

About Grant Cardone:

Grant Cardone is the CEO of Cardone Enterprises and Cardone Capital. He is an entrepreneur, speaker, and author of several books including The 10X Rule. He founded the The 10X Movement and hosts the 10X Growth Conference. He is one of the entrepreneurs profiled in the second season of Undercover Billionaire on Discovery where he built a company with an over 5 billion valuation in 90 days starting from scratch. During the recent 10X Bootcamp Interactive that I attended, He outlined his principles of building wealth "on the come up" or prior to reaching your "wealth" goals.

#1 The 40% rule

40% of your income will go to the government (ie taxes), 40% SHOULD go to a sacred account that you will put towards investment. This means this is money you should act like you don't have and truly save it for the purpose of investing and building wealth. And the last 20% of your income will be for living costs. Your cost of living can only change if you earn more.

#2 The Wrote-Off Principle

Only buy something if you can write it off.

#3 Use it, Don't Own it.

On the "come up," rent and lease and do not own.

#4 Stabilize and grow your first flow of income

Stabilize and grow your first flow of income before adding a second flow. The second flow should be symbiotic with your first flow and not take away from your first flow. ***The goal is to have multiple flows of income that work together.***

#5 The 40/7 Principle

For every 40 hours of work, spend 7 hours working on yourself.

#6 Invest, Don't Save

If you can understand the simplicity of the money game, you will win. If you give your money to the bank, they lend the money to someone else and earn by charging interest. Interest rates for you are so low and will likely go negative so you are losing money giving it to the bank while they are making money off you. When you take money and give it to a bank, you are the one getting taxed. But when you take your money and invest it, you get to write it off your taxes.

#7 Never Lose Money

If you don't pay attention to your money, you will lose it. Don't lose money in speculative bets. Make educated investments.

#8 If It Doesn't Cash Flow, Say "No"

Say "No" if the opportunity has no cash flow.

#9 Buy a Seat in the Room

"Dead presidents can't help you, living people can." Get in the room where the people who are making money are so you can learn from them. If you can't buy a seat to be there, serve them to be in the room so you can learn from them.

#10 Go All In on the Wealth Target

There are some people in your life that you will have to let go for a while because they are not going to understand what you are doing. It's hard to make a change around naysayers. You can't be all in on the wealth target and be around people who are committed to poverty. Seek out like-minded people and spend time with those who will support you.

**#11 When do you Spend
Stupid Money
(ie. When can you buy
stupid stuff?)**

You can only buy stupid stuff (*ie. stuff you want/don't need that doesn't bring you towards your goals*) when you can afford to buy two of them, not just one. And you have to be able to pay cash. You should be able to purchase the items from passive income and not earned income.

You have to be able to admit it is a stupid purchase and be happy with your decision. Quit trying to make sense of it.

Examples:

If you buy a piece of art without ever having an intention to sell it, it is not an investment. Don't kid yourself.

If you want a fancy watch, you have to be able to afford two of them in cash.

Why is it important to use passive income for this purchase?

If you buy with earned income, the watch is \$500K plus you have to pay taxes on your \$500K. So you are getting taxed twice.