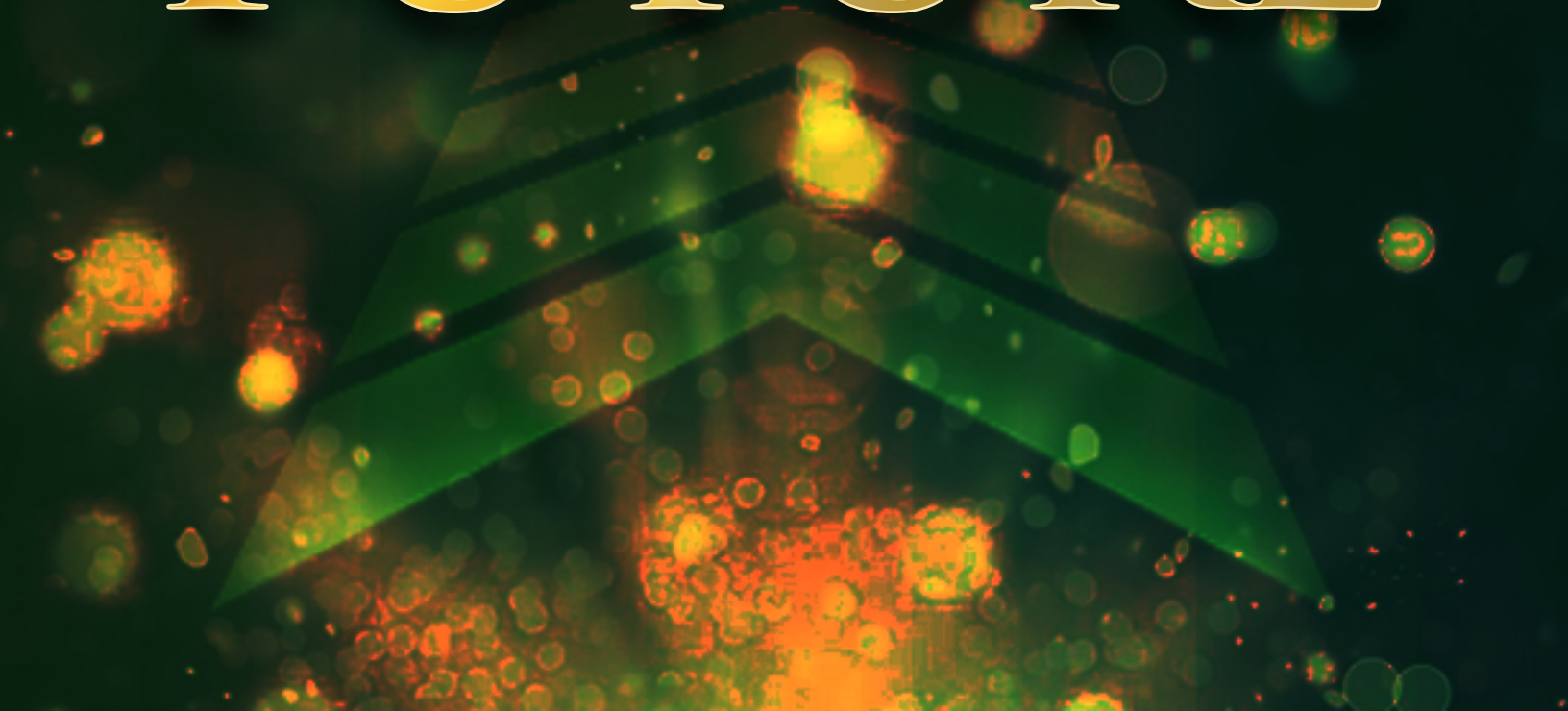


HOW  
— TO —  
CREATE  
YOUR  
FUTURE



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## INTRODUCTION

A few years ago, I was strolling by the seacoast to get some fresh air. It was almost six in the afternoon on a hot humid day. Between where I am and the sunset, there were rows of yachts all over. I realized I was near a yacht club. Admiring the yachts, I said to myself: “Sure must be fun to own a yacht like that” as my attention was focused at one of the yachts which was strikingly more sophisticated than the others. I have always been fascinated by boats ever since I was a kid though owning one never really occurred to me. Again, I said to myself: “Only the rich can afford it.”

Although the thought of getting rich crossed my mind, I never took it seriously at first. But somehow, I began to wonder if it’s really possible for a nobody like me to become a millionaire someday. Something inside me told me to dig deeper, to know more about acquiring or creating wealth even if it seemed unattainable. I’ve heard of true stories about self-made millionaires. I’ve heard of stories about people who started from scratch and turned it into millions. So I asked myself: “If others can do it, why can’t I?”

Another reason (and probably the main reason) that prompted me to dig deeper was the thought of being an employee all my life, working from nine to five, seemed to get me nowhere. This led me to ask myself: “What’s life going to be financially when I retire?” followed by a remark: “I have to do something about this.”

That was almost five years ago and I’m glad I talked myself into doing something that will change my life, and change it did. I still don’t own a yacht, attending to my other priorities first. But I’m well on my way to owning even a small one.

I'm even more glad that you've decided to take a look at this book. It's my turn to share with you what I have learned during those five years and I am confident that the contents you will find within this book will benefit and change your life as it did mine.

I believe that if more people could learn ways to improve their lives through helping each other, the world will be a better place to live in. The time will come when those being helped are the ones who will be helping those who have helped them before (reciprocation of favors, which is advantageous to all concerned).

I am sure you are aware that learning is a never ending process. Learning starts anywhere, anytime; but it never stops, no matter when, no matter where, no matter what. Even if you are learning a subject on which you are familiar with or you are an expert on, you will still continue to learn new things about the same subject. And there's an even more enormous amount of things to learn about subjects which we are not familiar with, especially when we are in the era of a fast changing world.

