.

So, let's say you start out with $10,000. And in the first year, the S&P 500 grows by 10%. The first year, there is

no difference, and you have $11,000 in either account. In year two, your money grows another 10%. Now you have $12,100 in either account.

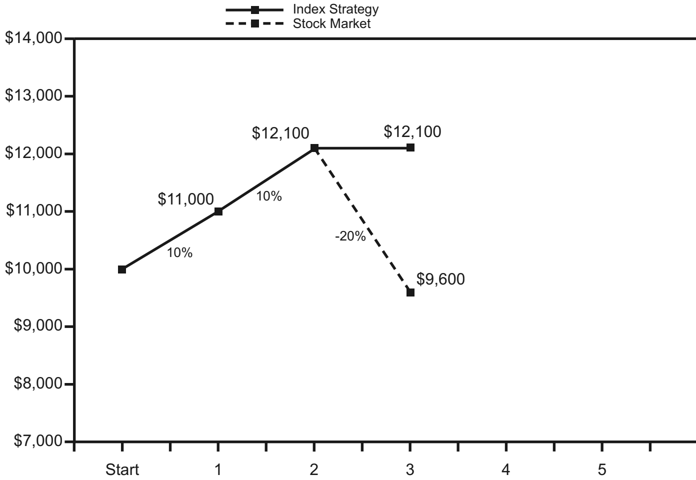


But let's say that in year three, the S&P 500 drops 20%. Can that happen? Sure it can. The last few years of the 2000s were worse times than that! Now you would have about $9,600 if had you invested directly in the S&P 500. However, in the indexed strategy, your principal and interest are protected against market loss. So, now instead of $9,600, you hold at $12,100.

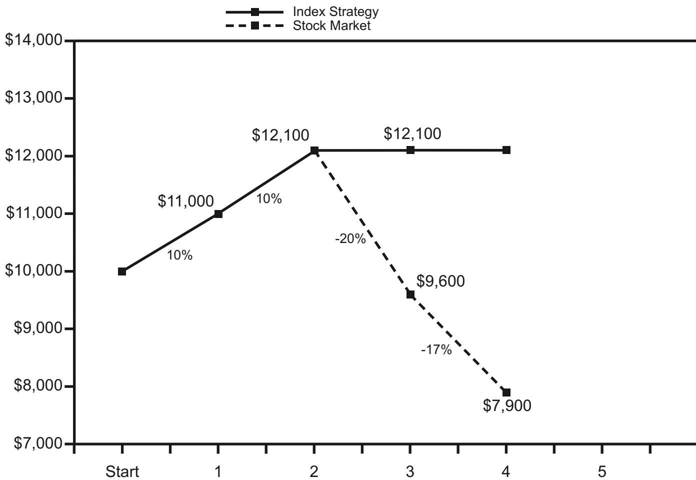
In year four, the market drops another 17%. Now, instead of having $9,600, you have around $7,900. In the indexed strategy, you're still on hold at $12,100.

Now here's the million-dollar question: Do you want $7,900 or $12,100?

That's quite a difference, and it's clear from this example that losing principal can be financially devastating. That's

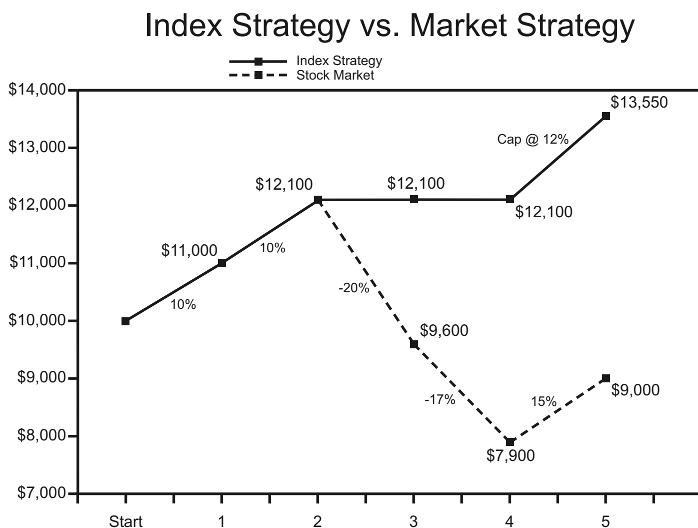


why Warren Buffet said, "It's not so much about the return *on* your money as the return *of* your money." When you lose principal, you've got to get big-time results to bring it back to even.



