

**Multiple Streams of Income. By Robert Allen.
Summarized by Leo Schreven. All credits go to
Robert Allen.**

Wow! How do you begin to summarize a 322-page book into one hour? Robert Allen's masterpiece "Multiple Streams of Income" is probably the best book I know of on generating income. I love it because it stretches your mind and opens up so many possibilities. Money is all about a new way of thinking, and Robert is really good at that.

I encourage you to really digest this month's book. We will highlight the most important things and do our best to condense it into a short format. The focus of this month's book is to open up to you a whole new mindset about how to make money, and create multiple streams of income. None of you were taught this in school. But understanding money, how to make it, and how to keep it, is absolutely essential to your life, your relationships, your happiness and your future.

You know, times have changed so much. Just 50 years ago all a family needed was one stream of income. Today, that is virtually impossible.

One of the principles Robert teaches is the concept of the money tree. Every penny is a seed. He shows you that a single dollar growing at 20% becomes a million in 75 years. If you put away a dollar a day at 20% you will have a million in 32 years. If you put away \$10 a day at 20% you're a millionaire in 20 years. Just divert some of your ill-spent dollars and funnel them into good investments.

The key Robert brings out is consistency. Day in day out. Save, Invest, Save, Invest, It might be boring, it might be dull, it might be hard to do, no matter, just do it!

The sooner you start, the richer you are immediately! We could all be millionaires, but most of us lack the simple discipline to make a small daily deposit over a long period of time.

The primary thing here is procrastination. We learned about this in our All Power seminar. We procrastinate because we think that taking action is more painful than doing nothing at all. So you have to associate massive pain to procrastination and pleasure to starting to save.

Most people procrastinate to start. Procrastination is your worst enemy. Say you put \$200 a month away for 20 years at 20%. You would end up with \$632,000. You could retire on that. But let's say you procrastinate one year. 19 rather than 20 years would give you \$516,000. Now if my calculator is correct, that is \$116,000 less.

Procrastination is horribly expensive!!!! Let's say you invested for 30 rather than 20 years. Missing one year now cost you a whopping \$842,000! That is about \$2,000 a day, around \$90 an hour. Every day you "can't afford it", is like burning your future money!

I'll tell you the story of a foolish farmer. He was putting away \$200 a month into investments and doing well. Then he decided he wanted a new \$30,000 car, so he dropped his monthly contribution to \$100 and used the other \$100 to pay for his car.

In 20 years instead of having \$632,000 he had only \$316,000 and a car that was now worthless. If he had the discipline to sow seeds he could have been able to afford any car he wanted. Remember, the future is not something that happens. The future is something you make happen.

Robert Allen then discusses 7 money skills that will give you financial security.

1. Value it,
2. Control it,
3. Save it,
4. Invest it,
5. Make it,
6. Shield it,

7. Share it.

Let's review these 7 skills.

When you earn it you value it. When you give it you value it. When you save it you value it. When you account for every penny you value it.

Remember the story of JD Rockefeller? His kids had to keep daily account books. 10% tithe, 10% savings, and they had to account for every other penny at the end of every month. Do the same and learn to value money.

Control it.

There are 10 areas you spend money.

- 1. Giving.**
- 2. Savings.**
- 3. Taxes.**
- 4. Shelter.**
- 5. Household.**
- 6. Auto.**
- 7. Fun.**
- 8. Insurance.**
- 9. Debt.**
- 10. Business expense**

Again we learned this skill during All Power. If you go to day 52 in the manual you will find a budget to help you organize this area of your life. I want to really encourage you to follow the following principle.

Make a decision today you will not spend a penny more than you earn. You are going to live below your means no matter what.

Another skill to help you control it is careful shopping. Most people could save an additional 10-20% just by following a few simple steps of paying less and keeping their receipts. Plan your purchases. Get a discount. Get your receipts. Categorize your receipt. Balance your account. File your receipt. Remember that every receipt is worth an

average of 30% to you. Every dollar you categorize as a tax deduction gives you a 30% return on your money!

The third skill is to save money.

To save means two things.

1. You pay less for your purchases.
2. You put money away in savings.

There are three main ways to do this. You can literally become a millionaire on the money you are wasting.

1. Plug the tax leak.
2. Plan purchases in advance.
3. Cut your credit cards.

Remember it is a lot easier to save a dollar than to make a dollar! A great plan to get you started on this is in the book, pages 28-30. Especially do page 28-30 in your book, "Multiple Streams Of Income." Apply as many of these principles as you can!

Now, let's get into my favorite subject to talk about. Residual Income. This one thing alone can make you a fortune. The most powerful income in the world is RESIDUAL INCOME. It means a recurring stream of income that continues to flow whether you are there or not.

First of all let's get an understanding that there are only two kinds of income.

1. Linear:

This is typically a salary. You get paid once for your effort.

2. Residual:

You work hard once, and it unleashes a steady income for years. You get paid over and over again. You get compensated hundreds of times for every hour you work.

