TRG 62 Transcript

Nichole Stohler
What if you could be doing something smarter with your money that creates income right now? If you're an IT professional who's wanting to get ahead financially and enjoy greater freedom of choice, and if you wonder who else in tech is creating ways to make their money work for them? You want actionable ideas with honest pros and cons and no fluff. Welcome to The Richer Geek Podcast. We're helping IT professionals find creative ways to build wealth and financial freedom. I'm your host, Nicole Stohler and in this podcast, you'll hear from others who are already doing these things and learn how you can too.

Welcome back to The Richer Geek Podcast. Today's topic is more about passive investments than owning a business although our guest did own his own business, which we'll talk about. And he explains it really became the catalyst for the passive investment that he'll be discussing today. Now, my goal is always to inspire and share ideas and that's the spirit of today's episode. Curtis Ray is a best selling author and founder, CEO of SunCor Financial. He's an expert on maximum premium indexing. And his latest book is called the Lost Science of Compound Interest. Let's jump into the show.

Curtis, welcome to the show!

Curtis Ray
Thank you for inviting me.

Nichole Stohler
Let's jump in. I watched your documentary you have a well, you have a couple of awesome videos that are listed on YouTube. I watched your documentary video. I know this story, but it's so good. So tell us the story of how you got to where you are now and what you're doing now.

Curtis Ray
In 2004, I started granite countertop company. It was funny, I was playing ping pong in my friend's basement. And his brother came downstairs and said, Hey, we should start a granite company and I was in college and I had never had a job before and I'm like, Why? Because there's so much money in granite countertops. I'm like, dude, let's start a granite company. What's granite? I had I just got my scholarship check. I had, like a $9,000 scholarship check. And for the next six months, I researched granite countertops and started granite business. And up growing it in Arizona to one of the largest companies we're doing between 60 and 80 kitchens a week. Really awesome making seven figures, thinking that was my career path that I just loved. And it was everything I wanted to do. I was traveling overseas, doing big, you know, seven, eight figure deals and life was really cool. And have a blink of an eye it was all gone in 2014 I had a really bad day a partnership dispute or more of an investor dispute. And when you butt heads with investors all sudden you realize that that contract with all those fine prints say that you have no access to anything and they can take anything they want whenever they want. You know, and it was like oh, man, and unfortunately I lost my business in 2014 and lost a couple

million dollars in a single day. And I said on that day, it was October 31. It was Halloween night. I tell this story and it gets a little bit like dang Halloween night I took my kids out trick or treating, I put them to bed and I didn't sleep the rest of that night and I thought, oh my, what did I do wrong? How did this happen? 10 years of my life down the drain that happens to entrepreneurs all the time. You know, business owners real estate guys in 2008. You know, it just it happens to everyone eventually, because risk is the house and the house never loses. And that day I woke up, you know, I maybe got to bed a little bit, and I woke up on November 1, and I said, build it once I can build it again. Oh, well, it's only money just gonna I'm gonna go do it again. But this time I'm going to do a different How do you avoid risk? Risk is the enemy that's why we all lose we make we lose we make we lose and we keep thinking we can out beat risk, but risk always wins. So how can I build a business that is not that eliminates risk as its first priority, and then focuses on growing money. And I got I found myself in the finance space and I started researching index funds and 401k IRAs and Real Estate and, and life insurance products and annuities and cash. And although all of them had really good features, they all had huge deficiencies. Also, either you were too secure because you were scared of your own shadow. So you'd go buy a whole life or an annuity or put your money in cash, but it never really grew any money, or you didn't care about risk and you went to, you know, over leveraged real estate and stocks and call options and stuff like that. But there was never the middle ground and the guy who said I care about risk, but I'm also going to focus on maximizing every opportunity possible. And how do those two things balance each other Yin and Yang, I call it the yin and yang of investing is not be too conservative, not be too risky, but be conservative risk taker. Understand risk is bad, but also grow and then one day, I realized that didn't exist. Everything had too many deficiencies and that's why almost no one ends up wealthy. You end up wealthy because you're good at making money. You don't end up wealthy because you're good at managing money. Because there's almost no way you could just put money and let it compound on its own and let it work on its own, you always have to just really go, you know, the real estate guys go, you know, work it or the stock guys. Hopefully the market wins, but when it loses, that kind of sucks, and then so one day, my brother and I took the next four years from 2014 to 2017, and built a platform that is focused on the utilization of optimal security mixed with the maximization of compound interest. And when those two things came together, this little thing that we're going to talk about called maximum premium indexing was invented and it's life changing.