Now let's look at what happens when the market rebounds. Let's say in year five, the market grows by 15%. In the stock market strategy, the $7,900 would get the full 15% growth, which is about $1,100, so your cash value would climb back up to a little over $9,000. In the indexed strategy, your money would only grow by 12% (remember we have a cap) to $13,550. But even with the capped growth, you have $13,550 versus $9,000!

Again, quite a difference.



In this example, the downsides of the stock market strategy were:

- After five years, you end up with less money than you started with.
- From the end of year 4 to year 5, it would take a 30% return to get you back to your original $10,000 (and how likely is that to happen in *one* year?)

- Even if you did get the 30% you needed, it will only bring you back to $10,000. You just lost *five* years and you are just barely back to even.

Can you see why the 7702 Plan™ indexing strategy is so exciting? Now you can have your money growing when the market goes up, you could outpace inflation with potential double-digit gains, and you never have to worry about losing money when the market goes down.

What kind of peace of mind would that give you, knowing that your money is always safe?

Now what would happen if the market goes down for 10 years in a row?

Many of the 7702 Plan™ policies can be set up so that there is a guaranteed amount of growth credited to your policy cash values, which guarantees that even if you don't achieve growth in the market, your cash value can continue to grow. (Every plan is a little bit different. That's why it's so important to work with a trained Safe Money Associate who can show you your options.)

The rest of the 7702 Plan™ benefits still work the same. Meaning, you can Finance Your Own Prosperity™ by accessing your cash value for cars, college, or other major purchases. *Some financial products can even guarantee an income you will never outlive.* Be sure to ask your Safe Money Associate about this!

Now, with all this being said, indexed life insurance doesn't have to be where you put all your money, but for many people, it is an excellent way to position a portion of your portfolio to enjoy the ups of the market without the downside risk.

This is obviously a brief introduction to the indexing strategy. To learn more about how this works, just request a 7702 Plan™ Blueprint at the end of this book and a Safe Money Associate can help you see it in action and answer your questions.

To Sum It Up

The indexed strategy makes sense for people who want to avoid market risk, but still want the possibility of double-digit gains and all the other benefits that a 7702 Plan™ can give them.

Using this strategy, you could save more money even without changing your current lifestyle by repositioning some of your assets from being deposited into accounts that are taxed during retirement to an indexed life insurance policy.

The supercharged 7702 Plan™ indexing strategy could allow you to:

- Participate in double-digit gains in up years
- Help outpace inflation
- Grow your money tax deferred
- Access cash values without incurring tax
- Provide cash flow for life

In the next chapter, we'll show you exactly how cash value life insurance impacted the lives of men and women just like you. You'll also recognize some of the biggest names in business that used their cash value life insurance to build their wealth.

Turn the page to see if you recognize a few of these people who, like many of our Safe Money retirees, used the living benefits of life insurance to growth their wealth.

Section 4

Does it Work?

"People seldom improve when they have no other model but themselves to copy after."
— Oliver Goldsmith

Chapter 9

Disney, J.C. Penney, McDonald's, and You: Making it Work

"Though no one can go back and make a brand-new start, anyone can start from now and make a brand-new ending."
— Carl Bard

Holly is a 42-year-old New Yorker and a single mother of two. She has a steady job working in an HR department, earning about $33,000 per year, and is having a hard time making ends meet.

Her two kids are in the "expensive" stage of life—middle school and high school—where it seems like every time you turn around, there's another expense.

She's running ragged taking care of two kids, working full-time, paying the bills, and keeping the house in order.

It's almost too much for any one person to handle.

Add to it the fact that she's in a seemingly insurmountable amount of debt, and Holly doesn't feel like she's ever going to get out of the hole she's in.

She sees no light at the end of the tunnel—no way out!

But it gets worse.

She was actually in more debt than she realized. After totaling up all the credit cards, lines of credit with stores, and the student loans, her debt total, not including her car or home, was over $59,000. She knew it was bad, but this was a real eye-opener. That was two years' worth of her salary, and $59,000 did not even count her car or home debt.

