How to Buy a New Car Every Three Years!

*A Very Simple Way to Build Wealth for Your Family...*

As I peer out my office window and look at the rolling hills of the mountain side, I reflect on my sincere desire for everyone within my reach of influence to experience the best that life has to offer.

One way I can help you achieve that is by sharing what I know.

In this report I will share with you just one of the principles that my mentor shared with me. This simple, yet powerful principle has impacted my life more than I could ever imagine.

It's a principle my family is already living by. The point is, I know the principle works, but only if you work it!

Don't let the title "Wealth Secrets of the Masters" mislead you. There are really no secrets to wealth. It's mostly all common-sense principles.

The steps to create wealth are really very simple and easy to follow. The downside is that it's just as easy not to follow them.

I've met very few people in life who didn't want to succeed financially. The problem is most of us don't know how.

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Wealth Secrets of the Masters

Special Report

That's why I'm taking the time to pass along the same seeds of wisdom that were planted into my life many years ago. Now I'm planting seeds into your life in hopes that they take root.

The only criterion is that you must have an open mind and be willing to take action.

Wealth building ideas are just that, ideas. Unless you take action and implement the steps, they will be of no use to you.

Are you ready? Let's begin...

My Viewpoint

I teach financial literacy classes for a local agency here in town and showing people how to buy a new car every three years is absolutely one of my favorite examples to share with people. Sadly though, few have implemented it. The ones who have taken action and implemented this plan are reaping huge financial rewards.

I see them around town from time to time and the smiles on their faces say it all. They are buying a brand-new car every 2-3 years and secretly accumulating wealth at the same time. The most amazing part is that they are doing exactly the same thing everyone else is doing, making a car payment.

They are just doing it in a different way.

This method was shared with a young woman who was stressed about finding money to pay for her daughter's college. Using this simple method, she was able to accumulate enough money to pay for her daughter's college and she didn't even have to get a second job (which was her initial plan).

One reason I know this plan can work for anyone is because most people in North America have accepted that they will have a car payment for the rest of their lives.

Their mind is already programmed to make the process work.

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It's also a common assumption that we will always have to finance our lifestyles. Even commercial advertisements ostracize you for paying cash for things.

Whenever I go to the mall, I always wonder how many cars in the parking lot are being financed. I think about all the people who hate writing checks to the bank each month. They live their lives as if making a car payment is just a necessary evil of life.

They live each day just waiting for the day when their car will finally be paid off. But does the average American ever get to that day? No, they don't!

When I was younger, I was asked as to why I was working so much overtime. I explained that I was trying to pay off my car early. This family friend then told me that debt is normal and that we will be in debt until the day we die; so why worry about getting out of debt.

I thought about it for a second, and then thought about how tired I was from working overtime, and I said "You're right"! I went on about my life not realizing how that one comment would drive my decision making long after the conversation took place.

I had forgotten about the comment until years later when I met a millionaire who challenged not only my belief systems, but also the way I lived.

The Three-Year Plan

Years ago, I was on a personal finance conference call and the presenter was sharing with us some insight into how millionaires think and how they spend their money.

He shared with us his simple method of how he buys his cars. He buys a slightly used car (1-2 yrs old) every 2-3 years, and he pays cash.

He asked if someone would be comfortable sharing what kind of car they drove. I spoke up and proudly said a brand-new Honda Accord. I didn't realize I had just volunteered myself for his next round of questions.

Millionaire: Did you get a loan?

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ME: Yes.

Millionaire: Why?
Me: I don't know, I guess because that's what everyone else does.

Millionaire: Not me, I just told you I pay cash.
Me: Well yeah of course, you're rich; I don't have money like you.

Millionaire: Yes, but why did you finance the car?
Me: I don't know any other way to buy a car. Besides, I'll be in debt until the day I die so I didn't think twice about it. (Sound familiar?)

Millionaire: If I showed you how to buy cars like I do on your current income would you be open to learning.
Me: Sure

Little did I know, but my life was about to be changed forever. I was about to learn a simple path to becoming a millionaire...

