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Chapter Nine:

Prosperity Principle #10:

Risk It All And Liquidate Your Assets Rather Than Borrow

This is the sixth step in breaking the Rich/Poor barrier.

Here is what Jesus said about risk taking in the face of a great opportunity: [Mt 13:45-46](#) "[Again](#), the [kingdom of heaven is like](#) unto a [merchant man, seeking goodly pearls](#): [Who](#), when he had [found one pearl](#) of great [price](#), [went](#) and [sold all that he had, and bought it](#)." One single pearl, yes, but it was a "pearl of great price", worth everything this merchant owned. **Like the "Treasure Hid in the Field", in which the owner was not notified of the riches under his feet, Jesus once again challenges us to give up everything for a great opportunity.** It is relatively easy to go out and buy a pearl of great price if that pearl represents only one ten thousandth of one's assets. But in the case of this merchant, a sacrifice was required, all that he owned. Obviously this merchant was either poor or at least not very rich, because he had to sell everything in order to purchase this single pearl.

Personally, I prefer the Parable of the Treasure Hid in a Field as an example of risk taking. In that parable the person who found the treasure and went and sold all he had actually purchased two valuable assets, the treasure and the land. I think land is always a less risky investment, not only because real estate has historically increased in value, but also because one can usually work the land and keep one's family alive, even if the value of the land decreases temporarily.

Now I know that spiritually Mt 13:45-46 indicates the great worth of the kingdom of heaven, that getting into that kingdom requires a willingness to let go of one's possessions, to sacrifice one's attachment to one's worldly goods. The metaphor is simple and I'd paraphrase it like this: "The Kingdom of Heaven, which cannot be seen or bought, is like a merchant seeking after the largest, most valuable pearl in existence; after a long and arduous search the merchant finally finds what he is looking for. However, the owner has no fixed price, requiring instead that any potential purchaser must do what most of us would never do, sell everything they own. That is the purchase price". Now in the real world I dare say that thousands upon

thousands of pearl connoisseurs, when confronted with that same purchase offer, would say, "You must be crazy"! But isn't this the ultimate test of how much we want something?

Let's look at that passage in Matthew, in the context of its real world application. The question this parable inherently presents is: **How much do you want to be financially successful and independent?** Many of us can recall stories about immigrant couples that made it big. The common denominator was almost always hard work, the whole family working the business, with an obvious ability to risk their meager savings. The main purpose behind all their hard work was simple, to assure their offspring a better life than they had. **After watching and listening to thousands of true success stories I find this one common thread: the people who succeed are the one's willing to sacrifice, the one's who persevere past the point where most people give up, past that mental wall we identify as "impossible".**

It's worth noting that in this parable and the one about the Treasure Hid in the Field, Jesus didn't say, "Go out and borrow what you need, just so long as the interest rate is low". Both the merchant and the farmer, we are told, went and sold all they had in order to make their purchase. I believe Jesus told it this way because he understood, as few of us do, that borrowing eventually leads to financial enslavement. The problem today is that they've made this system of slavery to debt look normal and good. It enables you to buy things immediately, things you would have otherwise had to wait to own. But sooner or later the laws of the universe catch up to the borrower, taking away the little they have, plunging them and their family into turmoil.

Remember the proverb: "The borrower is slave to the lender" (Proverbs 22:7). Jesus was all about freedom from slavery, freedom from slavery to idol worship, freedom from slavery to man's religious systems and freedom from slavery to the world. Thus, **Jesus tells us to look to our meager resources, no matter how small, so we do not have to borrow and enslave ourselves to a lender.** Very smart!! It's painful to say, but I have to admit I wasn't so smart in the past because I chose debt rather than freedom from debt, believing I could chose temporary debt for long term freedom. Sound familiar? Folks, let's be brutally honest here: **If you really want to be free, DO NOT TAKE ON ANY MORE DEBT. And create a budget that allows you to get out of your present debt ASAP!!**

Not borrowing in order to make an investment, whether it is land, jewelry or a business startup, is a key principle I failed to understand when I started my own businesses. I should have sold everything I could and used that money as my starting capital because **when we borrow to start our business, we**

dramatically increase the possibility of failure. Back in the late 1980's, when the bottom of the computer market dropped out of sight and caused a proportional drop in my business revenues, I couldn't cover my debts. As this situation continued month after month my debts finally increased to the point where I would have had to work for the rest of my life just to pay those debts. I listened to my lawyer and reluctantly declared bankruptcy. Looking back, I believe that if I had refused to borrow in the first place, either selling or saving enough money before I launched my business, my business could have weathered those tough times.

