



The  
**FIVE FINANCIAL  
INTELLIGENCES**

Your **Blueprint** to Being Rich

BY PAUL K. DUNN

5FI EBOOK



# *The Five Financial Intelligences*

*Your Blueprint to Being Rich by Paul K Dunn*

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## OVERVIEW

*The 5 financial intelligences will be your guide to a higher financial IQ. The better you become at applying each of the financial intelligences, the easier your journey will be to financial independence. The 5 financial intelligences (5FI) however, are not my concept. They were mentioned in Robert Kiyosaki's book – Increase Your Financial IQ. Known for his concept of the cash flow quadrant and his cash flow games, that help us improve our understanding of money; Robert Kiyosaki is a leading author, financial coach, public real estate investor and entrepreneur. I thought that his concept of money was so brilliantly simple, yet it was so powerful that it stuck with me and dramatically improved my understanding of How Money Works. In this short eBook, I will help you (The Reader), to master each of the financial intelligences so that you can shift your financial future into overdrive.*



## THE WHY

So why did I write this eBook? Besides making you aware of the 5 intelligences, I have used this information to improve my own understanding of How Money Works. The more I learned about how money worked, the easier it became to avoid major financial set-backs. When these 5 intelligences

are the cornerstone of your financial decisions, you will always possess a profitable mindset.

When attending school, we are taught basic intelligences, described as CORE subjects (math, reading, science, history, etc.). Money has the same core elements that are just as important to learn. Without these core elements being correctly implemented, our financial independence is not within reach. That's why so many of us fail to get ahead financially. There are more important components that will play a huge part in our total financial freedom (which will be for another eBook), but to have your Financial IQ at a higher level now, means you can improve your quality of life immediately.

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# Financial Intelligence Number One

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## Making More Money

Making more money will always be the first step in the cycle of our 5 intelligences. Making more money is crucial to your growth in the financial world. If you don't know HOW to make more money from wherever you are financially, you are locked into the affordability of that current lifestyle forever. You may be asking, "How can I just make more money? It's not that simple..." Making more money doesn't always mean getting a raise, changing jobs for higher pay or even selling more than you did before. Sometimes making more money can mean shifting your current income, in other words being smarter with your current income. Income shifting is a concept based on protecting your money (financial intelligence number two) from the top 5 enemies of money. The main enemies of our money are:



1. Procrastination
2. Bad Spending Habits
3. Inflation
4. Taxes
5. Risk

Bad spending habits also include unnecessary debit/credit, which sucks the life out of your future in exchange for gratification now. We break down each of the financial enemies in our [J & Sons Retirement Blog](#).

Understanding how to avoid financial pitfalls will take constant awareness of strategies on "HOW" to defeat the financial enemies of our money. Since this E-book only offers you basic awareness, I advise that you take it upon yourself to read it more than once and continue improving your financial information.

Ok now back to the topic at hand. A great way to make more money can be to immediately eliminate all bad debt and credit accounts. Turning debt into wealth can be a powerful strategy for improving your quality of life, starting immediately. There is a great book available called Debt to Wealth that you can read to drive home the point; Bad debt traps millions of Americans into the illusion of "The American Dream." The problem with the American dream is that it is completely false. Staying up to date with the "In Crowd" will surely keep you broke, because the consumer market is forever changing, you have no chance of getting ahead. The capitalist government of America loves this strategy because it means that 95% of the population will have to work until they die, paying the highest tax rates and handing over their wealth in the process. To create REAL wealth for yourself and achieve the ultimate financial freedom, you must always know how to make more money.

# Financial Intelligence Number Two

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## Protecting Your Money

***“It’s not how much you make, it’s how much you KEEP that matters!”***

Protecting your money has to be one of the biggest rules in the financial intelligence lineup. If you make tons of money and then lose more than you make, you’re literally the definition of broke! Protecting your money also goes hand in hand with all of the other intelligences because it is the foundation of wealth creation, wealth management, and generational wealth transfer. Without the understanding of how to PROTECT your wealth, you could lose all too quickly. Lottery winners, sports players, musicians, hip hop artists, stock brokers, real estate professionals, working class citizens, business owners, etc. They’ve all had a taste of sudden loss without protection in place and we’ve all heard the stories or experienced them first hand as they occurred.



