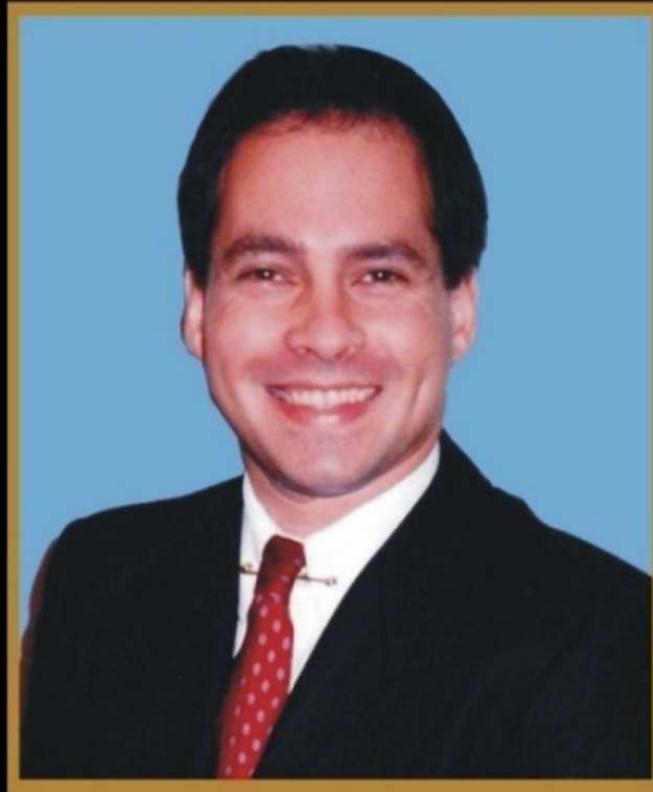


RON MOSES



THE 15 SECRETS OF
MILLIONAIRES™

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**THE 15 SECRETS OF
MILLIONAIRES™**

THE 15 SECRETS OF MILLIONAIRES

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To my wife, Leticia,
and my two children, Mark and Cristina

Acknowledgements

Writing this book is a dream come true. It took me several years to complete, and it was a labor of love.

I wish to acknowledge the following people:

To my wife, Leticia, for always believing in me and inspiring me to be my best.

To my children, Mark and Cristina, who motivated me to work hard and set a good example.

To my parents, David and Maria, who shaped my core values and have been there for me.

To my brothers, Paul and Alex, who have encouraged me along the way.

To my copyeditor, Irene Marquez, for doing such a great job in editing and proofreading this book.

To my mentors, for providing me guidance and advice.

To the business leaders, extraordinary achievers, bestselling authors, millionaires and billionaires, many of whom are profiled in this book—your success and accomplishments have been a source of inspiration to me. You taught me to think big, have incredible dreams, and to never give up until they become reality.

**THE 15 SECRETS OF
MILLIONAIRES™**

Introduction

Have you ever wondered why few people achieve wealth, success, and their dreams, while the majority struggle financially and fail to accomplish more? I always wanted to know the answer. After many years of study, research, and observation of rich and successful people and through my own business and professional experience, I discovered the essential principles, methods and strategies utilized by wealthy individuals and extraordinary achievers.

If you were able to ask one of the richest men in the world how he achieved his wealth and success, what do you think his answer would be? Wouldn't his response be of value to you? Bill Gates, co-founder of Microsoft Corp. was interviewed on the Larry King Live show (CNN). Larry King asked Gates how he achieved his incredible wealth and success. Bill Gates said:

“Larry, I was at the right place at the right time, and luck has a lot to do with that. But Larry, there were a lot of people at the same place I was. One difference was I had vision. I saw the potential that was there.... The big difference was I took massive and immediate action.”

In 1975, at age 19, Bill Gates dropped out of Harvard University after only six months to start Microsoft with his childhood friend Paul Allen who was 22. Today, Microsoft is the worldwide leader in software, with revenues of over \$51 billion a year and employs more than 95,000 people in 105 countries and regions. Gates is worth \$53 billion and Paul Allen, who dropped out of Washington State University, is worth \$13.5 billion according to Forbes World's Billionaires 2010.

I have read hundreds of books and watched dozens of biographies of people like Bill Gates and Paul Allen, many of whom started with little or no formal education, experience or money, who achieved great wealth, success and fame. Most rich people share common characteristics, qualities and traits the vast majority of people don't have or don't ever develop.

I call these essential principles, methods and traits The 15 Secrets of Millionaires. Almost without exception, rich and successful people have applied these secrets. You can buy and read many inspirational and self-help books about personal finance, self-improvement and business success, and probably not get the complete knowledge and information contained in The 15 Secrets of Millionaires.

Deep within yourself resides an “impossible” dream. Only you can bring it out, and only you can make it happen.

In this groundbreaking book, you’ll first be shown the Law of Wealth, and then learn how to use the 15 Secrets to attain more money, wealth, health, happiness, success, power, fame, recognition, abundance, and peace of mind. You will gain insight about the 10 Dream Destroyers and how to overcome each one of them.

Why do some people create wealth, while many others struggle financially? Why do most people fail to realize financial independence even after a lifetime of work? Why do certain people accomplish their dreams, while others give up? Do you think it’s about luck, intelligence, education, or connections? The answers to these and many more questions are found within these pages.