Here is how I view business startups and other investments: If you can't do it with non-loan seed money you pull together on your own, wait. Maybe you have relatives who would offer to invest, no strings attached. One could also raise money by forming a corporation and issuing stock. Many businesses have been started like this, some even going door to door to raise the capital they needed (and your relatives should be your first stop... no one said it would be easy!). If your business plan is big enough to generate interest by Venture Capitalists (VC's), this would be another route to take. They get stock in your company in exchange for their substantial investment. With the door-to-door approach you only give up common stock, not preferred stock, which is what the VC will want. This gives them voting power and you can rest assured they'll want a minimum of 51%.

The benefit of forming a corporation and issuing stock is that you can attract investment capital and finance your business without going into debt and still maintain total control of your company. Also, keep in mind that VC's will want to see that you've already made a substantial investment of your own time and money, to prove you believe in your own business (money plus sweat equity, not just sweat equity). This is like the proverbial "Which comes first, the chicken or the egg" and if you happen to be poor and cash strapped to begin with it will be nigh onto impossible to attract VC capital. Of course, one could just do it entirely with their own money. This might mean doing a smaller startup but it is often better to start small with less capital and slowly build up one's business.

There are always choices. If the startup business idea you are considering requires more capital then you can get your hands on, you can either wait or you can change course and start a different business, one that's less capital intensive. If it makes more sense to start a different business first, you could always return to your original idea later, after your alternative business is making money.

The truth is, most people never do more than talk about starting a home-based business. They don't want to put themselves in a position where they might be forced to "Sell all that they have", in order to finance a startup or

keep their present business going. In the case of an existing business, it's taken them a long time to get to where they are, so from a purely logical standpoint it's understandable.

However, where you are at financially right now should be weighed against your future goals. If you are poor and have few assets, **you should look long and hard at that natural Rich/Poor Barrier I've described and ask your self, "Do I want to break free; do I want to pass onto my family a better future, one with more opportunities than I was given"? If the answer is "Yes", then you owe it to your self and to your family to take a calculated risk. There is no way to avoid risk taking if you want to break free from that natural Rich/Poor Barrier.** You've heard it said in a different way I'm sure... "Nothing ventured, nothing gained".

Just remember, this is not risk for risk's sake! This is a calculated risk. You don't just risk your life savings, your home and everything you have for ANY opportunity that comes along. You need to know that the idea, the opportunity, is a sound business idea, one that is backed by the right market conditions.

It is my heart felt desire that every reader will use my "Twelve Principles of Prosperity" to become financially successful. But more importantly, I want each reader to discover the power of "Total Life Success"™, (more on Total Life Success in Chapter 11). You should know, I mean really KNOW in your heart of hearts, that the opportunity you pursue is God's will for you, not just a good idea. Of course, this last point implies that you have established a relationship with God and are seeking God's will for your life. It also implies you are able to hear that "still small voice" deep inside that is gently speaking to your heart, telling you 'THIS IS IT'! You must ask yourself, "Do I take time from my busy day to just be with God, so that I might learn what he wants for me and my family"? If you don't, and you believe you should, choose to change your life by starting tomorrow. It's really that simple.

However, such "real world" discernment does not come without the pain of losses and failure. **Sooner or later all of us fail. How else can we learn to discern evil from good and choose what is best, no merely what is good? Contrary to popular opinion, which says that failure is a sign of weakness, I see failure as just another stepping stone on the road to success. It is a vital part of life, showing us what doesn't work and why. In short, we get better through understanding our failures and learning from them!**

Risk taking comes in many forms. Just getting into your car and going to work everyday is a calculated risk. The potential for an accident goes up dramatically when you drive in rush hour traffic. And when you get into

someone else's car, with them driving, you are putting your life in their hands.

There is some element of risk in every type of work, especially those employed in the construction trades, working as fisherman or using heavy equipment. But because people need the money or like the work they take on the risk.

