How to Generate a Lifetime of Unlimited Wealth

MULTIPLE STREAMS OF INCOME

(Robert G. Allen/John Wiley & Sons/March 2000/336 pages/$24.95)
MULTIPLE STREAMS OF INCOME
How to Generate a Lifetime of Unlimited Wealth

MAIN IDEA
To achieve financial independence (however you may personally define it), learn and apply the seven essential money skills:

- #1 – Value It
- #2 – Control It
- #3 – Save It
- Phase 1 – Starting Out
Learn how to control your personal cashflow and develop good habits for handling it and investing it effectively.

- #4 – Invest It
- #5 – Make It
- Phase 2 – Accumulate
Develop and grow a portfolio of income streams from varied sources – providing security and flexibility in results.

- #6 – Shield It
- #7 – Share It
- Phase 3 – Legacy
Learn and then apply the strategies by which wealth can be retained and passed on as a legacy in the future.

“What will all of this get for you? A lifestyle that gives you the freedom to do what you want, when you want, with whomever you want. There is a Spanish saying that captures the essence of this lifestyle: ‘Salud, Dinero y Amor y Tiempo para disfrutarlo’ – health, money and love, and the time to enjoy them. Some of life’s greatest enjoyments and most of life’s greatest disappointments stem from your decisions about money. Whether you experience great piece of mind or constant anxiety will depend on getting your finances under control.”
– Robert Allen

About of Author
ROBERT ALLEN teaches people how to accumulate wealth through seminars, books and audio programs. He is the author of Nothing Down and Creating Wealth, both of which were New York Times #1 bestsellers. Mr. Allen is also a regular guest on Larry King Live and Good Morning America. He has been featured in the Wall Street Journal, Barron’s, Parade, People and Reader’s Digest. Mr. Allen is a graduate of Brigham Young University, where he earned an MBA.

His Web site is at www.multiplestreamsofincome.com.
The first three money skills lay a foundation for all future financial success. Until you value money, you won’t make any serious effort to control it. If you can’t control your money, you’ll never be able to save and invest it. And unless you develop saving habits, you’ll never have surplus funds to invest.

Supporting Ideas
The process of accumulating wealth and achievement of financial freedom is always built on a foundation of sound financial management skills. Until those skills are in place, any income generated by multiple revenue streams will simply pass through your hands with minimal benefit.

Before commencing on building multiple streams of income, get some perspective of where your current cashflow goes. Generally speaking, your finances will probably look something like this:

At the very least, before starting on a wealth accumulation program, develop your own system for tracking and identifying where your cash currently goes. Until you can do that consistently, you'll never be able to move ahead.

The objective of developing multiple streams of income is to have not just one, but a number of lifetime income streams flowing into your cashflow pool. Ideally, you want to get to the stage where you have 10 separate streams flowing in all the time
－ but that will more than likely be a long-term plan. In the more immediate future, you should try and add one new stream of income each year for the next 10 years.

Keep in mind, however, the general view that accumulation of wealth will only occur if you channel more of your cashflow into the “Savings and Investments” stream. In other words, even when you have up to 10 income streams flowing into your cashflow pool, you still want to keep the outflow from all other areas where they now are, or even lower than they are at present. If the money flowing out of the cashflow pool into other areas of your life increases as your income rises, you'll be no further ahead in accumulating wealth – you'll just have a lifestyle that consumes more cash.