The same thing is true to creating wealth. It is a never ending process of learning wherein new ideas are introduced and it is in these new ideas that somebody like you and me can make money.

Some of the ideas you will learn, once analyzed, are common sense thinking that you may have overlooked or have never bothered to pay much attention to before. And there are ideas in this book that you think have never made sense before, but they shall seem to make sense after you have given them a second thought.

### **How the Book is Structured**

I have structured this book into two sections:

Section A covers the area which is the core or most important aspect of creating wealth: our thoughts. How our mind works and should work towards creating wealth is extremely essential. What's in our head will determine where we are headed. Our thoughts and ideas are our navigational aids that will direct us to create wealth.

Section B emphasizes the importance of financial knowledge to create wealth. It also covers preparations needed and different steps to take in order to get started. This section discusses how to stay on the path of acquiring wealth, until it is achieved.

I have written this book in a simple, straightforward, stress-free reading format so that people like you and me with varied interests and professions can comprehend the teachings with ease. It doesn't require any particular, special, or highly technical skill in any field of expertise to be able to know all the things that evolve in the world of creating wealth. You'll be amazed that most of the ideas are quite basic in nature. A lot will be gained once you spend (or shall I say invest) some time to go over it.

We all have this hidden talent to create wealth. We just need to utilize it and to harness all the potentials it holds.

Our mind and all the thoughts that go through it and all the things that surround us physically can be compared to a chef who has all the ingredients around him. All he needs to do is cook his specialty. How it will taste depends on the chef's talent. The resulting dish is like wealth ready for us to enjoy.

Allow me to be clear and specific. We are here to learn to create wealth within legal means. We are NOT here to learn how to gamble to win in order to create wealth.

Let me also remind you that creating wealth takes patience, dedication, and an open mind.

I think it's time to get to work, so let's get rich.

## **SECTION A - RICH FOOD FOR THOUGHT**

## **Chapter One Set Up Your Mind**

You are what you want to be. Just like you are what you eat, it also follows that you are what you think. If you set your mind to work for somebody as an employee, you will look for a job and you will be satisfied working as an employee. However, if you set your mind properly to attain financial freedom, you will find means of getting wealthy without the pressures and hassles of working for someone else.

It seems that the mindset of many people is almost always pre-occupied with working as an employee that they forget or unintentionally ignore to cross the line, to see how they can create real wealth. Just like a coin, they never bothered to look and to find out how it feels to be on the other side of it

Are you aware that the word “job” fits as an acronym for “just over broke?” And rightfully, the meaning does make sense. Having a job (as an employee) lets you earn just enough to cover your daily expenses. If you lose your job, you’re broke. Having a job or working as an employee for somebody means your privileges are limited and confined. Although your income is guaranteed, it is also limited. You see, employers pay just enough so that employees don’t quit. Consequently, employees work hard enough just so they don’t get fired. Subconsciously, if you are an employee, the creative side of your mind is not put to work in full capacity. You may be making somebody rich but definitely, that somebody is not you. You surrender control of your finances to somebody and you are at his/her mercy. If his/her business go down, you go down with it. If it goes up, it goes up alone. Most likely, you stay as you are. To surrender one’s finances to somebody is like having your future shaped in somebody else’s hand, not on your own.

I'm not saying that employers are bad. They provide jobs and it's good. I'm just painting a picture of one of life's realities which we hardly notice at times. If you go to business, you eventually end up as an employer yourself. I'm just opening the financial area of your mind.

Consider this: Palms facing up is receiving, kind of similar to begging. Palms facing down is giving. Employees receive. Employers give. How do you want your palms' position to be?

### **The Rat Race**

The fact that you're reading this book confirms that you have crossed the line and have taken interest to create wealth, an all-important factor to financial security. Congratulate yourself because your initiative just introduced you to a world out of the "rat race."

What is the "rat race?"

Every morning, you get up and prepare yourself to go to work - shower, breakfast, get dressed, travel by bus/train or drive your car, work from nine to five, get home to your family and have dinner, watch television or read the papers, then off to bed till the next morning.

You get two to three weeks paid vacation/sick leave each year and occasional overtime work. You get paid by your employer for your services every payday. If you don't like your job anymore, you find another employer for better pay. Year in, year out, it's the same routine. You work for somebody else, not for yourself. You focus your efforts in making somebody else richer. That is the "rat race."

Let me ask you: “If you have ever been an employee or if you are still one, honestly, do you like this feeling?”

I believe you’ll agree that as an employee, your world is confined and limited to certain and specific information only. You hardly have time for other activities. You cannot diversify. And the only solution is to go outside this confinement, into the open, and venture into a wider field.

As an employee, you hardly learn anything new. This limits your knowledge potential, virtually crippling your mind.

Another disadvantage you get for being an employee is that your income is limited. An average employee earning an average salary, if you compute, could hardly put aside a certain amount of money for savings for his/her future use. Even an above average employee who could put aside some savings could hardly have enough for retirement use. It is pointless to compute the savings of below average employees, they are lucky if they don’t get debt-ridden.

All too often, people are trapped in this race that they never bothered to know where they are headed. They only notice it at times when they run short of cash for unexpected expenses or when they realize what will happen to them when they reach retirement age. And still they forget about it and do nothing to improve their lives.

You must realize the need to get out of the “rat race” as early as possible. To achieve this, you need to change your way of thinking - from thoughts of working as an employee for someone else, to thoughts of being in control of your own time and money. This doesn’t mean you have to quit your day job right away. You could spend your free time learning and actually implementing moneymaking activities while still working as

an employee. Once you're financially secured and have enough knowledge on acquiring wealth, that's the time to get out of the "rat race" and start enjoying your life.

As you will see, creating wealth is making more money in lesser time, in comparison to what you are presently doing. It is like a graph with the horizontal axis representing time and the vertical axis representing money. The more steep the graph, the better it is.

