

FREE SUCCESS SYSTEM OF THE
EMPOWERED MILLIONAIRE INSTITUTE

**DAY
82**



'90 DAY CHARGE'

(DECEMBER 21 - S3 MODULE 32)



BASED ON THE
'MVP'
MILLIONAIRE
VALUE PACK

CONCEIVED AND DEVELOPED BY JAMES LEE VALENTINE
ESPECIALLY FOR YOU AT **Great Personal Expense**

(90 DAY CHARGE – ABRIDGED VERSION)
S3 EMPOWERED MILLIONAIRE COACHING
POWERIZER WORKBOOK

MODULE 7.2
PERSONAL NET WORTH

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EMPOWERED MILLIONAIRE SATISFACTION GUARANTEE

If you are in any way dissatisfied with any aspect of the
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MODULE 7.2

PERSONAL NET WORTH

“The secret of financial success is to spend what you have left over after saving, instead of saving what is left after spending.”

ROBERT G. ALLEN

There are three income levels, which basically define our social status, and I must decide which one I will belong in from this moment forth — at least mentally, first, before my income catches up with my expectations. These three levels are: wealthy, middle-class and poor. Poor people ask “How much do you make?” which is a sign of short-range, limited thinking. But the true measure of wealth is *net worth*, it is not *working income*, so wealthy people ask “How much are you worth?” which is a sign of long-range, limitless vision. This vision of the vastness of financial independence is what separates the rich from the underprivileged. The rich endeavor to build a substantial net worth whilst the poor like to earn a large wage. A sizable net worth — more than one million dollars, of course — is the ultimate measure of success, because the assets that comprise the net worth can always be liquidated into cash if necessary, whilst a wage is basically a day’s pay for a day’s effort and isn’t paid in advance.

Here is a question to determine what present income level or social status I perceive myself to be at. This series of *Empowered Millionaire* books refers to the word ‘millionaire’ multiple times. Does this mean a million-dollar income or a million-dollar net worth? The correct answer for an Empowered Millionaire is *net worth*. Therefore, if my intention is to join the ranks of the wealthy as a millionaire, I must focus my principal financial efforts on creating a million-dollar net worth, which is based on much more than just a large wage.

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Net Worth Factors

If I want to be a millionaire, my assets must exceed my liabilities by at least one million dollars. There are several variables that determine a million-dollar net worth and which always include the four *Net Worth Factors* of wealthy people. These four factors are of paramount importance when building a net worth of substance. These four factors can be likened to the four wheels of an automobile. If any of the wheels are missing, the ride will be uncomfortable for sure, dangerous undoubtedly, and the car will likely go around in circles or won't run at all. Wealthy individuals approach financial success with all four wheels on their vehicles — hence their journeys are relatively smooth and trouble-free. Most middle-income and poor people go after the attainment of wealth with only one or two wheels on their cars. They believe that the main way to get rich is to earn a large wage or win a lottery jackpot — hence most poor and middle-income people do not become wealthy. The four *Net Worth Factors* of wealthy people can be summarized in this acronym *SAVE*:

- *Savings*: This is the percentage of earnings that is saved for investing in income-producing assets. A minimum of twenty percent must be saved from every dollar earned for investing.
- *Assets*: Specifically these are income-producing assets such as rental properties, royalty entities, stocks that pay dividends and shareholdings in businesses that pay shareholder income.
- *Vehicle*: This is the particular income means chosen. Whether to be employed or be an entrepreneur and whether to settle for working income or focus on creating a residual income are choices to be determined here.
- *Economy*: This concerns both saving money on purchases and designing a lifestyle in which less money is required to live on. As the cost of living is decreased, the savings available for investing in income-producing assets is increased.

The Common Law Of Business Balance

Economy as it relates directly to my personal net worth is how I choose to *spend* or *save* money on my purchases — and whether I do this wisely or foolishly? The winning discipline of ‘wise spending’ is summed up nicely here in this enlightening passage by John Ruskin on the *Common Law of Business Balance*, which prohibits paying a little and getting a lot:

It's unwise to pay too much, but it's worse to pay too little. When you pay too much you lose a little money, that is all.

When you pay too little you sometimes lose everything, because the thing you bought was incapable of doing the things it was bought to do.

The common law of business balance prohibits paying a little and getting a lot, it can't be done.

If you deal with the lowest bidder, it is well to add something for the risk you run, and if you do that you will have enough to pay for something better.

Indeed, these are wise words to heed on my journey to success. It is also true that ‘wise saving’ can be considered the same as earning. The word ‘save’ actually has two meanings. The first is: *To create a surplus* — as in “I am saving for my retirement plan.” This type of saving is discussed in detail in Module 7.4. The second meaning, which we will focus on here, is: *To pay less for a purchase* — as in “I save money each time I negotiate smartly.” There is a famous saying worth repeating here that illustrates this second meaning: *A dollar saved is a dollar earned*. What this means is that a saving of say twenty-five thousand dollars on the purchase of a house is similar to earning twenty-five thousand dollars, though it is often easier to save money on a purchase than it is to earn that money in the first place.

