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NEED-TO-KNOW TOOLKIT

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A COUPLE-THREE THINGS TO KNOW ABOUT YOURSELF

"Know thyself." This quote by Socrates is one of the best known in the history of the world, and yet it is probably the least applied. The better we know ourselves, the better we are able to know our capabilities and limitations, and manage ourselves accordingly. We now live in a world where many people, organizations and institutions know us better than we know ourselves. Many such entities are not interested in helping us to know ourselves better, but rather to take advantage of us, to condition us, take our money, our time, and more besides. The better we know our clients, the better we work together, and the better we are able to help them with their financial life strategies. Before we even meet with our clients, we know three major things about them, things that almost all of them do not realize. We know these things of them because we know them of ourselves; we share these things. It is almost certain that these apply to our readers.

THREE MAJOR THINGS TO KNOW (AND MANAGE):

1 - Your greatest expense: When we meet with clients, we usually ask them what their greatest expense is at the very first meeting. They have often overlooked this all-important factor, likely because they assume that they know what it is. The most common answers given are: housing, college, other debt, and healthcare. These are large expenses, and they need to be kept appraised and managed with a view toward their reduction and elimination. Yet most of the time, these expenses pale when compared with our greatest expense in fact: *taxes*. This matter will be discussed on another page, and when you realize that this is indeed your greatest expense, with this knowledge you are becoming equipped to deal with it in a number of effective ways.

2 - Your default tax situation: Judge Learned Hand wrote: "In America, there are two tax systems: one for the informed, another for the uninformed. Both are legal." The vast majority of Americans fall into the uninformed category. There are numerous reasons for this, but the overriding and compelling reason is that which was indicated within the first paragraph above: we are conditioned to not know ourselves. Most of us fall under *the ordinary income tax situation*, from the moment we join the workforce as teenagers, into retirement, and to way beyond the day we die. Another page will detail this and equip you with legal and sound strategies to reduce and sometimes eliminate your tax obligations. The system that the informed apply to reduce their taxes includes such strategies.

3 - Your greatest risk: After working with and speaking with thousands of clients, hearing their stories, learning of their actions, methods, experiences and the resulting losses from these, it is very clear what the greatest risk is: *yourself*. More on this in the pages ahead.

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