Millionaire: The average car is financed over a 6-year time period. Sell your brand-new car, since you just bought it, and buy a used car that you can pay cash for. Make sure you buy a car that will run at least 3 years.

Now you've just freed up $400 of your income.

Remember class, all of you have agreed that you will most likely be paying a car payment for the rest of your life. So, you are already used to shelling out that money as if it was a common bill like the water bill.

All I ask is that you invest three short years of your life in order to set your family up for life. Now here is what I want you to do with the $400.

Years 1-3: Save $400 a month for 3 years = $14,400. Buy a car for cash. This could buy a slightly used Honda Civic or whatever car you want. Forget about getting anything for your trade in.

Years 4-6: Save $400 for 3 years = $14,400. Take your Civic and trade it in. It's only been three years so let's estimate you get about $9,000 for your trade in. $9,000 + $14,400 = $23,400.

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Do you think you could purchase a decent car for $23,400? Think about this, in 6 years you’ve bought two cars in the same amount of time it would have taken you to finance one car.

**Years 7-9:** (repeat yet again) Save for 3 years = $14,400. Add roughly $18,000 for your trade in, and you now have $32,400. How about you buy a $20,000 car and finance a portion of your kid’s college fund with the remaining $12,400 left over.

Or you could invest the money. Who cares what you do with the money, you are now able to buy a brand-new car every three years without ever having to go to a bank ever again!

And if you’ve followed the examples you notice the numbers get bigger and bigger each time you repeat the plan.

**From this point you just repeat the plan over and over again.**

**Millionaire:** Even if you decided in the beginning to not sell your car, you can still follow this plan once you pay off your car. It will just take a lot longer to get started, and you would have missed out on buying two cars with cash; any questions?

**Me:** Yes, what if the car I buy breaks down?

**Millionaire:** Let’s see, you were spending $4,800 a year on car payments ($400 *12). Let’s imagine your car broke down and it cost you $300 to fix it.

**Your car would have to break down 16 times in one year ($4800/300) just to equal what you were paying in car payments!**

His answer made me feel like an idiot, but I did what most credit driven people do when they are showed that there is a SMARTER way to spend money. I justified my actions!

I argued that the math was wrong, or that the plan wasn't practical even though it's quite elementary and anyone can do it.

I wish I could tell you that after I was shown this plan I saw the light and sold my car, but I didn't. Again, I was like most Americans...ADDICTED to credit. I kept justifying my bad habits just so I could continue living the way I was.

As time moved on it became harder and harder to justify my bad habits. Especially when you have millionaires constantly showing you a better way.
It took me about 3-4 years to work out all my bad financial habits.

When I finally decided to implement the plan to buy my cars with cash, I had no idea how free it would make me feel. The burden of making car payments to the bank was replaced with the joy of paying myself.

I had heard people talk about this type of joy before, but I had no idea how good it would feel. I wish everyone could feel the joy and peace of mind my wife and I experience.

If they could, I honestly don't believe they would choose to continue down the car debt highway.

Seriously, I have never met anyone who enjoyed making car payments to the bank. But I have met people who love buying cars for cash.

**Final Thoughts**

The plan is simple and nearly anyone can follow it. Tweak and change the numbers to fit your own unique situation.

I’ve also seen different variations of this plan online, such as buying a car the first year after you have saved the first $4,800 and then trade up each year. I personally don’t like this plan because I don’t have the patience to shop for cars each year.

I will share with you what one of my mentors shared with me, *"Do what works for you!"* The three-year plan works for me because it helps me develop the discipline and patience I need in my life.

Ultimately, find a way to buy cars that fits your personality, even if it means you finance the purchase. I personally am against debt, but I have seen that when a person's heart is not 100% behind a course of action (like living debt free), they will eventually fail.

I don't want to see anyone fail and I certainly don't want to see anyone dismiss a great idea such as buying cars with cash.
I would caution against financing the purchase of a car for several reasons. Most people could care less about the depreciation rate of a car so I will talk about the obvious.

When you finance a car you are giving your, or your families, wealth to the bank.

