

BANKNOTES

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Why Nelson Labeled This “The Infinite Banking Concept”

By David Stearns

I feel it necessary to share how I think a layperson must approach the Infinite Banking Concept, so that when they view some of the hundreds of YouTube videos or read some of the many IBC-look-alike books available, they can more clearly see what this is all about. My hope is that when you are given an “IBC” life insurance illustration or presented various cashflow models, you will better understand the meaning of the numbers and how they relate to what I call the essence of IBC. My hope is that I will help you will see the numbers through Nelson Nash’s eyes.

Let me remind you that the book *Becoming Your Own Banker - Unlock the Infinite Banking Concept*, started it all and contains virtually everything you need to understand and implement IBC. In this article I will refer to the book a few times to illustrate a point. If you have not read the book, please do; no video or article can communicate this message as effectively.

Nelson toured the U.S. and Canada presenting his course—which he referred to as his ten-hour seminar—for several years before he wrote the book, which was published in the year 2000. *Becoming Your Own Banker* was then, even more so than now, a radical paradigm shift in financial thinking.

The book is the text for his seminar “about the power of Dividend-Paying Whole Life Insurance.” But, surprisingly, he led off his live seminar with the idea that “*The Infinite Banking Concept was an Exercise in Imagination, Reason, Logic and Prophecy.*” He suggested that the seminar attendee approach this “10-hour exercise” with an open mind and focus on the conceptual nature of IBC, not the life insurance aspect.

Initially, Nelson unsuccessfully tried to get his brilliant concept across in a single two-and-a-half-hour presentation, but through trial and error, he concluded that he needed a ten-hour seminar (broken up over two days) to get the audience to “rethink their thinking.” And for someone to fully grasp this paradigm shift, one had to approach IBC by using their *Imagination, Reason, Logic*, and—because of Nelson’s deep-rooted Christian beliefs—*Prophecy*.

“By reason and logic, we die hourly, by imagination we live!” wrote the Irish poet W.B. Yeats. Like Yeats, Nelson resurrected an age-old dichotomy between

IN THIS MONTH’S ISSUE:

[Why Nelson Labeled This “The Infinite Banking Concept”](#)

[11 Quotes About Leaving a Legacy](#)

[Why Jordan Peterson’s Home is Decorated With Soviet Propaganda Art](#)

[Becoming Your Own Banker, PART II Lesson 7, Creating The Entity](#)



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our ability to make sense of the world around us and our ability to see beyond what meets the eye. Some suggest that this corresponds to the idea of “the seen and the unseen of IBC.”

If you marginalized the importance of this approach, then an accurate understanding of the concept was probably going to take a much longer period, if it was ever fully understood and accepted. My point is that if the reader missed the essence of IBC, it was probably because they either did not get it or focused on the numbers. By numbers I mean comparisons to rates of return, loan interest rates, insurance policy illustrations, and policy designs. All of which can lead to what Nelson referred to as “majoring in the minors.”

It is also helpful if you take the time to think about the meaning of the three words *Infinite – Banking – Concept* and understand how they relate to each other.

Nelson chose these three words carefully, but many observers overlooked their importance or simply marginalized them as just a marketing label. When from the beginning, they were a simple but accurate description of a personal economic way of life.

Nelson chose *Infinite* because there is no limit on how you can use your policies. They can provide financing for all of life’s major needs, including cars, education, weddings, and even funding investments. They can be used as a cashflow management account for business owners. They also provide an outstanding vehicle to transfer wealth to successive generations.

Correctly designed IBC policies are a place to warehouse your wealth. And there are numerous ways that a policy can be designed, many ways that it can be funded, and several imaginative options on how money can be taken out of the contract.

The word *Infinite* can also describe a system of many policies, incrementally added as the policy owners’ insurable interests and wealth grow. Multiple policies can provide the opportunity to “increase the insured pool” and provide greater flexibility in repaying loans.

Is the policy owner thinking long range, infinitely, or are they only concerned with the first ten years of

the policy performance? Both scenarios support the concept, but each one has a different design.

