WEALTH | FINANCES | LEADERSHIP | VISION | PROFESSIONAL DEVELOPMENT

Networth Marketing

There are two powerful advantages of Network Marketing that many of us believe are nearly exclusive benefits of building your own Network Marketing Empire.

by **Richard Brooke**

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"If ever there was a path available to anyone, from anywhere, in any current career, and any set of circumstances to gain their own financial freedom and independence … Network Marketing is it."– Richard Brooke

The powerful advantages of a Network Marketing lifestyle are many. Frequent and lavish recognition; travel for training and fun; a global address book with many contacts whom you consider to be friends; earning while you learn; tax advantages; being in business for yourself – but not by yourself; the franchise factor; mentoring and coaching relationships; personal development paths; etc. While these are all extraordinary advantages, there are two that many of us believe are nearly exclusive benefits of building your own Network Marketing Empire.

Building wealth through asset royalty income.

Earning $5,000 a month now, and $10,000 a month in net worth at the same time!

So first, what is **Asset Royalty Income?**

You and I can earn income in a number of different ways. Even without an advanced degree we can earn a large income – to the tune of $20,000

to $100,000 a month – through lots of different business or sales endeavors. However, there are few, if any, income opportunities that allow us to build a pure residual income – and the net worth that comes with it – primarily using our sweat equity.

For clarity sake, let's first define **Asset income:**

> **Asset income is income that you earn regardless of your everyday involvement in creating it. Consider it *passive income* or *royalty income*.**

You invest in, or build or invent or create something that has enough value and longevity that it earns you income virtually forever.

Real estate is an example of asset income. You invest your hard-earned cash in a property, whether all cash or financed. You earn the difference between the rent, minus your mortgage and other expenses. Your net cash flow is residual.

Another commonplace example is that of investing in equities. Over time you invest your hard earned cash in bonds, stocks or the like; the kind that pay dividends or interest. That income is residual; in that once you own the equities you continue to earn the income forever.

Both of these examples carry inherent risk. Stocks can vaporize. Specific real estate markets decline, or tenants systematically destroy the property.

> **However the VALUE, the WORTH, the WEALTH, the NET WORTH of the asset is something you can calculate.**

You can show it on your financial statement.

Stocks are easy to value in the moment by virtue of the markets. Real estate is the same. An easy calculation you can “take to the bank” in real estate is 10 to 20 times the annual net income. So, if a rental home earns you $15,000 a year it is worth $150,000 to $300,000. (However, when it comes to rent there is a threshold over which you earn diminishing returns. For example, a $500,000 home will usually not earn twice the rental income as a $250,000 home.)

A million dollars in equities might earn you $100,000 a year over the long haul, given a great deal of diversification. The point is that assets have value that can be calculated based on the income.

And the income is the value.

Pure Asset Income - A pure asset income in Network Marketing has similar value. Although you may not be able to sell it for that value in cash, it holds that value nonetheless because *the value is in the income*.

One reason an investor would purchase your rental house is for the income. When you sell your bonds, the buyer is partly buying them for the income. It is the income that an asset produces that sets its value. Appreciation is also certainly a factor.

For clarity, the definition of **pure residual** – or what I like to call **royalty residual income** – is Network Marketing income you earn with the following conditions:

> **1. You do not have to do any work to earn it.** You may spend a tiny portion of it on products and/or fees in order to earn it. You may have to show up to an occasional meeting or conference call, but you do not have to do any more work.
>
> **2. You can count on your income staying stable (at least) indefinitely.** This means you cannot see any circumstances other than acts of God, terrorism or blindsiding economic forces that would wreak havoc on your Network Marketing business. You, by the way, are NOT the best judge of this, as you are obviously biased and a true believer in the inevitability of your product to change the world. The Network Marketing wrecking yard is chock-full of companies that were equally as optimistic, yet perhaps not committed or competent enough to pull it off. ***The track record*** for handling diversities, as well as successes, is the only valid

means of determining whether the opportunity can persevere for the long haul.

Network Marketing empire building – done right, in the right company – allows you to build a lifetime, steady flow of pure asset income, regardless of your personal involvement.

And that asset is worth 10 to 20 times the annual income you receive from it. Want to become a millionaire? Just get busy in the right company for a year or two, and you can add ***SMM*** (Self-Made Millionaire) to your resume and business cards.

A Network Marketing pure Asset Income of $5,000 a month can be worth a lot more than $1,000,000.

In addition to the **value** of your asset income – which will take some years to establish, especially at the higher levels – your income along the way can also provide substantial wealth-building value. An extra $5,000 a month, even if it is earned income for now, can put you on the path to significant *net worth*.

Imagine a property or set of properties that are worth $1,000,000. Perhaps it is one commercial building or four rental homes. Real estate investing is an extraordinary way to build wealth due to the **leverage** you can get through financing. If a million dollar property or properties appreciate at a rate of 10 percent each year and you can tie it up (OWN IT), your earnings are an extra $100,000 a year plus 10 percent compounded (i.e., $110,000 the second year; $120,000 the third; and so on.)

Let's say you cannot afford to cover any negative cash flow created by rent collected that is less than your mortgage payment. Or perhaps you do not qualify for a loan due to your income. The $5,000 a month from

your Network Marketing income opportunity allows you to execute on the property and start earning an extra ***$100,000 a year plus!***

Your Financial Future - Between the asset value of your asset income and the growing assets of your real estate portfolio, you can make yourself a multimillionaire in four to five years. For most of us, such wealth may have always seemed like a dream-come-true luxury. Our parents didn't need that kind of wealth to do well in life. Why might we? There is no "might" about it for the majority of us. Our parents grew old in the days of pensions, corporate benefits and semi-affordable healthcare. We will not be growing old with these props in place. It is a commonly accepted practice today for corporations to take drastic measures to offload their pension and healthcare liabilities. The price of healthcare is already out of control, and will certainly gain even more momentum. You and I will need at least several million in secure assets to live out our golden years with some gold.

If ever there was a path available to anyone, from anywhere, in any current career, and any set of circumstances to gain their own freedom and independence … Network Marketing is it.

Check out my latest book, *The Four Year Career*, that shows how an Asset Income can be worth millions in ***Asset Value***.

– Richard B. Brooke
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Richard Brooke made his first million before the age of 30, advancing to the top sales-leader position in a $60 million Network Marketing organization made up of more than 200,000 sales people. At age 31, he became the Executive Vice President of that company.

Through Richard's coaching, writings and seminars thousands of leaders have discovered new distinctions in listening, leadership, courage, relationships, team spirit and big-time fun. He is the author of *Mailbox Money, Mach II Starring You* and co-author of *The New Entrepreneurs: Business Visionaries for the 21st Century*.

Richard continues to play full out from his home on the lake in the resort community of Coeur d' Alene, Idaho, and a horse ranch in the California foothills. He enjoys Harleys, golf, water sports, scuba-diving, skiing, snowmobiling, helicopter flying, a good game of poker and a real Cuban cigar.

Visit Richard's website and subscribe to his FREE! Monthly Newsletter here: http://RichardBrooke.com