Starting up a home-based business is actually far less of a risk when weighed against those everyday kinds of activities, even less of a risk than driving to and from work daily, in rush hour traffic! But because most of us are in debt up to our eyeballs we tend to think of the economic investment required for a business startup as being a far greater risk than it really is. And no one says you have to quit your day job. Most home-based businesses are flexible during startup, allowing you to keep your regular job while working part-time as an entrepreneur in your new business venture.

Relationships are a risk too. I've known people who had a solid ongoing relationship for years prior to marrying, only to divorce not long afterward. And I've known of people who got married two months after meeting and yet stayed together for life. Former President Lyndon Baines Johnson married his "Lady Bird" after having met only two months previous and they stayed in love as a married couple for the rest of their lives.

I think I am safe in saying that those who fail in their attempts to find a lasting, truly loving relationship, but who continue to search and believe, are special people indeed. Most people who have suffered broken relationships allow their fear of making the same mistakes to rob them of the faith and trust so necessary to a successful long term commitment. They encase their emotional and spiritual self with a hard shell of "protection". Such people usually continue to "date", but they avoid commitment, have stopped taking risks in the area of relationships.

There is no escaping this fact. You must be willing to take risks. If you marry, if you start a business, or if you seek a God inspired vision, you'll be taking risks. When one looks at the lives of the rich and famous, one often sees a long, LONG string of failures that led to their final success. Abraham Lincoln failed over and over in politics before he became President. Milton Hershey of Hershey chocolates fame had a long string of unsuccessful candy business attempts. Then he saw this new German chocolate processing machine at an exposition and decided chocolate was the future. So he tried once more, even though he had tapped out all his relatives and friends and no bank would lend him the money. He finally pleaded with a relative who had already lost money on his ideas and she relented, giving him the loan he needed to purchase that equipment. This time he was wildly successful and

as they say, "the rest is history". "If at first you don't succeed, try, try again" is indeed a tried and true statement.

I'll give you one more example, but this time it is a poor couple. I recently read of a Vietnamese couple that made millions several times over and lost it each time there was a regime change in their country. When they lost everything in Vietnam, they moved to Cambodia. Eventually the communists took over that country and they lost it all again. So they came to America with nothing. However, they understood the power of persistent hard work and the leveraging power of networking with others, especially family. So they looked up a cousin who let them stay in an empty room behind his bakery in a busy mall. For two years they sold his bakery goods door to door and to other shops. Eventually they talked their cousin into agreeing to sell his bakery business. He agreed, but only if they could come up with a down payment of \$30,000.

Over a two year period this Vietnamese couple saved almost every penny they earned. They put it into an investment fund and that money was never touched. Being dirt poor, the only way they could save was to choose to do without all the "luxuries" we Americans take for granted and consider "necessities"... like an apartment with it's own bathroom, a car and Cable TV. They slept in their cousin's business, on a sawdust mattress in the back room of his bakery for two years. They took sponge baths in the mall's bathroom. They didn't go out or do much of anything until they had met their goal. At the end of two years they had the down payment.

However, the final purchase price for the bakery was \$90,000. Now that they had met the down payment they were able to sign a purchase agreement and could keep the profits of the bakery. They could now afford to rent an apartment or buy a house or get a car, since they could have used the assets of their business to collateralize a loan. Instead they made a crucial decision. They decided to keep sleeping on that mattress and taking sponge baths for one more year. They also decided to forgo buying a car, even though everyone I know, including myself, would consider a car a necessity! By such self-sacrifices they were able to buy the bakery with cash, by the end of the third year. Today they are millionaires again and they live comfortably. This begs the question, how much are we willing to endure to change our "fate", so we can live the life of abundance we desire?

The Vietnamese couple didn't take freedom for granted. They knew what it was like to start at the bottom of the economic ladder. They understood the principle of leveraging through networking and choosing the good soil of a lucrative location in the middle of a large city where there is lots of crime but plenty of customers. They had the kind of faith to believe their prayers could work supernatural miracles in this natural world and they hid

within their minds the leaven of a right attitude, persevering regardless of great obstacles, being thankful and not complaining in spite of great hardships. And finally, they saved up their pennies and re-invested them in the business, until that money was multiplied many times over... which brings me to the Seventh and final step in breaking the Rich/Poor barrier, "Multiply What You Have".