

The "Steps" to Monetary Freedom

by *Matthew S. Chan*

(Excerpt from "The Intrepid Way")

Years ago, I told a couple of friends about my early successes in creating streaming income. I explained the concept of money layers and the creation of streaming income.

At this particular time, I had a breakthrough in having created my first income layer of \$200 a month.

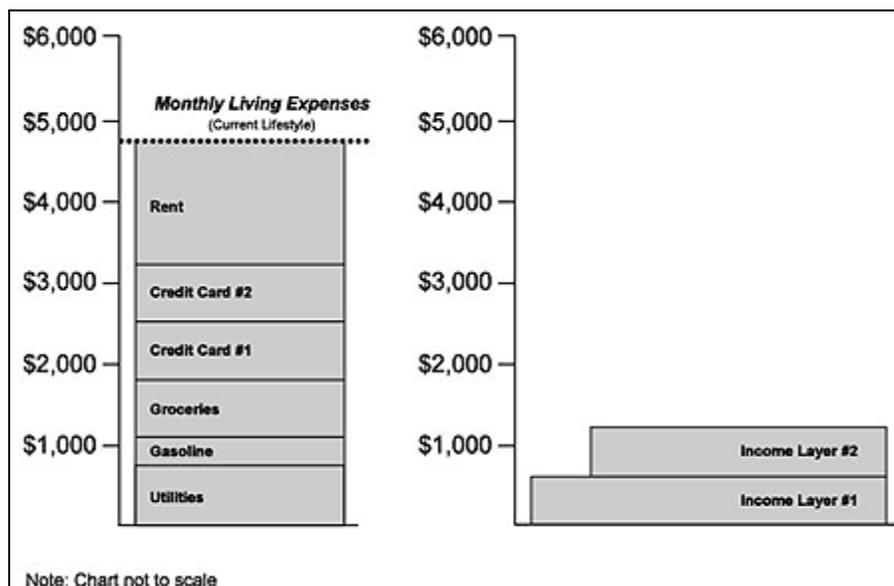
I was met with the response, "That's nice. But you can't live on \$200 per month." I sarcastically thought to myself, "No shit! Thanks for telling me! I couldn't have figured that out on my own!"

I then tried to explain to them that while it did require initial work to create this streaming income, the money would continue to come in even if I didn't work from that point forward.

This was money that was going to come into my mailbox month after month with very little personal labor. I was actually quite proud of myself because I had never done it before. I knew other people had done it, so I wanted to join the ranks of those who had. I knew it was my first step in creating the perpetual wealth that would ultimately lead me to monetary freedom.

In my mind, that one income layer of \$200 meant that I basically had free gasoline, free telephone service, and free utilities for an entire month. I know it was small in the grand scheme of things ... but it was definitely a start! I would not have to substantially work to have those items. More importantly, if I knew how to create one income layer ... I could create many of them!

Chart One



However, I realized I did not succeed in convincing my friends about the merits of creating streaming income to have income layers.

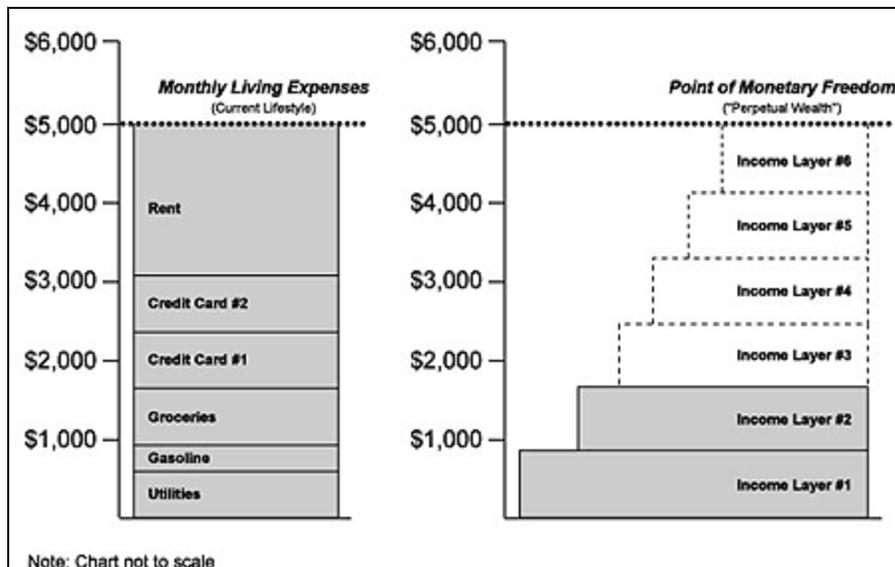
They saw it as insignificant and even laughable – to them it was only good for extra spending money. For them, working for the rest of their lives as an employee was a choice they made. And unfortunately for them, from what I now see of their lifestyle and money habits, I have every reason to believe that they will work until a very old age. I see that the pull of an annual salary, of making several thousand dollars a month, even if it is based on their labor, is too strong for them to see the power of a small but streaming \$200 income layer.

Fortunately, I did ... and ever since, I have not mentioned the idea of streaming income or income layers in front of those friends. I knew they were destined to work until old age ... unless they were willing to change their ideas of money and wealth. With my system of creating income layers, I knew I could achieve personal freedom within five years.

After having created my very first income layer, I then realized that I only needed a few more to have both my car payment and insurance automatically paid for. Then a few more income layers after that, I wouldn't have to worry about making rent payments.

Behold! I saw a light at the top of these steps ... and it was shining so brilliantly and radiantly! The best part of all this was that I no longer believed that I had to be rich in order to be monetarily free. I simply had to focus on building and creating one income layer after another until I exceeded my expense layers. Ultimately, I had a roadmap to my monetary freedom ... and it suddenly became so simple to me. Therefore, I simply focused on this roadmap ... and to this very day ... I am still creating and building income layers. How sweet that revelation was to me!

Chart Two



As I mentioned, the key to my personal freedom was to continue building income layers to the point where it exceeded my expense layers. When my income layers began exceeding my expense layers, it meant that all of my normal living expenses were covered without me actively working. Again, the above chart is obviously simplistic and not to scale. But, it does illustrate how important it is to understand the relationship between expense layers and income layers.

If you look at the chart, you will notice that there is a staircase effect on the income layers. The reason for that is because it generally takes time to create each income layer. Also, the time between the creation of each income layer can vary. There would be times that many months would go by and I was not able to create any streaming income layers, while other times I created half dozen new income layers within a month.

Depending on the opportunity I would encounter, the amounts of the income layers would also greatly vary. Early on, some income layers were very small ... from \$10 to \$20 per month. Why so small? I took those on because they were token payments where my true objective was to establish a new business relationship. Therefore, those tiny income layers were by-products of my creating new opportunities. Other income layers were larger, such as \$300+ per month. However small or large the income layer was, I took them in and they took on more significance in my life.

The reason I knew they took on more significance in my life is because I noticed my checking account having more surpluses. I would then use those surpluses to either reduce my expense layers or reinvest to create more income layers. Either way, the successes in creating smaller income layers were rewarded with opportunities to create even more income layers.

With every income layer I created, I was literally one step closer to the top of this staircase to monetary freedom.



Matthew S. Chan is the author of several business books including “The Intrepid Way” and the “TurnKey Investing” Book series. In addition to being an author, Matthew currently oversees the management of his Internet business, property management company, and publishing firm.

Matthew’s educational background includes a Bachelor of Science in Business Administration from University of Central Florida and a Masters of Business Administration from Webster University. Matthew can be found at MatthewChan.com and AscendBeyond.com.
