

## The Insider's Buckets

**M**ake no mistake—this is not a manual on how to steal real estate with no money down. I have thought out and proven every aspect of this book during my years of experience as an agent/investor and through hundreds of interviews with agents who enjoy living off their investments. Their stories are always the same: They ran an outstanding real estate business that produced huge amounts of net income. At the same time, they invested in the asset that they know best—real estate. In the later years, they have left energy-zapping tasks of real estate sales to younger and more active agents and have been able to pick and choose the aspects of the business that they enjoy the most. Soon, their real estate rental income will replace commission income, and some of these agents will open management companies that have evolved from the management of their own properties. Some will become speakers. All of them can retire as financially independent real estate agents/brokers with positive cash flow.

As you read this book, you will learn how to make many decisions: Where will your seed money come from? Will you invest for appreciation or cash flow? Will you be a speculator or a business owner? Your answers will show you exactly where you need to invest and when you need to invest. *Where* has a lot to do with risk aversion, and *when* will be compounded by where you are today in terms of the market, your available funds for down payments, and whether you have already filled what I call *bucket one* necessities of life.

Bucket one investments include your business insurance, tax-deferred retirement accounts such as Simplified Employment Pensions (SEPs), Individual Retirement Accounts (IRAs), Keoghs, Roths, savings accounts, improvements to your business that ensure future cash flow growth, and the holding of nonsecured debt to absolute minimums. You should accomplish the real estate investments discussed in this book *after* you have started and partially funded bucket one investments.

Real estate is a *bucket two* investment, and because you are a real estate professional, it is where your insider insights are most likely to lead you. It only makes sense that as a wholesale purveyor of the world's greatest investment product, you should choose investments where you have the greatest knowledge and the best chance of success.

*Bucket three* items might include a second home, appreciating collectibles, or the setting up of an annuity for foundations, charities, or your family. It is important to know where you are in life. Bucket one, which represents your financial foundation, needs to be adequate and safe before you invest in real estate. You should pay off all nonsecured high interest rate debt, have six months' earnings in the bank, and have insurance in place (life, medical, and disability). Your source of income must be secure and growing, and all tax-leveraged investments should be maxed out before you consider investing in real estate. To provide this foundation, establish your real estate business before you move to the riskier buckets.

This book is all about finding unprecedented success by using the advantage of your insider abilities to garner a substantial real estate portfolio. I describe the systems and strategies that I developed to gain the majority of market share in my region and have included the advice that I have found most useful when coaching real estate agents.

The system I describe in this book is about investing within the business plan of your real estate career and determining whether you are ready to blend the two.

Although this is not a book about real estate speculation, you can use speculation if appropriate. The real estate professional has many advantages over the average investor, and this book highlights and incorporates them. Your real estate brokerage business, real estate investing business, and most important, your net worth are about to change . . . for the positive!