She was contributing $100 per month to a company retirement plan, but she knew that was not going to give her the financial independence she wanted.

The rest of her paycheck each month was going to pay bills or pay down credit card and student loan debt.

When we asked her what three financial goals she had, her reply was a lot like you might guess. First, she'd like to have a little money set aside to take a break and breathe for a weekend or so.

Next, she wanted to get out of debt and have some emergency savings put away just in case something came up with her or her kids.

And lastly, she wanted to be able to save money for her kids' college funds and her own retirement.

With only $33,000 in income, $59,000 in consumer debt, and college loans, two kids, and a mortgage, doesn't this seem like a hopeless case?

Left to her own devices, she really was hopeless. She didn't know what to do, and she didn't feel there was any way out of her current situation.

That's where we came in. After reviewing her debts, expenses, and current retirement contributions, we helped Holly put together a 7702 Plan™, which included a spending and debt analysis. Through that process, we helped Holly find and put away over $500 per month she didn't know she had.

Over $500 per month on just a $33,000 per year salary!

Plus, she was able to redirect her current retirement contributions that were currently at risk in the market into an indexed 7702 Plan™ insurance policy to create a nest egg she can count on. She has literally started down the Safe Money path to retirement.

This might seem hard to believe, but the exciting part is that based on the insurance company projections, by the time she turns 65, she could potentially take out $68,000 per year, every year until age 100! Plus, as long as she does it properly, that money can be accessed without incurring tax!

Imagine her relief when we gave her the 7702 Plan™ Blueprint that showed her how, using just her current income, she could create a simple plan to follow.

This process helped her get out of debt, get her spending under control, and ultimately, gave her hope because she now has a plan for financial independence.

By steadily putting away money each month, she could have the security of knowing that after age 65, she could have as much as $68,000 per year on just a $33,000 income! Plus, when she does pass on, she'll have a death

benefit payable to her two children because of her life insurance policy!

JC Penney

In 1898, James Cash Penney was working in a Golden Rule Store, which was one shop in a small chain of dry goods stores. He turned out to be such an enterprising worker that the pair of owners took him under their wing, offering him a one-third partnership in a new store they were opening. James managed to scrape together $2,000—a pretty significant sum in those days—and opened the new store in Kemmerer, Wyoming.

During the next five years, James helped open two more stores and was doing very well. James focused his efforts on the stores, even investing the extra money he made by working as a lumberjack. By 1912, he was running 34 stores throughout the Rocky Mountain region.

The next year, James moved his company headquarters to Salt Lake City, Utah, and incorporated under a name you'll easily recognize: The J.C. Penney Company. The chain exploded and by 1929, there were 1,400 stores throughout the nation.

Then things got interesting. The stock market crashed, and the nation was plunged into the depths of the Great Depression. The Depression devastated his stores and his wealth. He was in financial ruin.

Luckily, James had not risked all of his money in the market. He had built a Safe Money foundation. To rebound from the difficult times, he took out a loan from his cash value life insurance policies. He used the cash to meet day-to-day and payroll expenses for his chain of

stores. Not only did he keep his head above water, but he also rebounded. Today, the stores take in revenues nationwide of $18.5 billion a year.

As it turns out, that simple cash loan had a greater impact than even James could have realized. Ever heard of Walmart? On a 1940 visit to a J.C. Penney store in Des Moines, Iowa, James patiently trained a young employee, Sam Walton, showing him how to gift-wrap packages using the least amount of ribbon needed to do the job—and another retail giant was born.

Dr. Jeff

Jeff thought he was doing pretty well.

He was fifty years old, making a great income as a doctor, and putting $1,000 into his 401(k) every month. On top of that, Jeff had over $110,000 already socked away. Of course, he wasn't really thrilled that he'd recently lost a big chunk of it in the market crash of 2008, yet despite this setback, he thought he was still on track for a great lifestyle.

He wanted financial independence at age 60, and he figured if he could have $70,000-$80,000 per year to live for the rest of his life, he could hang it up whenever he wanted to after 60. He was also afraid inflation was going to continue to eat away at his savings. Jeff wanted to make sure that he could provide his own retirement cash flow. He didn't want to count on social security because, according to the Congressional Budget Office, in 2011 the Social Security Administration was already running a 45-billion-dollar deficit. And at the end of the day, he wanted to be in control of his finances and retirement, not leave it to someone else.

