4 HOMES OF MONEY

Hello _____, my name is (trainer). I'm a certified Field Trainer with The Freedom Alliance. So tell me what did (agent) tell you we'd be discussing in the next 20 minutes?

I'm here to explain a little about who we are and what we do, I reassure you I'm not here to push anything on you but if you have any questions feel free to ask me, ok?

So typically when I do this presentation, people view it through 1 of 3 lenses. The first lens, they find the information valuable and they can think of 4 or 5 other people they can benefit from hearing the information too. The second lens is you want to know more about incorporating some of the wealth protection strategies for yourself. The third lens people view this presentation through is, they want to know what it takes to get a license and if you view it through that lens just kind of hold that one until the end and we can revisit it then, fair enough?

I'll start off with, have you ever heard of the word life insurance? (Yes I have). Well that makes total sense, the industry has been around for over 2000 years but let me ask you, when's the last time you've ever heard of the Life Insurance industry ever crashing? (I haven't). Exactly, that's why more and more people are looking at the industry from the career side because of the income stability.

Now I'm going to share my screen with you and you can let me know when you see it, (share screen) and I want you to tell me if any of the companies on the right hand side look familiar to you. (Which ones)

Ok, within a 20 mile radius of where you live can you tell me exactly where they are located? (NO)

And therein lies the problem, on one hand people know the word Life insurance and on the other hand they recognize these companies but when that moment comes to getting answers to questions they just don't

know where to go and that purely is driven by the fact that over the past 50 years (click) the number of licensed agents has gone down while the population has gone up, and that's exactly why we're here today. Any questions so far?

The next thing I'm going to go over is the license _____ is going to be getting the companies he/she's is going to be representing and the concepts _____ is going to be learning.

And one of those concepts is called the 4 Homes of Money. (click) _____, have you ever heard of the 4 Homes of Money before?

(No)

Great! This is interactive, and I think you'll get a lot of value from it.

(click) show 4 homes of money presentation

So let me ask you, where right now do you feel that the majority of people put their money once they get paid, where does it get deposited to?

- (Answer) Bank (click)

And the main reason people like putting money in the bank?

- safe (click)

Now, where do most people put their retirement accounts?

- 401(k) / IRAs (click)

401(k)s, IRAs, TSPs, 457 deferred comp, the Stock Market which is anything that pretty much goes up and down, you're correct.

Why do people put money in the stock market?

- Growth (click)

Correct, Now there are two other industries we should look at as well, the third one is Real Estate (click) and the last one we'll keep that a mystery for now (click).

Now if I can add two more criteria that are so important I would add this one.

1 is liquidity (click), meaning if I do put my money in here, when can I touch it without any rules, restrictions or penalties?

And the last one is the one thing that's most important, it's called taxes (click).

If you had the choice between tax now (click), tax later (click), and tax free (click), which would you choose?

- Tax free (click)

I agree, but if tax free wasn't an option (click) would you choose tax now when they're low or later when they go up?

- now (click)

ok, fair to say, now lets just put everything through the test.

Let's start with Real Estate…
So if I go buy a piece of property today, and tomorrow the pandemic hits and I need money, can I borrow it from the house right away?

- no (click)

correct because you need equity to grow and does that happen right away or take time?

- time

Can the value of a home ever go down?

- yes (click)

Is it an if or when?

- when

Definitely a when, we just don't know when or how much so there's no guarantee of safety. It'll depend on when you buy and when you sell.

now is the rate of return guaranteed

-No (click), correct.

Are there any tax advantages to owning property?

- yes (click)

Yep, you get a write off. So when you look at this, it gives us a 1 out of 4, (click) not a bad investment, we just need to have a back-up plan for the other 3 areas out of the 4.

We have to make sure you have money when you need it, we have to make sure your money is protected when

the market goes down, and we also want it to outpace inflation.

OK, let's go to a bank savings account, if I put my money in the bank can I touch it right away?

- yes (click)

I hope so, or you need to change banks. (lol)

Are banks a safe place to keep your money?

- yes (click)

yes, up to a limit, 250K FDIC insured (click).

And is the growth inside your bank Amazing?

- no (click)

Because there’s no growth, are there any tax advantages?

- no (click)

Correct, and you're going to notice we have two out of four. (click)

OK now let's look at 401(k)s. Is the money inside your 401(k) liquid, meaning can you touch it without penalty?

- (no) Click)

Correct, you can't touch it until you're 59 1/2 (click), now what are the chances you're gonna need access to money before you're 60 high or low?

