

BANKNOTES

THE NELSON NASH INSTITUTE
MONTHLY NEWSLETTER

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IBC Think Tank 2020: A Difficult First

A brief summation and reflection from one attendee and speaker from this year's Nelson Nash Institute flagship conference

by Ryan Griggs



From left to right: NNI Board Members Robert Murphy, Carlos Lara, and David Stearns; and myself — upon the conference conclusion on Thursday, February 6, 2020.

Every year, Infinite Banking Concept (IBC) Practitioners authorized by the Nelson Nash Institute (NNI), and their guests, gather in Birmingham, AL for the Think Tank. The central fixture of each of these conferences has been the man who discovered the IBC himself amidst the tragedies of a brother's early passing, a robbery, and a severe, unexpected medical diagnosis: R. Nelson Nash.

February 5–6, 2020 was the first exception, and the hard beginning of a new rule.

On March 27, 2019 — not two months after that year's Think Tank — Nelson graduated. Things didn't feel the same this time as we shuttled downtown late Tuesday morning. Though attendance this year would be the greatest in eight years, this one man's absence was obvious and painful.

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NELSON
NASH
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2957 Old Rocky Ridge Road
Birmingham, Alabama 35243
BankNotes archives:
infinitebanking.org/banknotes

Founder - R. Nelson Nash

Editor - David Stearns

david@infinitebanking.org

But though the man was not with us, his spirit was.

Members of the NNI Board of Directors and selected Authorized IBC Practitioners delivered two day’s of 50-minute talks inspired by that spirit. Carlos Lara was intimate and transparent as he shared his conviction for continuing the work Nelson that began, despite incredible challenges of his own. Robert Murphy gave us the basics of Austrian Business Cycle theory, connected it historically and presently, in order to show just how imminent the end to this country’s longest-ever economic expansion likely is. David Stearns got personal retelling stories of gentle, yet firm admonition from his eminent father-in-law to pay more and more premium as his family expanded. I can’t imagine that launching this year’s meeting in the first half of day one was easy. That’s usually when Nelson would either speak, or make his first appearance. But the three did it anyway, earning deserved commendation.

The second half of the first day and almost all of day two consisted of “break-out” sessions. Attendees had the option to choose from one of two simultaneous talks from Practitioners or representatives of the few life insurance companies that actively support the IBC. Each Practitioner, in their own way, addressed the theme “Framing the IBC Conversation” — the purpose embedded in which was an admonition to return to our roots. The ever-rising flood of noise and dis- or misinformation metastasizing through the blogosphere, YouTube, and the podcasting wild west demanded it. In this one attendee’s view, some struck the target and others did not.

Talk topics included marketing methods, educational processes, the noise, technology, and anecdotal success stories. A very few, unfortunately, took the opportunity to promote other programs and training, but fortunately, were relatively inconspicuous. On net, the impressions I gathered would be classified appropriately as excited, intrigued, provoked, encouraged, and motivated.

I’ve previously called this event “the cutting edge of finance.” Nothing has changed.

Prospective, current, and future dues-paying

members of the NNI can catch what they missed on the Institute’s website — a valuable and growing reason, in and of itself, to consider membership.

One of those recorded talks is Jeff Deist’s, President of the Mises Institute, colleague of Bob Murphy’s, and friend to the late Nelson Nash. Jeff offers a refreshing alternative to the contemporary dialogue between Left and Right — that is, of varying degrees and locales of always and ever-more political centralization. That contrast is in the form of the “Small Revolution,” or in other words, radical decentralization. Maybe breaking up the dramatically under-representative “United” States wouldn’t be so bad. After all, why should San Francisco’s Nancy Pelosi have anything to do with the abortion policy in Auburn, Alabama? Conversely, why should Sen. Rand Paul’s view on the Second Amendment impede Californians from mass disarmament?



From left to right: James Neathery, Jeff Deist, and myself. Taken on Wednesday, February 5, 2020 after Jeff’s Key Note address.