Is the policy owner’s plan to use their policies to pass wealth to successive generations *infinitely*? If the consumer is looking at this strategy, then they are genuinely thinking long range, and probably should consider the longest in-force product available. Because the longer the policy’s premiums are contractually able to be paid, there is more opportunity to capitalize the contract, while using it repeatedly, with the ultimate goal to pass the policy ownership on to several successive generations while it is still being funded.

Nelson used the word *Banking* as an adjective; it is a descriptor for the word “Concept.” If you were lucky enough to have attended a live Nelson Nash Seminar, you would have heard him say, “*Let me make it abundantly clear—I am not talking about a bank in the conventional sense of the word.*” Please understand that what Nelson was referring to specifically was “behaving like a Banker.” This is in essence the central theme of the book. Isn’t the title *Becoming Your Own Banker*?

Five chapters in the book are devoted to human behavior. Although Nelson believed that *The Human Problems* were the most important part of the book, readers routinely dismiss them as secondary information to the book’s case studies. I will not cover them now, so I urge you to review them in the book. He labeled them *Parkinson’s Law*, *Willie Sutton’s Law*, *The Golden Rule*, *The Arrival Syndrome*, and *Use it or Lose it*.

Why did Nelson place so much emphasis on the human factors? Because he stressed if you cannot overcome these natural “laws” then it doesn’t matter how well your banking policy is designed or how high the rate of return is or how large the dividend scale is. Simply put, the behavior of the policy owner is more important than that of the insurance company.

“*Recognizing the human problems is half the battle, one never fully conquers them, but if one is trending in the right direction, progress is assured.*” -R. Nelson Nash

The result is a peaceful, stress-free life. Nelson coined the dictum, “There are two vocations that one should be involved with, your primary occupation, and banking.”

Regarding the three words that make up the term “Infinite Banking Concept,” Nelson thought the third word—*concept*—was the most important. A concept is something that is an understanding retained in the mind, from experience, reasoning, and imagination.

An important connection is how well you perceive the banking concept, and how successful you are in recognizing your human problems and overcoming them.

Conclusion

Nelson declared to us that *Becoming Your Own Banker* is the text for his course about the power of Dividend-Paying Whole Life Insurance. So, it is fair to assume that the focus of the book and seminar would be on *Dividend-Paying Whole Life insurance*. This is unfortunate because life insurance is not the essence of IBC and dwelling on it creates a myopic view of IBC, leading to unnecessary bantering, with much of the focus on policy design and insurance company comparisons.

It is critically important to recognize that Dividend-Paying Permanent Whole Life insurance is the *platform* that this concept or banking *process* is built on. We are not describing permanent insurance as an asset class to invest in, nor are we comparing internal rates of return with other asset class products. Although, when you do finally get into the numbers, you will appreciate the solid uninterrupted compounding of this product. Obviously, one could create an alternative “bank” using other means, such as with a rusted coffee can, stuffed full of cash, buried in the back yard. But Nelson demonstrated that the permanent Whole Life contract was the ultimate vehicle for *Privatized Banking*.

So, to review, the right approach to understanding the concept is to use your imagination, logic, reason, and prophecy. The relationship of the three words – Infinite – Banking – Concept must be understood to

appreciate their significance. The concept is hinged on human behavior—becoming or acting like a banker. And ultimately, identifying and overcoming the human problems outlined in the book is critical in implementing Infinite Banking. Banking is a process, not a product! Dividend-Paying Whole Life insurance is the platform that the concept or process uses. As Nelson always stressed, if you understand the concept, then designing and using the platform correctly is “ridiculously simple!”

11 Quotes About Leaving a Legacy

By Lydia Sweatt | December 8, 2016

What will you be known for when you leave this earth? The most influential people, the ones who leave behind incredible legacies, will live on in the hearts of the people they touch. Physically, they will no longer be a part of society—but their principles, philosophies and achievements will become immortal, spreading from generation to generation.

