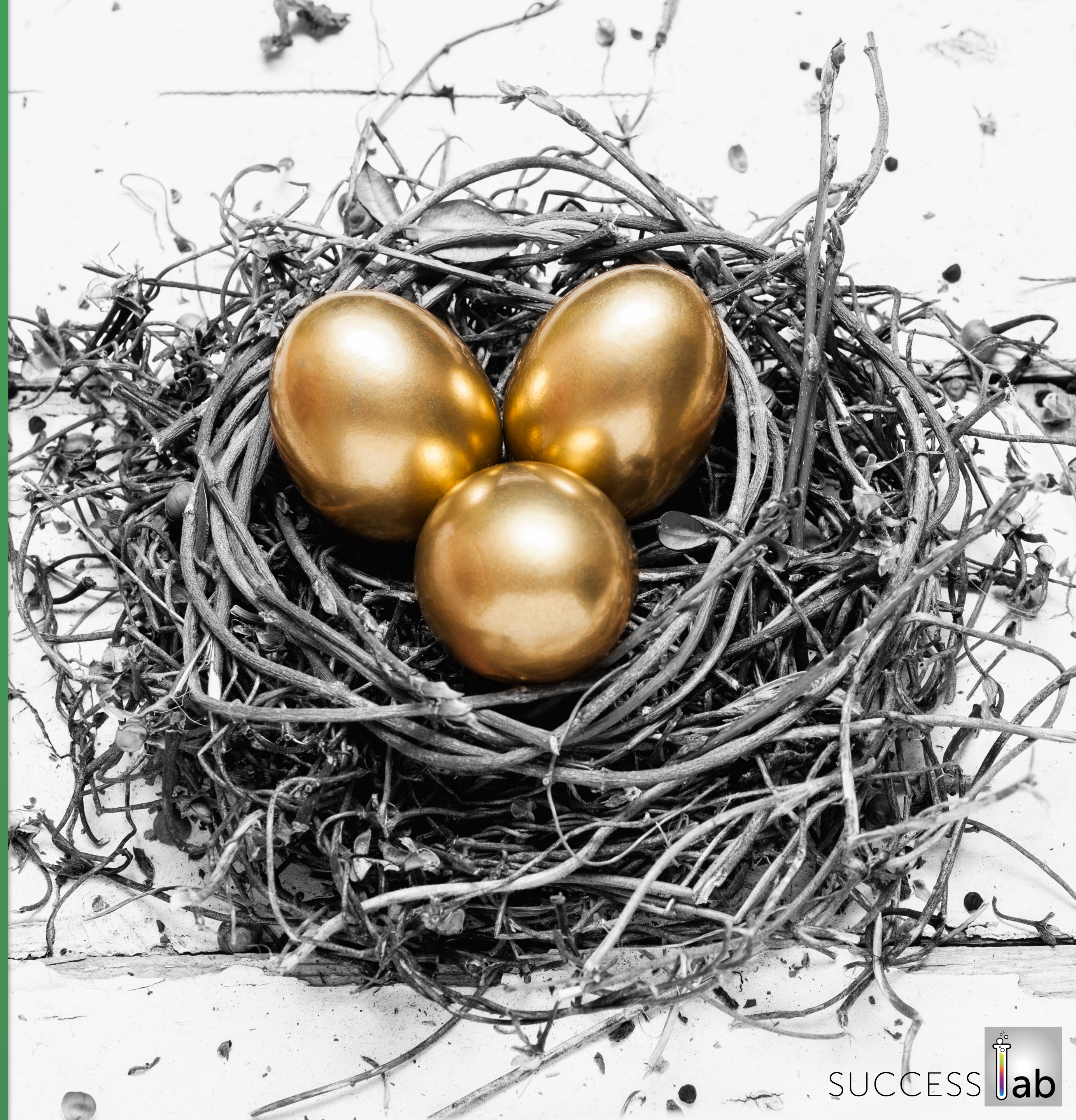


# THE NEW RULES OF MONEY





# Everything Has Changed

A traditional measure for housing affordability has been the value of 2.5 to 3.0

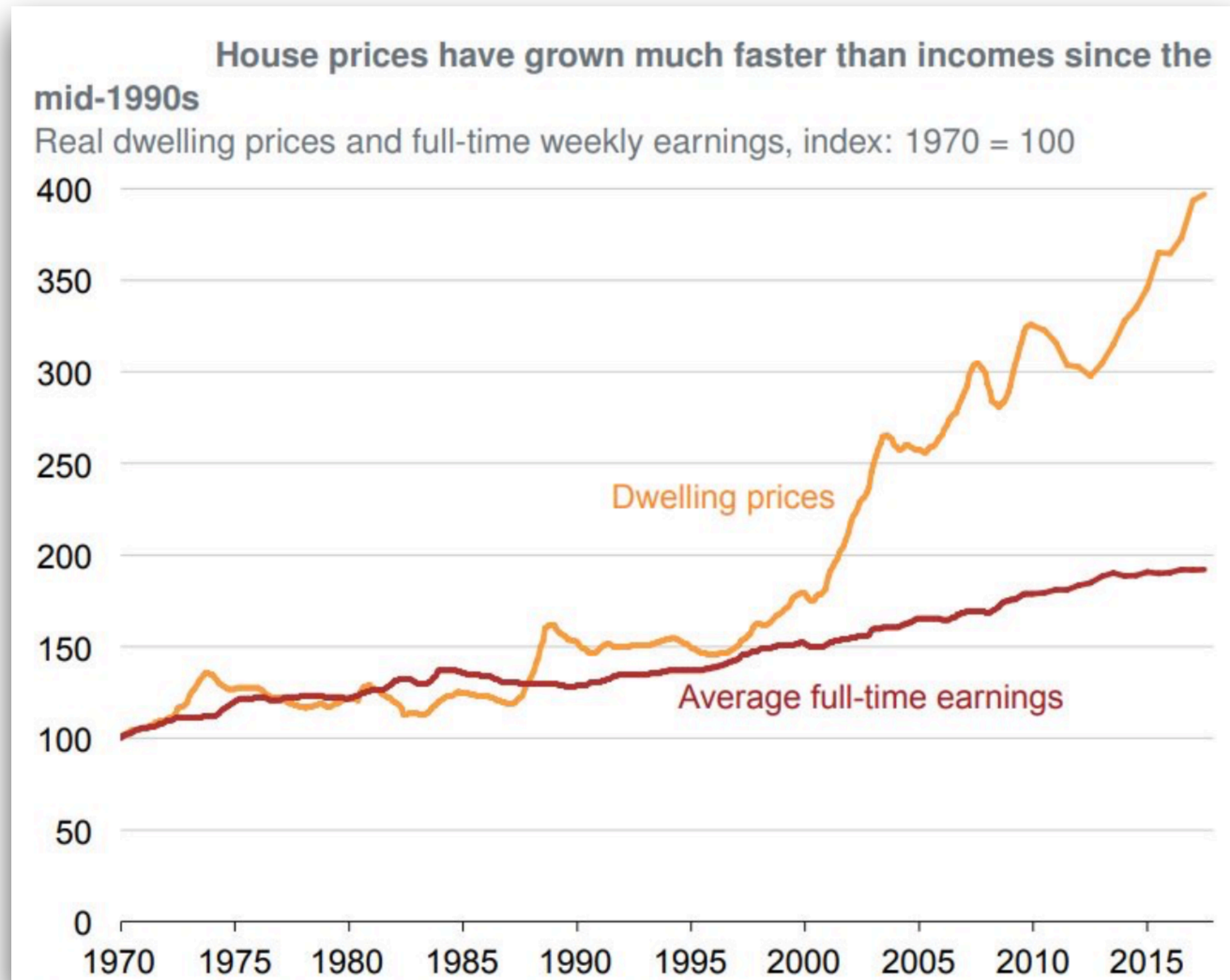
***ie:** You can afford a house that is up to three times your annual salary at the time of purchase.*

**eg:** Mary & I bought our first home in 1975 for \$29,000.  
We were earning \$11,000\* between us.

*(\$29K divided by \$11K = 2.6)*

\* before tax

Current values are around 9.6



# It's Not Just Housing...

## ELECTRICITY

Wealthy consumers buy alternative sources - reducing the number of 'subscribers' who pay the fixed costs of generation.

Those fixed costs are passed onto the remaining consumers as increased per unit prices.

# It's Not Just Housing...

## FUEL

Wealthy consumers buy alternative sources  
reducing the number of 'subscribers'  
who pay the fixed costs.

Those fixed costs are passed onto the remaining  
consumers as increased per unit prices.

Australia spends approx \$1B/yr on roads  
and raises approx \$1B/yr as fuel tax.