Once you are out of the "rat race," you continue to work. This time you work for yourself and not for other people. When you work for yourself, it does not mean that you're being selfish; you're just being smart. Nobody's going to look after your financial security except yourself.

The bottom line is this: It is all right to be an employee, but don't stay as one for long. I'm talking from experience. Better do something about it now.

## Chapter Two Know The Difference

For the purpose of simplicity, let us refer employers, entrepreneurs, business owners, and investors as people in the “wealth express.”

What are the differences in status and in thinking between a person who is trapped in the “rat race” and a person who is in the “wealth express?”

Let us lay the cards on the table and examine them.

If you look at the paycheck of a person in the “rat race,” you’ll find:

*Gross Earnings **Minus** Deductions (Taxes, SSS, etc.) = Net Pay (Money left for you to spend / save)*

The earnings of a person in the “wealth express” look like this:

*Gross Earnings **Minus** Expenses / Savings = Net Earnings subject to taxes*

Notice the difference? It’s earn, pay tax, spend for an employee. On the other hand, it’s earn, spend, pay tax for an employer, an entrepreneur, business owner, or an investor. There is a profound difference.

If you are an employee, you would pity yourself, though there is nothing much you can do about it because that’s the way the system works. You don’t have the power to change the system so you have no control over it. Besides, self-pity is a crime to oneself. So instead of feeling sorry for yourself, you must get out of the trap, be liberated from being poor or middle class, and start doing some action steps to becoming financially independent.

To change lanes, just like driving a car, you signal your intention. You send a signal to your brain so that your mindset will start to function on thoughts leaving the “rat race” to thoughts entering the “wealth express.”

This issue about changing lanes which includes the transition period is covered in the next section of this book. In the meantime, let us concentrate on how a poor person thinks compared to the way a rich person thinks. Knowing the differences helps to open up your perception to the way your mind works. This also prepares or conditions your mind to have an in-depth understanding of financial issues.

### **The Differences**

The poor work for money. The rich make money work for them. Literally translated, the poor work to gain money in exchange for their services, to pay for bills and all the other expenses. The rich use money to earn money by investing and/or going into business. They employ the services of other people so they do not necessarily have to be physically present to maintain their business. This gives them more free time to engage in other moneymaking ventures.

The poor think that the love of money is the root of all evil that is why they choose to remain poor. The rich think that the lack of money is the root of all evil, that is why they strive to create wealth.

Say for example, two persons are looking at a yacht, admiring it , just like what happened to me. The person who chooses to remain poor would say: “I can’t afford to buy a yacht.” The person who chooses to find ways to create wealth would say: “What can I do to own a yacht?” The thinking process of the poor on how to make money is automatically shut down. The thinking process of the rich works to determine ways for them to make money, so that they can afford to buy whatever they desire.

The poor and middle class buy their personal things like clothing and household furnishing ready made. The rich buy them made-to-order. Items that are made-to-order are usually more expensive because they are unique or one-of-a-kind, giving the rich more options, choices, and advantages.

The poor would advice their children to study hard so that the children can find a good company to work for when schooling is finished. The rich would advice their children to study hard so that their children can build a good company or find a good company to buy.

The excuse of the poor why they are poor is because they are supporting their families, so expenses are high. The rich are motivated to be wealthy because they are supporting their families, striving to earn more.

A lot of people cringe when it comes to taking risk about money especially the poor. The rich will find ways to control and manage this risk.

On the issue of reaching retirement age, the poor depend on a company or the government taking care of their needs or pension. The rich prefer financial self-reliance.

The poor can afford to save a few dollars. The rich can afford to make investments to increase their wealth.

The poor would compose impressive resumes to find good jobs. The rich would come up with dynamic business plans to create jobs for others.

The poor would say that money does not interest them. The rich would say that money is power.

We can see that there are lots of differences in thinking attitudes between the poor and the rich. Often times, the directions of thinking are opposite each other. How the

mind works determines the person. It is unfortunate though that more people choose the easier way to think, which is the way the poor think; hence the higher percentage of people are in the poor and middle class. But there is always the chance to improve, for as long as the mind is willing.

Let me emphasize though that a willing mind to improve oneself, to elevate oneself from being poor to being wealthy, is not enough and will not materialize if it is not coupled with action, the final and most important determinant to turn a poor person into a rich one. Not just any action but intelligent, decisive, fearless action.

Make it happen.

## **Chapter Three**

### **Think And Act Rich**

On the previous chapter, we have compared the thinking of a poor person to that of a rich one. Initially, we shall explore a few ways on how the rich act in accordance with their thinking and how we can apply these ways to encourage and guide us in doing the same.

Always keep in mind that you can attract as much money as you desire by knowing that it is all in the mind. It is what you choose to think, and act upon, that produces the money you want. What you think will be, will be.

#### **Feel Rich and Be Grateful**

What I am about to teach you is a simple yet very powerful way of attracting wealth and prosperity in your life.

First, imagine what life would be like if you are rich. Don't just see it. Feel it as if you're already experiencing the luxuries and lifestyle of the rich.

Do you see yourself driving your dream car? What model and color is it? Touch the seat and feel its soft texture. Open the car radio and listen to your favorite music. Experience the joy of driving it towards your favorite place.

Maybe you could visualize a house. How many rooms does it have? Take a relaxing soak in the bath tub. Smell the food aroma coming out from the large kitchen. Play sports in your own private gym.

The important thing here is to believe that you are already rich.

Now doesn't that feel good? By doing this exercise, you are unleashing the powers of your subconscious and directing it to give you what you're dreaming of.

But it doesn't end there. To make this even more effective, breathe slowly while still hanging on to this wonderful feeling of being rich, and say a small thanks to God, or to a Higher Power.