The classic American ideal of secession — of severing legally binding chains — and Jeff’s support of it rang harmoniously with the crowd. However, it’s still clear that Nelson’s vision of bottom-up, individualistic, financial secession is still misunderstood in the broader, liberty-friendly, scholarly and policy spheres. For many in the Austrian, or free-market, or libertarian circles, the idea of accumulating capital in a US Dollar

denominated asset seems unwise, given the potential for future currency collapse. The idea that “banking” is an ever-marching, uninterrupted process regardless of the particular currency in which elements of it may be denominated has yet to sink in.

Financial theory is one of the least understood sub-fields of economics. Do currencies play a role? Of course. But as our little field develops — perhaps with the help of a reappraisal of Austrian Capital Theory — we may come to see that it’s less about the unit of measure, and more about the relationship between inputs and outputs, the behavior of the individual, and inherent, unalterable, God-given relationships.

Nonetheless, Jeff was the man for the hour and closed day one better than I imagine any other Key Note speaker would have.

The highlight for me — my own talk aside — was that of the man I’m blessed to call my mentor, business partner, and podcast co-host James Neathery. James’ characteristic, free-flowing, authentic, and — understandably — emotional presentation attracted a standing-room-only crowd. A new Practitioner exclaimed in confession during the Q&A period that he had unintentionally drifted into the noise that James so masterfully called to the carpet. One of my favorite (paraphrased) lines — there are many — from James was:

If you have to run 50 credit card payments through third-party software in order to convey the power of the Infinite Banking Concept, then you do not know your subject well enough.

It’s a bold claim, indeed, and one that James is uniquely positioned to assert. For that one audience member, though, the theme of James’ admonition seemed to hit home.

Two weeks before the Think Tank, David Stearns invited me to speak. Of course, I agreed. On day one of the conference, I learned that the schedule had been shuffled. Rather than present opposite a simultaneous breakout speaker, I would address the whole group. About 45 minutes prior to my

appointed time, I learned that the location for my talk, which would be the conference’s last, had been moved from the smaller breakout room to the main stage.

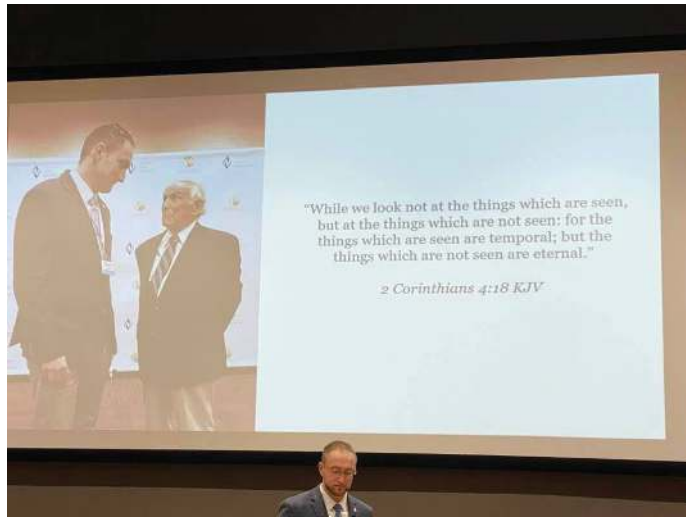


Me in action during my closing talk.

My idea was to present and explain a few fundamental elements of mentorship that all current and perspective mentors and mentees — in this case, within the NNI — could and perhaps should consider in their own mentoring relationships. “BBQ, Fight Nights, and Life Insurance: The Anatomy of a Successful Mentorship” was the “provocative” title — according to Bob Murphy who introduced me. Relying on my experience with James as a mentee and my experience with my partner-agents as a mentor, I wanted to lay out what was absent when I first joined the NNI. Back then, I knew the logistics ranging from when I’d take the exam, when I’d be interviewed, and when I’d be paired with an experienced NNI Practitioner. But I didn’t know what I could or should expect beyond that.