Now, assuming you're managing to increase the amount of cash you have available to save and invest, there is an order in which you should move forward:

When first starting out:

\[ \text{Savings and investments} \]

\[ \begin{align*}
10\% & \quad \rightarrow \quad \text{External retirement account} \\
90\% & \quad \rightarrow \quad \text{Emergency fund (3-5 months cash)}
\end{align*} \]

Once your emergency fund has been put in place you're then ready to start investing:
From this point on, your focus becomes increasing the amount of cash that flows into your personal cash flow pool – not by making more at what you’re already doing but by starting separate and distinct income streams. The nine characteristics of the ideal income stream are summed up in the formula MONEY TREE:

M – Multiple income streams – for security.
O – Outstanding – offer high quality products and services.
N – Nothing down – build businesses with little ingoing capital.
E – Employee resistant – out-source rather than hire employees.
Y – Yield – generate cash flows that are highly profitable.
T – Trends – get in front of trends and work with them.
R – Residual – income without ongoing work required.
E – Essential – products and services that everyone needs.
E – Enthusiasm – sell what you love with a passion.
You accumulate wealth by developing the making money and investing money skills. In previous generations, families could survive on one stream of income – a salary, for example. Today, almost every family needs to be a two income family to survive. In the future, a portfolio of separate income streams will be required – meaning that if income from one source runs out for any reason, there will be time to adjust.

10 Income Streams

1. Invest in the stock market

Over the long term, stocks gain in value faster than any other type of investment. Therefore, they should be an essential part of your own personal wealth building programs.

To benefit from stock market investments, you need to:
1. Plan on holding your investments for 20- to 25-years. With stocks, the longer you invest, the lower your risks. If you try and time your purchases and sales to the ebbs and flows of the marketplace, you’ll be lucky to break even. By contrast, if you buy and hold for at least 10 years and ideally 25 years, you’ll have time to ride out any years where the market goes down.

2. Buy index funds made up of all the stocks in the market. By investing in index funds, you’re automatically diversifying your risk and spreading it over the entire market rather than being limited to the performance of just a few stocks. Investing in index funds is effectively betting the market as a whole will go up – which is quite a safe bet because since 1950, the market has gone up for 40 of those years and gone down in only 10 of those years.

3. Invest a little more each and every month. Clearly, the sooner you invest, the longer your money works for you and the better your returns. Most people don’t have lump sums to invest, and if they wait until they have a lump sum put together, they may never get started. Therefore, a better idea is to invest a fixed amount every month.

As well as gradually accumulating capital, this approach also benefits from the effect of “dollar cost averaging” – where if the market goes down temporarily, that’s an opportunity for you to buy more at a cheaper price. Naturally, the benefits of dollar cost averaging only come into effect if you continue to invest on a regular basis.

In practice, around 50-percent of your savings capital each month should be invested in this type of long-term investment. Your aim here is to develop a conservative base for your investment portfolio, and to generate future wealth.

There is an overwhelming amount of information available about stock market investing. By and large, you should ignore most of it, since you’re not trying to time your entry to and exit from the market. You’re there for the long haul – so it doesn’t really matter what the current hot stocks are or what the experts are saying. Don’t worry when you hear about spectacular gains being made in some area or another – that’s just part of the normal ebb and flow of business. Instead, your focus should be on buying more stock, and holding it for as long as possible.
Assuming you have your conservative index funds investment program in place, you can now allocate 30-percent of your savings to moderately aggressive medium-term stock market investments.

With these funds, you can:
1. Invest in Warren Buffet’s expertise – by buying shares in Berkshire Hathaway or Berkshire Hathaway B. He’s proven himself to be the most successful investor of all time, so let him manage your investment funds for you.

2. Invest in the mutual funds with the longest track records. Whichever fund has been the most successful over the longer term (at least 10 years) is obviously doing something right. Therefore, they will probably continue to win in the future, so the odds are stacked in their favor. Get in with them.

3. Invest in stock market recommendations made by financial advisors with the longest track records. The Hulbert Financial Digest (www.hulbertdigest.com) tracks the performance of the top financial advisors over 15-year, 10-year, 8-year and 5-year periods. Follow the advice of those who have the best long term records and ignore everything else.

