

# A Tale of Two Brothers

Our story begins with two brothers age 35, married with two children.  
**Both** are saving the **same** amount of **money**, earning the **same 8%**  
interest rate, for the **same** period of **time**.



**Brother "A"**  
Believes in "The Old Way"  
Save for retirement in qualified  
accounts, receive tax deduction  
and pay taxes later.

**\$ 6,520** contributions to 401(k) plus  
**\$ 1,050** employer match

**\$ 680** annual premium  
**\$ 600,000** 30-year term



**Brother "B"**  
Believes in "The New Way"  
Save for retirement in non-qualified  
accounts and receive tax-free  
income later.

**\$ 0** contributions to 401(k) plus  
**\$ 0** employer match

**\$ 7,200** annual premium  
**\$ 600,000** Life Savings Account (LSA)

## Who made the right decision?

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## Results After 30 Years



**Brother "A"**  
Believes in "The Old Way"  
Save for retirement in qualified accounts, receive tax deduction and pay taxes later.



**Brother "B"**  
Believes in "The New Way"  
Save for retirement in non-qualified accounts and receive tax-free income later.

**\$ 858,000** 401(k)

**\$ 0** term insurance.  
(\$12,000 annual premium to replace)

**\$ 65,000** cumulative tax savings

**\$ 858,000** total retirement savings

**\$ 709,000** cash value LSA

**\$ 864,000** LSA death benefit

**\$ 0** cumulative tax savings

**\$ 709,000** total retirement savings

**It's not how much you make.  
It's how much you keep!**

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## Results During Retirement



**Brother "A"**  
Believes in "The Old Way"  
Save for retirement in qualified accounts, receive tax deduction and pay taxes later.



**Brother "B"**  
Believes in "The New Way"  
Save for retirement in non-qualified accounts and receive tax-free income later.

**\$ 97,000** annual income

**\$129,340** withdrawal from 401(k)

**\$(32,335)** tax

In 9 years, at age 74,  
Brother "A" runs out of  
money!

**\$ 97,000** annual income

**\$ 97,000** TAX-FREE loans via LSA

**\$ 0** tax

If Brother "B" dies at age 100,  
he would have received  
**\$3,395,000** and left his family  
**\$3,036,000** both free of income  
tax!

**Which plan makes you feel more  
financially secure?**

Creating wealth for families in the 21st Century.

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OF MONEY™