Nichole Stohler
Well, okay, there's so many things in what you just shared. Okay, so you first of all, let's start a granite company. Mean, because there's a lot of money and granted that's, that's brilliant, right and good for you. You built it and then you realize that That managing your money and being able to hold on to it. And like you said, reducing risk is really key, you know, something triggered as you were talking. For me, I always feel like, I don't have a holistic decision tree. Right? Like, you've got like little pieces got your 401k you've got your IRA. You know, there's not a holistic portfolio because your 401k is with your company. That's it, maybe a different company, you don't there's there's not a good holistic platform and a not a good modeling. Like, I don't want to model this crazy number relating as crazy, but like the standard numbers, okay, if it grows at 4% per year, and I retire at 65, and like, that's the standard modeling, but I

want to model like, what if I did this and what if I did that like right now, but I digress. I just think that that is interesting when you talked about we're not taught how to manage money in that way. Like we all know. We should live below our means, but -

Curtis Ray
I always say it's very, very easy to make money. It's very difficult to keep it keeping money as the goal here always being able to say, I go work really, really hard. How do I use my money to its maximum opportunity. And it's called compounding compound energy. You know, the ability that money can make money for you by itself, no effort on your part. And that's when, you know, Einstein supposedly said he's credited for saying that compound interest is the eighth wonder of the world. He who understands it earns it. And once you understand how compound interest works, you kind of realize that no one abides by it, no one actually believes in it because it's this. It's this fury. And those who stick to it like the Warren Buffett's of the world actually make it and everyone else goes, Oh, he was just born rich. No, no, he just put a little bit of money away and let it work by itself stood out of the way and just let it do its magic. And then that's my message to the world is it is very easy to make money. Now learn what to do with the money you make. And it's called compound interest.

Nichole Stohler
Okay. Tell us really quick. You studied a lot of different vehicles that you just mentioned there that like you studied index funds. I think you said 401 K, tell us just about that gamut of that research.

Curtis Ray
Yeah, so 401 K's IRAs that are typically built with index funds and mutual funds, the flawed of them as I call them, Sprint, run, jog, walk. You're supposed to be aggressive when you're young. But then you put yourself at risk. And so you actually lose all the benefits of compounding every single time there's a market crash. But you know, the financial advisors will tell you don't worry, the market will rebound, you have plenty of time, which is one of the most backwards thoughts that have ever been embraced by finance, because your number one asset inside of money is time. And every time there's a down market, you lose time because you're the rebound. And so the flawed index funds and mutual funds is that you can make a lot of money but you could also lose a lot of money and So that whole theory is that you've got to be aggressive when you're younger and then you slow down. It's called tapering off as you get older, and by time you get to 6065 years old, you're typically in a 50% stock 50% bonds portfolio, which is much more conservative than a traditional Index Fund, which only makes you around four to 5% interest, which now your income is only four to 5%. And so you could be a millionaire, you could have a million dollars, the exclusive million dollar portfolio that Dave Ramsey talks about and Chris Hogan all these guys saying, Oh, you can get a seven figure portfolio and little do they realize the amount of money inside of your portfolio has little effect on how much retirement income you get from it. Typically blow people's minds how big your portfolio is, does not determine how much retirement income you get. How much your portfolio is producing is your income. So if it's only producing 4% of a million dollars, you're only making $40,000 a year in retirement income off a million dollar portfolio barely above the poverty line, and you're a millionaire. And