Life is uncontrollable, no matter how much control you believe you possess, there are ALWAYS things out of your control that can harm you. Financial disasters loom in the background of EVERY household no matter how much money, success, popularity or social assistance you put in place. If you choose not to prepare yourself for the worst and hope for the best, you are one spontaneous disaster away from your own personal financial

crisis. It is extremely important that you grasp the urgency with this step and if you only master the first 2 financial intelligences, you will already be ahead of most of the population. The key to the whole financial intelligence system is protecting what you create. The other intelligences all include protecting your money in one way or another. This is your MOST important intelligence of all. In order to build a strong home, you must build a strong foundation. The same principal applies when trying to achieve financial freedom; you must have a strong foundation. PROTECTING your money is the foundation on which you are building your financial freedom 'house' on.



# Financial Intelligence Number Three

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## Budgeting Your Money

I believe that budgeting money is the simplest of the intelligences. However, budgeting is where your bad spending habits are hidden. Budgeting money effectively comes down to 2 factors:



**Tracking Your Money** – “How do you fix a small hole in a big ship? You must first find the hole!” Tracking your money allows you access to the entire picture; like a map so to speak. You wouldn’t take a foreign trip without access to a map would you? And a map or GPS is no good if it doesn’t track WHERE you are in accordance to where you WANT TO GO right? Same principle applies to your budgeting. When you budget your money you know where your money is coming

from and where it goes. Now you have a complete picture of what your true net-worth is, what your spending habits are, how much you have to save and how much you can invest.

**Leveraging Your Money** – In order to leverage your money, you must know how much is available to do so. Leveraging your money is an actual intelligence so it will be explained in detail later. The point here is to understand that you may not be successful at leveraging your money if you don’t have a clear understanding of what’s available.

Having a good budget allows you to make better financial decisions long term and will propel your financial future towards financial freedom sooner. It gives you a blueprint of the wealth that you are creating and guides your actions towards the big picture. A great place to start is with our post “[Budgeting Tips I Find Unique](#)” located in our [Retirement Advisor Blog](#). You can download our free 5FI Budgeting System below, if you don’t already have your own.



>>> [DOWNLOAD Our FREE 5FI Budgeting System](#) <<<

If you want a simulated experience, play the game Cash Flow 101 by Robert Kiyosaki. You will gain a true understanding of what the basics are in keeping a tight budget and making real time investment decisions. There's an online version and an app that is free for smart phones but will cost you a small fee for tablets. There's also a board game for adults and kids you can purchase. You can play for FREE if you visit <http://www.richdad.com/apps-games/cashflow-boardgame>



You can pay someone to do this task for you, but you want to have a complete grasp on budgeting so you can give YOUR instructions vs letting the professional tell you what's best for your goals. It's always good to get feedback, however, to not know where your route is leading you is unacceptable and could work against you.

# Financial Intelligence Number Four

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## Leveraging Your Money



Leveraging your money is the fun side of financial intelligence. Well at least for me. Leveraging your money is the only way you can ever retire! The better you are at leveraging your money the earlier you can retire into financial freedom. When your job or business pays money into a pension, 401(k), IRA, 403(b) or Cash Value life insurance, they are leveraging YOUR money for YOUR benefit. That money goes in and creates more money over time, using simple or compound interest. Not all

leverage will be in your favor, even if it's meant to be and that's why you have to understand this topic for yourself. You want to know if your money is working as hard as it can, making the most that it can in any given strategy. I'm sure you've heard the phrase "make your money work for you!" or "let your money make money!" These phrases are talking about leveraging your money so that it makes more money. This concept is crucial to the long term goals you may have for yourself and your family. The better you get at leveraging your money, the more wealth you can create.

