Unshakable: your financial freedom playbook – Tony Robbins
In writing a short book that's quick and easy-to-read, I'm looking to increase the likelihood that you'll not only master this material but also act on it. People love to say that knowledge is power. But the truth is that knowledge is only potential power. You and I both know that it's useless if you don't act on it. This book gives you a power packed action plans that you can put into effect immediately– because execution trumps knowledge everyday of the week.

I'm happy to tell you that his company will provide a review of your current situation and goals, at no cost, help you create a customized financial plan. You may decide that you prefer to handle your finances a loan. But if you ever decide that it might be helpful to get a second opinion from the top ranked firm in the country, you're welcome to reach out to creative planning, at getasecondopinion.com.

Even worse, those fees add up massively overtime. If you overpay by 1% a year, it will cost you 10 years worth of retirement income.

Along the way, we also learned a vitally important lesson: we're not rewarded when we do the right thing at the wrong time.

Now let's imagine for a moment that Joe didn't stop investing at age 27. Instead, like Bob, he kept adding $300 a month until he was 65. The results: he ends up with the nest egg of $3,000,453. In other words he has $1.86 million because he started investing eight years earlier… but you know what's amazing? Most people never take full advantage of the secret that's signing full view, this wealth building miracle that sitting there right in front of their eyes. Instead, they continue to believe that they can earn their way to riches. It's a common misperception – this belief that, if you're earned income is big enough, you'll become financially free.

The lesson? You're never going to earn your way to financial freedom. The real route to riches is to set aside a portion of your money and invested, so that it compounds over many years. That's how you become wealthy while you sleep. That's how you make money your slave instead of being a slave to money. That's how you achieve true financial freedom.

In reality, the number you should really aim for is 20 times your income. So, if you currently earn $100,000, you'll need $2 million. It may sound like a lot, but remember that our friend Joe got there with them year $28,000dollars, and my bed is you have much more than this to invest over the coming years.

How would you feel if you could cover the cost of your mortgage, food, utilities, transportation, insurance, all without ever working again? It's pretty great, right? The good news is, this number is usually 40% less an ultimate financial independence, where everything you need is paid for, and thus you can hit it quicker.

But before we get started, let me quickly explain some investment jargon. When any market falls by at least 10% from its peak, it's called a correction– Particularly bland and neutral term for an experience that most people relish about as much as dental surgery. When the market falls by at least 20% from its peak, it's called a bear market…
Instead of getting distracted by all this noise, it helps to focus on a few key facts actually matter. For example, on average, there's been a market correction every year since 1900. When I first heard this, I was floored. Just think about it: if you're 50 years old today and have a life expectancy of 85, you can expect to live through another 35 corrections. To put it another way, you'll experience the same number of corrections as birthdays...
And you know what else? Historically, the average correction has lasted only 54 days – less than two months…
It turns out that fewer than one and five corrections escalate to the point where they have become a bear market. To put it another way, 80% of corrections don't turn into bear markets

And his 2015 annual report, warren buffet addressed this subject at length, explaining how population growth and extraordinary gains in productivity will create and enormous increase in wealth for the next generation of Americans. "This all-powerful trend is certain to continue: America's economic magic remains alive and well," he wrote. "for 240 years, it's been a terrible mistake to bet against America, and now is no time to start."

The best opportunities come in times of maximum pessimism

The trouble is, sitting on the sidelines even for short period of time maybe the costliest mistake of all.

Meanwhile, a study by JP Morgan found the six of the 10 best days in the market of the last 20 years occurred within two weeks of the 10 worst days.

What striking is that, even after this 20 year run of spectacularly bad luck, Mr. hapless still made a substantial profit. the lesson? If you stay in the market long enough, compounding works at Magic, and you end up with a healthy return –even if your timing was hopelessly unlucky. And you know what? The worst performing investor wasn't me and lucky one, but the one who stayed on the bench, the one in cash: he ended up with only $51,291.

Let's assume the stock market gives a 7% return over 50 years. At that rate, because of the power of compounding, "each dollar goes up to $30." But the average fund charges you about 2% per year in cost, which drops your average annual return to 5%. At that rate you get $10 dollars. So $10 versus $30. You put up 100% of the capital, you took 100% of the risk, and you got 33% of the return.

Imagine for a moment that you stop buying actively managed funds that charge exorbitant fees. Instead, from now on, you invest only in low cost index funds. What's the result? At the very least, I would estimate that you can cut your fund expenses by 1% a year. But as you know, that's not the only benefit of switching to index funds. Hypothetically, let's imagine that your index funds outperform the actively manage funds by 1% annually. In total, you've just added 2% a year to year returns. This alone can give you 20 years of extra retirement income. Now you see how much power you possess to take charge of your financial future? Take that power and use it to dramatically drive down your costs. This will help you immeasurably to become unshakable. Meanwhile, let's take a breath. Then let's step into another area where you can save your files of fortune: your 401(k).

Chapter 4: rescuing our retirement plans

Remember, Sunday 1% of people enrolled in 401(k)s think there're no fees, 92% them at that they have no clue what they are. But the truth is, the vast majority of plans are characterized by huge broker commissions, expensive actively manage funds, and layer after layer of additional– and often hidden– charges.

