

Seven Steps to Financial Freedom

Philip Judge is a bullion and investment banker who is driven by his passion for education and teaching. Following his heart over the last one and a half decades, he has addressed audiences totaling tens of thousands of concerned individuals, most seeking answers to their financial plight.

Philip is a founding director of the Anglo Far-East Bullion Company, an internationally based gold, silver and investment banking company. He has been involved in international business for more than 30 years. He is the third generation of a family that has had substantial involvement in the commodities and precious metals markets.

Philip has extensive commodities experience having worked in, researched and written on the precious metals, commodities and energy markets for more than a decade. Philip has always been strongly focused on the resources and tangible assets, 'products of the earth' sectors. He serves as a trustee, investment strategy advisor and researcher with numerous qualified sophisticated investors, family and corporate trusts, and private venture capitalists worldwide.

He sits on the board of several investment and financial services companies, including the Anglo Far-East Bullion Company, Anglo Energy Company, and served on the Board of Directors of Pryme Oil and Gas, a public company traded on the Australian and US markets.

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Dedicated to those I have met along the way that have turned their backs on the crowd and bravely made the journey up the road to true financial freedom.

Just “Good Luck” or a Set of Specific Principles?

Why is it that so many people struggle to keep their heads above water financially, yet a few others appear to be blessed naturally with good

fortune and wealth? Is it just pure good luck, or could it be that this second group have discovered and applied a specific set of principles?

There have been volumes of books written and countless financial seminars conducted that promote fast, easy steps to riches. Is there a fast, easy way to riches or is true wealth built from the application of certain principles?

What you are about to discover in the following pages is unique. These seven simple principles when correctly applied will absolutely change your life.

Learning Lessons from Financial Elite

The ***Seven Steps to Financial Freedom*** have been developed from the 'secret' principles that make up the wealth model employed for centuries by the Financial Elite.

But who are the Financially Elite? They are a rare breed of financially empowered individuals. Comprised of less than 3% of the total population, they are not the average rich guy. Rather, they are a privileged minority with specific and rare traits. They are the silent ones who have perfected the art of not just creating large wealth but more importantly, preserving their wealth regardless of the prevailing economic or financial cycle.

By employing a set of simple yet often overlooked principles, their wealth has remained and grown, often staying within their families for multiple generations regardless of good times or bad including booms, busts, recessions, wars and holocausts.

The Three People Groups

To understand the power and strength of the ***Seven Steps to Financial Freedom*** employed by the Financial Elite we must first recognize the existence of three distinct groups of people.

Group One is by far the largest group and makes up 85% of the population. If you are not part of this group yourself, you will certainly know a lot of people in this category.

This first group we call the ***Financially Disempowered*** and can be recognized by the following characteristics.

They usually have little or no free time, have single incomes and low cash flow, are heavily in debt, have no real savings, are undiversified and they own the wrong types of assets. Finally, they have no financial goals and have altogether lost their financial dreams and aspirations.

Group Two is the middle group of a smaller number, attributing to 12% of the population. This second group we call the ***Something Missing*** group.

Unlike the first group, this group has some of the pieces required by the Financially Elite but are missing important others. They might have money or capital but lack sufficient time or the right ideas. Many might have great ideas or a brilliant business plan but lack the money, knowledge, skills or contacts. Many times, people in this group lack clear financial goals and dreams.

Finally **Group Three** is a small minority making up just 3% of the entire population. This final group we call the ***Financial Elite***. And can be recognized by these characteristics.

Importantly, they own and control their own time. They have the money, resources and capital to create further wealth. They have real savings and a tangible inheritance for their children's children. Most importantly, they always maintain financial goals, dreams and aspirations.

The following seven steps are not an all-inclusive list of secret principles employed by the generationally wealthy, but they are the seven foundational steps to financial freedom. By applying these seven steps, you will be on your way to a rare position enjoyed only by the financial elite.

Step 1: Reduce and Eliminate Debt

The reduction of debt is the first important step to financial freedom. Before we can move forward toward applying any of the other seven financial freedom steps, our commitment to reducing and eventually completely eliminating debt must be our first priority. Being debt free is the key to true freedom on all levels. Conversely, being indebted is the first step towards enslavement.