I uncovered 15 Secrets so powerful that if you apply them to your life and business, they can help you achieve anything you want. The 15 Secrets of Millionaires will teach you how to make your financial goals a reality. You’ll learn how to set and reach your incredible dreams and aspirations.

Most rich and successful people think, believe and act differently than everyone else. As you read this book you will realize you can be, do and have whatever you set your mind to.

Most of us grew up in working class or middle class families. The majority of our parents didn’t accomplish all they would have liked. Since most of our parents and relatives didn’t know what to do, how could we expect them to teach us? School wasn’t much help either. They didn’t teach us about money, business or how to succeed.

Once I discovered these secrets, I wanted to share this knowledge with the world. I knew this information could benefit millions of people. So I set out to write and make it available to all those who wanted to know the secrets of wealthy people.

Discover the Greatest Secrets to Achieving Wealth, Success, and Your Dreams!

Profiled in this book are the following millionaires and billionaires:

1. John D. Rockefeller
2. Henry Ford
3. Conrad Hilton
4. J. Paul Getty
5. Howard Hughes
6. Bill Gates
7. Donald Trump
8. Michael Dell
9. Oprah Winfrey
10. Sam Walton
11. Ralph Lauren
12. Tommy Hilfiger
13. Phil Knight
14. Martha Stewart
15. Sylvester Stallone
16. Michael Jordan
17. Arnold Schwarzenegger
18. Kobe Bryant

19. Tiger Woods
20. Oscar De La Hoya
21. Sugar Ray Leonard
22. Bruce Lee
23. Michael Jackson
24. Celine Dion
25. Madonna
26. Howard Schultz
27. Fred DeLuca
28. Jack Canfield
29. J.K. Rowling
30. Edward Lampert

In *The 15 Secrets of Millionaires*, you also find some of the best quotes from luminaries in business, sports, publishing, and entertainment.

PART I
THE LAW OF WEALTH

CHAPTER 1

What Are the Secrets to Becoming Rich?

This book is about the secrets of rich and successful people: Who they are, how they think, what they believe, what they know, what they do, how they act, and what you need to do to become a millionaire and realize your dreams.

If You Wanted to Become a Millionaire, How Would You Do It?

One of the fundamentals to getting rich is based on the Law of Wealth. The Law of Wealth states: You'll be compensated financially in direct proportion to the value you create and deliver to other people, your position in a business or profession, and get paid based on your measurable performance and results. The more people that you can serve and deliver value to, the more money and wealth you will make.

What is the Secret of the Universal Law of Wealth?

“Wealth comes as a by-product of serving others. It’s biblical. It is a UNIVERSAL law. Put simply, if you deliver value into the lives of other people, then most of them will be happy to pay money to you to receive that service.” ...“If you want to become a millionaire then concentrate FIRST on the METHOD that you will use to achieve it. Once you have settled on that method then you can apply the action to deliver your product or service.”...“This is the universal law of money and wealth - serve others.”...“The Universe rewards action. It always has.”

—EzineArticles.com

There Are Five Primary Ways to Become a Millionaire:

1. Business—Starting or buying one’s own business or leading someone else’s business; marketing products, services, systems and/or ideas to the public. It can be a real world business or Internet business. One that doesn’t require your physical presence, and can be managed and operated by other people.
2. Professional—Being a self-employed or specialized professional with a team of people.
3. Real Estate—Owning and amassing real estate holdings and income-producing properties.

4. Intellectual Property—Ongoing royalties from ownership of inventions, books, albums, music, movies, DVDs, CDs, software, artistic works, patents, copyrights, trademarks, brand licensing and other creations.

5. Investments—Owning and accumulating valuable assets like gold, silver, platinum, palladium, oil, gas, stocks, bonds, commodities, art, jewelry, T-Bills, Certificates of Deposit, Money Market Accounts, etc.

One of the keys to becoming a millionaire is ownership. You need to own and control tangible assets. You must build your own company or professional practice, partner with or lead someone else's business, amass real estate and income-producing properties, create intellectual property, own stocks, bonds, gold, silver and other investments. You will most likely become a millionaire with one or more of the above five methods.

Over the past 200 years, some of the greatest fortunes were made by people who began with little or no money, education or experience. They started and expanded their own companies and/or amassed huge real estate holdings.

Many people have become rich by solving people's problems or creating products and services with mass appeal. They achieved wealth and success by discovering new technologies and innovations, or found ways of doing things better, faster, easier, cheaper and/or more efficiently than others.

Once you learn the Law of Wealth, you need to master and apply The 15 Secrets of Millionaires, which is discussed in detail in part two of this book.

What's the Best Business or Profession to Achieve Wealth?

There's no specific business or profession that is better than any another to get rich. People achieve wealth in most types of businesses and in most types of professions.

There are many different paths and routes people take to reach millionaire status. Let your talents and passions guide you.

Leverage Income vs. Linear Income

If you can understand and apply this fundamental wealth principle about income, it can change your life.

There are two main types of income. Leverage Income (also called residual, passive or recurring income) is income or profits that continues to come to you over and over again, after the initial effort.

Linear Income (also called work or earned income) is income earned by trading your time and work for money—via an hourly wage, salary, fee or commission.