so I'm like, Whoa, okay. 401 Ks and IRAs are completely flawed. They're cash accumulators. They're not cash distributors, meaning they can make you money. They just can't give you any of it. They, they, they don't give you a good retirement. So I'm like, okay, I don't want that. There's a terrible flaw in the 401k and Ira and nobody even realized it till you're older and then one day you're like, why am I poor? I have a million dollars. Oh, well, we tapered off and now you're much more conservative. Okay. Then I went into real estate I'm like, Okay, let's talk about real estate. You know, all the guys say Real Estate's the best place to come to realize that the real estate it is not passive income at all. In most scenarios, it is a tremendous amount of work. So it's no different than my granite job. I go do granite you go do real estate, whatever. I make a lot of money. You make a lot of money. Okay, yeah, you can make a lot of money, but on a long term hold of a single family. rental or even multifamily hotels are a little different, you know those those are its own little world. But single family rentals to me is one of the worst financial retirement plans you can possibly have a, your equity grows about 4% per year 4.2% is the national average over the last 20 years. So you're like, Okay, the growth of the equity is barely equal to inflation. It's a little bit more than inflation. So the moment you buy a real estate rental, it actually doesn't grow very much an actual new wealth. It's maintaining the wealth, meaning it's keeping up with inflation and buying power. And then you go and get real estate. rental income, and rental income is cool. You're like, Oh, it's passive income. Well you work for But yeah, I got this $500 in this month, and the next month I'm going to create our next show an increase of 3% and 3% and 3%. And by the time I'm 60 years old, all you have $2,000 a month from that rental, mobile People don't explain this in real estate that that 3% increase in real estate in rental income is inflation. So the moment you started getting your passive income, it actually never went up in value for the next 20 or 30 or 50 years, because you only increased it of the buying power of society. And so although you're getting to thousand dollars, 30 years from now, it's equal to $500 today. And so it's like one of those facades that but you can one advantage that real estate has is you can leverage it, you can leverage and go get 10 of these, and then it actually has opportunity to actually make money, but then it's a full time job. And so it's that trade off of Yeah, go work for it. You can make lots of freaking money if you go work for it, but it's not passive. And the growth you're getting is basically inflation only so you have to leverage it in order to make it then there's insurance. It's super secure. They give you guarantees, you know whole life as a guaranteed dividend indexed. Universal Life has guaranteed floors that you'll never lose money. annuities have guaranteed payout for life, you get all these guarantees, they just don't grow. They make you no money or very little money. And so one day I had this crazy idea, why not build one platform that has the guarantee securities of life insurance, the growth potential of the indexed fine with the leverage ability internally and actually self managed of real estate. And if you can combine something that's guaranteed secure and grows and is leveraged, all of a sudden, when we finish this, it was like it was November 3 of 2017. I actually remember the day because it happened at 230 in the morning, it was 230 in the morning, working on the final touches of this, this system and and compliance and all the legalities of it in the IRS codes. And I press Submit on my on my actuarial system that kinda played it out and at 230 in the morning, it finished. And it said that running any model from the last 30 years, 50 years, 90 years that it would outperform any mainstream financial concept by up to four times more retirement income than anything that existed 400% increase that sounds crazy. Because usually you come down to like, Hey, I can increase your rate of return 2% 5% 10% this showed a 400% increase in retirement income over index funds, IRAs, mutual funds, real estate rentals, whole wise bank on yourself infinite banking indexed universal life, and it was all based on slow, steady, simple, secure, make security, your Cornerstone and then figure out how to maximize it. And I ended up waking up my wife and I said, Aaron, Aaron, I cracked the code. As she turns to me and she says, I'm sleeping, go to bed. Like oh, I wanted someone to like validate what I just did over four years ago. work. And ultimately, everything is good. Everything we do right now is good. The flip phone was good blackberry was good. But guess what, then there was the iPhone, and then the iPhone two and iPhone 11. And you got to be continually evolving. And everything that's good. We embrace it. So if you came to me say, well, Curtis, I can do this a little bit better than you guess what I'm going to do? How can I get that inside my system? Because that's all that's all MPI is. There's nothing new. There's nothing fancy. There's nothing magical about it's simple math, taking the benefits of every other option that I could see, and eliminating the risks that exist inside them. And it actually all came together pretty seamlessly. You can have security, maximum growth and leverage it without increasing your risk.

Nichole Stohler
Wow, okay, how does this work? You cracked the model but like, what is it?

Curtis Ray
Okay, so I have a video on this, but I'm going to try to explain it without visuals. For all the listeners out there, but inside of life insurance why life insurance because most people hear life insurance like a life insurance. Dave Ramsey told me life insurance is bad. I mean, it doesn't make very much money. But they do have one feature that exists inside of it that is like no other feature and it is called the general fund. Inside of their life insurance company, they have a bank account in which they invest all your premiums and their profits and everything. It's just this really cool bank account that has been profitable every single year for 100 straight years. It's never lost money, including Great Depression 7374 dot com 2008. It makes money every single year, around four to 6%. So a whole life product. If you're familiar with whole life, they take your money, they stick it in their general fund and it pays out a guaranteed four to 6% dividend. That's how they produce this four to 6% dividend is because they literally take your money after the cost of insurance. They stick it in the general fund and Say whatever it makes you get that shirt. If you buy life insurance for us, we'll give you that four to 6% returns inside of our general fund that is triple A corporate bonds, long term mortgage notes, some other investments that are long term focused and extremely secure. It's not good enough. So I said, well, let's take just the four to 6% dividend. And let's go and invest that extremely aggressively inside of a thing called a call option. you've ever heard the word call option? It's a very, very, very aggressive form of trading. And so basically, what we just did is this, imagine you have $10,000, and that $10,000 made you $500 dividend $500, right 5%. If you only take the $500 and go buy a call option with it, your money was never at risk. We've eliminated the risk of down markets because we never used our money. Our money was always contractually guaranteed by the life insurance. We only took the growth of our money and we went in biotech call option we went and bought a call option, that call option historically over the last 20 years, has produced around 7% interest on average. So now we have a zero percent floor

