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"Money that's not growing is shrinking."

Paul Adams: There are many of you listening who already have a whole life policy. Perhaps it was just sold to you by somebody, well-meaning, perhaps some young, vibrant niece or nephew joined a company that's a large mutual life insurance company, and they say, "Hey, you should really have this life insurance," and you went along with it and you've always just kind of kept paying it, 'cause it seemed like a good idea, seemed prudent, but you didn't get full use out of it. Keep listening, because this totally applies to an asset you already have.

Paul Adams: Welcome to Your Business Your Wealth, where your hosts, Paul Adams & Cory Shepherd, teach founders and entrepreneurs how to build wealth beyond their business balance sheets.

[music]

Paul Adams: Hello, and welcome to Your Business Your Wealth. I am Paul Adams, CEO of Sound Financial Group, and I'm joined by my co-host, Cory Shepherd. Welcome to Your Business Your Wealth.

[music]

Cory Shepherd: Well, thank you, Paul. And I gotta say, a little surprised, I just go on vacation for a couple weeks and I come back and you've totally renamed the podcast.

Paul Adams: That is why you can't leave town. If I'm left unsupervised, Lord knows what's gonna happen. Speaking of which, if those of you who've been podcast listeners for some time, I don't remember what episode it was, an early episode, literally what we had to do to make the podcast work, 'cause we had a total technology fail, is I had to record it on my iPhone. Now, we're in not too different of a place today. We have been looking to really step up our production quality, we have hired some amazing team members to be able to make that a reality, and yet in our use of some of the new technology, total utter fail this morning. We've been at it about two-and-a-half hours total, trying to solve some of it, trying to bring a better and better product to all of you for your consumption. So, we hope that the audio and video is good on this one, 'cause we are going all the way back to using an older platform to be able to record this, and I think it's gonna work and still have you guys quite satisfied. But do not hesitate to let us know when it's awful.

Cory Shepherd: I told you the fax machine wasn't gonna work for our show notes, but you just kept trying, and trying, and trying.

Paul Adams: I kept trying at it. And what I would say is, if you've got some constructive feedback about the show, don't put that in the reviews. Let's just have you send us an email at info@sfgwa.com. That'd be the best way to do... But then, all the other praise,

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all the wonderful things we hear, best place for that is in the reviews, which we're always excited when we get a chance to highlight a featured review with all of you here on the podcast. Today we've got a topic that I think is really key for most people dealing with their money, and that is, what do we do with our cash?

Paul Adams: Now, when you have a household that's $300,000 to $2 million of annual income, or even below, let's just take $200,000, one of the things that you have to do to be secure financially... This is not without doing extra real estate projects, this is not investing in other businesses, it's just running your household. And one of the major problems with running your household is you've gotta have cash on hand. But if you don't keep cash on hand, you don't have time for emergencies, adjustments, relocations, things like that. Now, if on top of it, what you also do is some real estate investing, then one of the things that you have to do while real estate investing is put yourself in the position where you can buy that piece of real estate that nobody else can buy because you can make a cash offer, or you need to have additional liquidity to deal with vacancies, repairs, etcetera. So, when we just talk about liquidity, one year of expenses.

"Some of the things we do that are illiquid not only require cash now but may require cash over time. That doesn't mean we should never do them. What it does mean is we have to make sure we have our balance sheet prepared for what it is we're gonna do."

Paul Adams: Now, let's just think about the math on that. If you have one year's worth of expenses saved in cash, you are going to have some significant drag on the overall returns on your balance sheet. Why? Because you've got to leave it in the bank at half a percent interest for a really long horizon of time, putting you in the position where you may not be able to get the total output that you should get from your overall assets, because you've got this cash dragging at half a percent while you're out building a portfolio, equity investments, real estates, your own business ownership. You're trying to produce high returns everywhere else and yet being prudent on the back burner, leaving cash can put you in a position to not take good care of everything overall.