Are you aware that 95% of the people in America and around the world live paycheck-to-paycheck, while 5% are rich or financially independent? The majority of people in the world are focused on working hard for money, instead of having money and other people working hard for them. This is one of the main reasons most people never become wealthy. With Linear Income, when you don't work, you don't earn money. If you only trade your time and personal work for money, you will always be limited to what you can earn. You will never become financially free.

Leverage Income is completely different. Leverage Income is what makes people rich! What are the top five percent doing that the 95% are not? Most of the top five percent are business owners, investors, executives, and professionals and the 95% are employees working for them. Rich people trade value for money. They sell products, services, systems and/or ideas to the marketplace. Leverage Income is the source of income or profits that keep coming in on a consistent and ongoing basis from the drive, effort, and work that is done once. For example, you write a book, record an album, or create a product once and through leverage and duplication you offer the product to the mass public and receive ongoing royalties or profits from every sale.

Leverage Income made Bill Gates one of the richest men in the world. Over 90 percent of all desktop computers around the world use at least one software operating system or product from Microsoft. You create something of value that many other people want or need, you make it widely available, and then you generate continual income or profits from each sale. With Leverage Income, you make money day in and day out, week in and week out (even while you sleep or go on vacation) without having to physically be there. Leverage Income is how people become very rich.

Only about 10% of Americans earn an income above \$100,000. The Census Bureau reports the average income in the United States is about \$35,000 a year. Today, 70 percent of women with children under the age of 18 work outside of the home. Most households need two working incomes to make ends meet. Those that work at a job work over four months of the year just to pay their taxes. The rich pay little or no taxes through the ownership of corporations, income-producing real estate, business deductions and other legal tax loopholes.

The problem most people have is they don't make enough money beyond their monthly bills and expenses, and find it hard to save and invest money. Many feel if they could make a little more money, work longer hours or get a second job that would solve their financial difficulties. The trouble with that is the more money you earn from Linear Income the more you have to pay in taxes. Employee income is the most heavily taxed. The average American pays 35% to 50% of his or her entire income in taxes. Also, most people when they earn more money usually spend more money and get more into debt. The poor and middle class work to earn money to pay their rent and bills. Then many get married, have children, buy a home, cars, furniture, and incur credit card and other debt. So they go back to work to earn more money to pay for their additional bills and expenses. They get caught in a trap and it's a never-ending cycle.

Most people work because they think it is a "safe and secure" way to make a living. But if you are laid off or fired, how safe and secure is that job? You also give up many things when you work as an employee; your creativity, control, decision making and independent will. You also are at the mercy of your boss. Most people become "wage slaves."

Robert Kiyosaki says in his bestselling book Rich Dad, Poor Dad: What the Rich Teach Their Kids About Money - That the Poor and Middle Class Do Not!, "A job is really a short-term solution to a long-term problem." Kiyosaki points out that most people work for three entities. They work for their employer, they work for the government in the payment of taxes and they work for their bank in their monthly mortgage and credit card payments. If they don't own their own home, they rent and therefore they are working for their landlord in their monthly rent payment.

Over the next 30 years, 78 million baby boomers (people born between 1946 and 1964) will begin retiring. Most of the baby boomers won't have enough income or savings to retire until 65, 70 or even 75. In the coming years, many will find it harder to retire comfortably.

According to the Social Security Administration, "The average monthly benefit from Social Security for a retired worker as of June 2008 was \$1,084.50. Social Security is the major source of income for most of the elderly age 65 and older. Seventy percent of the private sector workforce has no long-term disability insurance, 52 percent has no private pension coverage and 31 percent has no savings set aside specifically for retirement. By 2032, there will be almost twice as many older Americans as today—38 million in 2007 to 72 million in 2032. In 1950, there were 16 workers for each Social Security beneficiary, today there are 3.3 workers for each beneficiary, and by 2032 there will be only 2.1 workers for each beneficiary." The same ratios apply to Medicare and Medicaid.

Most people are stuck in the “rat race” of working for a living. They are tied down to a nine-to-five job or end up working 60 to 70 hours per week or more in a small business as a sole proprietor or by themselves as an independent contractor. Why? Because that is what they are taught, and are led to believe there isn’t another way.

So what’s the solution? If you want out of the “rat race” of working for money, you need to focus your time and energy on creating multiple sources of Leverage Income.

What are the different types of Leverage Income? The most common sources of Leverage Income are the same as The Five Primary Ways to Become a Millionaire, which are the ownership of businesses, real estate, stocks, bonds, intellectual property and other investments and assets that generate ongoing Leverage Income or profits, and go up in value over time.

Bestselling author and motivational speaker Jim Rohn says this about profits, “My mentor, when I was 25 years old, dropped a phrase on me that changed my life forever when he said, ‘Profits are better than wages. Wages will make you a living; profits can make you a fortune.’”

What Are the Key Principles to Becoming a Millionaire?

The key principles to becoming a millionaire are leverage and duplication. To become rich you need to position yourself in a business or profession where you can leverage and duplicate yourself and be paid based on your measurable performance and results.

Business founders/owners, self-employed professionals, actors, athletes, singers, songwriters, visual artists, musicians, authors, inventors, software programmers, talk show hosts, entrepreneurs, hedge fund managers, TV/movie directors/producers, CEOs of major corporations, top executives/managers, financiers, bankers, celebrity endorsers, for example, get and stay rich based on their leverage and duplication.