Let's take a look at how it can work against you to give you a clearer picture of the importance it plays in your financial future. Let's use your bank as an example. You show up to start a new account at your local bank. They run you through the paperwork and set you up with your minimum deposit of \$50. Now your bank account is open and you set up your first check to auto deposit into your account. 2 weeks later the bank sees your check clear and now knows how much you make. They immediately send you a Credit card offer for \$1,250. Let's pause here and uncover a quick secret about this scenario, your banks won't tell you.

Why \$1,250: Most banks get up to \$25 for each \$1 their customers put into the bank. Your initial deposit was \$50. So what they've done I call a 'starter hook', where they hook your money on a starter offer to make themselves money. The starter hook usually is based on your initial deposit but not always.



So, the bank took your \$50 and multiplied it by \$25 which gave them a starter amount of \$1,250 worth of credit. Next, since the bank has a relationship with VISA they agree to borrow



\$1,250 against your name. You accept the offer and a CREDIT for \$1,250 is produced. Understand this part very clearly. There is NO MONEY on that credit card. It's simply a promise to pay, made by you and the bank. Here's the other thing to look at, all of the money invested so far is YOURS! The bank has used YOUR money (\$50 deposit) to create a CREDIT that they own (\$1,250) in order to make THEMSELVES money! When you really understand what's happened here,

you will begin to see why leverage is brilliant when YOU become the one using it. Now let's finish off the scenario by showing how they slowly begin to empty your pockets. You used the credit card over the next 3 months and spend up to 50% of the money. That's now a \$625 debt you accumulate. Let's take the compound interest rate of 21% to point out where their money begins to grow from YOUR decision to purchase. Your new interest payment is \$10.93. I won't go any further into the charges than this simple fact. If you paid \$10.93 in interest and let's say you only paid that amount as your minimum payment for 6 months. You'd pay \$65.62 in interest payments and NO MONEY would be paid back to the original balance of \$625. This means you will NEVER pay off your credit card and the bank profits forever. Realistically, no one would pay such a low monthly payment; this is simply an example to show you how the bank profits from using leverage.

***“\$65.62 x 5000 = \$328,100 the bank has made in 6 months without ever putting \$1 in the deal!”***

Now that we've pointed out the Banks profit of \$65.62 let's add in more customers. You weren't the only one getting the 'starter hook' offer so let's assume that another 4,999 people ended up just like you. Here are the profit numbers for 6 months.

$\$65.62 \times 5000 = \$328,100$  the bank has made in 6 months without ever putting \$1 in the deal. ☺ The bank has used you and your money to become wealthy. What would you do with that type of profit over 6 months? Can you see where the fun comes in when we point out the power of LEVERAGING YOUR MONEY?



*“Wall Street also LOVES leveraging YOUR money...  
...to make more money,  
without any of their own  
money in the deal!”*

This isn't even the whole story, because we leave out bigger account balances, overdraft fees and longer pay back periods. Stop letting the banks use your money as their leverage and learn how to do it for yourself. The best way to do this is to focus your attention on Cash Flow assets that put money IN YOUR POCKETS. In the above scenario, you and the other account



holders were the cash flow assets for the bank. You put money in their pockets every month without them having to do much of anything. This is the power of using leverage and when you have a grasp on what cash assets are available, it can be a reality for you too. Position yourself in front of as many cash flow assets as you can manage and continue to improve your leveraging skills. Bigger and better deals will become available to you as you become more experienced. As I've learned through

tons of financial education books, when you make it to the top, money is no longer required to get deals because everyone at the top already has money. It will take a different type of currency, your expertise and ability to connect the dots will become more important than the money you invest. Start practicing this skill now and you won't have to worry about money for the rest of your life!