guarantee, meaning we cannot lose. And we can average 7% instead of 5%. And the difference between 5% and 7% is drastic in a 2030 year timeframe. So with a little tiny change rather than accepting the dividend, and going for a more aggressive form of trading, we can both have security and guarantee or an aggressive growth on the same system. But 7% is still not good enough. So I said how do the real estate guys do it? They go have assets and they go get lines of credit on the assets. And then they go buy more assets, and then put lines of credit on those assets and go buy more assets. But it's tremendously risky. Inside of the life insurance company a plus rated life insurance company that I work with, they offer a match program to all their clients, meaning they'll do a line of credit dollar for dollar, any amount of money you have in your cash value you have in your account liquid, they'll leverage against it because they're dollar for dollar collateralized, and it's all contractually guaranteed to never lose. So there's no risk to them in the system. So imagine you had $10,000, and you're making 7% on average in the system, they'll give you a line of credit at $10,000. What do I do with that $10,000 to assure that I never lose it. It's not at risk, and I can make compound interest off of it. The exact same thing I did with the first time I put it right back in the general fund, that makes me a four to 6% dividend. I take the four to 6% dividend so the principle value is still 100% protected, so there's no risk of me ever having to owe someone money back or the market explodes or anything else. I take that four to 6% dividend, I go buy a call option. With it, now I just increased a new amount of money seven 8% interest, the line of credit does cost 4%. So now I make a spread of around 3%. So now my money is making 7% their money is making me around 3%. And I can do this process every single year indefinitely. So I do over and over and over always contractually bound by the life insurance company of guaranteed security, aggressive growth inside the call option and taking the little playbook you know, taking the things out of the playbook in the real estate guys on how you leverage everything. But instead of investing somewhere insecure, I put it right back in slow, steady and secure just let compound interest do all the work. And that little magic right there doesn't sound like much. You go buy a life insurance policy, put some money in a call option and then use a line of credit against it to reinvest increases, you go from around 7% rate of return and you max out around 15% rate of return compounding without the risk of the market and there's nothing like that. And so when when I end up taking into a life insurance, you know, end up taking into one of the largest life insurance companies they don't like that I say their name on podcast, because it makes him sound like exclusive to me. So there's compliance issues. But once I talk to people one on one, I'm allowed to disclose it, but it's an A plus rated life insurance company over 100 years in business when I showed it to them, they go over that a little It can't be that easy. Like it's just math. If you follow math and not get get the emotion out of it. I don't need any emotion this game. You follow the math? compound interest is magic. And there's a reason why Einstein said he who understands it earns it. We're chasing rate of return when it was always about rate of compounding that produces wealth. So we chase this facade of I'm going to make the most money rather what actually is built on security and sustainability and long term benefits. What is my rate of compounding? And how do I protect it? And how do I maximize it? Because every 1% increase in compound interest can increase your output over 30 years by about 30%. So you can increase that one to 3% additional, you can double your money, double your what you're already going to get or quadruple or eight times, or 16 times it, because that's how compounding works. So I just throw a lot on you.

Nichole Stohler
Well, I can see that anyone listening who wants more information should go watch the video for sure. Because I'm sure you whiteboard this out and explain it. But tell me a couple of things that came to my mind. The first is is this automated? Is this something because you talked about every year you can leverage? How is that happening? Is it just a something that happens as part of the platform or what's the process there?