A $20,000 car financed for six years at 9% interest means roughly $6,000 ($5,956) in total interest that the bank will collect. The $6,000 doesn't at first seem like much and paying it over time eases the shock of what's actually going on.

However, it's still money that your family could have used. Even if you sold your car at the third year, you would have already paid the bank $4,300 in interest.

Let's see, that much cash could have funded your options trading account, paid for a vacation, house repairs, helped to fund a kid's college, clothes; the list is endless.

**No wonder people always feel broke. It's because the bank and credit card companies have all YOUR money.**

If buying a car for cash is not something you want to do or is impractical for your situation, then that is ok. However, here is what I missed when I first learned of this plan.

**The guy who showed me this plan was trying to show me how to stay out of debt. How to build wealth for my family instead of giving it all to the bank.**

I watched several other people implement this plan before I did. After awhile *I STOPPED MAKING EXCUSES* and took a hard look at my life.

I asked myself, "*Why am I willing to watch everyone else live their dreams and become wealthy before my eyes and yet I'm still financing my car?*"

What did I really have to give up in order to following this plan?

- I had to give up my pride.
- I had to stop worrying about what other people thought about me.
- I had to ignore the constant questions like, "*Why don't you buy a new car? I know you can afford it.*"
- I had to give up the false appearance that I had made it financially.
- I had to give up financing the lifestyle of the rich and famous.
And suddenly, I had lot less dates with women. Some thought I was broke and others were just too embarrassed to be seen in a 1989 Honda Accord.

Luckily, I found an awesome soul who didn't care about my possessions. She got close enough to me to learn what I was trying to achieve.

Now she is my wife and soon to be a millionaire.

All of the things that I needed to give up weren't things that would benefit my life anyway.

They weren't things that would serve me, my family, or bring any significant value to my life. Ultimately, they were things that I felt were worth giving up.

"In order to have the things tomorrow that others won't have, you've got to do the things today that others won't do." — Les Brown

It was either finance a car and make the bank rich or create wealth for my family; I choose family.

Listening to this guy and buying cars for cash made me think about the words spoken in the Bible (Proverbs 22:7).

It's pretty clear when it says, "The rich rule over the poor, and the borrower is servant to the lender."

I used to ignore that scripture because I "thought" I wasn't poor. I missed the part about being a servant to the lender.

Have you ever paid off a car or a debt that has been around for awhile? How did you feel? Did you feel free? Did you feel like a big burden had been lifted off of your shoulders?

I know I did.

I hope you join us on this path of financial independence, I promise you won't regret it.

Selah, Trader Travis
http://www.learn-stock-options-trading.com
P.S. The skeptics and the people who benefit from you being in debt will try to find the flaws in this example. They will tell you all the reasons why this won't work or how the figures are wrong.

I showed most of my family and friends this example and people thought I was crazy. People were actually offended at me suggesting they sell their cars. Their minds were completely closed to what I had to say.

One of my friends stated that she wouldn't listen to me because I was just as broke as she, so it made what I was saying less credible. She had a point, but...

**Remember who shared this information with me,** a millionaire. Someone who has money, not someone who is broke, living check to check, or whose lifestyle is financed to the max.

The only people who I’ve seen argue with this example are people who did not have much money or people who believed in financing purchases. This simple method worked for my mentor and it has certainly worked for me as well as anyone else who decided to try this out.

Ultimately, you decide!

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**2019 Update:** I originally wrote this report in 2010. It's now been almost 20 years since I've had a car payment. I drove that 1989 Honda until about 2016 when I finally got a new car. I upgraded, I got a 2006 Honda Accord ha ha.

Want to know how things have worked out?

$550 (my old car payment), put into a trading account each month...
That earns 20% a year (trading options) ...

After 20 years, it will grow to...

$1,253,226.48!
Please note: you just discovered a simple path to becoming a millionaire WITHOUT having to earn more money, without playing the lottery, and without (fill in the blank).

1.2 million dollars OR be a slave to debt the rest of your life. The choice is yours...