Since the presentation will be available to future mentees and mentors, I hope that problem is at least partially rectified. I will have the footage to do with as I see fit myself. However, as a number of audience members remarked after the talk, some of the details were complex and may require a second or third watch in order to fully digest (one audience member said he wished he could “hit pause” at various

points). I may have to modify and expand on some of the subject matter in order to make it palatable and available for general consumption — I’ve yet to sort that out. I did pour it on, on purpose, and seemed to hit my mark. A surprising, enthusiastic, lengthy standing ovation suggested as much.



Me and my closing slide.

I closed where I and I hope Nelson Nash would want me to — by looking boldly to what’s to come. Whether the rush to understand and implement the IBC is prompted by the oncoming economic correction, or by the organic, already unfolding expansion and intensification of interest in a new, more sense-able financial paradigm, the flood is coming. In the Practitioners’ world, there’s really no such thing as inter-adviser competition. With an American population of approximately 360 million, 40–50 million of which, if not more, who are strong candidates for the IBC, the idea of “market penetration,” much less “saturation,” is comical. The problem is the inverse. It isn’t that there are too few consumers, but too few advisers.

As the theoretical economic rationale for a capital-centric financial strategy rises from the ashes of neo-classical and post-Keynesian financial economics, as more and more share the 92-page classic *Becoming Your Own Banker*, and as economic reality collides with dishonest, immoral, elitist financial scheming, many will come. Thankfully, those who aspire to help those who discover their dramatic, intense

need for capital, have a place to come, to refresh, to connect, and to reengage.

Maybe I’ll see you the next time we go that place in Birmingham, AL at the annual Nelson Nash Institute IBC Think Tank.

Ryan Griggs is the CEO, Griggs Capital Strategies.

“Banks lend money that does not exist, and that is evil.” — R. Nelson Nash

The 2020 IBC Think Tank “Nelson Nash’s Final Message To Us”

by Robert Murphy

The 2020 IBC Think Tank was bittersweet, in that it was the first such event since Nelson left us. Carlos opened the conference with a talk entitled, "Nelson Nash's Final Message For Us." Carlos explained that Nelson had actually called him from the hospital, after Nelson had been admitted for what would be the last time. Nelson knew that his time was close, and told Carlos that all of us needed to keep IBC going.



Most of the other presentations I witnessed (there were two simultaneous tracks, so I didn't see them all) also incorporated loving anecdotes of Nelson, and

often the presenter had to pause for a moment to compose himself. Yet amidst the sadness, there was also hope and excitement: The attendance was very high, and many of the attendees had never even met Nelson. This was proof that we would indeed keep this thing going, even without Nelson's physical

presence.

In my own talks, I summarized the state of the US economy (bad) and the prospects for the Nelson Nash Institute (good). If historical patterns hold up, the yield curve inversion signaled a recession that should officially start this summer. (Keep in mind that the last



recession officially started in December 2007, but it wasn't until the fall of 2008 that we had the financial crisis.) I explained to the attendees that the number of interviews for applicants to the Nelson Nash Institute IBC Practitioner Program keeps rising every year, averaging about a 25% annual growth rate since we began. But even more encouraging than the quantity of applicants is the quality; the new people coming into the program keep blowing us away with their



technical competence and enthusiastic embrace of what the NNI stands for.

Finally, I told our crowd about a forthcoming video series that Carlos Lara, David Stearns, and I are developing, to teach the essentials of IBC to the general public. This will be out in 2020, and we hope will allow more people to enjoy the benefits of IBC, especially in light of the coming economic troubles that I personally foresee.

2020 Think Tank, Framing The IBC Conversation

by David Stearns

I was privileged to share some personal antidotes from my forty-year relationship with Nelson Nash at this year's Think Tank, and present how my family built our financial legacy for our future generations under Nelson's tutelage.

Before I got into the strategy, I emphasized some overlooked precepts of this thing called Infinite Banking.