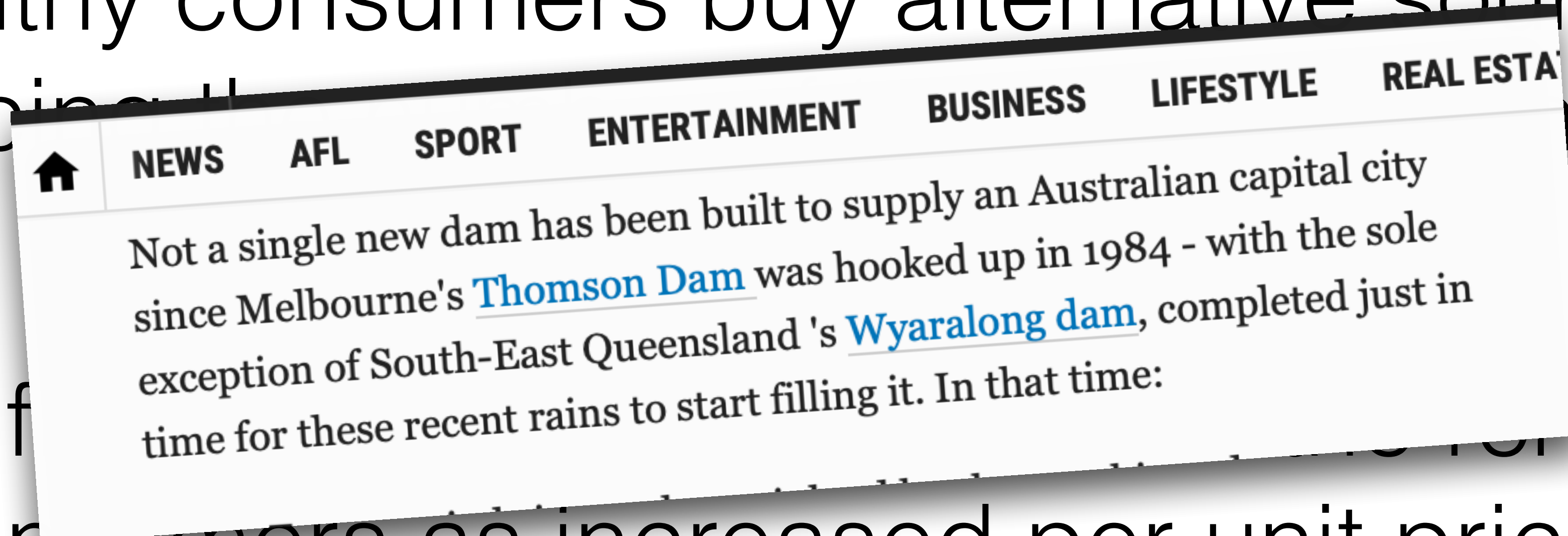


# It's Not Just Housing...

## WATER

Wealthy consumers buy alternative sources -  
reducing the need to pay

Those for whom the remaining  
consumers as increased per unit prices.



# Everything Has Changed

## EMPLOYMENT

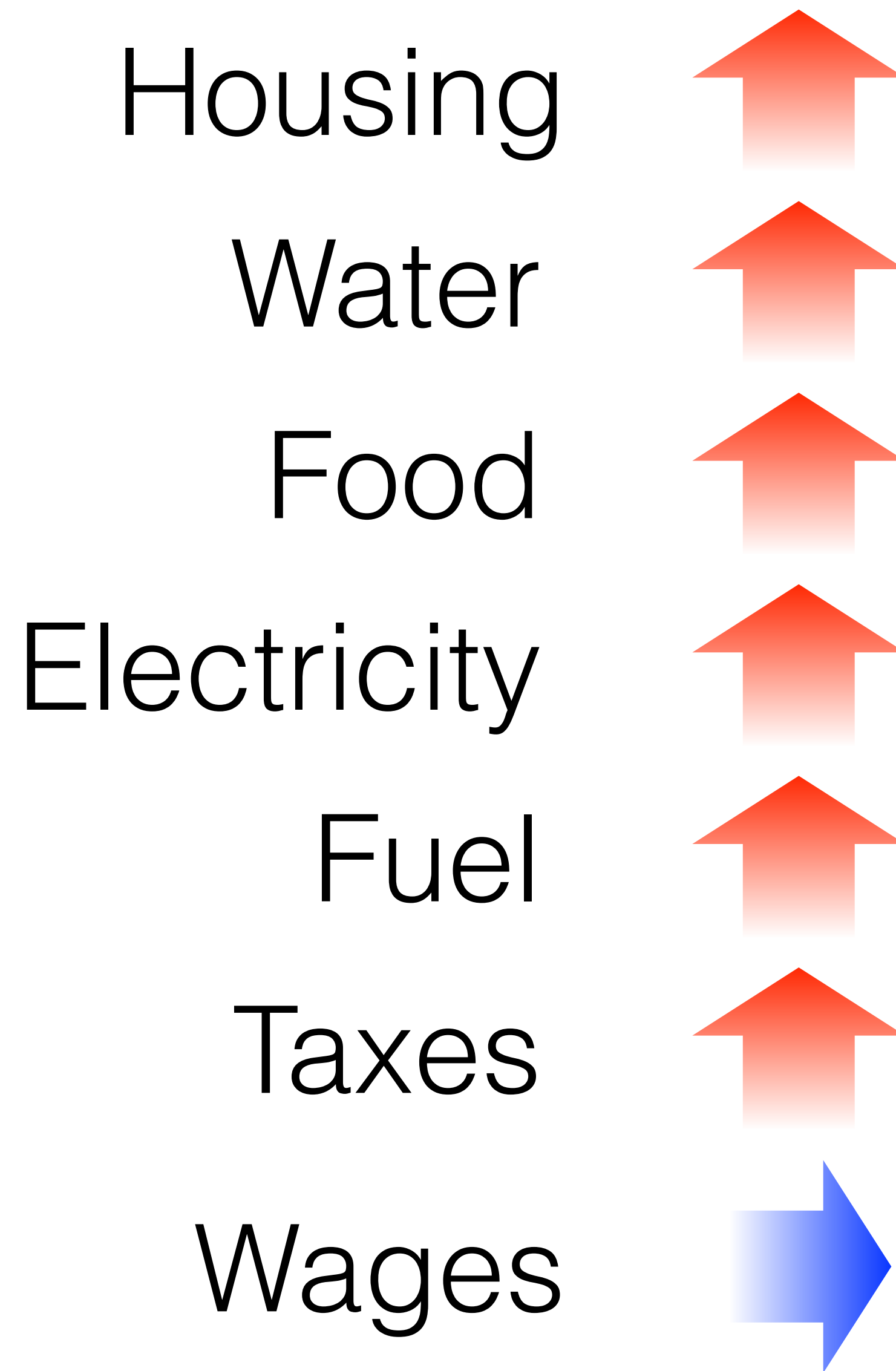
Wages stagnated for 10 years.  
The job for life has vanished.  
Replaced by 'freelancing' (37%)