4. Invest in the lowest performing stocks that are part of the Dow Jones Industrial Average. The Dow Jones is made up of 30 stocks. Find the five that have the highest yield and the lowest closing prices, and invest in those stocks. (Or see www.dogsofthedow.com for the current list of the Dow stocks which meet these criteria.) Most years, those five stocks will outperform the Dow as a whole.

5. Consider investing in enhanced index funds. Enhanced index funds are mutual funds that invest in an attempt to earn multiples of the indexes they track. For example, some try to earn 1.5 times the return of the S&P 500 Composite Index. By investing in these funds, you are positioned to amplify benefits to portfolio.

6. Consider investing in stock sector funds. The stock market is split into 196 industry groups or sectors. Sector funds build a portfolio in single sectors of the best stocks. By investing in the funds targeting a “hot” sector of the economy, greater than normal gains can be made. Or alternatively, there are also mutual funds which do all the work for you – such as The Diversified Sector Fund Power Portfolio or the Targeted Sector Fund Power Portfolio offered by Fidelity Select Portfolios. (See www.donaghue.com)

Overall, your second income stream is intended to assume a little more risk than Stream 1, and hopefully that risk will translate into better rewards. Your target with this part of your savings and investment stream is to generate returns in the 20- to 100-percent per year region.

While your first revenue stream rides the market, this second revenue stream tries to beat the market. Consequently, this second stream requires a little more study and
more time to succeed. Nobody can best the market year-in and year-out, but with a little luck you might do a little better than average for a few years.

Assuming you’ve put 50-percent of your investment dollars into Stream 1 conservative investments and 30-percent into Stream 2 medium-term investments, the remaining 20-percent can now be allocated to aggressive short-term investments where you attempt to double your money each year.

To achieve that, you’re going to use:
- Leverage – by borrowing money to buy more stock.
- Options – contracts to buy stock in the future.

Some more aggressive investment strategies are:
1. Write covered calls. On any stock you own, you can sell call options – which are options to buy your stock which can be exercised on a specified date at a specified price. The options either:
   - Are exercised – locking in your gains.
   - Or expire – meaning you pocket the cost of the options.

   By selling call options, you can increase the short-term return generated on your stock. At the very least, if your stock appreciates in value and the option is exercised, you have guaranteed the price you will be paid to buy your stock. If the option to buy your shares is not exercised, you’ve generated a cash return on your stock, which will boost the returns beyond the increase in market value achieved.

   The largest market for listed options is the Chicago Board Options Exchange. Their Web site is at www.cboe.com. Note that all options expire on the third Friday of the specified month and that each contract is for 100 shares. Around 80-percent of all options expire without being exercised.

2. Buy and sell call options. Once you develop some confidence in selling call options, you can move on to buying and selling call options. These contracts themselves can be brought and sold or exercised at the option of the contract holder.

   Since this is fairly specialized investments, you’ll need to do some study about options before attempting to make money this way. The Chicago Board Options Exchange has some excellent educational tutorials at www.cboe.com.

Again, note these strategies are restricted to just 20-percent of your investment cashflow, and are strictly attempts to generate exceptional short-term results. They should never be your entire investment strategy.

The six rules which apply to these types of investments are:
- Start trading with a paper portfolio before committing actual money to your investments. Establish a track record of success on paper first.
- Don’t invest any money you can’t afford to lose. This is high-risk, high-return or high-loss territory.
Study everything you can first before getting into these types of investments.

Try and get a mentor – someone who knows the ropes. Pay them to teach you what to do.

Don’t over commit to any single trade. Set a limit – that no more than 5- to 20-percent of your investments funds will be committed to any single trade. And stick to it.

Keep in mind that anyone can look good in a bull market. Therefore, in a bear market, go back to the sidelines and work on paper rather than continuing to lose money.