You can start making your mark on the world today by pushing yourself to greatness. Take control of your destiny with these 11 motivating quotes, and leave behind an inspiring legacy for to all to see.

1. “All good men and women must take responsibility to create legacies that will take the next generation to a level we could only imagine.” —Jim Rohn
2. “Carve your name on hearts, not tombstones. A legacy is etched into the minds of others and the stories they share about you.” —Shannon L. Alder
3. “If you would not be forgotten as soon as you are dead, either write something worth reading or do something worth writing.” —Benjamin Franklin
4. “No legacy is so rich as honesty.” —William Shakespeare
5. “I think the whole world is dying to hear someone say, ‘I love you.’ I think that if I can leave the legacy of love and passion in the world, then I think I’ve done my job in a world that’s getting colder and colder by the day.” —Lionel

Richie

6. “That is your legacy on this Earth when you leave this Earth: how many hearts you touched.” —Patti Davis
7. “The great use of life is to spend it for something that will outlast it.” —William James
8. “Immortality is to live your life doing good things, and leaving your mark behind.” —Brandon Lee
9. “You make your mark by being true to who you are and letting that be your staple.” —Kat Graham
10. “The legacy of heroes is the memory of a great name and the inheritance of a great example.” —Benjamin Disraeli
11. “Your story is the greatest legacy that you will leave to your friends. It’s the longest-lasting legacy you will leave to your heirs.” —Steve Saint

Lydia Sweatt is a freelance writer, bookworm, and bass guitar enthusiast. When she goes outside, a bicycle goes with her.

The article was originally published on success.com <https://www.success.com/11-quotes-about-leaving-a-legacy/>

Why Jordan Peterson’s Home Is Decorated With Soviet Propaganda Art

By Jonathan Miltimore

Whenever I visit the home of a friend or acquaintance, I make a point of looking at two things. One of them is their library.

One can learn a great deal about someone simply by checking out the books on their shelves, I’ve found. Are they filled with books on how to make money or sci-fi? Are the crime thrillers written by John Grisham and James Patterson or Capote or Mailer?

Sometimes patterns emerge. Biographies of

inspirational figures tend to be accompanied by literature on self-improvement. If you find an Ayn Rand novel, almost invariably you’ll find something written by Hayek or on Ronald Reagan. Sometimes it’s the randomness that’s striking. Say, what are these romances doing next to Kierkegaard? And why is Bukowski with Chesterton and C.S. Lewis?

Paintings lionizing the Soviet revolutionary spirit completely filled every single wall, the ceilings, even the bathrooms, writes Doidge.

And what if there are no books? Well, maybe that tells a story too.

Some may think of this as snooping, but books are on display for a reason. They say things about us. Which leads me to the second thing I observe when I visit someone’s home: artwork.

Like the books on our shelves, the art in homes can say a lot about us. That’s, again, why people display it—and have been known to pay extraordinary amounts of money to do so.

Art Lionizing 'the Soviet Revolutionary Spirit'

I’ve been in homes that have displayed unusual artwork, including one house decorated in African-themed pieces that many would consider pornographic. But I don’t believe I’ve ever seen anything quite as unusual and unique as the art in Jordan Peterson’s home.

To be clear, I’ve never actually visited Peterson’s house. But his home and its artwork are described in some detail by Norman Doidge, who wrote the foreword to Peterson’s best-selling book *12 Rules for Life*.

Doidge met Peterson in 2004 at a gathering hosted by mutual friends, a pair of Polish emigres who came of age during the days of the Soviet empire. At the time, Peterson was a professor at the University of Toronto, and he and Doidge—a psychiatrist and psychoanalyst—soon became friends. (Apart from their scientific interests, it seems the men shared a passion for the great books, particularly “soulful Russian novels.”)

Doidge visited Peterson on more than one occasion,

and he describes the Peterson house as “the most fascinating and shocking middle-class home I had seen.” Among the fascinations was an impressive collection of unusual artwork.

