The Power of Private Banking Strategies

It's not so much what we don't know about money that hurts us, it's what we think we know about money that's not true that can really hurt us.

The Velocity of your money is much more important than interest rates!

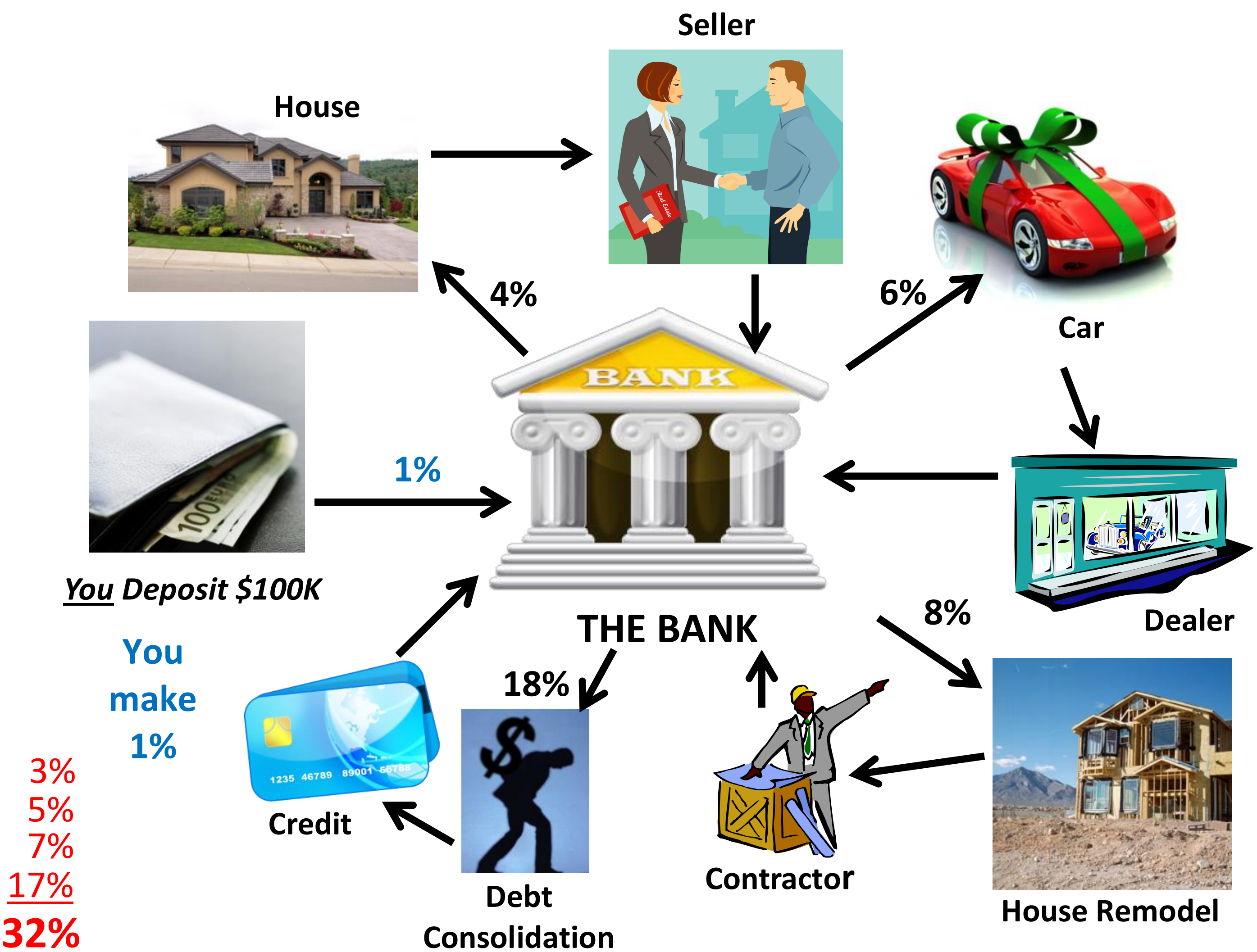
Banks understand this all too well and to hide this fact, they have successfully moved our focus from what is important to focusing on interest rates.

Velocity of Money

From American Bankers Association, published in 1992:

> *"…but savings are a vital link in our national economy too… In order for business to get started and for individuals to borrow for needed items, banks need money to loan. And the fact is, individuals' savings, checking and money market accounts, like yours are a primary source of that money. Because of a multiplier effect, every dollar in the bank becomes* ***six*** *dollars available for loans and investments."*

<u>Banks profit exponentially off almost everyone in America</u>



Bank makes

3200% More

Than YOU!!