Examples of Leverage and Duplication:

1. The business founder/owner expands a business into a large chain of many locations or distributes products to hundreds or thousands of retail and discount stores.
2. The movie actor gets a film distributed and shown in thousands of movie theaters and viewed by millions of people.
3. The professional athlete is seen by tens of thousands of people in a stadium or sporting event and is watched by millions of people on television.

4. The singer or musician sells hundreds of thousands or millions of albums.
5. The author sells hundreds of thousands or millions of books.
6. The talk show host is watched by millions of people on television or heard by millions on the radio.
7. The movie director or producer's film is viewed by millions of people in theaters and sells hundreds of thousands or millions of videos or DVDs.
8. The CEO increases the overall performance and results of the corporation with thousands or tens of thousands of employees and delivers increased value to the shareholders.

If you work as an employee for someone else, you can't leverage or duplicate yourself. As an employee on a fixed wage or salary, you aren't paid based on your performance or results, consequently your income is limited. Without leverage or duplication, what you earn is solely dependent on trading your time and labor for money.

For example, teachers normally have a class size from 22 to about 35 students per class. Since they teach to only a small group of students, what they earn is limited to the amount of people they can educate. On the other hand, professional or motivational speakers can give seminars to hundreds, thousands or even tens of thousands of people, and therefore greatly enhance the amount of money they can make. When professional or motivational speakers record their lectures or seminars on tape, video, CD or DVD, they can sell it to thousands, hundreds of thousands or even millions of people. Again, the key is the ability to leverage and duplicate oneself.

If your occupation, career, or profession is dependent on your physical presence and work, and you can't or don't leverage yourself by hiring other people to work for you, your income will be limited to what you can personally produce yourself.

If you work for someone, it's unlikely you'll ever be rich. If you work as an employee and receive an hourly wage or salary, even if you work harder or longer than your co-workers, you won't make that much more money. As an employee, the tax rules also work against you. That's why it's very difficult to get rich working for someone else.

Leverage, duplication, and the hiring of other people to work for you are some of the keys to growing and expanding a business and achieving wealth.

How Can You Become Financially Independent?

When you can establish an independent source or sources of Leverage Income that are equal to or exceed your total monthly bills and living expenses (aside from your current job or working income) you will become financially free.

The key principle is to produce more than you consume, to make and save more money than you spend. That's how you eventually become wealthy. The more money you can make and save beyond what you spend and consume, the richer you will be. Once you become rich or financially independent, you will work because you want to work, not because you have to work.

As previously mentioned, the vast majority of people are focused on only one source of income, which comes from working at a job. As long as your only source of income is from trading your time for money, you will always be restricted to what you can earn, and you will never become financially independent, let alone rich.

It never occurs to most people they can and should own their own business or company and have other people work for them. People stay poor or struggle economically primarily due to lack of knowledge.

Bestselling author and motivational speaker Brian Tracy says this about wealth, "If you want to be wealthy, you must understand what wealth is. Here is the best definition of wealth you will ever find. Wealth is "cash flow from other sources." What this means is that, you are not wealthy just because you earn a lot of money. You are only wealthy when your money works for you. To become wealthy, your main job is to acquire money and then put it to work making more money for you. The key to creating wealth is simple. It is called "adding value." Successful people are those who are always looking for ways to add value in some way to a person, a company, a product or a service."

Wealth can be defined as an income level derived from Leverage Income sources that permit you to live without having to depend on a job or your physical labor to make money.

Assets vs. Liabilities

Most people have a misunderstanding regarding the difference between assets and liabilities.

What is an asset? An asset is anything owned that has exchange value, i.e. anything that makes you money. Assets are valuable possessions and investments you own that

produce income or profits and/or go up in value over time. Assets are businesses, income-producing real estate, intellectual property, savings, stocks, bonds, gold, silver, securities, equipment, and other profit generating investments.

What is a liability? A liability is anything for which one is liable for or owed to another. A liability is a debt or something that costs you money. Liabilities are your primary home mortgage, auto loans, credit card debt, student loans, financing of consumer goods, and other expenses.

Many people think that their primary residence is an asset. But if you have a mortgage on your home it is a liability because you have a payment to make on it every month. If you own a rental home or income property, and the rent exceeds your total monthly payment, thereby generating a positive monthly cash flow, then that property is an asset, because it is making money for you.

One of the main reasons people don't do well financially and fail to create wealth is because they have not learned the importance of acquiring tangible assets and minimizing their liabilities.

As Robert Kiyosaki writes in Rich Dad, Poor Dad, "Just remember this simple observation: The rich buy assets. The poor only have expenses. The middle class buys liabilities they think are assets."

The only way to stay ahead of inflation and the ever-decreasing value and purchasing power of money is to buy and own assets that will generate income for you and increase in worth over the long-term.

What's Holding You Back?

Most people would like to become rich, but many come up with different reasons or excuses why they can't or shouldn't be rich. Dani Johnson, author, speaker and success trainer says, "The definition of an excuse is a well-planned lie."

There are many myths, lies and misconceptions people have about money, wealth and success. Many of these beliefs and attitudes started from when they were young; taught to them by their parents, siblings, relatives, friends, teachers, religion, government, authority figures, the media and society.