Many have believed and taught that there is 'good debt' that can be used to leverage a way to faster wealth, but the Generationally Wealthy disagree. It has been said, "The borrower is servant to the lender." When there is debt involved in any transaction or asset, the ultimate ownership and control of that asset is automatically transferred to the lending financial institution should something change or go wrong. The person who believes he is the owner of the asset has passed the ultimate reins of control to the lender.

Markets change rapidly and are unpredictable. They are affected by cycles that are larger than one man or woman's memory or lifetime, and markets are deeply interconnected. This is where any debt becomes dangerous. When changes in markets affect assets with debt, the people who have chosen to use debt to purchase those assets run the risk of losing them as well as all the perceived value and improvements they have accumulated within them.

One of the key principles strictly followed by the financially empowered is that they never use debt. They remain in full control of their assets rather than being controlled by lending institutions. They are the true owner of the assets rather than the quasi owner. Their fear of market change is greatly reduced as they are no longer vulnerable to change or loss.

Debt-free men and women are able to think more clearly and have less fear. They are more flexible and can adjust to greater change and even absorb more short-term loss without the loss of the actual assets.

Step 2: Commit to Real Savings

The financially empowered have mastered the discipline to save, the second key to financial freedom. They are committed to a savings strategy regardless of their economic surroundings. Many people view savings as a 'good times' only strategy. They often say they will start a savings program after their next pay rise or some other future event.

Typically, even when that future event does arrive, they fail to implement the savings program because they haven't yet mastered the discipline of saving. A savings discipline must come first, before future successes or rises in income, because in reality, saving is the core of real wealth creation.

Everyone and everything are affected by market cycles. These cycles affect everything, including income levels. Income levels rise and fall for the wealthy and poor alike, but the Generationally Wealthy always set their living costs lower than their current income levels. This way they are always living in surplus, allowing them to continually execute on their discipline to save.

With time, savings grow and become the underpinning of the foundation and stable base of the financially empowered. As the size of their savings grows, the savings are re-invested into cash-flow producing assets, and as those new assets grow and start to produce new income, the savings exponentially increase as well.

The financially free understand real, tangible assets and always ensure their savings are held in a real, tangible form such as gold and silver rather than a form that can be affected by changing market cycles.

Step 3: Develop Multiple Streams of Income

Most people rely on a single or principal source of income and often work very hard to maximize the income potential from that single stream. The person with a single source of income is extremely vulnerable to income disruption, whether it is a decline in the income amount or a complete loss of the income stream with no ready form of instant replacement.

The fear of loss of earning capacity or outright job loss is a huge detraction from productive thought and energy. For these reasons, the third key to financial freedom among the Generationally Wealthy is to develop numerous diversified streams of income.

The financially empowered continually seek to develop new streams of income. Ideally, these income streams may come from different sectors and types of assets. This is important as it will give diversification to the individual industry and sector. For example, while one sector might be in seasonal decline, another may be at a seasonal high.

Spreading income streams over multiple sectors stabilize the up and downs and ensure steady income regardless of prevailing conditions.

Step 4: Compounding Time and Labor

There are only so many hours in a week. All wealth is the direct result of labor, and without man's labor there can be no wealth in the first instance. However, when income is directly tied to the number of hours worked, there is only so much wealth that an individual can ultimately create.

Nobel Prize winner Albert Einstein, famous for developing his theories of relativity said, "The most powerful force in the universe is that of compounding."

The key to wealth freedom that has separated the financial elite from everyone else over all the centuries is learning and applying the art of compounding time and labor. Once the individual has learned a way to do that, he is immediately set apart from almost all others around him. This is the person who owns assets and/or markets that produce income free of the direct application of that person's time or labor, sometimes referred to as 'residual' or 'passive' income.

This individual is earning an income, regardless of if they are directing their labor into income-producing endeavors or spending time relaxing with their loved ones and friends.