You could say Jeff thought he had it all under control. In his mind, he was doing everything right. Until he saw the truth.

You see, most people have no idea how long their money will actually last after they stop working.

Jeff crunched some quick numbers. He already had $110,000 saved. Plus, he was adding $1,000 per month to his 401(k). The result was shocking. He discovered that if he continued on his current path, he would only have about $30,000 per year during retirement. And this was BEFORE taxes! Assuming he's in a 28% tax bracket, that's more like $23,400 per year or $2,000 per month!

Right now Jeff is living off $10,000 per month, so living off just $2,000 per month was like a cold bucket of water right in the face.

But that's not all.

There are other problems with Jeff's current plan.

The money in his current retirement plan is fully taxable. Like we already showed above, the $30,000 gets taxed when he pulls it out to use it. Plus, if he dies before he retires, his income stops and he won't have the money built up to provide for his wife or family— there are no guarantees or death benefit. The money is at risk in the market, and the money is tied up in a qualified government plan.

But it gets worse.

This is what really shocked him: For his 80th birthday present, he would be looking at an empty retirement account! That's right—his $2,000 per month would be gone by the time he was 80.

Remember, Jeff wants to retire at age 60.

Using the Lifestyle Income Estimator on our www.safemoneyretirementbook.com, we showed him that his $2,000 per month could actually run out in less than 20 years!

According to *US News and World Report*, once a man reaches 65 years old, his life expectancy is 83 years, and one in every four will live past age 90. [26]

He wondered what type of lifestyle he was going to have with just $2,000 per month, living with the fear that the money would run out all too soon.

So, we looked at some other options for him.

By using a 7702 Plan™ and working with an Safe Money Associate—a specialist in helping people secure cash flow that they won't outlive—we came up with a solution that excited and delighted him.

Jeff wanted to see what his retirement would look like if he redirected the $1,000 from his 401(k) into an indexed cash value insurance policy.

We also showed him how to use a rule in the tax code to roll some of his money out of his 401(k) without penalties. He could then use this money to fund his indexed cash value insurance policy, which would safeguard his money against market downturns. (This needs to be suitable for the client.)

He was comfortable using one of our 7702 Plan™ Insurance Companies because this particular one has been around for over 300 years and has nearly 600 billion dollars in assets around the globe.

After implementing the 7702 Plan™ indexing strategies, Jeff was amazed and excited at his new financial independence plan.

Remember, in his current situation, he was looking at running out of money after 15 to 20 years. Plus, this income was fully taxable, didn't have any guarantees, and it was at risk in the market.

With the Indexed 7702 Plan™, his new plan could give him approximately $69,000 per year—for the rest of his life! And as long as he follows the IRS code properly, he could access that cash flow without a taxable event (according to current IRS tax code).

But that's not all.

In his new 7702 Plan™, he has no market risk, and if he dies too soon, his family will be protected with the life insurance death benefit. Plus, he has access to the cash value in his insurance policy to finance himself to wealth throughout his life!

Like we mentioned before, Jeff was excited about $70,000 per year compared to $24,000, and delighted when he saw this new plan. Wouldn't you be?

What if you are already in your late fifties or even sixties and don't have a plan like Jeff has? Is it too late?

Thankfully, it's not. There are still many options for people of any age, but it's important to start now, and not let another day go by without implementing the Safe Money plan. Get started today at:

www.safemoneyretirementbook.com.

Walt Disney

The second household name you'll no doubt recognize involves a man who fought all odds to follow his dream: Walt Disney. [27] Walt and his brother, Roy, were in the animation business. Their story is almost hard to believe. One of their most popular characters was stolen by another studio. Their best animator jumped ship. Their studio was chronically understaffed and almost always in debt. In fact, Walt Disney struggled financially for years on the brink of bankruptcy—actually going bankrupt at the age of 21.