Myths, Lies and Misconceptions About Money, Wealth and Success:

1. Money doesn't buy happiness.

2. It takes money to make money.
3. Money is the root of all evil or the love of money is the root of all evil.
4. To get rich you have to be greedy, unethical, or take advantage of other people.
5. Money doesn't grow on trees.
6. Wanting a lot of money is bad.
7. Money is scarce or hard to get.
8. The rich get richer and the poor get poorer.
9. Money isn't important.
10. You can't afford that.
11. Money corrupts people.
12. You should give or save money when you have enough of it.
13. You have to be lucky to get rich.
14. It's better to give than to receive.
15. Who do you think I am, Rockefeller?
16. It is easier for a camel to go through the eye of a needle, than for a rich man to enter the kingdom of God.
17. Ignorance is bliss.
18. The only way to be successful is to graduate from college and get a good job working for someone else.

What the Naysayers or Negative People May Tell You or You Might Say to Yourself:

1. Don't try to achieve unrealistic goals or dreams.
2. You don't have the talent or ability to pursue that.

3. You're never going to amount to much in life.
4. You shouldn't try to start your own business.
5. You'll never get rich or make a lot of money.
6. Don't waste your time with some stupid idea.
7. You're not worthy or you don't deserve to have more.
8. That's too risky for you to try.
9. You can't do that or you can't make it.
10. What you want to do is hard or impossible to achieve.
11. You will never succeed.
12. You'll never get out of debt.
13. You're a loser or a failure.
14. Nobody in your family has ever attempted to do that.
15. Who are you to think you can do this?
16. You don't have what it takes.

Most people are programmed, conditioned, or even brainwashed to think, believe and behave in limiting ways, because of what they were taught, what they saw others do or what they accepted for themselves. These limiting beliefs and attitudes about what they can or can't do or what is possible or not possible to do, shape what they do for the rest of their lives. Many people are conditioned to think they're average and can't accomplish bigger things in life or what they want is unrealistic to achieve. The only way to overcome these negative types of programming, teachings and influences is to reprogram or recondition your mindset for wealth, success and abundance. That's what this book is all about.

CHAPTER 2

What do the Poor and Middle Class Feel About Getting Rich?

Many poor and middle class people have negative feelings about rich people or think it is somehow bad to want to become rich. Most people are taught from a young age that it's bad to want to make a lot of money, the rich probably did it in some unethical way, they are not worthy to have the finer things in life, or they don't deserve to have wealth and success. People develop a poverty or defeated mentality and are convinced they shouldn't try to be rich or achieve more. All these things are untrue and are some of the reasons why the majority of people don't try to improve their financial situation or pursue their dreams.

Rich people think, believe and act in ways that help them to succeed and get rich. Poor and middle class people think, believe and act in ways that produce average or mediocre results. It is all about your mindset and the actions you take. Think, feel, and act as if you can achieve something and you most likely will.

Unfortunately, many people are influenced by these negative things and accept them as true. They are conditioned to think and feel that they can't do or achieve what they want in life. At some point, these people will fall into conformity or mediocrity. The majority will just accept their lot in life and give up on their hopes and dreams. That's unfortunate, because there is so much opportunity to make your goals and dreams come true. This book dispels all the myths, lies and misconceptions you may have about money, wealth and success, and shows you that it's realistic for you to become rich and accomplish what you desire.

Another thing that holds people back from getting rich, starting their own business, or pursuing their dreams is giving into one or more of the 10 Dream Destroyers. The 10 Dream Destroyers are: doubt, fear, worry, procrastination, apathy, unworthiness, indecision, regret, laziness and quitting. Once you can overcome most, if not all the dream destroyers, you will achieve anything you want. I will explain how to triumph over these ten dream destroyers throughout the book and in part three.

What Most People Are Taught

Americans are taught to go to school, get good grades, go to college, get a good job, work hard, and then you will eventually "make it." If this formula for success really worked, the statistics would be very different. The reality is 95% of the people who

retire at age 65 or older are dependent on Social Security, Medicare, Medicaid, job pension, retirement accounts, welfare, family and/or relatives to survive. The vast majority of Americans after a lifetime of work end up with a small monthly retirement income which doesn't keep pace with inflation and lowers their standard of living.

Why does this happen to so many people in the richest country in the world? The reason is most people work their whole lives for someone else and rent or buy only one home, which is their primary residence. When people retire, they don't have enough independent sources of income, savings, assets, investments and/or net worth to live a higher lifestyle and be financially free.

So what should one do? The key is to find out what most people are doing and then do the opposite. In other words, learn from those who have succeeded financially and do what they're doing.

What Most People Are Not Taught in School

They don't teach you about money, investing, wealth, success, or business in school. The educational system teaches academic, vocational, and professional skills to prepare people to work for someone else. They don't teach entrepreneurship. The main focus of schools and colleges is to groom people to become employees. This formula for "making it" has not worked for the vast majority of people.

There are many large companies in the United States and around the world that need people by the thousands and tens of thousands working for them. Many of these rich business owners and corporations don't want the public to be taught or encouraged to start their own businesses or to engage in critical or independent thinking because that would eventually create competition for them. The powers that be want to keep people ignorant. These rich and powerful elite prefer that the masses be content and satisfied with getting jobs working for one of their companies.