Everyone knows that real estate goes up in value over time, despite some occasional short-term corrections. Creating a revenue stream from real estate investments is quite straightforward, and consists of three key activities:

1. Finding highly motivated sellers. People become motivated sellers for a variety of business or personal reasons. To find these people, you should be:
   - Watching the classified ads in newspapers.
   - Talking to realtors and real estate agents.
   - Keeping watch in your everyday contacts.
   - Driving around the neighborhoods where you’d like to buy.
   - Talking to bank employees who handle foreclosures.
   - Joining real estate clubs, associations and groups.

   If you can find people who are highly motivated to sell – the “don’t wanters” – you increase your chances of buying the property at a favorable price and being able to structure a creative purchase transaction.

2. Financing bargain properties creatively. Once you find someone who wants to sell their property, the challenge becomes to structure a financing deal with low going for you that the buyer agrees to. In practice, that usually means:
   - Offering them paper securities like mortgages or notes.
   - Offering a rent with an option to buy arrangement.
   - Offering other products or services as part of the deposit.
   - Using security deposits, personal loans or credit cards.
   - Bringing in partners who provide the deposit.

   Most frequently, the key to structuring a real estate purchase transaction will be to act as a problem solver. If the seller trusts you and if you understand their needs and requirements accurately, you then want to structure something that creates a win-win outcome. If you work towards an arrangement that they accept is fair, equitable and meets their most pressing needs, you’ll be increasing your chances of success.

Keep in mind the fact that creative financing cannot make a bad deal good – it can only be used to make a good deal great. If it’s a bad deal – by which is meant there is no profit potential – it’s not worth buying, even if you pay nothing down. Don’t ever get locked into a transaction that soaks up your valuable cash in the hope that somehow, somewhere, something will change. It won’t.
3. Generating profits either from cash-flow or increase in value.
Once you’ve managed to buy a property, you then generate a revenue stream for yourself by:
• Staying on as landlord and renting the property out.
• Reselling the property at a profit.

In a buy-and-hold strategy, you’ll be focusing on cash flow profits. In other words, the property remains part of your long-term portfolio, and you rent it out. The rental payments cover the mortgage and all other ownership costs, so in effect you have an asset that appreciates in value and which gradually but steadily pays itself off.

Ideally, what you want to be attempting to do is to buy one property per year for generating cash-flow properties as a landlord and your long-term net worth, and one property a year that can be resold for equity profits within the following 12- to 18-months.

Since real estate is not a liquid investment, from time to time people get into tight financial situations. When that happens, short-term bargains can materialize which can form the basis for an additional income stream.

The two short-term real estate bargains are:
1. Foreclosures Around 33,500 homes go into foreclosure every month in America. If you can buy and sell just one of these each year, you could realistically generate an income stream that exceeds your normal annual salary. And every once in a while, you may even come across a bargain that’s good enough to set you up for life.

Foreclosures can be purchased:
■ Before the default notice has been filed at the courthouse.
■ Once the foreclosure notice becomes public knowledge.
■ At the formal foreclosure sale.
■ After a foreclosure sale.

Each phase has its advantages and disadvantages, but generally speaking, the greatest flexibility occurs if you wait until after the foreclosure sale has taken place. At that point, mortgage holders become very keen to move the item off their books. The only problem is that if you wait that long on most properties, someone else will snap them up.

Keep in mind the fact that the more desperate anyone becomes, the quicker they will need to move and therefore the more flexible they’re likely to be. They really only have two options:
■ Drop their price until a buyer commits.
■ Come up with better financial terms.

In short, foreclosures are exceptionally fertile territory for outstanding real estate bargains. Start cultivating your own information sources on the types of local opportunities that are available with foreclosures, and get actively involved.
2. Purchase Offers
Any property owner can, at any time, enter into a legally binding agreement to sell you their real estate at an agreed upon price on an agreed upon date. This is called an offer to purchase.

So long as when you enter into the agreement, you specify that it may be executed by yourself or by someone you assign it to, you can actually generate income by selling your option to someone else. (You legally allow for this by adding the words “and/or assigns” after your name on the offer to purchase agreement).