# Financial Intelligence Number Five

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## Improve Your Financial Information

Improving your financial intelligence will require your best efforts. You must understand where you are in the learning process to do this effectively. In order to master each of the financial intelligences it will require persistence and action. You must focus your attention on 1 of the



financial intelligences at a time, and practice getting the results in your day to day life. Please understand how crucial tracking your progress is. It has to be done often and should be made a priority just like brushing your teeth. It's also extremely important that you avoid becoming obsessed with learning so much that you replace taking action. This will prevent you from overwhelming yourself with confusing knowledge that you are not able

to apply. Knowledge is not power – Knowledge is awareness if you actually understand it. It's applied knowledge that is truly the ultimate power. If you flow through the intelligences in order, this will help you progress faster. At the end of this e-Book I will include a 'What to do Next' section for you to get an idea of how to flow through each intelligence in the set order.

# What To Do Next

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The very next thing I recommend you do is get your financial overview squared away. This will require Financial Intelligence number 1, 2 & 3. In order to know what you are protecting and where you can make more money, you will need to create a budget.

Once you have a rough budget completed with everything filled in accordingly you can set goals. Small achievable goals work best. Goals like lowering taxes and rerouting the money towards paying off debt is a great example. Freeing up all the money from your smaller debts and paying off 1 big debt is another one. After completing a couple of small goals, you free up money that you then begin to protect. If you are into the stock market or more risk, you want to know how to protect it from total loss. If you are more conservative, you want to confirm that it's protected from total loss and then head into leveraging your money. Along the way you will need professional guidance but be sure to become a student. Never pay someone in the financial industry instead of learning for yourself. You **MUST** do both. Have the financial professional **TEACH** you the ropes along the way so you understand how to win as they do. If it seems extremely complicated I encourage you to change your investment strategy to one that you can comprehend. Lack of knowledge could be your worse enemy and cost you **EVERYTHING** you create. Don't risk your financial future because you didn't understand your money was at a severe level of risk. I believe everyone deserves financial freedom but only a few will ever go after it! Unfortunately, the truth is, only those who ask for and prepare to receive it will ever find it. I hope you are one of those people 😊

With all that you do...

I wish you great success, prosperity and abundance!

## ABOUT ME

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For the past 15 years, I have studied everything I could find on success. My obsession with how success works has revealed the same primary habits, secrets & laws, no matter how you look at it. No matter who we are, or where we come from, all of our priorities fall into the same three categories; Health, relationships and money.



I progressed from an average sales career to a successful management career, then into a semi-successful business owner... I have to say my journey has been amazing, but there were bumps and bruises along the way. I became a professional at getting into debt, living pay check to pay check and allowing fear to take over my actions at times. I had a wife, three beautiful kids and everything else that I had ever asked for,

however I began growing extremely frustrated with my connection to money. I still had bad spending habits as a result of never being taught how to use money wisely. I always believed that success would automatically attract money, but I was wrong. The more I made, the more I spent and that's not how you build and maintain wealth.

It wasn't until my grandfather passed away in 2014, with little to show for his 84 years of life, that it really struck me. No one has EVER taught us HOW money works. There is no education apart from the usual finance, economics and MBA degrees that allow you to learn about how to make money work for you. Although I found tons of creative investing courses online, I had no idea which ones were good and which ones would be a scam or a total waste of time.

As a young boy I had developed a set of habits that were now working against me in my current financial lifestyle. When this light bulb came on, the flood gates opened and I saw a whole new world. I committed to learning everything that I would need, in order to live an abundant lifestyle. If I could just unlock a slightly different approach to learning about money, maybe I can help others along the way. This led me to where I am today. Studying every bestselling financial book (or audio book) I could get my hands on. At that point, I decided that I would run towards my financial freedom at full speed for the remainder of my life! As rapper 50 Cent says "GET RICH OR DIE TRYING". The day will come when there are no debts, plenty of money and generational wealth set up for my heirs to enjoy. All I want to do is allow you to share in the information that I find highly effective.