Cory Shepherd: And I really wanna be clear what this is not, and it's not the typical financial industry narrative making you feel bad for not having all of your money in the market all the time, like, "Oh, this cash is just sitting around. You could be running more if you put it into investments with us... " whoever is telling you that. This is not what that's about. It's about looking at the different stages of a balance sheet as you develop, and as a family develops or as a business develops, and there is a time where you should not have any money invested, you should have all of your money in cash, 'cause you need it for emergencies, you have no extra. And then as you grow into a more mature balance sheet, you've already got the emergency funds in place, and you're building up that excess capital. It's saying, "Let's take a look at the strategies we are in and can we have them all be working together well?" But before we get into that, Paul, you've got this weekend planning that you're really excited about.

Paul Adams: Yeah. I'm just excited because I think it's great when we put ourselves in the position to actually save money and build assets in a way that people say doesn't work. Like, one quick Google of "Whole life insurance, is it a good idea, bad idea?" You get all kinds of feedback. You just can't get away from the feedback that is mostly and

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overwhelmingly negative.

Cory Shepherd: And this is right in the way of the episode we did a few weeks back about whole life insurance being a... The title says, is a bad investment, and we look at that, and ask some questions. So, this is following up on that and some of the comments that we've got. And I'm really excited. What did you find, Paul, when you... You've got here on your screen?

Paul Adams: Just shortly before the podcast, I pulled up, "How much life insurance do banks own?" Now, you think about how much life insurance banks own, I'd encourage all of you to Google it, click on a couple of the links, and you'll be surprised. One of the top results that's not a sponsored result is "Bank Owned Life Insurance: A Little-Known Way Banks Make Money." So, let me just click on that. We're gonna jump into it.

Cory Shepherd: And this is The Motley Fool. This is not Jimmy's finance blog.

"The value in your home can be a resource if looked at and developed as a part of your balance sheet properly."

[chuckle]

Paul Adams: Yes.

Cory Shepherd: It looks like it's from the '90s. This is a major website.

Paul Adams: Yes. And The Motley Fool, also a website that gives all kinds of financial advice, lots of stuff around stock picking, unfortunately, but also a website that if we Googled inside Motley Fool about using whole life insurance, you'll find enormously negative articles. Unless you Google, "What is it... How much do banks own in life insurance?" And what they continue to say in these articles, "Why do banks have so much money in life insurance?" And one of the biggest reasons why is there are numerous advantages of BOLI, the bank-owned life insurance. As I already mentioned, one of the biggest benefits is that BOLI policies produce far superior returns than traditional bank investment, such as municipal bonds, five and 10-year treasuries, and mortgage-backed securities.

Paul Adams: So, think about that for a moment, that they've got this low risk level asset that sits on their balance sheet, which is literally the next sentence. And what they're trying to do is increase their return on equity. That's the same thing we talk about with our clients is, "What do we need to do to put ourselves in a position that we can produce additional returns with money that otherwise isn't gonna get a very high return?" Which is our cash assets. So, I'd encourage you guys to check this out. We're gonna post it to the show notes, so if you go to our website, yourbusinessyourwealth.com, find this episode, and you're gonna be able to find the attachments right there to download, including this article.

Paul Adams: With that, Cory, let's jump into it and just talk a little bit about why is it

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"No one else that we know of, who has the reach that we have on this podcast, is talking about being able to use life insurance the way corporations use it."

people are trying to do this and missing the boat, meaning they do the right thing to build up one year's worth of expenses in cash, and yet that very prudent move ends up as this drag behind them, a little bit like having an anchor drag bottom while you're trying to move your boat down the river.

Cory Shepherd: Right. Well, I think that one big part of it is that people think that keeping money, say, in a checking account means the greatest amount of liquidity, the greatest amount of safety, because they can't lose directly. But what we miss out on is money that's not growing is shrinking, even if the digits look the same on our statement 'cause of this thing called inflation. The fact that someone says... There's always gonna be an amount of money that we want in a checking account that we can get at at a moment's notice. That should never be zero for a family. But there is an amount above that gotta be able to get at tomorrow that maybe we could get at within two or three days, we could start making some different choices. And so the money that's get at instantly, we don't care about the rate of return, and the best rate of return it can give us is that we can get it instantly, 'cause in that next block of money, we start to develop some different expectations for that. So, whether you're a family, someone running your business, keeping cash on hand or a real estate investor waiting for the next deal, those are all situations where cash management starts to come into play.