In essence, you can earn a nice finder’s fee for yourself by using purchase offers. All you need to do is ramp up your marketing program and get out and find people who are willing to take over your position and complete the purchase. There are a vast number of ways these transactions can be structured so they end up being win-win situations for everyone involved.

In summary, most people think of real estate as being a long-term investment which will gradually but steadily increase in value. It’s true that’s one way to invest in real estate, but it isn’t the only way. Foreclosures and purchase offers represent viable ways short-term revenue streams can be generated from real estate.

It's possible to generate an income stream earning 18- to 50-percent interest – with the returns guaranteed by the government – by buying tax lien certificates.

Tax lien certificates are issued by the 3,300 separate counties and local governments throughout the United States. They are secured by the overdue and outstanding taxes owed by property owners. Since local governments require funds to pay for essential services, they create and sell tax lien certificates. That way, the government gets the cash they need, while the tax lien certificate holder gets the interest paid in the form of late fees and penalties.

In effect, tax lien certificates are comparable to municipal bonds and Treasury bills. As an investor, you buy the certificates and when the government collects the past-due taxes, it sends you a guaranteed government check for your investment plus the interest.

Tax lien certificates come in almost any size, from $10 to more than $1 million. The return on each is mandated by law, and varies from state to state and county to county. These certificates are sold at public auctions, so you don’t have to become a licensed dealer to purchase them.

In some states, tax lien certificates are called tax deeds. The only difference is that with tax deeds, the property owner’s real estate is actually transferred to the deed purchaser free and clear of any mortgages or other liens. That means the tax deed purchaser has to sell the real estate to generate their return. That shouldn’t be too difficult, however, since any property acquired this way would have been purchased for pennies on the dollar.

In short, tax lien certificates or tax deeds offer an outstanding opportunity to establish
another income stream because:
■ You can get started with a small amount of money.
■ You can succeed regardless of what your credit rating or past business history is.
■ You can earn passive, government guaranteed interest rates of 22-percent or greater.
■ You have at least a small chance of being able to purchase real estate for pennies on the dollar. You can then sell your real estate to generate an immediate and impressive capital gain, or rent your property out to generate an ongoing revenue stream for yourself.
■ You can enjoy tax deductible travel to tax lien auctions held all around the United States.
■ The government does all the work in collecting the unpaid taxes and paying you your return on investment.
■ You need no experience, special skills, qualifications, licenses, training or certification to participate.
■ You’ll know, going in, exactly what your return will be on every tax lien certificate or tax deed you purchase.
■ You’ll come to understand why this has been described as the best-kept secret in America, and why those “in the know” have previously been limited to a select few of the nation’s wealthiest and smartest investors.
■ In addition to being fun, tax lien certificates and tax deeds genuinely and legitimately make money.

Network marketing has become more sophisticated and powerful with the introduction of computers to track results more efficiently. It now represents a genuine opportunity to establish an income stream.

To succeed at network marketing:
1. Select the right company. To choose from the hundreds of network marketing programs available, look for someone that offers:
   ■ Products and services you personally use.
   ■ A compensation plan where you can earn ongoing income.
   ■ A sound company and management team.

   There’s actually only one question you need to ask specifically before deciding whether or not to join a network company: “How many customers do I need to enroll to be able to earn $500 a month in extra income?” The lower the number, the better. If it is relatively easy for an average person to earn a steady income, everything else about the business will fall into place.

2. Use the best marketing system.
   Instead of trying to sell products to everyone you know, make a list of 21 people you think may want to earn some extra money. Send each of them an information kit and then follow through. Your goal should be to get one of those people to agree to join your network.

   Once you get one person aligned with you, then help that person recruit one or two
people from the 21 people they know. And so on. Think small. Build your network slowly. Don’t try and generate thousands of dollars a month right away, just try and earn a few hundred extra dollars each month while you learn the system.