By being grateful, you are commanding the Powers of the Universe to work in your favor. You are confirming that you are graciously accepting your blessings.

Try it out. Believe and feel that you are already wealthy, and be thankful for it. You will be astounded by the results.

### **Control your Expenses**

When I was still young, I used to hear the expression: "Live within your means." I think nowadays, we need to correct this expression by changing "within" to "below." These days, if we work for somebody or for a corporation, we need to set aside some savings which we can use for a "rainy day." There is never enough savings, that is why we sometimes find a second job. And this is the reason why we want to improve our lives financially, by getting off the "rat race" and achieving financial freedom.

Sometimes, we have the uncontrollable habit of buying things we don't actually need, especially when items are "on sale." We stock up on things that are "on sale" thinking that we are saving. At first thought, it seems we are, but on second thought, we are actually losing. Foodstuffs get spoiled. Clothes go out of fashion. Appliances' warranties expire even before they are used. Sometimes, they become defective due to prolonged storage. And new models are introduced which makes what you have on hand, obsolete or phased out. This might probably be the reason why they are "on sale." If you

notice, most electronic appliances are expensive the first time they are introduced and they become cheaper in time.

We stock up on things thinking that a similar opportunity might not come our way the next time. I hate to say this but probably some products are excessively produced on purpose, to be put up “on sale” if not completely sold while regularly priced. To some producers, it’s cheaper to sell at cost or minimum profit than to keep under storage, not to mention expiration dates. This is also one way to promote a product. You see, when people know that a certain product sometimes goes “on sale,” they always have the product on mind. It’s free advertisement at its best. The product makers don’t lose money anyway. On the contrary, they make money.

All too often, even the rich people fall prey to this kind of promotion. The poor and middle class would say: “I might as well spend my savings on these items since little savings are not going to make me rich anyway.”

And you know what happens to your house if you keep on stocking up? You turn your house into a warehouse. There will be clutter everywhere, especially when your house isn’t big enough.

You buy things “on sale,” only if you intend to sell them for a profit and not for your own future consumption. Keeping a reasonable quantity is justifiable.

Be prudent. This is one habit that we need to improve or correct.

If you are making enough or more than enough, keep in mind that it is not how much you make that can make you rich. It is how much you spend and how much you keep.

Some of us have the habit of buying luxuries the moment we have the money or credit line for it. Most rich people, in spite of being rich, buy luxuries last.

With the money you keep, books are some of the best investments. They keep you skillful. They open up new horizons which can lead to creating wealth. The same thing is true with seminars, tapes, and other media related to acquiring financial knowledge.

### **Be Generous**

Many people think that rich people are selfish, that's why they have lots of money at hand. This may be true in some cases; however, there are a lot more individuals who are wealthy because they know how to give.

When you give something from your heart without expecting anything in return, you release a powerful force that will trigger your good deed to "bounce" back to you in amazing, and sometimes unusual ways.

Whenever possible, be generous in giving to others. You will notice that what you receive, or the return, will be more than what you give. As humans, we have the tendency to reciprocate what we receive. But don't give for the sake of expecting something in return. Give freely from your heart, and the rewards would be greater.

The act of giving can summon the spirit of joy to come into your heart. How would you feel when you've given something to your less fortunate neighbors? Let me tell you that nothing could brighten up a day more than hearing them express their most heartfelt gratitude and seeing their smiles extend from ear to ear.

Giving is also a healthy habit. It could prolong your life by instilling within you an inner sense of peace and accomplishment.

What you give doesn't necessarily have to be something material. It can also be time, effort, talent, service, or even an affectionate feeling.

Just like all things in life, giving has its limitations. Being too generous can have its toll. Your kindness might be taken advantage of and people might abuse your good intentions. Beware of individuals who are continuously seeking your aid. It's better to teach them how to solve their problems than to always attend to their needs.

As one saying goes ...

"Give them some fish and you'll feed them for a day. Teach them how to fish and you'll feed them for a lifetime."

Lastly, here's what I consider the most important rule about giving. Keep your good deeds to yourself. Don't announce to the whole world that you've donated \$100,000 to your favorite charity or that you've helped save a child from a life-threatening disease.

If you really desire to give, do it secretly and in private.

Some people would write "anonymous" rather than their own names when they've made a contribution. The universe smiles upon these individuals, and they will get their just rewards in due time.

Consider this: If you are on the giving end, doesn't it mean that you are in a better position than the recipient? Doesn't it complement your character?

## **Winners or Losers**

It is said that winners are not afraid to lose, because failure is a part of the process of success. People who are afraid to fail, lose success.

Like a coin or a chip, look at both sides of the possible effects of something you want to do. Say you want to buy a house or a car. It may seem to look like you're buying an asset. Take a look also at the other side, it might be a liability because of the additional expenses it would incur. Weigh your options.

Think rich and put your thinking into action.

## **Chapter Four**

### **Enhancing Your Money Consciousness**

The next paragraphs will enhance further your money consciousness. In more ways than one, these moneymaking thoughts may sound like proverbs, but I find them very encouraging, hence I want to share them with you.

1. Change your thinking habit from earning daily (in small amounts) to earning by transactions or deals (in big amounts). Turn on your money-conscious mind to attract more money into your life. You will learn more of this in the next sections of this book.
2. No one else will determine your future except yourself. Either you get up or sink down from where you are now. This can be determined on how you mold your thoughts. To be weak or strong, rich or poor, you decide your own fate. The effect of your thoughts eventually affect your life.
3. If you're broke, that doesn't mean you're poor. You may be rich but you may be broke. You see, being broke is short-lived . Being poor is long term. You are broke only for a certain period of time, but being poor without doing anything to alleviate your condition in life makes it permanent.
4. Learn to decide intelligently. It is a must in moneymaking. Practice this trait in small ways and work your way up gradually until you have the courage to apply it in big ways.
5. Take failure as a chance to get smarter and stronger, by learning from it. Don't let failure defeat you. Get inspired by it and eventually, you will turn up to be a winner.