Paul Adams: And really, we would have you guys think about it as a metaphor of like a river running down a mountain and into a lake. My family and I just spent a week at a lake, and one of the things that's funny is water flows into the lake and water flows out of the lake. But most of what happens there happens across the surface. Much like your checking accounts, your bank accounts, money comes in, and money goes out, but there's an amount that it never dips below. So, if you can picture that lake and water flowing in, water flowing out, there is still water at the bottom of the lake that never turns over, meaning water flows in and out the top, but there's a bottom piece that it never invades.

Paul Adams: What I would have you think about is your money in your bank is the same thing. If you're a business owner that keeps a million dollars in cash in the business, you might have some flex that occurs, like maybe you get down to half a million periodically, but you never seem to get below half a million. As a household, you build up your one-year worth of expenses, and as you do that, you might periodically dip into it because you need to buy a car or you have some family emergency. But for the most part, it never dips below. Say, $300,000 is the amount of cash you wanna keep on hand, but you notice, over time, there's not very many occasions you're gonna get below $200,000. That means that we can take and reposition that money into better performing accounts that have access and don't introduce the volatility of the movements of the market, because the movement of the market and that volatility can end up dictating decisions for you. That's why Cory was so clear at the beginning of this, that you don't wanna be in a position of what you're doing is putting money that needs to be liquid and available at risk and put more money in the market. In fact, we still need

safe money, but we need clear alternatives to having that safe money.

Cory Shepherd: Right. We are not trying to make anyone feel bad for not having a bunch of money operating a high rate of return. We're asking the question, "Is there... " That's the difference, I think. The traditional financial industry would be, "Let's take this big swath of money and move it all over 'cause you gotta get it out of there." And we're saying, "Are there incremental amounts that are now freeing up on that top end or in the lake at the bottom?" I love that metaphor, 'cause I just picture, as a teenager, taking the boat out to the middle of the lake and diving down really, really deep, and all of a sudden the water just, whoosh, hits super cold, super fresh. That's where you know you hit that level. I love that metaphor. Yeah, go ahead, Paul.

Paul Adams: I wanna not just tackle the amount of money we keep in cash that is meant to be family emergency, but let's go to what Cory spoke about earlier that if you're a business owner or a real estate person, and you keep a fair amount of cash all the time. And let's say one of the things you've done is really worked to achieve high returns. Let's go as far as 18... 15% and you get an 18-month turn on that money, because you bought a property and you're flipping it, things like that. But the trouble is, if in between each of those deals, your money has to sit in cash, now your return over a two-year period has dropped to 11.9%. You see, even though you're done with the project, the rate of return does not stop ticking on your balance sheet. So, you can feel wonderful that you had a huge win, but if you had to leave a lot of money in cash in between, you're dragging your returns down. And what we would contend with is you're dragging them down unnecessarily because there are places you can place cash, just like banks do, to put you in a position where you can have that money on the sidelines available and usable.

Paul Adams: In fact, as we transition to the next point here, consider there are many of you listening who already have a whole life policy. Perhaps it was just sold to you by somebody, well-meaning. Perhaps some young, vibrant niece or nephew joined a company that's a large mutual life insurance company, and they say, "Hey, you should really have this life insurance," and you went along with it and you've always just kept paying it, 'cause it seemed like a good idea, seemed prudent, but you didn't get full use out of it. Keep listening, because this totally applies to an asset you already have.

Cory Shepherd: Before we go past that point, the example that you gave there, there's some gold in there for anybody in business thinking about a deal that they're gonna do. 'Cause when we analyze deals, it's, "Here's where the money goes in and here's when the money comes out. What's my rate of return on that period?" Which is all well and good, but to really get a sense of what's gonna develop in your life over time, it's a strategy for in-between the deals. The deal is not done when the deal is done. And it's already started before it started. I think that is so huge and that... Everybody listening, this applies to anything you're thinking about, not just those parameters of when you're starting and stopping that investment, but before or after, 'cause your life goes on. I think that is huge.