Supplement and accelerate your team building efforts by running inexpensive, small classified ads in the local newspaper. These ads should emphasize the opportunity to build a low-cost, high-return home business. Send anyone who responds an information kit.

3. Use the right leadership system.
The key to long-term success in network marketing is to manage people effectively and develop leaders. Therefore, you need to:

■ Hold weekly training sessions for your leaders.
■ Hold weekly training meetings for new team members.
■ Hold weekly recruiting conference calls to support the team.

By doing these things, you build and strengthen the skills and expertise within the group. Over time, your network marketing organization can then become more self-sufficient and self-sustaining.

In essence, network marketing is an effective way to leverage and derive benefits from word-of-mouth endorsements. It’s the ultimate application of relationship marketing – where you can establish a revenue stream for yourself based on the personal recommendations you’ve made. In addition to the leverage created by having so many people involved in generating income for you, one of the key features of a good network marketing program is the residual nature of the revenue stream – you earn ongoing income in the future as a result of your efforts in the past.

Information marketing is the most exciting business opportunity of the new millennium. By selling information profitably, you can turn your passion or expertise into lifetime cash flow streams.

The three key skills necessary to succeed in marketing information profitably are:

1. Target an area people are intensely interested in.
   Smart infopreneurs are constantly on the outlook for ideas that appeal to the immediate needs of large numbers of people in the marketplace. Once they identify a target market, they work on creating, packaging and marketing an immediate solution to the problem shared by the overall market.

   Actually, this is not as hard as it might appear at first glance. Any type of expertise has market value if it is packaged properly and presented in a unique way. The main point of focus in this step is to determine how many people place a similar value on that expertise, and whether or not they could reasonably be enticed to pay for acquiring that know-how and knowledge.

2. Develop irresistible ongoing marketing programs.
   To market solutions, information marketers use a broad range of lead generation systems, including:
Print – reports, newsletters, brochures, mailers
Multimedia – audio tapes, video tapes, CDs
Telemarketing
Digital – Internet Web sites
In-person appeals – interviews, speeches, seminars

The best marketing programs are focused around just one compelling competitive advantage or unique selling proposition – which is a specific, highly motivational promise you make to potential customers that nobody else can match. Good marketing focuses on the ease and speed of results while at the same time causing people to act.

3. Establish long-term relationships with your clients.
Once customers are obtained, good information marketers then work to move each customer progressively through a spectrum of allied products and services in different price bands:
Up to $20 – Tapes, videos, seminars, books
$21 - $100 – Manuals, newsletters, tape sets, CDs
$101 - $500 – Live training, hotlines, teleconferencing
$500 plus – Home study courses, interactive coaching
$1,000 plus – Personalized hands-on intensive training

By and large, the emphasis of this natural progression cycle is to maximize the lifetime value of each client, moving them from low cost materials to the progressively more expensive back-end products and services. By selling information in as many formats as possible, the profit of any one idea is maximized. Information marketing is an exciting business opportunity simply because intellectual property is emerging as the real wealth driver of the economy. Anyone who has a good idea, a good way to package their idea, a good business plan and some persistence can succeed in establishing a lifetime stream of income selling information.

License your intellectual property

Licensing intellectual property is big business, and an excellent way to create another stream of income. The basic concept is simple – you sell the rights to use your idea or image to someone else who then does all the manufacturing, marketing and commercialization of the product or service while sending you an ongoing royalty.

The four basic approaches to licensing are:
1. Come up with your own idea that you license to others.
(Example: Walt Disney conceived the character Mickey Mouse from his own imagination).

2. Develop your own brand or logo, and license others to manufacture products under that brand or logo.
(Examples: Hang Ten, the NFL, the Olympics and even Gold’s Gym generate revenues mainly from licensing others to use their logo).

3. Acquire a license for someone else's idea and grow a business around that idea.
(Example: Bill Gates acquired DOS from another company and then built Microsoft
around the cashflow generated by licensing deals).

