

set #1: scenario 1



today

You start with \$10,000 cash. Coffee costs \$1. You decide to invest in an income-producing asset priced at \$10,000 instead of buying the coffee. The asset is projected to keep up with inflation. You decide not to obtain any loans (Loan = \$0). Complete the blank rectangles.

\$ 10,000	\$ 10,000	\$ 1	\$ 0
Your Starting Money	Income Producing Asset(s)	Price of Coffee (Doodad)	Loan

With your starting money, how many coffees could you have bought?

10,000

a few years later

Inflation has doubled. Coffee is now \$2. The asset kept up with inflation, and is now \$20,000. You sell the asset for \$20,000. Complete this worksheet and calculate how many coffees you can buy with the money you now have.

\$ 20,000	\$ 2	\$ 0
Income Producing Asset(s)	Price of Coffee (Doodad)	Loan

this	New price for all assets (a)	\$20,000	(a)
	Original price of all assets (b)	\$10,000	(b)
	Gain before taxes (c) = (a - b)	\$10,000	(c)
minus this	30% for taxes (d) = (c * 0.30)	\$3,000	(d)
	Gain after taxes (e) = (c - d)	\$7,000	(e)
minus this	Enter the loan amount (f)	\$0	(f)
	Money in your pocket (includes starting amount & profit) (g) = (a - d - f)	\$17,000	(g)
	What is the new price of coffee?	\$2	(h)
	How many coffees can you buy now with the money you have? (g/h)	8500	(j)
	Has your PURCHASING POWER gone UP or DOWN?	DOWN	

REVIEWING ANSWERS



EXPERIENCE THE SECRET FORMULA

set #1: scenario 2



today

You start with \$10,000 cash. Coffee costs \$1. You decide to invest in TWO income-producing assets priced at \$10,000 each instead of buying the coffee (write total \$20,000 below). The assets are projected to keep up with inflation. You decide to obtain a loan of \$10,000 in conjunction with your \$10,000. Complete the blank rectangles.

\$ 10,000	\$ 20,000	\$ 1	\$ 10,000
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Your Starting Money	Income Producing Asset(s)	Price of Coffee (Doodad)	Loan
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With your starting money, how many coffees could you have bought?

10,000

a few years later

Inflation has doubled. Coffee is now \$2. The \$10,000 asset kept up with inflation, and is now \$20,000. You have 2 of them. You sell them both for \$40,000 (write \$40,000 below). Complete this worksheet and calculate how many coffees you can buy with the money you now have.

\$ 40,000	\$ 2	\$ 10,000
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Income Producing Asset(s)	Price of Coffee (Doodad)	Loan
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→ this	New price for all assets (a)	\$40,000	(a)
	Original price of all assets (b)	\$20,000	(b)
	Gain before taxes (c) = (a - b)	\$20,000	(c)
→ minus this	30% for taxes (d) = (c * 0.30)	\$6,000	(d)
	Gain after taxes (e) = (c - d)	14,000	(e)
→ minus this	Enter the loan amount (f)	\$10,000	(f)
	Money in your pocket (includes starting amount & profit) (g) = (a - d - f)	\$24,000	(g)
	What is the new price of coffee?	\$2	(h)
	How many coffees can you buy now with the money you have? (g/h)	12,000	(j)
	Has your PURCHASING POWER gone UP or DOWN?	UP	

REVIEWING ANSWERS



EXPERIENCE THE SECRET FORMULA

set #1: scenario 3



today

You start with \$40,000 cash. Coffee costs \$1. You could buy 40,000 of them. You decide to invest in FOUR income-producing assets priced at \$10,000 each instead of buying the coffees (write total \$40,000 below). The assets are projected to keep up with inflation. You decide not to obtain a loan. Complete the blank rectangles.

\$ 40,000	\$ 40,000	\$ 1	\$ 0
Your Starting Money	Income Producing Asset(s)	Price of Coffee (Doodad)	Loan

With your starting money, how many coffees could you have bought?

40,000

a few years later

Inflation has doubled. Coffee is now \$2. The \$10,000 asset kept up with inflation, and is now \$20,000. You have 4 of them. You sell them all for \$80,000. Complete this worksheet and calculate how many coffees you can buy with the money you now have.