“They had art, some carved masks, and abstract portraits, but they were overwhelmed by a huge collection of original Socialist Realist paintings of Lenin and the early Communists commissioned by the USSR,” writes Doidge. “Paintings lionizing the Soviet revolutionary spirit completely filled every single wall, the ceilings, even the bathrooms.”

Books and art can tell you a great deal about people, as I said, but one must be careful to not draw the wrong conclusions. Which invites an important question: Why was Peterson’s home covered in Soviet era artwork?

One might assume that Peterson was a socialist. Yet, this is not the case. Or maybe, one might guess, Peterson began gobbling up Soviet propaganda pieces following the fall of the Soviet Union simply as investment. (I wish I had possessed the foresight to buy up a bunch of vintage Soviet art following the fall of the Soviet empire; alas, I was only 12.) Perhaps, but this wouldn’t explain why it’s displayed throughout his home.

It was the great lie that bewitched so many in the 20th century—the idea that a more perfect world could be built through collectivism and coercion.

Fortunately, Doidge offers us an answer.

“The paintings were not there because Jordan had any totalitarian sympathies, but because he wanted to remind himself of something he knew he and everyone else would rather forget: that over a hundred million people were murdered in the name of utopia,” Doidge writes.

The Horrors of Collective Power

It’s easy to forget that people like Lenin, Stalin, Hitler, Pol Pot and Mao were not actually monsters. They were simply people who did monstrous things in their quest to build utopias.

“Our policy was to provide an affluent life for the

people,” Pol Pot once explained in a famous 1979 interview with *The Guardian*. “There were mistakes made in carrying it out.”

It was the great lie that bewitched so many in the 20th century—the idea that a more perfect world could be built through collectivism and coercion. And it was one that consumed many people, not just the devils of history.

“I have seen the future and it works,” the American investigative journalist Lincoln Steffens once observed after visiting Stalin’s Soviet Union.

Many seem happy to forget the great lesson of the 20th century: that those who seek to create heaven on earth through coercion almost invariably create hell.

It seems absurd to think anyone could possibly forget that a hundred million people were murdered in the name of utopia—until you realize many of us have. The horrors of collective power seem mostly a distant memory, especially among intellectuals. There was a time when many intellectual giants—Aldous Huxley, George Orwell, and J.R.R. Tolkien, among them—saw concentrated government power as perhaps the greatest threat to humanity.

“It’s probable that all the world’s governments will be more or less completely totalitarian even before the harnessing of atomic energy; that they will be totalitarian during and after the harnessing seems almost certain,” Huxley observed not long after the conclusion of the Second World War. “Only a large-scale popular movement toward decentralization and self-help can arrest the present tendency toward statism.”

Huxley was no crank. He was one of the most brilliant minds of the 20th century. But any intellectual offering such a warning today would likely be dismissed by fellow scholars as just that, a crank.

Jordan Peterson is determined to not forget.

Many seem happy to forget the great lesson of the 20th century: that those who seek to create heaven on earth through coercion almost invariably create hell. (To paraphrase the French author and psychiatrist François Lelord.)

Jordan Peterson is determined to not forget.

And we'd all do well to remember that a healthy and prosperous society is built through peace, trade, and freedom—not government force.

This article was originally published on FEE.org.



Twenty First in a monthly series of Nelson Nash's personally written Becoming Your Own Banker® lessons. We will continue these lessons until we have gone through the entire book.

PART II Lesson 6 Creating the Entity

Content: Page 36, *Becoming Your Own Banker Fifth Edition*

As we discussed back in Lesson 6, most all products begin with engineering. In the life insurance business, the engineers are actuaries. They are dealing with a field of ten million selected lives – persons that have been through a selection process. I would not be one included in this field since I've been through heart by-pass surgery. And they are dealing with a theoretical life span of one hundred years.

