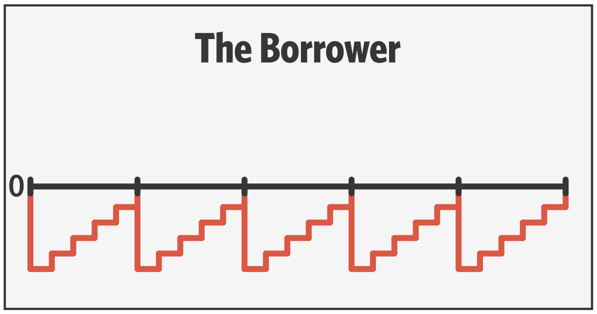
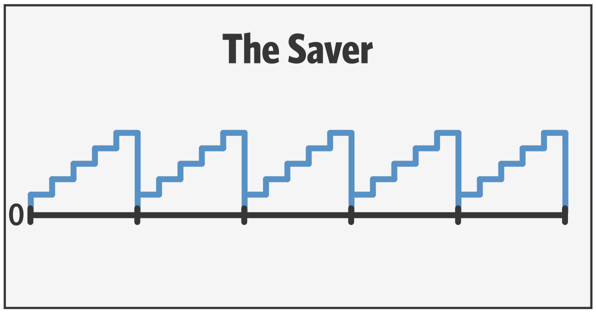
UNDERSTANDING THE PRINCIPLES OF

HOW TO **BUILD WEALTH**

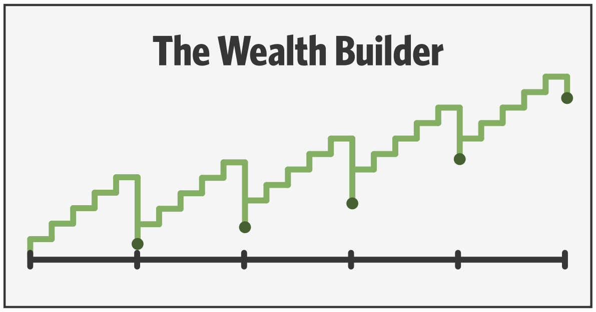
Without doing this basic approach of building wealth, you won't be able to fully maximize the amount of money you can build up over your lifetime. Below are illustrations demonstrating the three different ways people make purchases. The two techniques the wealthy use to protect and grow their money are: (1) leverage and (2) collateralization. You want to ultimately become the third option: The Wealth Builder.



The first type of person when making a purchase is called The Borrower. This means that when it comes time to make that purchase, this person will take out a loan and borrow the amount of money the item costs. This person is now in debt and has less money than $0. The person will continue paying off the lender until they are back at $0.



The second type of person is called The Saver. This person saves up their money and then when it comes time to make the purchase, they will "drain their tank" and pay in cash for the item. While this method is smarter, after the period of time, The Saver and The Borrower are no different because they both end up at $0.



The third option is what the wealthy choose to do when making purchases and it's called The Wealth Builder. They don't want to lose the ability to earn interest on their account so they leverage their money and use it as collateral. They take out a favorable loan for the amount of money for the item and pay back the institution while their money remains intact and continues to build wealth with uninterrupted compound interest.