

What Is Bank On Yourself? Is It An Investment or Is It About Financing Things?

I hear this question several times each and every day.

Since this is such a unique financial strategy that is unlike anything you have ever seen before it is hard to compare it to anything else. However, people will naturally try to compare BOY to the financial strategies that they already know about anyway.

However, there is nothing I know of that compares to it on an “apples to apples” basis.

This month in her newsletter, Pamela Yellen went over a checklist of 18 different questions comparing BOY to whatever your favorite financial strategy is.

Many of you already receive her newsletter. If you do not already and would like to, let us know. Many people write to Pamela every week with questions and comments about what they see on the internet and in her internet report about BOY. She uses her monthly newsletter to try to answer the most common questions and comments.

I personally did 6 months worth of homework before joining Pamela’s group of advisors 5 ½ years ago. I have never stopped learning more and better ways to use BOY. I am fortunate to be able to ask Nelson Nash, the person who invented the concept, questions and get explanations on various points from him every month.

I try to pass along the fruits of my ongoing education to you month in this newsletter.

I thought it might be helpful to address the question above in this month’s newsletter.

It’s as simple as 1, 2, and 3!

1. **Bank On Yourself is about finance, not investment.** BOY offers a method of financing investments or major purchases. Hopefully, any investments you finance with BOY will work out and you will make a nice profit. However, to judge BOY as an investment would be misleading.
2. **Investment Return is not just about how much profit you make by doing a financial strategy.** I submit to you that recapturing the purchase price of items you buy and the interest that would have been paid to lenders (or lost by paying cash for items) is an investment return. Because you control the interest rate and terms of the loans, you control the rate of return to yourself.
3. **Because of the IRS regulations concerning maximum cash values,** you will never confuse BOY with an investment in the first few years. It takes a while for cash value to equal total outlay, due to these limits imposed by the IRS.

Isn’t it interesting that the IRS would put a limit on how much money someone can pay into a BOY plan?

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It is a good thing there is no limit the number of plans you can own!

Ah! This, my friends, is the loophole that the rich use to take advantage of the very favorable tax situation regarding BOY plans.

To truly understand BOY it is necessary to forget whatever you think you know about life insurance and investments and look at what is actually going on.

Logic doesn't always follow a set pattern.

Let me illustrate my point with a series of questions:

1. Are you married? (I'd answer yes.)
2. Do you own your home? (Also yes.)
3. Do you own a weed whacker? (Yes, again)
4. Are you a female? (NO!)

Following the logic of these questions, if I am not married and don't own home or a weed whacker, I must be a female. Right?

See what I mean?

If you would like to talk more, just call or email me using the contact information below.

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