PRIVATE BANKING STRATEGIES
Be The Bank!

www.privatebankingstrategies.com

Either they're lending you money to buy cars, real estate, business inventory or equipment – OR – you're parking your cash safely inside their savings accounts so that hopefully you won't ever need any of their loans. Meanwhile, they're loaning out ever single dollar of *your savings* multiple times for a huge profit while they give you almost nothing for the use of your capital.

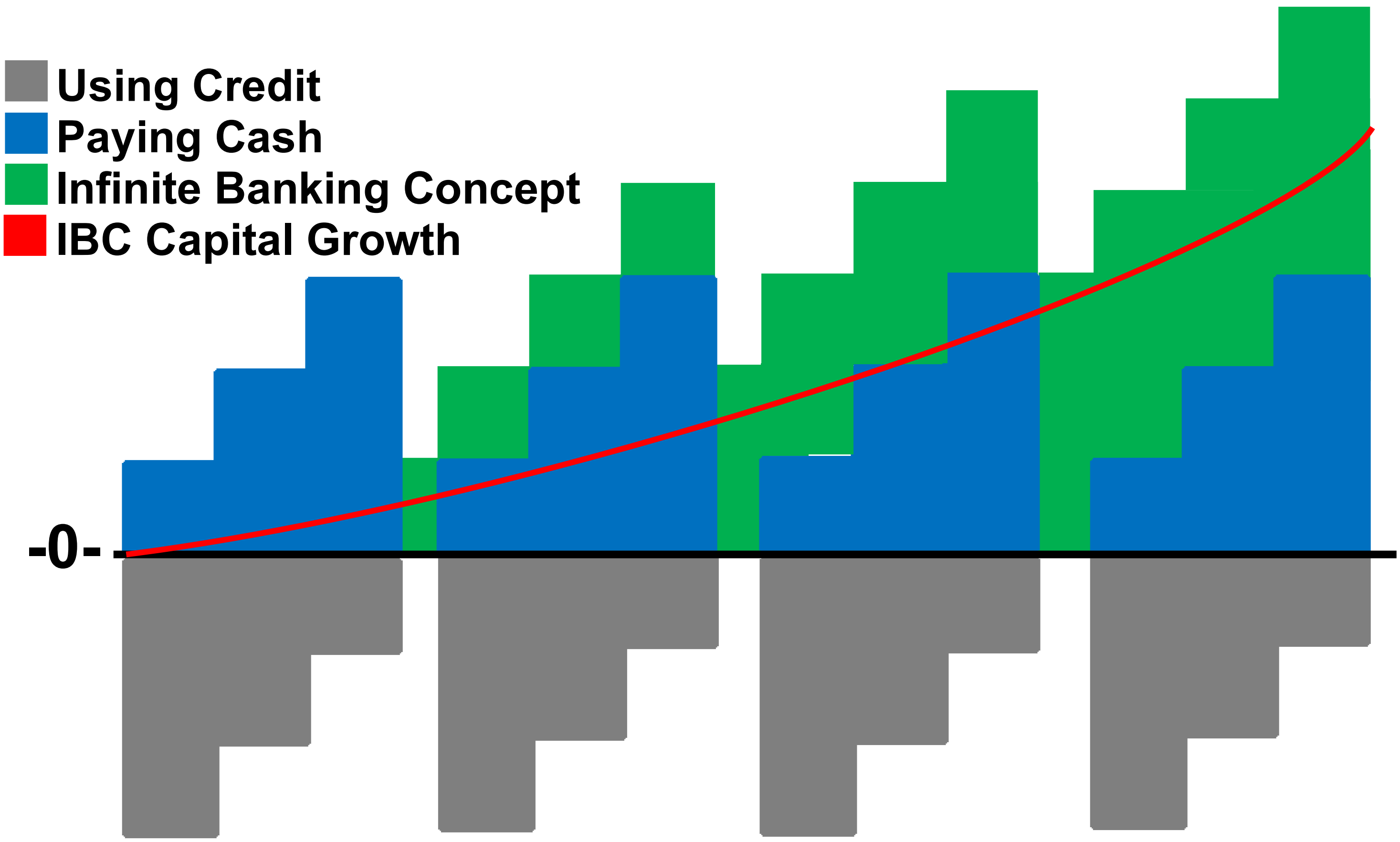
No matter what, the bank wins.

Would you like to make more of the profits that the banks make on you? You can, and we'll show you how by setting up your own **Private Banking Strategy**.

Now to explain how to do this for yourself, we're going to dissect the ways that banks profit using the example of purchasing automobiles over your lifetime.

Keep in mind that this exact same model can be used by business owners investing in their business or by fiscally responsible consumers with their major purchases in life.