4. Sell a license for something that will enhance someone else’s products. (Example: the inventor of the small battery testers built into packages of Duracell batteries approached the company unsolicited and sold them on the idea of building his product into their packaging — after being rejected by their largest competitor).

To develop an income stream from a licensing idea:
• Saturate your thinking with “tollgate” concepts. Try and come up with ways you can become the gatekeeper for specific information that people want. You then just have to charge a small fee to everyone who passes through that gate.

• Act as if you were already a successful licensor. Be on the lookout for new trends and ideas. Whenever you identify one, look at who will be well positioned to benefit from that trend. Approach those parties, and ask whether worldwide licenses are available for their products and services. You’ll be pleasantly surprised by just how many viable business opportunities are available.

• Spend a day at your local library or bookstore. Look through patent records or the New York Times bestseller lists for inventors or authors who have not yet fully exploited their ideas. Contact them directly, and ask whether they would be willing to grant licensing rights for their information or products.

• Once you have a license, find a manufacturer quick. If the idea is a good fit with their existing business and a win-win agreement can be structured, manufacturers will provide all the seed capital, inventory and channels of distribution you need.

• Grow your royalty revenue. Look into other avenues and opportunities to license your intellectual property in other commercial areas. Most people in business fail to fully exploit all of the licensing opportunities available to them. Just by spotting and filling some of the more obvious gaps, you can readily create an income stream that will endure around the licensing idea.

Pure and simple, the commercialization of the Internet is the most influential business innovation in history. Everyone should be thinking about how they can use the Internet to derive a long-term revenue stream for themselves.

The three keys to success in an Internet business are:
1. Strategizing your launch. Successful online businesses are built around one of three generic business models:
• Information marketing – selling information for a fee.
• Network marketing – building an organization.
• Affiliate programs – referrals generating commissions.

Therefore, instead of simply building an electronic version of your existing sales
materials on the Internet, develop a separate online business around one of those three general approaches. In other words, get a strategy for what you’ll do on the Internet to generate revenues before plunging into it.

For example, a chiropractor won’t generate many more appointments by having a Web site. But he could make money by selling an online book targeting aging baby boomers with sore backs. Or he might be able to develop and market a “Business Success Kit for Chiropractors” to teach others how to build their practices. Or he might even develop an online referral network to help people find a good chiropractor near them.

2. Automating everything.
Instead of paying employees to do your marketing, inventory control, shipping, customer service and record keeping, you can automate everything via a Web site on the Internet. This is really quite straightforward using tools like:
• Stats programs – that analyze your site traffic.
• E-mail templates and autoresponders.
• List servers – databases of names and e-mail addresses.

In essence, by using technology in smart and effective ways, your Internet business doesn’t need any employees. You can use technology to do everything that’s required.

3. Marketing for traffic.
This is the make-or-break point for Internet business success. To develop good marketing ideas, try thinking like your potential customers. To figure out how they would most likely try and find your site:
• Go shopping using search engines.
• Immerse yourself in everything they would read.

Supplement that perspective by talking to owners of other Web sites and find what worked for them. You can then use all of those ideas to develop a game plan for generating traffic to your online business. Most likely, that will entail:
• Using your Web site address in offline ads.
• Registering your site with every search engine.
• Joining newsgroups and posting messages.
• Renting e-mail lists and sending out invitations.
• Taking advantage of free Internet classifieds.
• Using free banners, links and cross promotions.
• Using paid online advertising.
• Using traditional offline direct marketing techniques.

It is already clear the Internet will have a major impact on the way business is done in the future. Therefore, everyone should be actively involved in developing and building an online business. Over time, this will come to be more and more important as an income stream.
The last two money skills address your complete financial objectives. Once you’ve succeeded in accumulating wealth, you need to understand how to shield your wealth and use it to create a legacy.