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Therefore, I should become just as wise at saving money while purchasing as I am at spending it by sharpening my negotiation skills. The wealthiest people are specialists at both types of saving — they love to save money by the first means as in *saving for an investment*, and they also love to save by the second means as in *saving by purchasing products at wholesale prices*. These are the kinds of choices I must make as I change my perception from that of a poor person to that of a wealthy individual.

I Can Have My Cake And Eat It Too

Moving on from spending and saving money, a factor which has a huge impact on my personal net worth is *perception*. As it applies to me as an Empowered Millionaire, this is where I perceive myself to be on the income strata — at the high end, middle income level, or lowest echelon of earnings. Let's use the eating of cakes as our analogy here, with the oft-repeated negative mantra that most poor people heard whilst growing up: *You can't have your cake and eat it too!* This is a fallacy that I must correct right now through a new empowering belief system. I must believe that as a wealthy individual aiming for the highest end of the income strata: *I can have my cake and eat it too!* And I have the power to also choose my cake in any combination of size, flavor and richness.

By contrast, the majority of middle-income people believe that most cake is too rich, so they choose to take a small slice only — they barely get any taste at all. Whilst the poorest people believe they are not worthy of deserving to eat cake — so they usually order only a doughnut, focus on the hole, and wonder why they end up with almost nothing. It must be my empowered decision to always choose the largest cake with the most delicious taste and to not only eat until I am satiated but to share this cake with many others too. The wealthiest people know they can have both the cake *and* the eating. Just as they can have success *and* happiness. Just as they can have supreme health *and* lots of money. Just as they can have a busy schedule *and* great relationships. Just as I can have everything I desire.

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My Personal Net Worth

My personal net worth is the combined financial value of everything I *own*, less all that I *owe*. To determine my personal net worth, I must subtract all of my liabilities (what I owe) from my assets (what I own). The formula is simple: What I *own* minus what I *owe* equals my *net worth*. The following *Net Worth Tracker* will enable me to calculate the value of all my assets and the amount of all my liabilities. Here are the different categories explained in greater detail:

- *Cash & Liquid Assets*: This is basically my cash at hand together with my money in savings institutions and banks.
- *Marketable Assets*: These are assets that can be traded and readily converted into cash such as gold, stocks and annuities.
- *Personal Assets*: Included here are the possessions I own such as houses, land, vehicles, jewelry, paintings and belongings.
- *Business Assets*: These tend to be investments primarily in land, property and business.
- *Miscellaneous Assets*: Included here are any other assets not listed under the aforementioned asset categories.
- *Short-Term Debt*: These are monies owed to credit cards, loans from financial institutions and short-term lease purchases.
- *Long-Term Debt*: In this liabilities category are mortgages and multi-year loans for cars, boats, property and investments.
- *Miscellaneous Debt*: Included here are any other liabilities, such as unpaid taxes or borrowings from family and friends.

Now I shall proceed to compile my own *Personal Net Worth* to determine my real monetary value at this precise moment.

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S3: EMPOWERED MILLIONAIRE COACHING
MODULE 7.2 PERSONAL NET WORTH

PERSONAL NET WORTH		
DATE: JULY 1 ST		
ASSETS (<i>what I own</i>)		
CASH & LIQUID ASSETS	Cash	\$1,000
	Regular bank accounts	\$25,000
	Long-term savings accounts	\$50,000
	Investment accounts	\$100,000
	Charity accounts	\$10,000
MARKETABLE ASSETS	Stocks & bonds & mutual funds	\$19,000
	Gold & other precious metals	\$5,000
	Commodities	\$5,000
	Pension plans & annuities	\$50,000
	Life insurance policies	\$20,000
PERSONAL ASSETS	Land	\$100,000
	Houses	\$650,000
	Vehicles	\$50,000
	Belongings (computer, electronics, etc.)	\$10,000
	Collectables (paintings, jewelry, etc.)	\$5,000
BUSINESS ASSETS	Business investments	\$100,000
	Real estate investments	\$500,000
	Shareholdings	\$100,000
MISC ASSETS	Miscellaneous assets	\$10,000
TOTAL ASSETS		\$1,810,000
LIABILITIES (<i>what I owe</i>)		
SHORT-TERM DEBT	Credit cards	\$10,000
	Loans from financial institutions	\$40,000
	Lease purchases	\$10,000
LONG-TERM DEBT	Car leases	\$20,000
	Mortgages	\$400,000
	Investment liabilities	\$50,000
MISC LIABILITIES	Loans from family & friends	\$0
	Other borrowings	\$10,000
	Unpaid taxes	\$20,000
TOTAL LIABILITIES		\$560,000
PERSONAL NET WORTH (<i>total assets minus total liabilities</i>)		\$1,250,000

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