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Paul Adams: And we just had a client that was... Prior to meeting us, had done some investments with one of the big box financial retailers that we've talked about in the past. And not only did he do a private equity investment that is totally not liquid, he just had a big cash crunch for he and his family, if they needed to do some things. Called them up and they said, "Oh, no, you cannot not only not take out your money for this private equity deal, but we actually need you to add another $100,000 in three months." And I was like, "Oh, that's good news." So, some of the things we do that are illiquid not only require cash now but may require cash over time. That doesn't mean we should never do them. What it does mean is we have to make sure we have our balance sheet prepared for what it is we're gonna do. So, let's just look at that one year of expenses in cash for a household that just says, "Hey, maybe they make 400 a year," but they've done the math. One year of expenses is $200,000. So, if you're 40 years old now, keeping $200,000 in cash at a bank, say half a percent interest, we'll just call that after tax, which is probably a little bit optimistic...

[chuckle]

S3: Favorable.

Paul Adams: But the cash, from your age 40 to your age 65, would grow to $226,000. That's not bad. But the trouble is that everybody who just rely... Says that, like, "Yeah, that's my cash, what am I gonna do with it?" True. But now let's say, "What else is possible?" What else might be possible is if you had another account that was guaranteed, fully liquid, that got closer to, say, a 4% return over time, which is totally possible. Now, what that requires, if it's gonna be built the way that banks owned life insurance, we need a few things in our favor. Really good health, which is typically getting worse as we age. We also need to make sure that the life insurance contract is constructed properly, which means, as we've talked about on our prior podcast, it needs to be funded right up against the IRS' TEFRA TAMRA Corridor. We can't be in a position where we're buying a whole life policy without what's often referred to as paid up additions. That's extra money going straight to cash.

Paul Adams: But here's the thing you should all be aware of, that cut, the compensation to the agent that's selling the policy, which is why oftentimes it's not rolled out as an option immediately because that agent would rather have what's a fully commissionable $50,000 chunk of cash flow come in every year to that life insurance policy. Whereas, if you funded it properly, it might be $20,000 of base premium going in. That's what buys the original death benefit. And then the rest, the other $30,000, going directly to the cash value via paid up additions. It pays the actual agent selling the contract less, but puts far more on your balance sheet and has it grow more quickly. How much more quickly? Well, if what you were able to do is position your cash into that whole life policy, you'd be in a position to be earning closer to 4% with no taxes due on it over that 20-some year period. That would put you in a position that you'd have a $956,000 total

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output. Why? Well, if you only got a 4% rate of return, and no more than that, you didn't do anything else on your balance sheet, then you would grow... That same chunk of $200,000 would grow to... I'm just doing the calculator right now on my side. It will grow to $533,000. But that's not the full stories we've talked about in Life Insurance As An Asset Class With Dick Weber. We can also make portfolio redeployment decisions.

Paul Adams: You see, once that money is built up in your cash value, the cash that's in the bank, with no more risk to your household, is the key. The money that was in cash at the bank could be redeployed to your investment portfolio. Now it has the ability to earn 6.5%. Now, we're saying 8% before taxes, relatively low turnover, and academically allocated, globally diversified portfolio puts you in a position that you could be earning 6.5% after tax over time. And that's where we get that extra $700,000 of additional wealth on somebody's balance sheet, is simply by making these assets work together. With that, I think we better take a quick commercial break. We are powered by Sound Financial Group, and appreciate that very much. We'll hear from them and be right back.

[music]

Cory Shepherd: At Sound Financial Group, we are committed to continuing to bring you Sound Financial Bites. Hello, my name is Cory Shepherd, President of Sound Financial Group. If you are finding value in these weekly podcasts, and they are making a difference in the way you think about money, then think about what kind of a difference could be made if you engage one of our advisors to help you look at your personal finances. So, what would the next step be? Send an email to info@sfgwa.com with "philosophy" in the subject line, and we will coordinate with you to have a conversation with Paul, myself, or one of our other advisors to share with you our philosophy of money. No one is going to close you on that call, no one is going to make you an offer to become a client. The only thing we allow our advisors to do in that call is teach, and the only thing we allow you to do is ask for an application. While we don't accept everyone who applies to work with us, we are committed that any Sound Financial Bites listener, who wants to go deeper, has the chance to expand their thinking and walk away with new education and resources around money. So, even if we find out we aren't right to work together, our team will absolutely take care of you in that call and make sure that you have access to resources that might be of help to you.