Fast-forward to the early 1950s. The only amusement parks in the entire country were horrifically dilapidated places peppered with rusting, creaky rides and known only for their filthy restrooms and the drunks who always hung around. Walt dreamed instead of an immaculately clean amusement park filled with imaginative rides—a place where families weren't afraid to eat the food. World War II had just ended, and the nation was licking its wounds. Walt dreamed of creating an amusement park with an idealistic Main Street, U.S.A., where families could identify with something wholesome and good. But that's not all: he dreamed of charging admission to his park and actually making a profit.

Everyone to whom he presented his idea thought he was crazy—and told him so. After all, *no one* charged admission to an amusement park. That just wasn't done. And amusement parks simply couldn't be family-friendly—everyone knew you'd have to sell alcohol if you wanted a prayer of staying afloat. Even his brother Roy—also his business partner and financial manager—told him it couldn't be done. He urged Walt to forget it. After all, they were in the animation business, not the amusement park business.

Determined to achieve his dream, Walt had no choice but to move ahead on his own. Turned down by traditional financing, he emptied his savings account, sold his vacation home in Palm Springs, and recruited the help of a few employees who shared his vision. Then, he used a loan from his cash value insurance policies to help finance the park. (Roy later admitted he had no idea where Walt's money was coming from, but decided not to ask.)

What happened to Walt's dream? Disneyland opened on September 8, 1955, with 18 attractions. It welcomed half a million visitors in the first month it was open. By the end of its first year, it had hosted more than 3.5 million guests. Less than three years later, it welcomed its ten millionth visitor—a number that exceeded well-known national landmarks like Yellowstone and the Grand Canyon. Today, its California park alone—with more than 60 attractions—has been visited by more than 600 million guests from throughout the world. A dozen of the original attractions from 1955 are still operating in the park today as a testament to Walt Disney's dream of a high-quality, enduring adventure for families.

Robert G.

Robert distinctly remembers the day he first knew that nothing could stop him. He had landed a great-paying sales job, and he was also less than a year away from graduating with a degree in business. He was finally on his way up.

It had been a busy year for Robert. In fewer than 12 months, he had sold his old home—for a tidy profit—and finished building his family's new home. Just as they were unpacking the boxes, his wife announced that they were

expecting a baby. They were delighted! Robert knew life would change, and that his cost of living would go up with another mouth to feed, but the idea of his growing family only motivated him to work all the harder.

Life seemed to be moving in the right direction for Robert.

He'd been with the company for almost a year when the recession of 2008 caused the economy to plummet. The medical specialty that Robert served was hit particularly hard. Things started to get tough. His income was going down, but his costs weren't.

With his wife at home, caring for their new baby, and with only one income to support the family, money became tight for the first time in their marriage.

Robert went from comfort and a sense of security to just the opposite. In just 12 months, he went from having $15,000 in the bank to having $15,000 in credit card debt. He went from the joy of building a new home to the fear of losing that home. He went from a feeling of being unstoppable to a gripping sensation of worry. He despaired of ever being able to climb out of debt and replace his savings.

Robert now had an empty bank account, a whopping credit card debt, two ailing cars, and a home on the verge of being foreclosed. He faced the embarrassment of losing his house, disappointing his family, and starting over. The last straw was his final few weeks at his job—his last three paychecks bounced because the company didn't have the funds to pay him.

Sound hopeless?

It could have been. But something changed for Robert—and it's the same kind of thing that can change for you. He went back to the drawing board.

Robert's biggest paradigm shift was realizing the difference between saving and investing: *saving* is putting your money where you don't risk losing it. *Investing* is putting your money where you might lose it all.

Robert also wanted to grow his money while protecting it from taxes. He finally found the solution he was looking for: a 7702 Plan™. He took what little money he received from his tax refund and started a 7702 Plan™. Despite the terrible economic situation, it changed his entire outlook.

In his own words: "I could create a crystal-clear picture of what my financial future would look like. I could have money in case of emergency or capital in case a good investment opportunity came up. I could use my 7702 Plan™ to pay for vacations, get out of debt, and send my kids to college or pay for my retirement.

"A 7702 Plan™ gave me a sense of security and gratification, knowing that my money would grow and be available for my use and that my family would be protected and taken care of in case something should happen to me. I have an idea of what my future will look like, I know how much money I will have at certain milestones in my life, and I have a strong financial foundation on which to continue building."