The American Dream Has Disappeared for Millions of People

There is a shrinking middle class and an increasing number of people living in poverty. The American Dream is disappearing for more and more people. It started with the bursting of the dot-com bubble in the early 2000s. Between March 2000 and October 2002, the stock market dropped 8 trillion dollars in value. Many people lost 50% or more in the value of their stocks, mutual funds, IRAs, pension funds, and 401(k)s.

Then in late 2006 came the bursting of the U.S. housing bubble, and in Aug. 2007 began the subprime mortgage meltdown. This caused a dramatic increase in

foreclosures and a drop in home values. The Federal Reserve stated in 2008 that Americans' percentage of equity fell below 50 percent for the first time on record since 1945, and economists expect this figure to fall even further as home values continue to decline. Many Americans used their homes as personal ATM machines borrowing money with equity lines of credit and through refinancing, thinking their homes would continue going up in value.

Over 900,000 white-collar jobs were sent overseas since 2001. Over 5 million manufacturing jobs have been lost since 2000. These factory job losses have occurred due to downsizing, mergers, robotics, consolidation, outsourcing, and the movement of manufacturing operations to low-wage countries like China, India, Brazil, Pakistan, Mexico, Indonesia, and Vietnam. Many of these job losses were replaced by lower paying jobs in the service sector. In fact, 84% of Americans in the labor force are now employed in service jobs. Princeton University economist Alan S. Blinder says the number of service jobs at risk of being shipped out of the country could reach 40 million over the next two decades, which would be one out of every three jobs in the service sector. Tens of millions of service sector and middle class jobs will be eliminated in the future as robotics, automation, reengineering, advanced computers, and other new information technologies replace human workers.

Also, most people are having a harder time saving money. According to the Commerce Department, Americans spent more than their incomes in 2006, pushing the personal savings rate to -1 percent, the lowest level since the Great Depression. For many Americans incomes have simply not kept pace with the rising cost of living. The American public has more personal and consumer debt than ever before in history.

Peak Oil

Some experts are saying the era of cheap, easy, and abundant oil is almost over. We have used half the world's oil supply in the last 100 years. The supply of the world's oil production is soon going to peak and the demand for oil is going to continue increasing especially from China, India and other developing countries. China's population is over 1.3 billion and India over 1.2 billion. There are now over 300 million middle class in China and 300 million middle class in India, and many of them plan to own a car within the next 5 to 10 years. China is spending \$1 trillion to develop its railways, roads, ports and airports, and India is also going to spend \$1 trillion over the next 5 years to develop their roads and infrastructure. The demand for the world's oil and gasoline, as well as for the world's food, water, commodities, and other resources in the future will be unprecedented.

Saudi Arabia (OPEC's largest member) is the world's largest oil exporter with 25% of the world's proven oil reserves and Russia is the second-largest oil exporter. The United States with only five percent of the planet's population is the world's largest oil consumer using about 25% of the daily global oil supply. China is now the world's second-largest oil consumer. The U.S has only two percent of the world's oil reserves left (28 billion barrels of oil), but consumes over 20 million barrels of oil per day, about 7 billion barrels of oil a year. If the United States used only its oil reserves, it would use its oil in four years. The U.S. reached peak oil production in 1970, and today imports about 70% of all its oil.

Currently, the world guzzles about 85 million barrels of oil per day and it is projected that by 2015 with increased demand from China and India the world will consume 122 million barrels of oil per day. According to London consultancy Global Insight, there are 887 million vehicles in the world, up from 553 million just 15 years ago and it estimates that the figure will be 1 billion vehicles by mid-2012. Seventy percent of a barrel of oil is refined into transportation fuels and over 98% of all transportation is fueled by oil. We use oil to make most products and operate machinery. Unless we discover new viable oil sources or alternative fuels and energy, the cost of oil, gas and energy is going to be a lot more expensive in the future.

In 2008, energy and food prices rose dramatically. Oil and gas prices hit record levels, with oil reaching a peak of \$147 a barrel in July of 2008 and gas averaging over \$4.10 a gallon for the first time.

Giant oil companies like Exxon/Mobil, Chevron and Shell reached record profits. For example, Exxon/Mobil the world's largest oil company with sales of \$442.85 billion in 2008 and operations in 180 countries set an annual profit record of \$45.2 billion in 2008, exceeding their previous records of \$40.61 billion in 2007 and \$39.5 billion in 2006. Exxon/Mobil is the most profitable company in the world not government backed. Chevron had an annual profit record of \$23.93 billion in 2008, up from \$18.7 billion in 2007. Royal Dutch Shell, Europe's biggest oil company, had a record profit of over \$31 billion in 2007.