Cory Shepherd: Hello, and we are back to "Is Your Cash Going Stale?" at Your Business Your Wealth, this new podcast title that I'm just learning about, as I come back from vacation. Paul, on the break, I was thinking of a friend of ours, named Michael Michalowicz, and his book "Profit First." There's another huge benefit to a business owner in this strategy, which is that still water just sitting there for such a long time can have a mesmerizing, inoculating effect. And maybe we never quite hit there, but there's many, many times where just that that money is there, makes us feel flusher and we get right down to that limit a lot more often than we would have. So, I think it could go different if we've moved some of that still water away to a different bucket, we're not

seeing it in our business checking account every time. I think that there's some deeper value here.

Cory Shepherd: Now, the final point that we're gonna get into for this episode is, what are the different options we might have for a still water tank? We've talked about whole life, and we'll talk about it a little bit more, but, Paul, there's lots of things that people could use. How would, let's say, bonds work for a strategy like this?

Paul Adams: And I think if we just hit a quick list of the things people consider when they hear about still water, like "Well, maybe I could do bonds. Maybe I could just get my money, put it into a set of mutual funds or investments that are owned in my name. I could maybe just go get a HELOC on a house. And that could exist as my safety net for cash reasons." Or you could use whole life insurance, which we've talked about a little bit here. Each of those have a touch of breakdown. Let's start with bonds. Now, if you go into a bond-based mutual fund, one of the things that you're gonna run into is interest rate risk. Interest rate risk, if you own a bond directly, the way that that would work is, we have a bond, we're super happy that we found a bond that's paying 2.5% or 3%, taxable, maybe 3.5, well, the trouble is, in today's low interest rate environments, when rates go up, what happens to the value of the bond? If you own a bond at 3.5, and now they start releasing brand new bonds that are, say, five-year bonds at 5%, you can still liquidate your 3.5% bond, except...

Cory Shepherd: No one will pay you the same for it.

Paul Adams: That's right, yeah. They have to pay less because they need... By that five-year maturity, it needs to act as if it yielded 5%, because that's what's available in the marketplace now. So, bonds directly don't do a good job, and a bond-based mutual fund could be worse because at times where, say, the economy is in high levels of difficultly... Take yourself back to 2009, lots of people were jumping out of those bond-like investments to pay bills, keep their mortgage afloat, etcetera. When they did that, those managers end up selling oftentimes, those bonds, keeping the ones in the portfolio, they're gonna sell the ones that are close to maturity, keeping the ones in a portfolio. Unfortunately, punishing those people that stayed in the fund. Now, next is you could just own maybe even an academically allocated, globally diversified portfolio. Let's say you're really...

Cory Shepherd: All mutual funds, yeah.

Paul Adams: All mutual funds, some blend of stocks and bonds, and it looks like it's working great. The trouble is now you've got market volatility. So, you have that opportunity to buy the beautiful vacation home. When I was out on this lake last week, and I got our little boat that we keep in the RV, and I'm working my way up the lake, I'm looking at all these beautiful homes built on the lake. And let's say there's just an incredible buying opportunity, but it happens to coincide with late last year, where the

standards in Forbes 500 Index lost 19% between September and December 24th. So, you got your million dollars, you've had it invested, it now takes a 20% hit.

Cory Shepherd: That is not an exciting time.

Paul Adams: No.

Cory Shepherd: You just got out that portfolio.

Paul Adams: Now, how much did the real estate have to be a deal to then compete with the ability to liquidate? And if that was a family dream home, literally, the vagaries of the market, because of inappropriate balance sheet construction, put you in the position that you can't pull the trigger on a dream for you and your family to have that lake house because of something totally outside your control. Now, we do sometimes use non-qualified mutual funds for what we call the mid-term bucket, you guys can hear that in some of our past episodes, but we can't use it as a full cash substitute.