Example: I wrote a book 12 years ago. It is on its 11th printing. The book took me over 600 hours without a penny. But today it has sold many copies and I get a steady residual income every year.

Example: If I have a home based Insurance Company. I work really hard and sell a policy a day for \$1,000 each. My commission is \$500. I work hard for three years till I have a network of 1,000 clients who will renew their services each year. I get a \$500 commission from 1,000 people and make a half million a year. I hire a secretary for \$50,000 a year to run it and still make \$450,000 a year and never work another day of my life. That is residual income.

There are a million ways to create residual income.

Savers earn interest.

Songwriters, authors, Inventors, software writers, etc. earn royalties.

Network marketers earn commissions.

Real Estate owners get rental fees.

Insurance agents get residual policies.

Websites get orders.

Partners get profits.

To make residual income you have to think like an entrepreneur, not an employee.

Ok, these are the basic of money Robert teaches. They are powerful. Spend a lot of time in the first 42 pages of his book. Robert then goes on to discuss the three money mountains to financial success.

1. Real Estate.
2. Investments.
3. Marketing.

There is such an overwhelming amount of great information in these three areas I cannot begin to discuss it. Each of you listening will need to go through these personally and see which ones appeal to you. None of us can do all of them, but the key is to find one or two, perfect them and then each year or two expand into another. So let me comment briefly on all beginning with Investments. There are

basically three things you can do. We teach all this in the All Power 60 day program so I will only list the three.

1. Dollar cost averaging.
2. Stock and Mutual Fund Investing and research.
3. Options, puts, calls, buying on margin.

I personally do all of the above. But it takes study, discipline, and time to master. I encourage you to do the same.

Real Estate:

There are several items that Robert brings out that I really like. Again, you can go into any of these areas and pick a few you like and educate yourself. Learn to:

- Buy property with no money down.
- Discover ways to find great deals.
- Discover ways to find motivated sellers.
- Learn to finance properties.
- Learn about foreclosures and flipping property.
- Discover the power of tax lien certificates.

Real Estate is one of my favorite areas. Many are attracted to Real Estate and it can be worth a fortune. If you are serious about this, I recommend Robert's book, "No Money Down." You especially should look into the tax lien certificates as well.

The next area is Network Marketing. You will notice he calls this the ultimate money machine. I totally agree with Robert. Let's look at some reasons why.

In Network marketing you have no overhead, no debt, zero employees, the business is totally portable, and provides residual income.

Let's face it. The majority of people have negative images of Network marketing. Why is this? Three main reasons.

1. Pyramid schemes of the 70's.

2. They have been bothered by friends to join everything
3. Most that have tried have lost money, and could not get others to join.

These are issues you must educate yourself on. And you must educate others on. When people ask you about networking, or get tense, I want you to memorize the next paragraph. Ask the following 7 questions.

The Financial Freedom Test.

1. Do you have multiple streams of income?
2. Do you get paid multiple times for every hour you work?
3. Does your income flow 24 hrs a day with or without you?
4. Do you own or control the source of your income?
5. Will your income continue to flow after you die?
6. Can you give yourself a raise any time you want?
7. If your one source of income stops do you have more?

No?

Well, if you were in Network Marketing you could say **yes** to all. The key when it comes to Networking is to kindly educate others on the truth and reality. It takes time to reprogram people's minds. Networking is the only business that makes sense. Memorize the following as well.

Crazy:

Work for peanuts at a job you hate for 40 years and then die poor.

Smart:

Work hard for a short time and retire with multiple streams of income. The next area Robert introduces is a new word for many of you.

Infopreneuring:

Memorize this word and read carefully pages 209-240. It contains dozens of great illustrations to get you thinking.

Robert also spends a great deal of time on Licensing and Internet. Pages 241 to 275 are filled with awesome ideas. See if you can find one that you could use to create income. Never underestimate the power of the Internet. It is another source of residual income. The Internet makes money for you 24 hours a day, 365 days a year with no office space and no employees. What other business does that?

This pretty much summarizes the book. Robert has two other areas I want to point out quickly.

Page 296 to 308 give 21 tips for saving time. Review these tips as a group and find those that are most helpful to you personally.

Leaving a legacy.

Today, set a goal to not just enjoy financial abundance, but to leave a legacy that will bless others for years to come.

It is easy to be overwhelmed by the information and possibilities in this month's book. So, let's go back to the Chinese proverb.

"How do you eat an elephant? One Bite at a time.

I want to suggest your primary focus should be on the first 42 pages of the book. This is critical. Your second focus should be on building a business network. As you build your network, the money will begin to flow.

The third step is to begin to follow the 10-10-80 principle. Put away 10% every month. Account for every penny you spend. My suggestion then is to build a reserve of at least \$50,000. This gives you peace of mind in case of crisis or hardship. My next suggestion is to then put away another 15% of your income into tax deferred savings each month. Begin to educate yourself in investing

From there the sky is the limit. If you work hard for a few months now, you will never have to work another day of your life! Go for it!