6. Sometimes, we want others to change their attitudes but we have no control over them. It's easier to change oneself, if we have self-control.
7. Having more money does not necessarily mean more wealth. Sometimes, more money sinks us deeper to debt. Consider lottery winners who end up where they started after some time because of their compulsive spending and inability to properly manage their money.
8. Learn to master the power of money by having control over it. Once money has control over you, you become a slave to it.
9. Be creative and open to new ideas. Sometimes, we are so used to doing what the majority are doing that we completely close our minds to new ideas. Take for instance on a hot summer day, you will drink something cold to cool you down. You wouldn't think of drinking something hot because it will make you feel more hot and besides, a cold drink on a hot summer day is the common thing people do. But did you know that drinking something hot on a hot summer day helps to make you perspire and take the heat out of your system thus making you feel cool, although this is not the standard that most people follow? Just what does this have to do with creating wealth? I want to emphasize here that following set rules and procedures, and not deviating from what the majority are doing, discourages creativity. If you need to be different from the majority for the sake of financial success, so be it.

## **Tap Your Potentials**

We all have tremendous potentials and talents like courage and brilliance. We must learn to tap into them, to put them to good use. Like it or not, we also have negative common traits. We all have some degree of self-doubt although at varying levels. Again, it all depends on us, which side of us we will allow to prevail.

In the world of money, being smart is not enough. You've got to be bold or daring. You have to actualize what is in your mind.

It is understandable that we feel apprehensive when it comes to change. Some are even afraid of change but we mustn't be. We must consider change, even at bad times, as an opportunity to improve our lives. Turn to your creative mind so as not to be swayed by the tide of depression. To be financially secure, you need to be creative and to take calculated risks.

Great opportunities are visible to the mind, not to the eyes. Learn to recognize an opportunity. Once you do, within the right time and available finances, it can make you rich.

Always remember that your mind is the single most powerful tool or asset you possess to gain financial security. Just like our body that takes nutrients from food and water, our mind must be continually energized with creative ideas and financial thoughts to create wealth.

Most of us work for the purpose of making money. More than this, we must work to learn.

## **Human Characteristics**

Life is sometimes funny. There are many human characteristics that unless you take a closer look into them, you wouldn't notice how peculiar or different they are, at least on the way it is viewed or said. Take for example the following:

1. We all hate to lose, while most of us are afraid to lose. They seem to impart the same meaning but there's a big difference between the two. Hating to lose challenges us to action. Being afraid to lose makes us decide not to act.
2. A person may risk to succeed, while another one may not like to risk losing. Again, there's a big difference. The former has the person's thoughts concentrated on succeeding, not losing. The latter has a person's thoughts concentrated on hoping he/she does not lose and forgets about succeeding.
3. Most people are so afraid to lose money that they lose. They refrain from acting on an opportunity to avoid losing that they did not realize they have already lost a lot more for not acting on it.
4. Simple laziness is doing nothing and wasting away one's time. The other type of laziness is keeping oneself busy with something not worthwhile and using it as an excuse in doing something which should have been more worthwhile like going into moneymaking ventures.

## Chapter Five Controlling Your Fears

What is the first impression we have upon hearing the word “fear?” Most likely, we think of it as a word that describes a feeling we all do not like to experience. And rightly it is, for even the dictionary describes it mostly as a word filled with negative emotions.

In this chapter, we shall make an in-depth analysis of what fear is really all about when it comes to creating wealth; its good side and its bad side.

Different people have different kinds of fear. Fear of speaking in public, fear of heights, fear of enclosed places, fear of being alone, fear of dark places, fear of being in a doctor’s or dental office, fear of spiders and other insects - we can enumerate countless more.

Fear is the biggest deterrent to financial success. Suppress fear and your money-making mind turns into a gold mine. A word of caution: *Being wealthy does not necessarily solve the problem of fear.* Sometimes, it even aggravates the matter, because this time, it is fear of losing the money that bothers the wealthy. Learn to manage and control fear.

Many people who have money problems fear losing money so much that they are actually aggravating their problems by concentrating too much on them. They can’t think of any solution to their dilemmas because their thoughts are pre-occupied with the terror of paying insurmountable bills. Instead of worrying about their problem, they should shift their focus to a different perspective, even for just a few minutes. They should take some time to relax and re-energize their brains so they can be more capable of finding the right

solution. They should set their problems aside for even just a few minutes each day, in order to allow their minds to come up with possible solutions.

Fear also has its good side. Fear prevents us from getting hurt, physically and emotionally. That little fear that is inherent in us is actually good for us. It prevents us from being too aggressive. It makes us think before we act. Action after thinking is definitely better than action without thinking.

This little fear is similar to fats in our body. Too much fat in our body is not good for our health. A little fat helps to keep us warm in cold weather. In the movies, there won't be any good guys if it weren't for the bad guys.

We kept emphasizing "little" in fear and we must keep it that way because once it starts to get big, we're in real trouble.

So how do we control fear from getting big without totally losing it? How do we keep fear within manageable and usable level so we have control over it instead of the other way around?

To an average employee, fear of losing a job makes him/her get up every morning to go to work. This is fear controlling the person. This is the reason most people stay in the "rat race."

To the poor and middle class, the fear of losing money makes them cringe to take risks, even calculated risks which the rich usually take. Sometimes, they never realize that they already lost the moment they backed out from an opportunity. And if this keeps on going, they'll never get rich.

Fear leads to poverty. It prevents financial creativity in our minds to the point that ignorance sets in. When creativity (be it financial or not) does not occupy the mind, the

mind is in a state of emptiness. It doesn't remain empty for long, so ignorance sets in. And when ignorance sets in, bigger problems start to set in as well because our mind is in disarray. Unconsciously, we become more greedy.