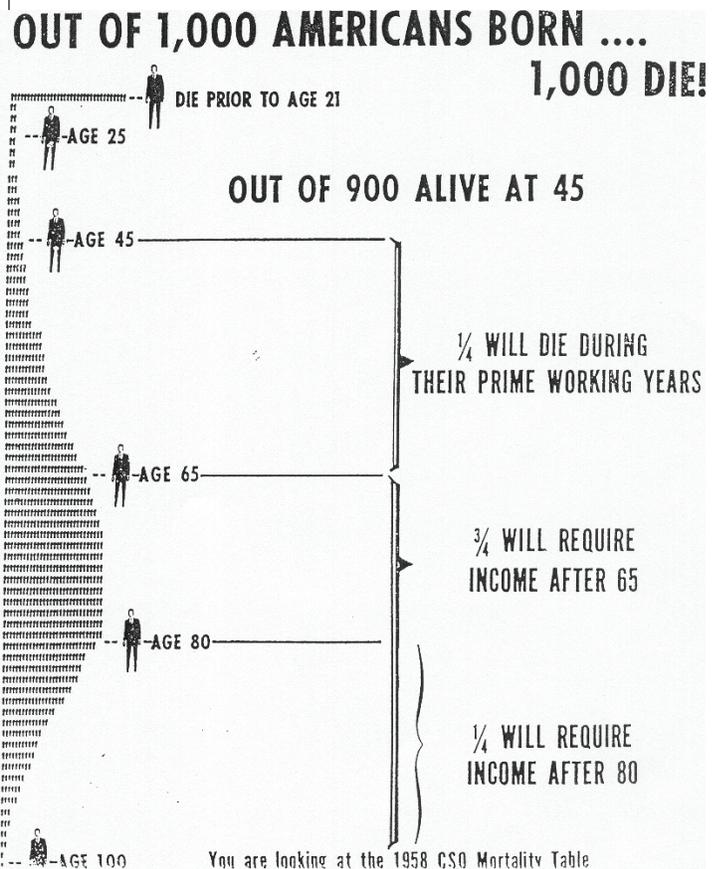
You are looking at a graphical representation of a 1958 Commissioner's Standard Ordinary mortality table. A word of caution is necessary here – most people will react with a question like, "Why are you showing me a table from 1958 – that's ancient history!" You need to understand that it really doesn't matter all that much when you are dealing with a mutual life insurance company. All you need is a "starting point." If mortality experience has improved, then dividends will go up, giving you the effect of a current mortality table at all times.

Even in 1958 you will notice that, out of 1,000 born, only 100 had died before age 45. I went to my 50th high school reunion four years ago and our experience was much better than that. Out of a class of 230, only 16 had died and two of them

were in a car wreck when we were still in school. Life expectancy has improved dramatically in the past 60 years.

This should be a good place to ask a question – where did this idea of retiring at age 65 come from? From all that I can gather it all started with the Germans during the time of Bismarck. These were the folks that gave the world the idea of Social Security. This is where President Franklin D. Roosevelt got age 65 for retirement purposes. I believe that life expectancy for American males in 1937 was in the neighborhood of age 61. Now, expectancy for males is past age 75. And we are currently using age 67 as retirement time!? It will never work! With increasing longevity, can you picture a situation where one plans to work for 40 years and retires for 45 years? Get real! There is no way that this can happen!

The coming collapse of Social Security is the natural result of operating from a faulty premise. There is no legitimate reason for using such fallacious thinking to plan your financial future. I once read a story about



John Templeton, creator of The Templeton Fund, who “retired” at age 80 and is now doing only charitable work (and working harder than ever). He made the observation that all should plan on working to at least 70 before considering retirement – that under our current thinking the most productive years of life are being wasted.

Furthermore, it is easily demonstrable that all Socialist schemes eventually fall apart. There has ever been an exception. Just a thought to consider – the Soviet Union lasted about 70 years and it became unraveled. The great Austrian economist, Ludwig von Mises, explained over 50 years ago that this would happen. And now, remember that the U.S. Social Security program started in 1937. Add about 70 years to that date and watch that thing come apart!