Curtis Ray
Part inside the MPI system, your only job is to put money into it. This is hands off. I mean, it is a life insurance policy. So you go through a health exam and you got To qualify, and not everyone qualifies, unfortunately and age and health have had this, you know, we balanced and then try to do our best. But yeah, from the moment you're in the MPI system it is managed for you by a plus rated life insurance company, multi billion dollar company, and your only job is pay yourself first I have these, these five rules of wealth and if you can do these five rules of wealth, you will have unlimited wealth and when I say unlimited wealth, it doesn't mean billions of dollars. It means renewed wealth money coming in as fast as you can spend it and, and it's a pretty phenomenal thing. But the first rule of wealth, wherever most people go south, is pay yourself first. They've been tricked and believing I gotta pay off my debt first. I've got to go on vacation first I got to go invest in seminars and and and you know, conventions and stuff like that, and it's completely backwards. It is no you get money compounding first and then go through the rest of the stuff. And so pay yourself is rule number one. Rule number two is start immediately. Do not delay. Here's something that's fascinating about compound interest is if you invested $5,000 today into compound interest in 30 years from now it'd be worth about 85,000. So every $5,000 you put in, it has the ability to compound to roughly $85,000 in 30 years from now, guess how much 5000 hours compounded for 29 years is just waiting one more year, about 77,000 you lose $1,000 in compound interest, because you waited one year, you wait five years, it's only worth 30,000 you wait 10 years, 15 years 20 years so every day that you Wait, you're losing the most important asset you have and that's time because time dictates compounding and so it's just this magical balance of literally It is that easy. get money compounding. I have my tagline is always be compounding never goes to workers how to become rich. Always be compounding. If you can start thinking is my money compound paying off debt does my money compound No. Going to a convention does my money compound Well, I can make more money. Well, it's not always about making money. It's about keeping money and compounding money, you know, and all those little things. Even if you just went and compound for one or two or three years, and then focused on paying off your debt, now you have this chunk of money that will produce you a ton of money in the future. But if you paid off your debt first and then put a chunk of money in, after that, you will underperform by like half or even worse, depending on how much time it took you to get out of debt. And so the third rule of wealth is never loose, you have to be in a system that never loses. The fourth rule of wealth is compound your money meaning you have to grow your money faster than inflation. That's the problem with you know, treasury bonds and money market accounts and cash in a bank account is you're actually getting poorer every single day you have money in a bank account. You have money in a bank account that's not literally like emergency liquid to pay my

bills with. You're getting Pour every day, because inflation is outpacing the point 1% growth you have inside of that, or even the 1% growth you have in a money market or treasury bonds or things like that. So, and then the fifth rule of wealth is time or leverage, we don't have a lot of time, even the oldest person may be as you know, 50 or 60 years of compound, they start right when they get out of high school, you know. And so leverage comes in into play and if leverage what is leveraged to accelerate time, you can get the exact same result and half the time because you use someone else's resources, OPM to accelerate this whole party. So five rows of well pay yourself first start right now never lose, grow your money and leverage your money. And if you can do those five things simultaneously, you will produce more wealth than anything you've ever done in your whole life, because that is compound interest.

Nichole Stohler
How do you find people are investing in MPI? So let's just take for example, They had a 401k they left a company. So now they have access to those funds. It's in an IRA. And obviously, if someone is at a company and they have a 401k, there's not much, you know, that's that is where it is. But what are what are the vehicles? What are you seeing that people are doing? If they want to invest in MPI?

Curtis Ray
Most my clients, honestly, I mean, a large percentage of the population doesn't have any retirement planning at all. So it really makes me feel awesome. When I go to someone who makes 40 5060 grand a year, they think they're gonna be poor their whole life, like their mindset has been so polluted, that they're, their parents are poor, they're going to be poor. Their kids are going to be poor. There's no way to escape it, and they're just gonna be an eight to five and I say, can you start with 10% of your income, I don't know. 200 bucks a month. 300 bucks a month. 400 bucks a month. If you can start with there within 25 years. Today, you can retire on 100% of your income. That's all it took 10% 25 years. You're done. You have 100% income at that point. Time and you can go do your thing. You wait 30 years, it's double your income. That's all it took. So start right now Don't delay. And so probably 70% of my clients are just doing monthly. They're starting right now No, no amount of money or liquidity or any of that stuff. They're just, hey, I want to start retirement, I'm gonna go do it. Then I have 30% of my population that are lump sum guys who say, I know this is gonna hurt your ears. They liquidate all their real estate rentals, because they realize, Wow, you're telling me I don't have to have a renter. I don't need to change baseboards and evict people. And I can make two to three times more retirement income and 1520 years from now without all the work and all stumbling and that's pretty much how compound interest works. And so a lot of people are liquidating real estate. You know, the government just gave a big thumbs up you know, obviously I have my limitations what I'm allowed to say but a lot of people like well I have $100,000 accessible or a one k now with no penalty because of the stimulus package, they allow for you to withdraw up to $100,000. So that gives them availability of doing other things with their money that might be more efficient or might be more secure and compounding and leverageable. And, and so, and then a lot of people surprisingly, this blew my mind when I first got in the industry. A lot of people have a lot of money just saved in a bank account. 50 100 I know someone who had $300,000 saved in a bank account, and my I was just like, No, no, no,