The Financial Crisis

From 2002 to 2005 the Federal Reserve lowered the federal funds rate to historical lows, increased the money supply, and made credit easy to get. From 2004 to 2007 over \$2.5 trillion of exotic mortgages had been made via subprime, Alt-A and Option ARMs. As home prices rapidly increased, lenders lured borrowers with low initial "teaser" rates and "liar loans," some starting as low as 1% interest rate. The lenders bundled these loans into various derivatives like mortgage-backed securities (MBS) and collateralized debt obligations (CDOs), received "AAA" ratings from credit-

rating agencies like Moody's and Standard & Poor's and sold them to investors all over the world. These loans were to reset in two, three or five years. The first wave of subprime mortgages valued at about \$1 trillion reset in 2007 and 2008. The next tidal wave of Alt-A and Option ARM mortgages valued over \$1.5 trillion are going to reset higher in 2010, 2011 and 2012, increasing the number of mortgage defaults; which will cause further foreclosures, bank failures, bankruptcies, store closings, job losses, and continue to destroy the economy as a whole.

Also, some experts are predicting several other major bubbles in the process of bursting. The credit cards outstanding bubble worth \$2.5 trillion. The commercial real estate bubble valued at \$25 trillion. The credit-default swaps bubble worth \$58 trillion and the entire derivatives bubble worth an astounding \$1.5 quadrillion, among other bubbles that could intensify the domino effect on the world economic system.

Since the crash of 2008, the United States had the biggest increase in unemployment since World War II, home values plunged, and Americans hit a personal debt load of \$16 trillion. The Federal Reserve, the Treasury Department, and the government initiated a bailout of the banks, AIG, Fannie Mae, Freddie Mac, GM, Chrysler, and also approved stimulus packages now totaling in the trillions of dollars.

With consumer spending accounting for over 70% of the U.S. Gross Domestic Product (GDP), the financial and credit crisis has had terrible effects on the economy. The United States and the world has fallen into a severe recession and experts are predicting that the global economy is going to get worse, with the possibility of slipping or even collapsing into a depression.

Billionaire investor George Soros said in April 2008, "The current financial crisis is the worst since the Great Depression."

Despite all the gloom and doom and negative news and trends, there are going to be plenty of opportunities for people to do well financially or even get rich over the coming years and decades, if they have the right knowledge, information, and financial education.

In a recession or depression, 90 percent of the people cut back or slow down, and 10 percent of the people go the opposite way and adapt to the new change. For example, in the Great Depression of the 1930s, many people lost their money and wealth. But more than a loss of money and wealth for the masses, it was a transfer of wealth to the few. In the October 1929 stock market crash, there were some people that made a lot of money and even built fortunes in the subsequent years. They were able to profit from the adversity and challenges of the economy... The biggest transfer of wealth is currently underway!

The Industrial Age vs. The Information Age

For most of our human history people lived in the Hunter-Gatherer Age. In this time period, the tribes with the best tools and techniques for killing animals and gathering food were the ones that survived and prospered.

The first wave that came was the Agricultural Age whereby the people, like the kings, lords, and nobles, who owned the most land and had the best methods, equipment and people to farm the land became the wealthiest.

The second wave was the Industrial Age where the wealth transferred from cultivating the land to those who owned the mass production businesses and real estate. The people who owned the buildings, factories, manufacturing plants, warehouses, railroads, oil refineries, and retail locations, raised the needed capital and/or had the most employees became the richest. This was the era when stocks and bonds were issued to finance new companies that manufactured the goods and services.

With the advent of the personal computer in the 1970s, the fall of the Berlin Wall and the invention of the World Wide Web in 1989, the third wave, the Information Age began. Those people with access to specific knowledge, information, motivation, entertainment, technology, products and/or ideas, and the ability to process, distribute, and sell that information have and will become very rich.

Basically, if you are still stuck in the old economy and old ways of doing things, then you may be left behind by those who adapt to the new economy. In the Information Age you are no longer limited to just making money in your local area, you need to think nationally and globally. Computers, the Internet, the chip, cell phones, wireless devices, satellites, fiber-optic cable, digital, telecommunications, and other new information technology have changed the whole landscape of doing business. The world is smaller.

Today, you can leverage and duplicate yourself to create and deliver value to the world marketplace and participate in the global economy. If you don't open your mind to new ideas, new ways of thinking, or better ways of doing things, you will be faced with increasing competition and find it harder to make it.

Some of the companies that emerged and/or have thrived in the Information Age include: Microsoft, Google, Yahoo!, IBM, Dell, Amazon.com, eBay, Apple, Compaq, Hewlett Packard, Intel, CNN, YouTube, Gateway, MySpace, AOL, Facebook, Twitter, Netflix, Rhapsody, just to name a few. The inventions and other technological breakthroughs over the past decades revolutionized the way we all function and operate in the world. Today, if you don't continually update your

knowledge, information, and skills, and stay current with new technology, and the wants and needs of the public, you will certainly be left behind.

In his book *The Road Ahead*, Bill Gates said, “One thing is clear: We don’t have the option of turning away from the future. No one gets to vote on whether technology is going to change our lives.”

Many people resist change and are stuck with outdated methods or strategies. John Sculley, the former CEO of Pepsi and Apple commented, “The future belongs to those who see possibilities before they become obvious.”

It takes vision and foresight to anticipate the changes that are coming and embrace the opportunities that present themselves.

The Entrepreneurial Age

The majority of today’s millionaires, multi-millionaires and billionaires are self-made, and are getting rich faster than ever before. The exclusive millionaires club is preparing for its biggest membership drive in history. Experts are predicting that soon we will be entering into the Entrepreneurial Age. More people will be starting their own businesses and companies, and coming out with products and services to meet the wants and needs of the world. Will you become one of its newest members?