Doris Christopher

Doris Christopher may not be a name you recognize, but the company she founded will be very familiar. Doris

was a successful home economist and educator, but she had a dream. All those hours working with homemakers had convinced her that women needed quality timesaving tools designed to make cooking quick and easy. Women didn't want to spend hours and hours in the kitchen grinding out meals—they wanted to create great meals, quickly, due to their increasingly busy schedules.

Doris not only had a dream—she had a plan.

Doris's plan involved an army of consultants who would do in-home cooking demonstrations using her professional-quality tools and equipment. Tupperware had done it, and with outstanding success—a homemaker schedules a party, invites her friends, and the rest falls into place.

With the support of her husband, Jay, and that of her two young daughters, Doris came up with a detailed business plan and got ready to put it into action. The only thing standing between her and her dream was money.

Her solution was simple. In 1980, Doris borrowed $3,000 from her life insurance policy, and The Pampered Chef® was born in the basement of her suburban Chicago home.

In the ensuing decades, the business moved to a series of progressively larger facilities. By 2002, the company had blossomed into a $700 million enterprise that was acquired by Warren Buffett's Berkshire Hathaway Corporation. Today, The Pampered Chef® has grown into a multimillion-dollar international corporation serving 12 million customers annually—and it all started with the loan from her life insurance policy. [28]

Angie

To protect her privacy, we won't tell you Angie's last name— but her life insurance advisor, Rocky, is happy to tell a convincing story about another aspect of the 7702 Plan™: the legacy we leave to our family when we pass on.

Angie was married to Michael—a 41-year-old anesthesiologist. They were referred to Rocky by another physician, and Rocky met Angie and Michael at their home to discuss their needs. They had a young family—three children under the age of seven. Together they determined they needed $2 million in life insurance coverage.

After a second meeting, during which Michael filled out all the applications, Rocky also signed him up for $10,000 a month in disability insurance.

Everything went well for the next 18 months. Suddenly, Michael started getting sick. His weight plummeted. He became so weak that it was a struggle to work. A battery of tests revealed no cause for his medical problems, and he became desperate. Almost out of options, he finally talked to a colleague who suggested a latex allergy as the possible culprit. Michael was tested, and sure enough, he was allergic to latex. His allergic reaction was behind the host of symptoms that had plagued him.

With a confirmed latex allergy, Michael had to stop working in the hospital. His disability insurance kicked in, providing an income of $10,000 a month. Yearning to still practice medicine, Michael used some of his disability income and part of his cash value life policy to start a pain clinic—a clinic with a strict ban on latex of any kind.

Things went very well for two years. One night, Angie went out to dinner with friends. Michael, who wasn't feeling well, stayed home. That night, Angie found him dead on the bathroom floor. The autopsy results revealed that Michael had contracted bacterial meningitis—and because of the impact that his latex allergy had on his immune system, he didn't have the ability to fight the infection. It killed powerfully and suddenly.

Shortly thereafter, Rocky delivered a $2 million check to Angie—the amount of the death benefit on the cash value life policy she and Michael had purchased just a few years earlier. Nothing can bring Michael back, but Rocky felt a great sense of satisfaction in helping provide a secure financial future for Angie and her children as a result of their life insurance policy.

Ray Kroc

Ray Kroc came from humble beginnings. Born in Chicago in 1902, at the age of 15, he lied about his age and landed himself a job as an ambulance driver for the Red Cross. Later, he actually trained to become an ambulance driver during World War I (where he struck up a friendship with Walt Disney, who was in the same training). Peace treaties were signed before he saw any combat action, so he returned home and tried his hand at a number of jobs—paper-cup salesman, pianist, jazz musician, band member, and radio disk jockey. In a move that would later prove fortuitous, Ray worked at a restaurant in exchange for room and board so he could learn the restaurant business.

In 1954, at the age of 52, as a milkshake machine salesman, Ray took notice of a hamburger stand in San

Bernardino, California. While most restaurants bought one or two Prince Castle Multi-mixers which could each mix five shakes at once, the San Bernardino restaurant had bought eight. Curiosity got the better of Ray Kroc, and he wanted to see what kind of restaurant needed to churn forty milkshakes at a time. And so he set out for California.

What Kroc saw when he got to that restaurant—a hamburger stand owned by Maurice and Richard McDonald—would not only change his life forever, but would change the scene of the fast-food industry throughout the world.