Whether you're a business owner or an employee, you can see how your company's 401(k) plan stacks up by using his free online Fee Check tool at showmethefees.com

Chapter 5: who can you really trust?
From 2010 to 2015, the percentage of the US population using financial advisors double.

Registered financial advisors

Chapter 6: the core four

Why am I so adamant about this? Because it's not enough to say "These are useful insights; I'll try to keep them in mind." The best investors understand that these principles must be obsessions. They're so important that you need to internalize them, live by them, and make them the foundation of everything you do as an investor. In short, the Core Four should be at the very heart of your investment playbook.

Core principle one: don't lose
But the best investors are obsessed with avoiding losses. Why? Because they understand a simple but profound effect: the more money you lose, the harder it is to get back to where you started.

> The most important thing for me is that defense is 10 times more important than offense… you have to be very focused on protecting the down side at all times.

Core principle two: asymmetric risk/reward

A cool conventional wisdom, you need to take a big risk to achieve big rewards. But the best investors don't fall for this high risk, high return myth. Instead, they hunt for investment opportunities that offer what they call asymmetric risk/reward: a fancy way of saying that the reward should vastly outweigh the risks. In other words, these winning investors always seek to risk as little as possible to make as much as possible. That's the investors equivalent of nirvana..

Corrections and bear markets can be among the greatest financial gifts of your life.

Core principles 4: diversification

- Diversify across different asset classes. Avoid putting all your money in real estate, stocks, bonds, or any single investment class.
- Diversify with in asset classes. Don't put all your money in a favorite stocks such as Apple, or a single MLP, or one piece of waterfront real estate that can be washed away in the storm.
- Diversified across markets, countries, and currencies around the world. We live in a global economy, so don't make the mistake of investing solely in your own country.
- Diversify across time. You're never going to know the right time to buy anything. But if you keep adding to your investment systematically over months and years (in other words, dollar-cost averaging) you'll reduce your risk and increase your returns over time.

Chapter 7: slay the bear

On average, the market is down about one every four years. You need to recognize this reality so you won't be shocked when stocks tumble– and so you'll avoid excessive risks. At the same time, it's useful to recognize that the market has made money three out of every four years.

One common – but misguided– approach involves using a person's age to determine the percentage of bonds in his or her portfolio. For example, if you're 55, you have 55% of your assets allocated to bonds. To me, that's crazily simplistic. In reality, the type of assets you own should be matched to what you personally need to accomplish.

Asset allocation drives returns. What's start with the fundamental understanding that your asset allocation will be the biggest factor in determining your investment returns. So, and deciding on the right balance of stocks, bonds, and alternatives is the most important investment decision you'll ever make. Whatever makes you choose, make sure you diversify globally across multiple asset classes.

The rule of seven. Ideally, we like our clients to have seven years of income set aside an income producing investments such as Bonds and MLPs.

Chapter 8: silencing the enemy within

Behavioral financeAnd fact, this is also an example of another emotional bios called "Endowment affect," in which investors place greater value on something they already own, regardless of its objective value. This makes it much harder to part ways and buy something superior.

Ironically, the next day, the markets snapped back in the opposite direction, with the Dow jumping 316 points as investors began to adjust to a of reality. We witness a Trump rally that continued for weeks. As I write this in December 2016, the S&P 500 just hit an all-time high for the third day in a row, the Dow Jones industrial average has scored its 11^{th} all-time high in a month, in the market has surge six % in seven weeks since election.

How do you think investors feel right now? Pretty cheerful, that's how. When you read that the market is "roaring ahead," it's hard not to feel a little Rush of delight. Maybe you peek at your investment portfolio and notice that it's the highest it's ever been. Life is sweet

Granted, I have no idea where the market is headed from here, and as the greatest investors in the world will tell you, neither does anyone else. But I do know that people get carried away at times like this. And the stacking of emotions and believes they start convinced themselves that the good times will keep on rolling. Likewise, when the market is plunging, they start to believe that I will never recover. As Warren Buffett says: "investors project out into the future what they have most recently been seeing. That is their unshakable habit."

What's the explanation for this? Is actually a technical term for the psychological habit. It's called "recency bias."

Individuals tend to buy funds that have good performance. And they chase returns. And then, when funds perform poorly, they sell. They end up buying high and selling low. And that's a bad way to make money.

The best way to win the game and that of investing is to achieve sustainable long-term returns. But it's enormously tempting to swing for homeruns, especially when you think other people are getting rich faster than you.

Chapter 9: Real Wealth

The first thing to achieving anything you want is focus.
The second step is to go beyond hunger, drive, and desire, and to consistently take massive action.
The third step to achieving whatever we want is grace.

They assume that it's an inevitable part of life to get frustrated, stressed, sad, and angry– in other words, to live in the suffering state. But I'm happy to tell you there's another pass: one that involves directing your thoughts so that your mind is your bidding, not the other way around. This was the path I chose. I decided that I would no longer lives in the state of suffering. I decided that I would do everything in my power to live in a beautiful state for the rest of my life and to become an example of what is humanly possible.