Cory Shepherd: One of my favorites is laddered CDs, especially because the way that it's said, it's said with such weight, like, "Oh, I'm gonna construct some laddered CDs," which just means that CDs with different maturity rates overlapping, so some money is always coming available for you to do something with. But it's not like just using the word "laddered" adds 2% rate of return right there and there, 'cause you constructed this strategy and you just don't know where interest rates are going, and the prevailing returns aren't that amazing for CDs even right now, as its fully taxable interest every time.

Paul Adams: I totally agree. And that's where some of you might go, "Well, what about my HELOC?" Now, we will oftentimes tell clients they've insufficient personal liquidity. One of the first things we like people to do is to acquire home equity line of credit. Usually your bank will give it to you at no cost, you can just take the checkbook they give you, throw it in your safe at home, you don't need to use it. But if push comes to shove and you really need liquidity, you have the opportunity to have it there. But there are still some drawbacks. Number one is, any time you're going to access that home equity line of credit, we're dependent on the fact that the bank hasn't changed the rules. Once again, going back 2009, 2010, lots of people who thought they had bulletproof access to capital in home equity lines of credit saw a overall market freeze, meaning that somebody who had $30,000 out on their line of credit got a note from their bank saying, "Hey, you did have $100,000 available, now you're only able to keep the $30,000 out, you can still pay it on the same term, so we're not extending anything above your current balance. And anything you pay off instantly also closes down the amount of available equity."

Paul Adams: That could be a big problem in times when we need cash. So, the home equity line of credit is access not to an asset, 'cause we've already talked about primary

residence, not an asset, we've talked about that a lot, but, in fact, it's ability to access a resource, because the value in your home can be a resource if looked at and developed as a part of your balance sheet properly. But it is not an asset in the way that you would have in cash in the bank.

Paul Adams: But let's just kick over to whole life insurance and we'll bring this episode home. That is, we've talked about this before using the TEFRA TAMRA Corridor, using the ability to over-fund whole life insurance right up against the IRS Corridor, so that it performs even better. You can go into Episode 133 and Episode 85, if you wanna get into that a little bit more. But once the asset is built, it has all the attributes we need. Now, what we talked about in those other episodes, that it doesn't have all of its cash immediately. It's something that gets built over time. And if you're building it over time, that means that you have to be able to see further down the road financially than the end of your nose.

Paul Adams: That's how the IRS limited a lot of people from being able to use this tool. They said, "You've got to be able to see more than two or three or four years down the road to make this decision. And yet, so many people never get introduced to enough strategy to do that. It's non-correlated, it doesn't go up and down with the market, and it puts you in a position that money is totally liquid. You can get it on a couple of days' notice, and once you have over about $80,000 of cash value, we refer our clients to a couple of the banks that give access to lines of credit so that literally you have a checkbook into your safe. There's just a line of credit against your life insurance. So, it's not even a two-day wait. You can just write out a check, go down and deposit to your bank, and as fast as they deposit the check is how quick you have your money.

Cory Shepherd: And the difference between that and a HELOC is that the bank knows the cash is already there in the life insurance. It's not going away.

Paul Adams: No. In fact, why do banks own so much of it bring us back to the beginning of this episode. It's what's called a Tier 1 capital asset when it comes to a bank's balance sheet. That Tier 1 capital asset is the highest reservable asset that the bank can use when doing lending or... People talk about the fractional reserve banking system, but it is one of the safest assets they can own and, therefore, one of the safest assets for them to have as collateral. Now, on top of that, and we're gonna have an episode coming up on just creditor protection for all of you, yet, this is totally creditor-protected. Whole life insurance is 100% creditor-protected in 42 states, and partially creditor-protected in most of the rest.