Kroc saw the two legendary golden arches and saw lines of people queued up for the restaurant's simple fare of burgers, fries, and milkshakes.

Ray Kroc wanted to slow down as a traveling salesman. His health was declining. He was suffering from diabetes and arthritis, and he had bigger fish to fry. Ray managed to convince the brothers to sell the McDonald's name and trade secrets to him, and worked a deal to pay for it with a percentage of the receipts.

McDonald's was on its way to becoming a household name. In 1955, Ray opened his first McDonald's drive-in restaurant in Des Plaines, Illinois.

While things inside the restaurants ran smoothly, Ray faced massive challenges with cash flow, franchises, competition, and the economy in general. He was determined to be successful and spent year after year, working day and night, to build his company.

In order to build the largest fast-food chain in the world and overcome constant cash-flow problems, Ray took out

loans on two cash value life insurance policies to get his infant company off the ground. He used some of the money to create an enduring advertising campaign that centered on the company's mascot, Ronald McDonald.

Ray Kroc passed away from old age in January, 1984, at the age of 81, just 10 months before McDonald's sold its fifty-billionth hamburger. At the time of his death, there were some 7,500 McDonald's restaurants worldwide. Today, with more than 25,000 restaurants worldwide, McDonald's is the world's largest food-service retailer, with operations in more than 65 countries.

To Sum It Up

What did you learn from James Cash Penney, Dr. Jeff, Walt Disney, Stephen G., Doris Christopher, Angie, and Ray Kroc? There are important lessons in every one of these examples. You can work as hard as humanly possible. You can make all the right plans. But when the financial storms come, if you have a weak financial foundation, it can be devastating. But if you have the right Safe Money foundation in place, you can withstand them. You can keep your money safely growing outside of the market. You can have the peace of mind you are looking for.

And here's the really great news. It's not hard or complicated. You don't have to know it all.

To see a personalized blueprint of how a 7702 Plan™ could work for you and your unique situation, just use the form in the back of this book or go to www.safemoneyretirementbook.com and fill out a 7702 Plan Blueprint Analysis request, and a Safe Money Associate will work with you to design a custom 7702 Plan for you and your family—*at no cost.* This blueprint

can show you how to get on the Safe Money path by helping you get out of debt, save on taxes and eliminate the risk of losing your money in the stock market. By creating a safe money foundation, you can Finance Your Own Prosperity™ and control your financial future.

Remember what you learned from Aristotle in the opening pages of this book: "Money is a guarantee that we may have what we want in the future."

You may not be able to go back in time and change your beginning, but you can start today and make a brand-new ending.

Chapter 10

Bonus: For Business Owners Only

"The entrepreneur is our visionary, the creator in each of us. We're born with that quality and it defines our lives as we respond to what we see, hear, feel, and experience."
— Michael Gerber

If there's a portion of the country that is underserved and underappreciated, it might just be the small-business owner.

I know firsthand because I have been one for the better part of a decade and my family has a long genealogy of small-business owners.

It goes all the way back to my great-great-grandfather, who was a tavern owner in Germany.

From there, we have my great-grandfather, who owned several farm and ranch-related businesses, and my

grandfather, who owned several construction businesses. Being a business owner is tough.

I know what it's like to have the stress of overhead, payroll, advertising to get new clients, economic forces outside of our control, the late hours, missed soccer games or music recitals, and the huge amount of risk we take on. We do it all because we want to provide financial security for our families and live the American Dream of financial success.

Most of us don't get benefit packages that someone else is paying for. Usually no one is contributing to *our* retirement plan. We don't punch a time clock or have the luxury of having someone else cut us a check every two weeks. It's common knowledge that the small-business owner is the engine of the American economy. Yet too often, we work ourselves to death and continually pour any extra money back into the business, often neglecting our own savings as we try to build our companies.

If you are anything like me, we approach our business with a case of never-ending faith that next week, month, or year, we'll make the money we want. And soon, months and years have passed, and we've invested everything back in the business and haven't stashed anything away for ourselves.

Joining the ranks of the Safe Money plan owners could change that right now.

Not only can a 7702 Plan™ create an "automatic safe money machine" where you put money away each month without thinking about it, but you can still access that money for use *in* your business.