Let us explore greed further. I think you will agree that a high degree of greed can lead into trouble. Too much greed clouds our thoughts but a little, just a little greed may do us good. A little greed can overcome the obstacles that draw us away from financial security. A little greed can cure laziness. Without that little greed, our desire to have something better and to improve our lives financially could be beyond reach. Progress will hardly be attained.

If you will notice, most if not all of the negative traits and emotions in humans can lead us into trouble and financial distress, if their level is higher than our level of thinking. If we keep them from dominating our mind, we are in good hands. And to make this possible, we need to gather enough courage or fortitude within us, which will be the basis or backbone of our action towards financial security. Practice in small ways and gradually improve to bigger activities.

To suppress the fear of losing money, the excitement of winning must prevail. We must have the burning desire and the passion to make it happen. To bring up that burning desire, we must think of the great benefits that money will bring. "What will I do or what can I do when I become rich?" Start by recalling and making a picture in your mind of the things you would like to do if you have the money for it. Concentrate first on the good things it will bring to you and your loved ones, perhaps helping a brother or sister finish college, going on a cruise in the Caribbean if you love to travel (traveling is educational), or giving a motorized wheel chair for a poor crippled uncle. Acts of care

and concern, not only for oneself and family, but to others as well, ignites passion and desire. It puts your creative mind to work. Subconsciously, you have suppressed fear. Put your thoughts into action by making big but realistic and detailed step-by-step plans.

Remember, that all these excitements must be within the tolerable limits of your thoughts, so your reasonable and creative thinking could have full command of your actions.

**SECTION B – Importance of Financial  
Knowledge and Preparations to Creating Wealth**

## **Chapter Six**

### **Why The Need For Financial Knowledge**

Let us touch on the issue of our basic educational institutions, the schools, where we learn about the facts of life. What are the subjects covered in school? Language, mathematics, science, history, social studies, religion, among others are all important for us to study to blend ourselves well with society. Even in the collegiate level, depending on what course one chooses to take, lessons are concentrated on the theories, principles and/or basics which are hardly in consonance with the real world.

I will site a true-to-life example. My father is an electrical engineer. He took up a Bachelor of Science major in Electrical Engineering course in one of the leading universities in our country. After graduating and passing the board exams, he decided to look for a job in line with his chosen profession. He found a job in sales of machines for the wood industry. Naturally, the machines they sell are made up in part of electrical components. Although some of the electrical components were familiar to him based on what he learned from the university, many major components were new to him. He never encountered them before in school so he was at a lost as to what they were or what they were intended for. In short, what you will learn or have learned in school might not necessarily be what you will find in the real world.

When it comes to creating wealth, there is not a single course in school that teaches this subject (or very minimal if ever there are). You will learn to create wealth, out of school.

So, what our forefathers told us before: “Go to school, study hard, and find a good job” is still sound advice but not good enough. The future does not look too bright

anymore if you follow this advice. What you need to do is to learn what's going on out there, where reality is.

Learn to gain more knowledge. Learn to be updated and leave to experience what is antiquated. Learning is to keep pace with the latest technology and information. Since learning or knowledge is power, it follows that information is power. And if we have power on hand, we have access to wealth. So it makes sense that information nowadays is vital to creating wealth. The more updated you are, the better your chances of making more money.

### **The Learning Process**

How do we learn new things? Reading books, attending seminars, and talking to people more knowledgeable on the subject are some of the ways. We also learn by making mistakes, like babies learning to walk. It is like roller skating where we get bruises every time we fall. The message is: "Don't let mistakes stop you from learning. Learn from those mistakes and let them encourage you to learn more."

Always bear in mind that education in school is only the fundamental foundation of general knowledge. Outside school, we must gather as much skills as possible especially those pertaining to creating wealth.

I firmly believe that one's choice of endeavor must be anchored on love. Because when you love what you do, you will enjoy and take good care of it, not to mention the benefits it will bring to your health. With this in mind and in heart, you are following the dream of your life and you can use this principle in the choice of your business to gain wealth.

Loving is one thing. Knowing is another. Know your business. Know how to go about it. It is imperative that you acquire financial knowledge to gain wealth.

Today, information is wealth. Get to know what is going on around you. You will find opportunities to get rich from information that is current. Time can be of the essence depending on the subject of the business. Knowledge on the business is vital; that is why learning is a non-stop process. You need not necessarily be familiar with a particular business, but you must learn to know the business before you get involved in it.

People who have actual experiences on a subject are the ones you can talk to in gathering information. Do not listen to hearsay or to those who neither know nor have any experience on the subject. Knowing is an asset; not knowing is a liability. That is why, information is wealth.

Exchange information regarding financial matters with your colleagues as frequently as possible. This is one way to acquire updated news. On topics that are not clear or familiar to you, ask questions (rather than pretend you know when you don't) and be generous to share what you know when asked. Opportunities are sometimes born spontaneously in discussions that are beneficial to either or both parties.

The risk factor is always there even if you know the business. This is inherent in every type of business. But risk can be managed and kept to a minimum if you have the proper knowledge.

Gathering information may be time consuming but time well spent. Sometimes, it takes more time to gather information than the business itself. Keep in mind though that timing (when to act) could be important in the business you are interested in. How much you know is different from how fast you know. Remember the old saying: "The early

bird catches the worm?” The first or earliest to know gets the opportunity. If you know of an opportunity that is not yet in the news, it’s good news. Stay focused. Keep a clear and keen mind. Just like the advice of a weather station: “Know before you go.” The same thing is true in business: “Know before you go (into action).”

When in business, you must learn to manage the flow of money, your people, and your system. Get to know where the money you invest should be at any particular time so that you don’t get cash strapped in the middle of your transactions. Make sure your money flows smoothly to where it should be. Learn to manage your people. They work for you, so take good care of them and they will take good care of your business.