no, we're fixing this right now. And I just had to educate them on why they they'd never really thought about inflation. They thought their money was they're protected and saved and they felt good. Little did they know they were they were becoming 3% poorer every single year. They allow their mind to be in there. So assets are everywhere inheritance, you know, all those things. And if you can get your money compounding, you're going to see ya it's the one flauta compound interest. It's slow out of the gate. It is only four So people who can truly embrace slow, steady secure wins this race, and it will win this race every single time. And so with a win, he had the $300,000 in his bank account, I had to educate him that he's losing 3% per year when you when you lose that 3% per year, that's that's 3% that's a huge number and it's every single year in itself and so the moment someone understand the always be compound, you got to be growing faster inflation or your end up, getting more poor, a light bulb clicks and they're just like, wow, that's the coolest I've ever heard. And so I go around and tell people it's like I get it real estate's exciting, stocks are exciting. Investing in cryptocurrency is exciting, but slow, steady and secure, will win the race every single time. 100% time on everything I've ever run all the models and we're talking thousands and thousands and thousands of simulations. If you run it out 510 1520 years in the beginning, investments will work. don't win In the end compounding will win. So what do you want more Phil goods now or actual something's gonna produce you confidence and security in the retirement you're actually looking for. I'm so confident me and my marketing team are we're coming up with this pitch on how to get on like a a Joe Rogan show or like a Elon or Oprah Winfrey or something like that, where I'm so confident compound interest, the eighth wonder of the world, the most powerful force of the universe, the greatest mathematical discovery of all time, is so powerful. I'm going to do a million dollar challenge to anyone who wants to take it a 20 years side by side, you go do whatever you want, you go invest however you want, you leverage however you want, you work as hard as you want. And I will just take money and compound interest and let it do its thing. And at the end of 20 years, million dollars on the table. And I want to tell that story to like all the hedge funds and all the real estate gurus and I get it that's still good. We want to make money. But the moment you make money, you want to take at least 50% sending your profits and putting the compound you take 50 you know, for all business owners and entrepreneurs and all those people always tell them, you want to end up rich, you want to end up secure, you want to end up free and confident all that stuff. Every single dollar you make inside your business 50% of it goes to compounding, secure compounding, and 50% goes back into expanding your business. If you take 100% and expand your business, you will end up broke. It's inevitable because even the s&p 500 the top 500 companies, there are less than 5% of them that are still in business today. From 1960 only 5% of them lasted 50 years. And so when you go and put all your money back into AI, that's what I did. I put all my money back into my granite business and put all you know you put all your money back into real estate and all your money back into your restaurant and you expand locations and then Corona hits the government shuts you down and you lose everything or the market evolves or technology g isn't good enough or you don't have any liquidity or whatever, there's a million reasons why less than 5% of businesses survive for a long period of time. It's because it's so hard to stay in business. Someone's always coming after you, someone's always trying to take your money. And so, but if you can take 50% of your profits and put into compounding and 50%, into regrow in your area and invest in your business, within 15 years, your compound account will be making more money than your whole business combined. It doesn't matter if your business went out of business in 10 to 15 years, you have a compound account that's producing as much major as your business was producing you up to that point, 15 years to get there. And a lot of people are instant gratification. They want the they want the wind right now. They always ask me curse, what's my rate of return? What's my rate of return? And I'm like, that's the wrong question. It should be what's my security and then what's my rate of return? Because if it doesn't have security, there's no point doing it. It will eventually crash on you.

Nichole Stohler
I like that you talked about the timeframe because I was going to ask if someone's listening who is not 25. Right? Who is, let's say, 55? What's the time horizon that you would be talking about? Does this still make sense? Because you've got a shorter time, because this is the first time that person's hearing about it. Right? So it's not necessarily that they're just waiting, or they've been doing something else. So do you think 15 years is, is the sweet spot compared to the other vehicles? Or what are your thoughts there?

Curtis Ray
So there's three ways to achieve financial freedom inside of compound interest, one, a lot of money in a short amount of time. So if you had a million dollars in assets, and it takes less than three years to have a six figure retirement for the rest of your life, so a lot of my in three to 10 years can produce an amazing result and that comes from, you know, large investment you know, retirement plans, a lot of equity and houses, things like that. You can get a lot of money compounding in three to 10 years, you're gonna have a six figure retirement income for the rest of your life securely. Or the second way is a medium sized amount of money for a medium amount of time. So that's someone who's making 150 grand a year, and they can save 30 to $50,000 a year for 10 to 20 years. So in 10 to 20 years, you're putting away two to $4,000 a month and just get it cranking in there, you can have a six figure retirement in 10 to 20 years if you could just put a decent amount of money for a decent amount of time. Then the third option is a little amount of money for a long amount of time. So you're making anywhere you know you're saving anywhere from $200 a month to $800 a month 20 $500 to $10,000 a year for 25 to 35 years, depending on you know if you're obviously if you're 1718 years old, you're just starting and you want put 200 bucks a month in 3035 years, we can get you there only on 200 bucks a month. And so those three options is it's for everyone. Obviously, you can't be 65 and then put in 200 bucks a month. We don't have enough time for that it doesn't work quite that way. But those three options, a lot of money, little time, medium money, medium time and little money a lot of time can produce a six figure retirement for anyone who wants it.