- high

You're absolutely right and if you can't touch that, then what do you end up doing? I'll give you a hint it starts with a B.

- Borrowing

You're right, so most people during their prime years of their life, when they're making the most amount of money, it always goes to somebody else, vs saving for retirement simply because they don't have access to money.

Now, with your money sitting in the stock market, can it lose?

- yes (click)

Is it an if or when?

-when

Correct, it's a guarantee it's going to happen, 1999, 2001, 2008, pandemic and recession, so sometimes it feels like it goes like this (click).

And then to add icing on the cake when do you pay taxes on this entire amount, now or later?

- later (click)

You’re absolutely right. You’re not paying taxes on the $50,000 seed that you’re planting today but rather a $500,000 harvest that you have to reap 20-30 years from now when we have no idea what the tax rate will be. You’ve just entered into a contract with the government where you’re the limiting party. So do you think taxes are going to stay the same today or gonna go higher

- higher

So the majority of whatever is left over is not going to you rather it’s going to uncle Sam. And this means what, a 0/4! (click)

So we need a backup plan for 3/4 categories with R/E.
2/4 categories with the banks
and 4/4 categories with the stock market and your 401(k). And that's where the back up plan comes from our mystery industry.

So I'll give you a hint about it. It's been around for over 2000 years, it's never crashed and it just so happens to be the back up plan for the three other industries. Let me give you a hint, before you own a home we have to purchase homeowners (Insurance)

When you put your money in the bank, it's FDIC (insured)

And if you own anything in here, the person that sold it to you has to have insurance on their license to do so.

So what is this industry? It's insurance. But not auto insurance, not homeowners insurance, but it is the most important asset you do have, your Life, it's Life Insurance (click).

So most times we get life insurance primarily for the burial, now what are the chances that we're gonna pass away 50/50 or 100%?

-100%

That's right, so we know to get insurance for the death benefit (click) but the reality is this the average lifespan of a person in 1935 was 62 years of age now it's 80+ so what we're gonna have to experience way before death, is actually a deterioration of health and that's going to be way more expensive.

So I always encourage people to upgrade their life insurance to include this thing called living benefits, (click)
which gives you the option that if you ever have a heart attack, stroke, diagnosed with cancer, Alzheimer's or dementia, or if you lose the ability to perform 2 out of the 6 activities of daily living you can now use a portion of your death benefit as a tax free cash while you're still alive. Pretty good back up plan wouldn't you agree?

So we have living benefits, now let's talk about how you can have a proper alternative way to protect your retirement.

Have you ever heard of a LIRP before, L.I.R.P?

-No

Do me a favor, indulge me for a second and go ahead and google it and tell me what you find.

- Life Insurance Retirement Plan

And you looked that up right?

-yes

So the challenge is, there's a lot of really good free information that's out there, most people just don't know where to look to find it and this is where (agent) comes in, he/she can be your resource within the industry to guide and point you towards some of these concepts you may have never heard of before.

So a LIRP is a vehicle that can provide you with Liquidity,(Click) Safety, (click) Growth (click) and my personal favorite 100% Tax-free! (Click).

Now when you look at that, how many check marks do you see?

-4

That's right it's a 4/4,(click) it protects you in all scenarios. Upon passing, if you get ill, if you need money, if you need it to grow, and protect you against losses in the market and more importantly, protects you against the current rising tax environment.

So if I were to put this all together, I would do it just like this. (Next Slide)

First we need a strong foundation which protects everything, so we look at the one industry that gives you all the protection you need, that's Life Insurance.(click)

Now the next best score was banks (click) and that's for your emergency fund.

Then we have Real Estate (click) and finally the stock market (click).

Now the reality of what goes on here is when you do gain equity in your real estate, and when you gain profits in your stock market can you lose those overnight as well unless you do what? You move it, you have to insure the profits of the stock market (click) and equity of your home (click). And all we do is simply move it here (click)(circle Life Insurance) so that your profits are now protected.

So the only dilemma I see is that most of middle America is doing it like this (Next Slide)

We're told to go to school, get good grades, get a good job, and when we get that job the first place that we're told to put our money is the
Stock Market (click)
Then we try to save enough money for a piece of Real Estate (click)

Then we try to scrape together enough money for a rainy day in the Banks (click)
and then we get just enough life insurance (click) for burial because we see it as a cost vs a proper investment and foundation for our financial portfolio.

With that being said, any questions?