In reality, the mental and emotional state in which you live is alternately the result before you choose to focus your thoughts.

And all this suffering is really just a result of an undirected mind that's hellbent on looking for problems.To put this another way, will you commit to enjoying life not only when everything goes your way but also when everything goes against you, when injustice happens, when someone screws you over, when you lose something or someone you love, or would nobody seems to understand or appreciate you? Unless we make this definitive decision to stop stuff ring eleven a beautiful state, our survival minds create

Take all of your negative thoughts and all of your negative emotions, trade them for appreciation, and your whole life changes in an instant.So what are you going to do? Are you going to join me in my quest to experience true and lasting wealth today by training your mind find joy in every moment? It's your choice whether to live in the suffering state or a beautiful state. You have the capability to become a master of enjoyment, to fill your mind with appreciation, to be happy no matter what. Best of all, the joy and you will affect everyone around you.

If you're ready to burn the boats and take the island, I recommend that you write a note explaining your decision to live in the beautiful state and why you've made it. Then send this note to three people you respect and asked them to tell you if they ever see you slipping into the suffering state. You can also send the note to me at endsufferingnow@tonyrobbins.com. I'd be touched to hear that you've made this decision, why you made it, and how it has enriched your Life.

By writing down your decision, you crystallize it, while also committing yourself publicly in a way that will help you stay the course. Even better, you may well inspired the recipient of your note to follow you and making this commitment to living a beautiful state.

Everyone needs a vision. Mine is simple. I'm going to live in the beautiful state everyday of my life– and when I get off track, I was not myself back immediately. This will enable me to bring more beauty to the lives of others and all those I love. I hope you'll join me in this mission. Because let me tell you: living in a beautiful state is the greatest prize, the real jackpot, the ultimate treasure. This is rarer–and a much greater achievement– than being a millionaire or a billionaire. If you can learn to ride the roller coaster of life and enjoyed both the ups and the downs, then you are utterly unshakable.

Acknowledgments and Appendix
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Revocable Living Trust: as you begin to accumulate wealth, please don't wait to set up a living trust. Everyone needs one. Why? Because all assets in the trust avoid the complex state run proceedings of probate. A revocable living trust is a simple, legal arrangement to hold assets (the trust part). Because this trust is put in place during your lifetime, it is a living trust. And because the trust is written to allow you to terminate the arrangement at anytime, it's revocable. So even though the name looks confusing, revocable living trust just means "a legal arrangement created to hold your assets, which you can end anytime you want while you are alive." You will be named the trustee (or the person in charge of the assets), so you make whatever decisions you want with the assets in the trust. If you becoming capacitated, we're after you pass away, a successor trustee you name will take over the administration of the trust for you. And Nothing touches probate!

Protect your assets within your revocable trust. Some of the wealthiest families in the world have known for centuries what any great asset protection expert will tell you: the secret is to own nothing and control everything. This can be done through an irrevocable trust. It is considered to be a separate legal entity, so the assets inside it are not subject to state tax when you die. That's right, your family will keep that 40% didn't see it confiscated by the government. Also if the trust is established properly, the assets inside can be protected while you were alive from creditors, divorce, legal judgments, and other risks– thus it's other name: an asset protection trust. So what are the best ways to use your revocable trust to your advantage?

#1 Giving annual gifts. As you learned a few pages ago you are allowed to give an annual gift of $14,000 per person each year tax free. Rather than giving your annual gifts to your beneficiaries out right, it may make more sense to put that money in and your irrevocable trust instead, and that person can be the beneficiary of the trust. This is particularly effective if a beneficiary is young, has difficulty managing money, or if there are extenuating circumstances that lead you to want to establish some benchmarks the person must achieve in order to obtain access to the funds, such as sobriety, attending college, or holding down a full-time job.

#2 Holding life insurance. Sheltering life insurance through the use of the irrevocable trusts has become so common that this type of trust has acquired an acronym: ILIT, which stands for your revocable life insurance trust. Most people know that the proceeds from a life insurance policy are not subject to income tax; however, it's not as widely known that the proceeds are subject to estate tax (that pesky 40%). However, if the policy is held within an air revocable trust, you're able to avoid both income tax and estate tax. A double whammy. Here's how it works: you take the $14,000 annual gift ($14,000 per kid, per grandkid, if you want to contribute more), and use it to fund life insurance with an air revocable trust, which allows your children or grandchildren to receive the life insurance payout completely tax-free.

Leave the right assets to charity. Many times, individuals name their children as the beneficiaries of their IRA or retirement account, and they specify a bequest of cash or other property to charity. This isn't always the best solution. For example, if you leave a traditional IRA valued at $100,000 to your children and a piece of land valued at $100,000 to a charity, your children will have to pay taxes on the distributions from the IRA. If, instead, you leave the IRA to a charity and land to your children, the charity can cash out the IRA with no tax consequences in your children console the property at your death without paying taxes either…. In another example: if the stock is donated, the donor avoids ever having to pay capital gains tax, doesn't have to part with cash, and still gets the tax deduction for giving to a charity of her choice.