Nichole Stohler
All right, and I don't think we've talked about this but really quick, you have a new book out. It's called The Lost science of compound interest. Tell us a little bit about what's in that book, probably some of the concepts we've talked out here, but what else?

Curtis Ray

It's a it's a really, really detailed book on the science of compound interest. If you can take emotion out of the game of money, you can easily make way better decisions and you start understanding simple concepts why security is before growth, and then growth as before leverage and the leverage needs to go back into security. But I have 12 chapters in this book. I'm just gonna name them real quick. The science of compound interest what compound interest Actually is because it's not what you think it is. I call things like the stock market in real estate, the compound counterfeits because it's actually not compound interest. There's a, there's a mathematical equation for compound interest. And although h3 might be a clear liquid that looks like water, it's not water. I don't know what h2o is, but it's not water. Compound interest has a defined equation. And if you go outside of that, it becomes growth and loss rather than compound interest. And so I start off with the science of compound interest. Then I say, my second chapter is the name of my first book, I have a first book that was a, you know, sold 10s of thousands of copies. It's called everyone ends up poor and explains why 401 Ks and IRAs and then life insurance policies and all this stuff, they're limited. They are, they're outdated, they're really good. They're just there's good, better and best, which one do you want? So the second chapter, I kind of do a recap of my first book, making it not necessary to read my first book unless you want the story of how I got Here, then the yin and yang of investing, why security and growth have to live simultaneously. If you know what the definition of yin and yang is, it's two opposite forces that work together it's not in the middle, it is two opposite forces that that help each other. Then you have the wealth equation that is exponential growth y equals a one plus RT x it's a math equation that explains compound interest the five paths of conventional wisdom of financial freedom so I go through and I break down cash is king I break down pay off all your debt I break down whole life and why guarantees why they're good. I break down growth and I big breakdown leverage, but individually, they're flawed. They're they're not good enough to stand alone by themselves. But if you add all five of them together, now you bake the cake, it's really delicious. But by themselves, there may be no sugars good by itself. Flour can do some stuff, you know, you know the different eggs are Pretty good by themselves, but when you put them all together makes a cake and cake tastes way better, you know. And so it explains the five things. Then I explained how cash value life insurance inside of MPI works when we take the general fund, the general fund is a whole life product. But then we take the general fund go by the call option, and that's an indexed universal life. And then we leverage that and that's an MPI system. And an MPI system is all of them merged into one if it's good, I want it but the my favorite chapter is chapter eight, and it is called the pure compounder. Before we started this, we're talking a little bit about infinite banking and bank on yourself. The floor to infinite banking and bank on yourself Is it produces you a dividend and then you go spend the dividend Oh, I get a buy stuff with it and I get a pay off my debt and all that stuff. So what the pure compounder is, is the guy who makes interest on our girl that makes interest on everything they do for the rest of your life. Think if you could make money on every dollar you You spent for the rest of your life no matter what it is. And that is what MPI is the true system of MPI is you invest 100% of every dollar you make, it's going to be making around 7% interest, let's just say you make $50,000 a year, traditionally, you would invest $5,000, you know, 10% of your income, and then go spend 45,000, you made no money on $45,000 and you're making around 7% on $5,000, a pure compounder invest all 50,000 making 7% and then through leverage at 4% takes a line of credit at $45,000 and goes lives their life. Now you're making a 3% spread, even on your expenses, all internally managed, all with the zero percent floor guarantee, all internally creating a spread. See infinite banking and bank on yourself is so flawed because the only way you make a spread If you borrow money against it and go pay off a high interest credit card, I don't have any debt. I don't pay interest on credit cards, I don't owe my car loans are zero percent or 1%. max, like my mortgage is at 4%. So there's no way to use an infinite banking system that makes any sense at all inside of mathematics, because you have to manufacture the spread, you have to go pay off something higher than what your loan rate is, which is four or 5%. But inside of MPI, it's all internally done, where you're making seven, you're paying for on average, and now you're making 3% interest, even on everything you do for the rest of your life. And once you hit that status, which typically takes three to five years, you can't do it overnight, you have to become a traditional compounder and evolve into a pure compounder. When you hit that that's the pinnacle of all efficiency. You're making money and everything you do no matter what you do. And that's super cool that I go through and explain the 10 features of MPI MPI 10 features, all of them working together simultaneously to produce this result. Chapter 10 is pretty cool because then I take 18 different platforms, I do them side by side, what happened in the last 30 years or 20 years and do them side by side and what the results were in real data, not hypothetical, but what actually happened. And when you do that, you see that holy crap, MPI wins by three to 400% more retirement income than anything that exists right now. And then lastly, my close is everyone ends up rich, if you want to end up wealthy, secure and confident there's only one piece of your life that you're missing. And no one talks about it. It's called compound interest, secure compound interest, does all the heavy lifting for you. And if you can believe in it, because it's not easy to believe in because you have to wait 10 years and and our brains are are infatuated with what's my rate of return? What are my tax advantages? What is my you know? What are my expenses? That's the first thing. People always ask what are my expenses? They don't even ask how much it makes, therefore my expenses, why does it matter what your expenses are? It's your net result that matters. Would you rather spend zero dollars and make 100 or spend 1000 and make 100,000? You know, it's a pretty easy decision when you get there. And everyone ends up britches, my passion. That's my mission if you want, you know, Einstein called this the greatest discovery of all time, and no one buys into it because it's slow, steady and secure, slow, steady, secure, always wants to race, but we want fast and exciting and infatuating and all that other stuff. And then we cry, we get disappointed or frustrated. And then we get excited again, because guess what? We get to rebalance our portfolio we get to go buy depreciate houses, even though we just foreclosed on all our other houses. We could go buy lower cost houses now and start over. And it's like, oh, guys, there's a better way to this whole system.