\$ 80,000	\$ 2	\$ 0
Income Producing Asset(s)	Price of Coffee (Doodad)	Loan

this	New price for all assets (a)	\$80,000	(a)
	Original price of all assets (b)	\$40,000	(b)
	Gain before taxes (c) = (a - b)	\$40,000	(c)
minus this	30% for taxes (d) = (c * 0.30)	\$12,000	(d)
	Gain after taxes (e) = (c - d)	\$28,000	(e)
minus this	Enter the loan amount (f)	\$0	(f)
	Money in your pocket (includes starting amount & profit) (g) = (a - d - f)	\$68,000	(g)
	What is the new price of coffee?	\$2	(h)
	How many coffees can you buy now with the money you have? (g/h)	34,000	(j)
	Has your PURCHASING POWER gone UP or DOWN?	DOWN	

REVIEWING ANSWERS



EXPERIENCE THE SECRET FORMULA

set #1: scenario 4



today

You start with \$10,000 cash. Coffee costs \$1. You decide to obtain a loan of \$10,000 and invest in TWO income-producing assets priced at \$10,000 each instead of buying the coffee (write total \$20,000 below). The asset is NOT projected to keep up with inflation. Complete the blank rectangles.

\$ 10,000	\$ 20,000	\$ 1	\$ 10,000
Your Starting Money	Income Producing Asset(s)	Price of Coffee (Doodad)	Loan

With your starting money, how many coffees could you have bought?

10,000

a few years later

Inflation has doubled. Coffee is now \$2. The \$10,000 asset did NOT keep up with inflation, and is now \$19,000 instead of \$20,000. You have 2 of them. You sell them both for \$38,000. Complete this worksheet and calculate how many coffees you can buy with the money you now have.

\$ 38,000	\$ 2	\$ 10,000
Income Producing Asset(s)	Price of Coffee (Doodad)	Loan

this	New price for all assets (a)	\$38,000	(a)
	Original price of all assets (b)	\$20,000	(b)
	Gain before taxes (c) = (a - b)	\$18,000	(c)
minus this	30% for taxes (d) = (c * 0.30)	\$5,400	(d)
	Gain after taxes (e) = (c - d)	\$12,600	(e)
minus this	Enter the loan amount (f)	\$10,000	(f)
	Money in your pocket (includes starting amount & profit) (g) = (a - d - f)	\$22,600	(g)
	What is the new price of coffee?	\$2	(h)
	How many coffees can you buy now with the money you have? (g/h)	11,300	(j)
	Has your PURCHASING POWER gone UP or DOWN?	UP	

REVIEWING ANSWERS



EXPERIENCE THE SECRET FORMULA

set #1: scenario 5



today

You start with \$10,000 cash. Coffee costs \$1. You decide to invest in an income-producing asset priced at \$10,000 instead of buying the coffee. You have no loans. The asset is projected to BEAT inflation. Complete the blank rectangles.

\$ 10,000	\$ 10,000	\$ 1	\$ 0
Your Starting Money	Income Producing Asset(s)	Price of Coffee (Doodad)	Loan

With your starting money, how many coffees could you have bought?

10,000

a few years later

Inflation has doubled. Coffee is now \$2. The \$10,000 asset BEAT inflation, and is now \$22,000 instead of \$20,000. You sell your one unit for \$22,000. You have no loan. Complete this worksheet and calculate how many coffees you can buy with the money you now have.

\$ 22,000	\$ 2	\$ 0
Income Producing Asset(s)	Price of Coffee (Doodad)	Loan

this	New price for all assets (a)	\$22,000	(a)
	Original price of all assets (b)	\$10,000	(b)
	Gain before taxes (c) = (a - b)	\$12,000	(c)
minus this	30% for taxes (d) = (c * 0.30)	\$3,600	(d)
	Gain after taxes (e) = (c - d)	\$8,400	(e)
minus this	Enter the loan amount (f)	\$0	(f)
	Money in your pocket (includes starting amount & profit) (g) = (a - d - f)	\$18,400	(g)
	What is the new price of coffee?	\$2	(h)
	How many coffees can you buy now with the money you have? (g/h)	9,200	(j)
	Has your PURCHASING POWER gone UP or DOWN?	DOWN	

REVIEWING ANSWERS



EXPERIENCE THE SECRET FORMULA