Let's talk about three simple ways you can be using a 7702 Plan™ to save money, prepare for the future, and help your business grow.

Finance Your Own Prosperity™

If you buy equipment, vehicles, own real estate for your business or investments, or provide a service, this is for you.

Funding a 7702 Plan™ can be done a couple different ways.

You can start by simply putting in a set amount of money each month, then borrowing against that cash value to buy whatever you need for your business.

You can also start a plan by dumping in a one-time payment like $20,000, $50,000 or even $100,000 and using that as your own source of funding. It's kind of like your own private source of financing, except no qualifying is necessary to use the cash!

Use your 7702 Plan™ to buy business equipment, vehicles, or real estate by using the money in your plan while it still grows as if you've never touched it. Instead of going out and buying a truck for your company the old way, use your 7702 Plan™ to finance your purchase, then recoup the cost of the truck by paying your insurance loan back.

You can even get more advanced by using these plans as a separate entity that acts as a leasing company that purchases vehicles, real estate, and other equipment.

If the Worst Should Happen

Ever heard of a business getting destroyed because a partner dies and the spouse comes in to take over the interest with no experience whatsoever?

I really do like my business partner's wife, but she and I running a business together would not be a pretty picture.

It happens more often than you might think.

In fact, take a look at these sobering statistics.

These figures show the likelihood, out of 100, that one of two business partners in good health will die prior to 65:

Age of Business Owners	Chances
40/40	35%
45/45	33%
50/50	29.9%
55/55	24.7%

If there are three partners, the percentages are much higher. [29]

So what does that mean for you and your business? If you have a partner, or two, you can use a 7702 Plan™ insurance policy to fund a buy-sell agreement. This would provide you with cash to buy out that partner's ownership of the business if they should die. The company can continue to thrive without the disruption of a new partner and the spouse of the partner will be compensated fairly.

But it gets even better than that.

Let's go for the best-case scenario. Assume you and your partner both live long, healthy lives.

You get to enjoy all the living benefits of the 7702 Plan™ throughout your lives the same way we already have described previously. Use it for vehicle financing, major purchases, funding growth, or buying real estate.

Ride Off Into the Sunset

This is ultimately where you probably want to be.

We've hopefully already established in black and white why a solid foundation of safe money is the key to a great lifestyle— but why not use this powerful tool to grow your business, save you money on interest throughout your life, and then enjoy a passive stream of cash flow that comes from your 7702 Plan™ as you travel to exotic destinations with your spouse, golfing the days away and enjoying the fruits that you worked so hard for?

If all the living benefits weren't enough to convince you that a 7702 Plan™ should be a part of your financial plan, this might.

> "The single biggest benefit in the tax code is the tax exemption for life insurance."
> Ed Slot
> The Retirement Savings Time bomb

Willie Sutton and the Tax Man always follow the money.

Depending on current laws, estate taxes can take a chunk out of your estate, which could include residential and commercial real estate, investments, and all the assets you may have. Often people underestimate their estates, and yet they can add up to $800,000 to $1,000,000 fairly quickly.

Imagine the problem your family could have when they get a tax bill saying they owe $500,000 and much of that is tied up in real estate.

This is especially problematic if the real estate market is down, and people have to "fire sell" at below market value just to satisfy the demands of the Tax Man.

Here's where the 7702 Plan™ really shines.

Under current IRS tax code, life insurance proceeds are paid out income-tax free. This means they come to the estate, or your family (depending on how the policies are set up) in a lump sum. You can use that money to pay the estate taxes while protecting your other hard-earned assets. Life insurance payouts *are* usually subject to estate taxes, so keep that in mind when you calculate how much insurance you'll need to cover the entire tax bill . . . and as always, consult with a proper estate tax planning professional.

This is where a Safe Money Associate could really help you. Not only can they help you with a 7702 Plan™, but also with asset protection, estate tax planning, and other issues to help build a strategy for protecting and growing your wealth. Just go to:

www.safemoneyretirementbook.com

to request a free 7702 Plan™ Blueprint for Business Owners Only. A Safe Money Associate who has gone through an extensive amount of training on structuring these plans can help you achieve all your goals now to protect your legacy.