Nichole Stohler
Wow. Okay. super interesting. Tell us how listeners can get in touch with you or learn more.

Curtis Ray
So I got a little funny story about that. So I write this book, the law, science of compound interest. And if you've ever written a book, it's very difficult to market a book, because you have to be able to say something, and then go find it really quickly. And so the last science of

compound interest isn't the easiest title. So I'm like, I need to find a website that's super easy for people to remember. And so I'm typing in on GoDaddy a million different options to try find something that's really easy and catchy and, and you'll just remember the first time I say it, and all of a sudden, and this is what's even funnier. I'm in church. Obviously, I shouldn't be doing this in church, but I call it divine intervention. I made sure it's I'm googling on GoDaddy and I'm like, I need the freakin coolest website that's just going to help people understand how powerful this forces and all of that dawned on me I'm like, compound interest calm. I googled or I go daddy calm compound interest.com and it was available. The number one most googled financial term in the world was available the domain was available two months ago. Think how crazy that is. Like you would think every supercomputer would tell you these algorithms on what's the best domain, the number one most googled thing in the world 400,000 individual Google's or you know, someone googling it per month, and no one owned the domain on it as I bought the domain, so my website is compound interest, calm. Just another validation that no one's ever tried to explain this to you. No one's ever tried to explain what Einstein was calling the you know, the eighth wonder of the world he who understands it earns it. It's never been mainstream. We talked about and cliche but it's truly as the most powerful force in the universe. So compound interest calm is my website, one of my two websites. Suncor financial comm is my business name su n, CO. Are financial.com and then I put most almost all my videos and content is on all social media platforms. I am Curtis Ray on Instagram, tick tock and twitter or Curtis Ray on Facebook, YouTube, and LinkedIn, my YouTube channel, you can subscribe to that. I have about 50 different videos on there very complex videos, breaking this all down. And then lastly, if you want to email me directly and you're ready and you really want to learn this and you're willing to dedicate a few hours to breaking down what compound interest actually is Curtis at Curtis ray.com pretty easy. My name at Curtis Ray, calm.

Nichole Stohler
Fantastic. lots of ways to get in touch with you. We'll put all of that in the show notes for people who are listening and thought oh my gosh, I didn't get all that although compound interest calm should be pretty easy to remember. And thank you so much for joining us today and sharing This concept with us.

Curtis Ray
And now Nichole, you're gonna have to call me because we got to look at your numbers and see how compound interest can benefit your life.

Nichole Stohler
Thanks for tuning in to The Richer Geek Podcast. For today's show notes including links and resources, visit us at therichergeek.com. Don't forget to head over to iTunes, Google Play stitcher or wherever you get your podcasts and hit the subscribe button. help us spread the word by sharing with others who could benefit from listening and leave a rating and review that'll help us get the podcast in front of more people. I appreciate you. Thanks so much for listening.

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