Systematize your work flow. This will cut wasted time, energy, and money as well. What you save is additional profit.

Keep in mind to leave some time for your out-of-business activities too, like family and social affairs. Like giving credit to where credit is due, give time to where time is due. Think of ways to do more in less time. This will increase your profit margin making you more competitive.

Most people find difficulty in marketing or selling products and / or services. It takes time and patience for your prospective clients to get acquainted with what you’re offering. Their most likely first reaction is to reject it. This is normal. With the right people negotiating and handling the marketing aspects of your business, you can surmount this difficulty and eventually come up with positive results.

Communication skill is very important. It is your eyes, ears, and mouth rolled into one. It is a friendly spy to keep you updated and more knowledgeable. Without it, you’ll be groping in the dark.

Here are additional helpful tips to gain financial knowledge:

1. When hiring a person to work for you, hire one who is more knowledgeable in the position you intend to hire him/her for. This way, you will have less worry if he/she is able to perform the job. You get to learn from the person, and you'll have more time to attend to other moneymaking ventures. Don't think the person might be a threat to your business, as long as you pay him/her well. Otherwise, he/she need not work for you in the first place.
2. Changes, especially those that involve bargains, can spell profit. Take for example in a supermarket where there is a "sale." People's most likely reaction is to buy and stock up. It is normal reaction but peculiar when analyzed. In the stock market, when there is a price crash, people tend to shy away. This is contrary to what happens in the supermarket. Why? Perhaps, we will never know. On the other hand, when prices in a supermarket go up, people shy away. Again, in the stock market, when prices go up, people start buying which shouldn't be the case.
3. Part (or shall I say a big portion of) financial knowledge is knowing the difference between an asset and a liability. Actually, an asset or a liability depends on the person looking at the thing. What you think is an asset, could be a liability to another person. As mentioned before, anything you own that earns is an asset; otherwise, it is a liability.
4. Oftentimes, we stick to the conventional way of doing business: "This is the way it is done here." For all we know, the conventional way might not be the

best way. Look at it another way, the unconventional way. It could save money, and money saved is money made.

5. High emotions (fear included) can sometimes suppress financial knowledge.

Do not let your financial ability submit to your emotions. Overcoming emotions is, per se, part of the learning process. Similarly, making financial decisions without proper training on finances is disastrous.

Gain more financial ability is simply having more options for opportunities that come your way. In the same manner, a higher level of knowledge can help you spot opportunities other people don't see. What you can't see with your eyes, you might see with your mind.

Money comes and goes. But unlike money (although this is what we're aiming for), financial knowledge stays. The nourishment it needs to stay keen is to keep it accurate and up-to-date.

If you feel like you're being pushed around, stay smart, exercise self-discipline, and keep updated. Be alert and look out for "double standard" information (information that requires double checking). It is better to reconfirm than be sorry later.

The basics of financial knowledge should have been taught in school; but it hardly did, and it looks like it hardly will. This explains why the poor and middle class comprise the majority of the populace with its gap from the rich ever widening.

If a person winds up with a lot of cash without financial ability, this person is bound to find his/her money gone soon. We've heard of athletes who earned millions during their prime and movie stars who amassed untold fortunes only to grow old broke. Having financial knowledge is truly vital to maintain and grow your wealth.

## **Chapter Seven**

### **From One Income To Another**

Let us take a look at the different types of income. They are:

1. Earned Income - obtained from working for someone or a company.
2. Passive Income - income generated from business.
3. Portfolio Income - income generated from investments in paper assets.

**Earned Income** comes from having a job in a company or in someone else's business. You get paid for your time and services rendered. In the previous section, we mentioned that workers work just hard enough not to get fired and employers pay just enough for workers not to quit. This indicates that the income an employee can generate from working for an employer is limited. There is the possibility that an employee may devote extra effort thinking the employer will pay him/her more. It is a rare possibility particularly when business is difficult, but possible. And even if it happens, it is still limited. Whatever additional profit gained by the employer as a result of the employee's extra effort, the employer will get the bigger "slice of the pie." You are, in effect, making someone else rich through your added effort. Don't think I'm discouraging this. It is a good act. I'm just stating a fact. It's likely that you will be telling yourself mentally: "Hey, that's not fair." Fair or not, that's the way life is, when you work for money.

If you are an employee, you get your money or paycheck after everything else. It is earned income, less taxes and everything else deductible, before money reaches your hand. And if ever the money reaches your hand, the next place it is bound to go is to pay your bills. If the amount is not enough, you are bound to borrow, which makes you debt-ridden if it accumulates. Now, this is one big mistake. Don't ever get debt-ridden. It is the quicksand to poverty.

Earned Income is a safe way to generate an income. There is not much thinking to do. Except for a few high paying, high profile jobs, your work is mostly concentrated on a few things where you keep repeating the same functions. Unconsciously, this discourages creativity, so boredom starts to set in.

It is because of this boredom that getting to work every morning is such a drag and you keep on looking forward to weekends, holidays, and vacations.

Unless you really love what you do without consideration to the income it generates, or unless you are highly paid, or unless there is a lot more to learn in your job, or unless financial security is of no importance to you, there is no reason for you to stay long in the “rat race.” The earlier it is to get out of the trap, the better chances you will attain financial success.

**Passive Income** is generated from businesses. You can sell products or offer services, or a combination thereof. Examples are buying/selling real estate, trading merchandise as in wholesaling and retailing, etc. In many cases, you need not be physically present in your place of business. There are also small businesses like vending machines where you hardly require an employee to visit those machines for refill (since you can do it yourself). You can also go with franchising; either be a franchiser or a franchisee. The list is endless as long as you do what you love to do.