In his book *The Next Millionaires*, renowned economist, trend forecaster and bestselling author Paul Zane Pilzer writes, “The fortunes to be made in the years ahead will not be predominantly in physical delivery, but in education—not in physical distribution, but in Intellectual Distribution—educating consumers about products and services that will improve their lives, but that they either don’t yet know about or don’t yet know are now affordable. There will be more than 10 million new millionaires in the United States alone in the next decade and much of this increase will be attributed to Intellectual Distribution.”

Over the next decades, there’s going to be a big increase in people starting network marketing companies (also known as multi-level marketing). More people will be joining these companies as independent distributors. Some of the advantages of network marketing are the low entry cost to go into business for yourself and the opportunity to develop your own organization by recruiting a down-line of distributors, and also selling products directly to the consumer. Others will start direct marketing companies selling products and services directly to the consumer via (direct mail, infomercials, Internet, telemarketing, e-mail, etc.). Many will become infopreneurs and will create educational products like books, DVDs, CDs, magazines, etc., giving the public information and knowledge they can use to better their lives and

businesses. The wealth made in Intellectual Distribution in the future will be incredible.

There are more millionaires in America and around the world today than any other time in history. Most of today's millionaires became rich by starting their own businesses or professional practice. Decide right now you're going to join the ranks of the millionaires; otherwise, life may get difficult. As stated, 95 percent of the population lives paycheck-to-paycheck. In the future if you don't become rich, you may end up as one of the many poor or struggling middle class.

How Have Most Millionaires and Billionaires Achieved Their Wealth?

Business ownership is the No. 1 creator of millionaires and billionaires in the United States and around the globe. Real estate and income property ownership made people more money and wealth over the long-term, than all other forms of investment.

Those people who became rich founded and built their own business, bought or took over an existing business, purchased valuable assets like real estate, stocks and bonds, created and distributed a product to the marketplace, developed a marketable talent or skill, became self-employed or a specialized professional, generated ongoing royalties from intellectual property, worked their way up the corporate ladder of a major corporation or inherited their families wealth. Another way people became rich is by selling their start-up or existing business to a competitor or taking their company public through an initial public offering (IPO). Business founders and initial investors become rich when they sell shares of their company to the public and obtain Class A shares of stock for themselves.

The men and women who started their own companies or bought existing companies and expanded their products and services nationwide and worldwide like Bill Gates, Warren Buffett, Sam Walton, and Jeff Bezos are amongst the richest people and families in this country. The great fortunes over the past 200 years were made by people who created products and businesses where there were none.

These people started out with just an idea or dream and turned it into a successful business. There are many examples of people turning a one location business into hundreds or thousands of locations or creating a product and then distributing it to hundreds or thousands of retail stores. The biggest success stories in America and around the world are the people who started their own businesses.

John Kluge started with TV stations and made his fortune in communications. Kluge is the founder of Metromedia and today has a net worth of \$6.5 billion according to Forbes World's Billionaires 2010.

H. Ross Perot quit an IBM sales job and in 1962 invested \$1,000 of his wife's savings to start a small computer software company called Electronic Data Systems (EDS). Today Perot has a net worth of \$3.3 billion according to Forbes World's Billionaires 2010.

The reason some individuals make millions of dollars a year is because they are serving a large number of people. Remember, the more people that you can serve and deliver value to, the more money you'll make. The fewer people you serve, the less you will make. If you're not making enough money in what you're currently doing, you need to position yourself in a business or profession where you can receive ongoing Leverage Income.

Chief Executive Officers

According to Business Week, the average Chief Executive Officer (CEO) of a major corporation in America made 42 times the average hourly worker's pay in 1980, 85 times the average hourly worker's pay in 1990 and an astounding 531 times of the average hourly worker in 2000.

CEOs of major corporations are paid based on the performance and results they can generate for their company and the value they can deliver to their shareholders. Many CEOs receive a salary, bonuses and exercised stock options.

Some studies show the average CEO of a major corporation in America was paid \$10 million to \$15 million in 2005, while the average American worker earned about \$35,000 a year.

The Law of Economics / The 80/20 Rule

One of the principles of economics is the 80/20 Rule. In 1906, Italian economist Vilfredo Pareto created a mathematical formula to describe the unequal distribution of wealth in his country, observing that 80 percent of a country's wealth and land are owned by 20 percent of its people. In the 1940s Dr. Joseph M. Juran recognized a universal principle he called the "Vital Few and Trivial Many"—20 percent of something produces 80 percent of the results. It became known as the Pareto Principle or the 80/20 Rule, which means that in anything a few (20 percent) are vital and many (80 percent) are trivial. The 80/20 Rule states 20 percent of the people will do 80 percent of the production.

You Can Apply the 80/20 Rule to Most Things:

1. In Sales—80 percent of the sales a company has will come from 20 percent of its sales people.
2. For Products—20 percent of your business products will produce 80 percent of the profits.
3. For Your Personal or Business Priorities—20 percent of your top activities or priorities will produce 80 percent of your results.
4. For Your Personal Wardrobe—20 percent of your clothes and suits will be worn 80 percent of the time.
5. For Income—In general, 20 percent of the people will make 80 percent of the money.



End of this book preview (first 2 chapters) of The 15 Secrets of Millionaires.

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