**Supporting Ideas**

Once you’ve successfully established your multiple streams of income, you then have to find effective ways to shield it. In other words, you have to structure your finances so your tax liability is at least minimized and ideally eliminated.

Keeping in mind the fact tax codes change constantly, some useful general principles in this area are:

- The opportunities to build wealth through retirement plans like 401(k)s, IRAs, Roth IRAs, SIMPLEs and SEPs are greater now than at any other time in history. Therefore, sit down with someone who is knowledgeable in this area and discuss the best mix of these plans that fit your personal financial circumstances.
- Take advantage of some new financial innovations which are becoming available – like variable insurance which changes its cash value in response to how and where you choose to invest your money.
- Put together a viable plan to protect your assets should you become the subject of litigation. Keeping in mind the fact 94-percent of all lawsuits filed in the world originate in the United States, you should look carefully into the use of legal entities like:
  - Nevada corporations – offering total privacy and no taxes.
  - Family limited partnerships – which limits liabilities.
  - Limited liability companies – again for liability limitation.
  - Living trusts – which avoids probate.
- Don’t forget to address your estate planning adequately and thoroughly. This will be another part of the way you structure your finances to shield the multiple streams of income you generate.

Assuming that you’ve managed to establish multiple streams of income that generate wealth throughout your lifetime, and that you’ve also managed to shield and protect your wealth. The question then becomes very personal – why have you worked so hard throughout your life? In other words, now you’ve accumulated some wealth, what do you want to do with it?

Some of the most successful business people in history, when faced with the same decision, have decided to become philanthropists. They have set up foundations and trusts that do many good and impressive things around the world. Perhaps you aspire to do something similar.

Or maybe you would settle for simply setting up income streams that will flow onwards – producing revenue that future generations of your own family can use whatever way they see fit.

Regardless of how you decide to apply your wealth, that’s a great position to be in.

The final challenge in being able to create a legacy of wealth is to be as efficient as possible. To manage your time effectively, use these strategies:

- Remind yourself constantly that time is money. Always keep in mind the opportunity cost of your time, and invest your time wisely in areas that bring you closer to your life’s objectives.
Use the Pareto or 80-20 principle. Every day, focus exclusively on the 20-percent of activities which create 80-percent of the results. And, be perfectly willing to procrastinate on the 80-percent of the activities that produce the trivial 20-percent of the results.

- Throw away your “To-Do List”. Replace it with a “Power List” – which separates trivial items from the critical few that produce 80-percent of the results. Increase the amount of time spent on those critical activities every day.
- Practice positive reinforcement. In other words, when you do something right, reward yourself. Since everyone in business knows that whatever you measure and reward always get done, you’ll be building up a track record of success.
- Always do whatever you fear most at the start of each day while you’re fresh. Get that out of the way and everything else will be easy.
- Take a few minutes every day (about 15 minutes, in fact) to plan your day. Then go to work making your life conform to your vision, rather than meandering along in every direction.
- Do some physical exercise every day. It will help you work harder and longer. You’ll also be able to think more clearly.
- Find ways to use waiting time productively. You’re sure to strike it, so be prepared.
- Set specific goals for each income stream each year and then review those goals daily. Schedule activities aligned with those goals.
- Focus. Give 100-percent attention to anything you’re working on, and then move on to something else.
- Learn how to delegate effectively.
- Get into the habit of doing things immediately, while the motivation is still fresh.
- Be perfectly willing to say no to activities that don’t take you in the right direction.
- Don’t wait until everything is perfect before acting. Be prepared to fail your way to success.
- Take a few minutes every day to review what went well and where improvements need to be made.
- Challenge yourself to be productive at the start of every day.

Keep a good balance between the six important areas of life:
- Your brain.
- Your physical body.
- Your spirit, soul or being.
- Your time.
- The important people in your life.
- Your money.

Work hard at striking the right balance in all six areas of your life and you’ll be a success.