The beauty of going into your own business is that you work for you, not for someone else. You enrich yourself, not someone else. Your time is disciplined but more flexible because you can make your own schedule.

Another advantage of going into business, especially in your own corporation, is that you earn and spend before tax is deducted, unlike being an employee where you are taxed before you spend.

**Portfolio Income**, just like passive income, is making money work for you. Portfolio Income is generated from paper assets like bonds, stock market, certificate of deposits, and mutual funds. They are called paper assets because literally, they are businesses that revolve on papers.

It is in portfolio income where financial knowledge is of vital importance. Your intellect interacting with creativity can either unmake or make you rich.

### **Time for Action**

Now that you know the different types of income, it's time to take some action!

Receiving earned income is fine, but your primary aim should be to get passive and portfolio income as much as possible. Utilize earned income to its fullest until you finally reach your goal of earning only passive and portfolio income.

The preparatory steps to take would include:

First, you must save. You must earnestly establish your asset through savings, whether the money comes from earned, passive, or portfolio income. If you haven't done so, better start now because time is essential in building assets. You must discipline yourself to set aside a fixed amount. For example, if you promise yourself to set \$500 each month as savings, you must consider this amount to be the least you will save. If it goes above this amount, the better it is. If you have more bills to pay, do not pay them from your savings. Your principle should be to pay yourself first, not last. Get your

money to pay your bills elsewhere (by finding ways to do extra work or by thinking creatively on how you can generate extra income). Your savings are not meant to pay bills, they are meant for future investments to get you out of the “rat race.” I am not suggesting that you throw yourself to a pitiful state. You can still enjoy life because that’s what life is meant to be, but be prudent in spending. Keep your expenses to necessities only (at least for the time being until you’ve attained financial freedom).

Next, you must plan. While still on the “rat race,” you must prepare plans of what you want to get involved in once you’ve achieved financial success.

Third, visualize. Try to imagine or visualize in your mind the possibilities of your prospective business. This will give you a prelude of what to expect and what else to prepare in case there are things that you missed to prepare.

Fourth, categorize. The time span for the transition period depends on many factors like the type of business, the value of your asset if money plays a major part of your intended business, and the availability of the people that may be involved in your plans.

Lastly, do some research. Know more about the business you will get into. Talk to specialists or people you know who are more knowledgeable in your intended business. If you avail of their services, be generous to them money-wise and they will reciprocate your generosity with helpful information. Buy books and tapes, attend seminars which will be helpful to increase your financial knowledge. Yes, I need to repeat that advice again because increasing one’s knowledge is really important and priceless. This will save you time, effort, and money in the long term. It also injects quality to your product, service, or business.

Your financial ability combined with the urge or the will to be financially secure can drive you to gain wealth. Just like an obstacle course, there will be drawbacks. Your determination will determine what will go to your pocket.

A person with financially developed abilities can see opportunities far beyond what his/her eyes can detect. Creativity revolves around the mind that is trained financially to make money. It takes time and technical skill to reach this level. Patiently keep developing this skill.

It might be difficult for an earned income person in the “rat race” to move to the “wealth express.” One way to motivate such person is to force him/her to set aside a fixed amount for savings no matter what. Again, creativity plays a vital role. Either he/she reduce his/her expenses, or find another source of income, or both. He/she should persevere in developing his/her financial knowledge.

## **Chapter Eight**

### **From “Not To Be” to “To Be”**

There are times that our attitude determines the outcome of our financial status in life. We mentioned “fear” in the previous section as one of the emotions inherent in humans. Financially speaking, if we have excessive fear of losing money in business, it deters us to become winners. We already lose the moment we back away from possible opportunities. Other negative traits like laziness or pretending to be busy, likewise holds us back from being financially stable.

All these negative traits have corresponding positive traits. For every negative trait we feel or do, try to offset it with a positive one. For example, your only means of going to work is by walking, but it gets you tired when you arrive at your work place. So you try to think of a way to get there easier and you came up with the idea that a bicycle will solve the problem. The problem is you don't know how to ride a bike and it scares you to think of falling or tripping from one. You might get bruises which might become scars and you hate scars. “Not on my flawless skin, you don't” is probably what you'd whisper to yourself. It is probably the main reason why you never learned to ride a bike in the first place. But think of the ease and good effects it will bring you if you learn to ride one to your work place. This thought will motivate you to do your very best in attaining a desired end .

Apply it to financial matters. It hurts you to lose money in business, so you decide not to engage in one. To overcome these negative traits, try positive traits in small ways first. Then gradually venture into bigger ways when you feel you have built the confidence to do so; because if you don't, you will stay a loser all your life.

I know how it feels to have little hard earned money be depleted in business. This is the main reason some people prefer to be employees instead of going into business. Should you decide to try to go to business (which is a wise decision), one way to minimize risk of losing money is to concentrate on the business. Stay focused on what you are doing. Don't get distracted. Be unconventional in your ways if you have to. You might stumble along the way but just the same, concentrate and don't stop.

Another one of those bad traits in us that we must try to minimize is being cynical to what other people say. It is alright to doubt if there is reason to, but doubt less if you think it should be so. To keep on being skeptical due to the negative or biased advice of other people won't get you anywhere and that is where the problem begins.

Remember there are times when you would want to buy something you like or need but finally decided not to, because somebody's comment overrode your previous decision? Then afterwards you found out that you should have went ahead with your intention to buy because the price already went up? How did you feel? That's cruelty to oneself. I can hear you say "If only I ...." Your decision should be based on analysis and finding ways of checking about the item you want to buy, not just based on hearsay and not without basis.

When a person is ignorant, there is only one cure: education through books, seminars, etc. But to justify one's ignorance as if he/she is proud of it, is arrogance. This is as close as one can get to stupidity.

Once you have a developed financial ability, your negative traits will automatically turn positive.