THE WEEKEND AUSTRALIAN 

For the first time in recorded statistics, less than half of Australian workers are in a permanent full-time paid job with leave entitlements, according to research highlighting the rapid growth in insecure employment.

## GOVERNANCE

Increasing pressure on infrastructure.  
Most Govt's run deficit budgets whilst cutting back on services.



The MLM companies and 'selling on amazon' are experiencing unprecedented growth as Aussies search for ways to bridge the gap.



# What are the new rules of money?

# OLD VS NEW

## INVEST FOR CAPITAL GAIN

Buy and hold RE.

Pay off debt.

*(debt is evil)*

Save & invest.

Pay lots of 'super.'

**1**

## CREATE CASH FLOW

Buy/build business(es)  
that create cashflow.

Use 'good debt.'

Re-invest into more  
cashflow positions.

What is the mindset issue you must  
resolve to move from the old to the new?



# OLD VS NEW

## DEBT IS EVIL

“It’s OK to buy it if you can afford the minimum repayments.”

2

## USE GOOD DEBT

Bad debt makes other people rich.  
Good debt puts cash flow in my pocket.

What is the mindset issue you must resolve to move from the old to the new?

# OLD VS NEW

## LINEAR PROGRESSION

Work on increasing  
the hourly rate!  
Promotions and  
bonuses increase  
over time.

3

## LEVERAGE

Multiply your effort by  
paying others to  
perform tasks that free  
you up to create more  
cash flow.

What is the mindset issue you must  
resolve to move from the old to the new?



# OLD VS NEW

## HALF EMPTY

The hourly rate is a  
'lack' perspective.  
Hard work and diligent  
effort are necessary to  
get ahead.

4

## HALF FULL

*"There are plenty  
more where that  
came from."*  
= ABUNDANCE.

What is the mindset issue you must  
resolve to move from the old to the new?

# OLD VS NEW

## WORK

Stay safe and don't risk what has been so hard to earn.

5

## THINK

*Learn the rules and play to them.  
(shorting, Boeing, subdivision etc)*

What is the mindset issue you must resolve to move from the old to the new?



# OLD VS NEW

## GO IT ALONE

Trust no-one and  
build up a savings  
acc and eventually  
put it to work....

*(95% of Aussies retire  
broke)*

6

## USE OPM

*Use other people's  
money to create  
cash flow.*

What is the mindset issue you must  
resolve to move from the old to the new?

# OLD VS NEW

HAVE A TRADE /  
PROFESSION

Fixed income  
Vs increasing  
costs whilst paying  
max tax rate.

7

POSSESS KNOWLEDGE

*Unfixed (leveraged)  
income and  
min tax rate creates  
exponential growth.*

What is the mindset issue you must  
resolve to move from the old to the new?



# Assignments

<b><i>1</i></b>	Give yourself a score for each rule. <i>0 = old 10 = new</i>
<b><i>2</i></b>	Choose two rules you are going to focus on improving this month.
<b><i>3</i></b>	Identify the mindset issues that are preventing you from changing.