Let's first look at traditional bank financing for automobile purchases. You essentially borrow against the automobile itself to qualify for the bulk of the capital necessary to acquire it.



Finance Methods

You then must make ongoing structured principal and interest payments to pay off that loan and get yourself back to **ZERO**. At or before this time, you decide to buy another automobile, so you again must prove not only your own credit-worthiness, but also the reason you want the money. So long as you continue to be steady and diligent about paying back the bank according to their terms, you should be able to hopefully continue financing your future automobiles.

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Understand that there is no guarantee that banks will continue to make this liquidity available to you. If it's a soft economy, or if for whatever reason the bank doesn't share the same vision for your needs, they can just pull the plug on your financing.

This is all the more reason to save up your own cash, so you don't need to rely on bank loans. Most of us were taught that the cheapest way through life is to pay cash for everything. That way no one can take your purchased item away from you, or charge you late fees, or report negative information to your credit scores.

Paying cash for everything is ***NOT*** the best way to accumulate wealth because in order to pay cash for things, you first must save up enough capital in a bank account that earns very little or no interest.

Yes, once you acquire that first automobile, you own it free and clear, and you don't owe anybody anything.

However, if you want to buy an automobile in the future, you still must continue making ongoing payments into one of their accounts earning very little or no interest. That way you will have enough cash in the future to purchase that automobile free and clear.

Because of this, the payment structure you have is nearly identical whether you pay cash outright for every single automobile, or you finance them 100% using bank loans.

Now some of you may be saying, "Well, when I pay with my own cash, at least I don't need to pay interest for the use of the bank's money".

This is true but you need to understand that once you take your savings out, you cannot gain any new interest on that money for the rest of your life. This is called

“Opportunity Cost Loss”. It is every bit as costly, if not more so, as paying someone else interest on borrowed money. Each time you do this it puts you right back at **ZERO**, even if interest rates go up considerably in the future, you wouldn’t be able to take full advantage of it because as soon as you get your account to the point of critical mass, you kill your future growth every time you withdraw that cast to buy another automobile and it puts you right back to zero.

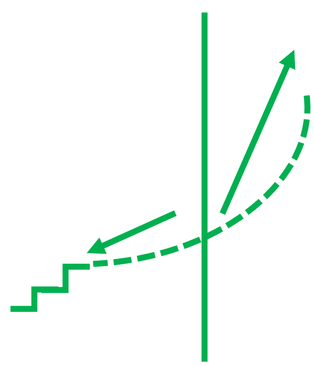
And it doesn’t need to be that way.

We’re going to show you how to create a money multiplier effect with your own bank by keeping your liquid reserves safely and continuously compounding for you, even though you have them doing double duty elsewhere.

In a perfect world, you’d save up principal and have it compound up in the future. What’s so powerful about compounding is you not only earn interest on your principal, but soon you earn interest on the interest of the principal. It creates this wonderful snowballing effect.

What we need to understand is that all this compounding is long term. Did you know that 85% of the total growth of compounding occurs in the last 15% of the time?

That’s why the curve on the right is a lot steeper than on the left. In fact, when we ask clients, “Which side of this curve would you rather have?”, everybody wants the steeper side on the right. But you don’t get that without putting in your time on the early part of the curve. You see, it’s just time value of money. Keeping assets continually compounding over time is key.



Unfortunately, though, purchases do need to be made. Every time they are, it resets our compound curve to the very beginning, killing our chances of ever getting to the far right-hand side of that curve.

That is, unless there is a way to contractually borrow against our assets at any time for any reason. You can see when we do, the red line comes down, indicating there's a lien against our asset base, but notice that the entire asset base continues to compound up the green curve. As we pay down the lien against the assets, we actually end up at a higher place in line each and every time.

This is a major component of this strategy. The fact is your entire asset base continues to compound in your favor despite having used some of it to make those purchases. The **Private Banking Strategy** is immune to market losses and immune from taxes and is private. All these things work in your favor.

In Nelson Nash's book *Becoming Your Own Banker*, he illustrates that financing $10,550 of the purchase price of your car starting at around age 21, then paying yourself back at 8.5% interest, and repeating this, every 4 years can produce close to $1,000,000 additional wealth accumulation. It would be a good idea to read his book. This is the amount you are paying others if you bank finance, or the amount you are losing in interest that you could have earned by not paying cash up front.

To find out how easy it is for us to structure **Private Banking Strategies** for you and your situation, contact us today. Do it now, before you must make another major purchase and learn the power of creating your own bank.

You owe it to yourself to find out how **Private Banking Strategies** will work in your life to help you become financially free and create legacy wealth for future generations.