These types of assets produce continual cash flow and can be as varied as industrial manufacturing assets, retail and services businesses and could include the building or recruiting of direct selling or commission paid sales teams.

Compounding time and labor provides the key to leveraging up the wealth creation machine. As residual income grows and flows in, the financially empowered person will save a portion of the income and with time use those savings to purchase or build further residual income-producing assets, the true power of compounding.

Step 5: Diversify Internationally

International diversification is the fifth key to financial freedom. It is also one of the most overlooked yet vitally important keys to the true wealth empowerment of the Generationally Wealthy.

Many times, people will apply several of the keys to financial freedom but forget the importance of international diversification. You will meet and see

people at times that may appear on the surface to be financially free, only to discover that they earn 100% of their income and own 100% of their assets within the country where they reside.

History tells the story of individuals and families working hard to create great wealth within their country, only to lose it all overnight as that country fell into war, plague, famine or recession.

Well-structured international diversification in terms of assets, businesses and income streams protect the wealthy individual and their family from changing economic and geo-political tides within nations and provides the Generationally Wealthy with international stability.

Internationally structured businesses provide the benefit of multiple markets and enable wealthy individuals to travel globally while their business contacts and associations open up local doors in nations that otherwise would not be opened to the average tourist.

International diversification means the wealthy individual or family always has access to a portion of their nest egg in foreign lands, should the desire or need arise.

Step 6: Cross from Consumption to Supply

We are all consumers today. The last two hundred years has seen large social shifts globally. At one time, almost all we needed for survival was produced in our immediate small community, but in our modern world, everyone's lives are heavily reliant on the consumption of key consumable commodities produced in faraway places by others.

For most people, the purchase of consumable items that are essential to the sustaining of their life, such as food and energy, takes up 100% of their disposable income.

The financially empowered, while they are also reliant on the consumption of essentials like everyone else, learned long ago that by crossing over to the supply side, they will profit as a producer of something that everyone is committed to purchasing and consuming.

The financially wealthy continually look for ways to be commercially involved in the production, manufacturing or distribution of those consumable things that are essential to our existence and way of life.

Step 7: Teach Others

It has been said that no man, woman or family is an island. Humans live in community and rely on others around them for their safety, survival and way of life. The seventh key to the financially empowered is to teach those around them the same keys and principles that they used to become wealthy.

There is an erroneous ideology prevalent among the poor minded which supposes that wealth cannot be shared with others, or that the methods to create and generate wealth should be hidden from others.

Wealth usually leaves an area through lack of social integrity and poor management, and the people within the community become impoverished. Before long that community has become a dangerous and unwelcome place to live. The financially empowered understand the final key to wealth is to teach and mentor others.

The earth is an abundant place. Wealth creates wealth. When people create wealth for themselves and then reach out to assist others around them to do the same, before long that whole community has become wealthy and prosperous, and through the law of attraction, that wealth and prosperity attracts yet further wealth and prosperity to it.

By caring for the wellbeing of others around them, they are in fact caring for the wellbeing of themselves and their loved ones. The wealthy and prosperous community is happy, peaceful and influential and becomes a shining light and example to the world around it. We must always be committed to assisting and teaching those around us and in our communities the principles and methods to generate wealth within their own lives.

SUMMARY

1) Reduce Debt

- 2) Commit to Savings
- 3) Multiple Streams of Income
- 4) Compound Time and Labor
- 5) Diversify Internationally
- 6) Consumption to Supply
- 7) Teach Others

These seven steps when correctly applied will put you on a rare path that few others walk. With the natural process of time, you will become part of the 3%; the financially empowered and your family will be on the way to becoming part of the Generationally Wealthy. By applying these principles, you will be relaxed when all others are in a panic.

You will know how to correctly read the events that are coming next. You will be the buyer when all others are sellers, and you will be the seller when all others are buyers. You will see the good news when others only see the bad, and you will feel caution when all others charge ahead.

You will be free from debt when all others are constrained by it. You will be thrifty when all others are spending like there is no tomorrow, and you will make untold riches when others are wiped out. Best wishes in wealth.

Philip Judge

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