There is no money in the Social Security “Trust Fund.” That money has already been spent and replaced with worthless IOU’s. Everything is predicated on the government’s ability to extract money from future generations. According to an article in the May 1997 issue of Nation’s Business, in 1945, there were 42 workers supporting each recipient of Social Security. In 1996, only 3.3 workers were supporting each recipient. By the year 2025 the ratio is predicted to be 2.2 workers per recipient.

In addition to all the other warnings about the coming implosion of that abominable Social Security idea, please tell me how anyone can expect my last example to exist in 21st Century America! There is no way that it can happen!! You can take steps to avoid all this by contracting with other like-minded people to solve the problem. It is called Whole Life Insurance!

The following financial professionals joined or renewed their membership to our *Authorized Infinite Banking Concepts Practitioners* team this month:

- Barry Brooksby, St. George, Utah
- Jack Burns, Algona, Iowa
- Richard Canfield, Chilliwack, British Columbia
- Justin Craft, Birmingham, Alabama
- Stephen Devlin, Gibsons, British Columbia
- Richard Gailey, Lake Mary, Florida
- Terry Hellenbrand, Waunakee, Wisconsin
- JD Hill, Fort Worth, Texas
- Don Hooser, Kailua Kona, Hawaii
- Paul Horsley, Hudson, Wisconsin
- Charles Jackson, Hillsboro, Texas
- Arkady Milgram, Thousand Oaks, California
- Russ Morgan, Vestavia Hills, Alabama
- Eric O’Connor, Beaver, Pennsylvania
- Merv Peters, Winnipeg, Manitoba
- Jason Pohlmeier, Republic, Kansas
- Ambrosio Rodriguez, Thousand Oaks, California
- Eric Roy, Gatineau, Quebec
- Kenneth Shapero, Boca Raton, Florida
- Marc Solomon, Denver, Colorado
- Michael Sparks, Clarksville, Tennessee
- John Stewart, Salt Lake City, Utah
- Margaret Zacher, Edmonton, Alberta

You can view the entire practitioner listing on our website using the Practitioner Finder.

IBC Practitioner’s have completed the *IBC Practitioner’s Program* and have passed the program exam to ensure that they possess a solid foundation in the theory and implementation of IBC, as well as an understanding of Austrian economics and its unique insights into our monetary and banking institutions.

The *IBC Practitioner* has a broad base of knowledge to ensure a minimal level of competency in all of the areas a financial professional needs, in order to adequately discuss IBC with his or her clients.

Take control of your financial world by
Becoming Your Own Banker

Find a Practitioner Near You

THE FOUNDATIONS OF IBC

We are excited to announce the launch of our online **video series** for the general public.

The videos provide a comprehensive introduction to the *Infinite Banking Concept*.

The first four modules are free, you can view them here: infinitebanking.org/foundations

The remaining eight modules are subscription-based, costing \$49.95 for all eight.

*Or contact an **Authorized IBC Practitioner** and ask for a coupon code that will enable you to watch all twelve modules FREE.*

Module 1: *Introduction to the Nelson Nash Institute*

Module 2: *What the Infinite Banking Concept Is*

Module 3, Part 1: *How IBC Works*

Module 3, Part 2: *Policy Loans & The Nature of Collateral*

Module 3, Part 3: *How to Read a Policy Illustration*

Module 4: *Why Nelson Calls It The Infinite Banking Concept*

Module 5: *The Life Insurance Industry*

Module 6: *Why Not Buy Term and Invest the Difference?*

Module 7: *Using IBC to Pass Wealth to Future Generations*

Module 8: *The MEC Rule and Policy Design* [Release Date January 2021](#)

Module 9: *Does IBC Work for Older People?* [Release Date February 2021](#)

Module 10: *IBC for the Business Owner* [Release Date March 2021](#)

Module 11: *Using Your IBC Policy: Premiums, Dividends, and Policy Loans* [Release Date April 2021](#)

Module 12: *IBC as a Way of Life* [Release Date May 2021](#)