Paul Adams: And then you have options. You can take the money out as a withdrawal. We don't typically recommend it, because it's a little bit like taking toothpaste out of a tube. We've got this really nice tax-exempt environment, but if you take the money out via withdrawal, you can't get it back into the tool itself. So, when we know that clients are gonna be moving money back and forth, we do it via loan. And yet when you take it

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out via loan, your money is still growing inside the life insurance. It's just collateral. Whether you borrow it from the insurance company or you borrow it specifically from a bank, like one of these lines of credit, it doesn't matter. The cash is still growing inside. Different companies handle it differently, but you're still getting a dividend and you're still getting interest earned on the cash that's still in the policy. The only thing the insurance company is doing is allowing you and the loan that you have with the insurance company be the first place they invest that money. You're the safest possible investment they could bank. And the entire time this asset can grow, and let's say it gets beyond your still water, your $200,000, say, of safety money for your household, then we can begin to integrate it into your overall portfolio as a phenomenal fixed income or bond substitute, which we talked a little bit about with Dick Weber on the podcast.

Paul Adams: So, where do we go with this? What can you do as a result of this podcast? Well, number one, if you already have a whole life insurance policy, I would have you really consider reaching out to us because we often teach things about those whole life insurance policies people don't know. If you own a whole life policy, you're not ready reach out to us, then just go back and listen to some of the other episodes on life insurance. You will learn ways to use that tool that you may have bought as a product and be able to integrate it as a strategy. Second, you've got to plan ahead with these.

Cory Shepherd: Hold on. I love your "look past your own nose." That's so, so great, because the financial industry typically teaches us to think very, very short term, in the moment about you have something, buy something, have something, buy something. Yeah. That's my takeaway from today.

Paul Adams: Yeah. And I would have you consider, as you're listening, that think about all the other tools people have us put our money into. Like, when you buy a piece of real estate, we'll use that as an example, we instantly assign a value to it. Now, the property may have gone down in value 10 days after we bought it, we don't know, we just hold it as a book value on our asset. We get one time liquidity event on that piece of real estate. Same thing with our business ownership. But then we look at things that people put money into every single day, thinking nothing of it, like into their 401ks and IRAs. And yet that's money they can't access until 59-1/2, and gosh, bless it, they don't even disclose the IRS's surrender charge, which is called the taxes you'll have to pay plus penalties if you took it out earlier.

Paul Adams: So, this just ends up as a part of your financial loan. Now, why are we talking about whole life insurance here and there on the podcast? It's probably dominated about half of our last 10 podcasts. Here's why. Because no one else that we know of, who has the reach that we have on this podcast, is talking about being able to use life insurance the way corporations use it, is talking about using not just life insurance but all the assets that we own in a way that they need to connect together to put us in the position that the overall balance sheet is performing well.

Paul Adams: The financial marketplace, is made up of people that are arguing back and forth. They're saying you should own this kind of actively managed mutual funds. Other people are arguing, saying, "You should be passive." Other people are saying, "You should own real estate." Other people are saying, 'You should just keep your money in the bank, the stock market is untrustworthy. You should only buy individual stocks." In fact, to go back to our Motely Fool article, you could find, just on The Motley Fool website, all of those narratives being broadcast. Now, this is no smack on The Motley Fool, it's just simply that there are so many things that we have the options to acquire, that every time somebody poses them to us, they're not talking about how they integrate or work together. And what we wanna do is make sure we're bringing up the tools that people don't talk about enough, that people don't know enough about, to put you in the position that you can select the tools that you would want, you can increase your financial knowledge, without worrying about a commercial dropping in the middle that's literally just gonna be about selling you another product, which is often the case.

Paul Adams: So, here's what we'd ask for all of you today. This podcast is valuable, go online, go to wherever you consume podcasts. Go to Apple iTunes store, give us a review, it really helps a lot. And as a result of those reviews, what we will do is send you a copy of my book, "Sound Financial Advice," Cory's book, "Cape Not Required," and we still have some copies of Michael Michalowicz's "Clockwork" that we're happy to send out to you. All you need to do is do an honest review, send us the screenshot to info@sfgwa.com. We will then get those books out to you. Be sure to put your address in. Often times we have to reply back to people and ask them to get their address in there. Send us your address, we're gonna get you those books. And remember, that is your working to build your balance sheet. It is your business. But your business' job is to build the autonomy and freedom that you wanted it to do originally, which is only gonna happen from building your wealth on your balance sheet. That's why we call this "Your Business Your Wealth," and we hope that this has been a contribution to you being able to design and build a good life.

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