Our conference theme this year "Framing the IBC Conversation" reminded me of how Nelson *framed* his 10-hour seminars by leading off with the simple but fundamental idea that the *Infinite Banking Concept* was an exercise in *Imagination, Reason, Logic* and *Prophecy*. He did this because he was convinced that to fully grasp this financial paradigm shift, you had to accept the meaning and importance of those four words.

When a *Becoming Your Own Banker* reader or seminar attendee didn't approach IBC by using

their *imagination, reason, and logic* then full understanding of IBC was probably going to take a much longer period of time, if it ever was fully understood and accepted.

As many of you know, the book is a text for his 10-hour seminar. But not many realize that the seminar was initially designed to be presented in two-hour segments over a five-week period. Why stretch it out for so long? Because Nelson wanted his attendance to “chew on” the material for a week before progressing to the next segment.

This might be one reason why there is a general misunderstanding of IBC, and why there is so much *noise* around the concept.

I personally believe that another reason is that most think that it starts with the belief that this is just about life insurance. Couple that idea with the emphasis on numbers, such as rates of return, and interest rates. Additionally, there are the endless comparisons of insurance companies, and their multiple policy design features, etc..

Or the answer might be that there is a failure to focus on the meaning of these three words: ***Infinite, Banking, and Concept.***

Nelson choose these three words carefully, but almost everyone I talk too marginalize them as only a marketing label. When from the start, the answer was obvious, although not appreciated; they describe a simple, brilliant personal economic philosophy.

He chose ***Infinite*** because there is no limit on how you can use your policies; and, there are countless ways on how a policy can be designed. The key to design follows this simple rule: does the chosen policy design adhere to the IBC principles (more on these principles are in the book) as applied to that specific individual?

Infinite also describes a *system* of policies, responsibly used, that can be passed from generation to generation infinitely.

The word ***Banking*** is an adjective, a descriptor for the word “Concept.” Human behavior, specifically “*Behaving* like a Banker” is the real focus of the

book *Becoming Your Own Banker*.

Have you heard this before? “There are two *vocations* that one should be involved with, your primary occupation, and banking.” Why? “Because your need for finance during your lifetime is much greater than your need for protection.”

Nelson believed that the most important of the three was the word ***Concept***. A concept is something that is “an understanding retained in the mind, from experience, reasoning and imagination,” *does this sound familiar?*



Tenth 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 1 Lesson 10: Creating a Bank Like the Ones You Already Know About (Continued)

Content: Page 20 *Becoming Your Own Banker Fifth Edition*

Continuing our study from lesson 9 of The First National Bank of Midland, TX, it is apparent from the report of the December issue of the drilling magazine that a number of the directors of the bank were in the oil business.

There was quite an aberration in that business at that time. Many people had to wait in line for hours to get gasoline. In those days I was still flying with the Alabama Army National Guard and on drill weekends we flew patrol over the Interstate Highways for convoys of gasoline trucks. It was an interesting time. The best that I can remember it lasted a couple of years.

So, these directors of the bank were making loans to themselves to invest in the oil business where they were going to “make a killing” and not bothering

to repay the loans. They were listening to pseudo-economists that were telling them, “Real money is natural resources like land, timber, coal, minerals, oil, etc. Borrow all the money from your bank that you can and put it in the oil business! You can really get rich!”

When the oil business returned to normal, these folks lost their oil business and their banking business – the best business in the world! Had they repaid their loans with interest (preferably with greater than normal interest) their bank would still have been in operation, but greed prevailed and “did them in.” All banks that went bankrupt during that period were just a variation of what happened here.

People behave on the basis of their understanding of things and are strongly influenced by the idea of getting rich quickly. Read *Extraordinary Popular Delusions and the Madness of Crowds* by Charles Mackay. It is a collection of stories of weird behavior of people down through history. People listen to “financial experts” and my own observation is that we have more financial geniuses per square foot today than in all of history combined! If those pseudo-economists were correct that “real money is oil” then tell me how much oil does Switzerland produce? None, but those folks have known something about banking for a very long time. Banking is the best business in the world.

So, you have now seen two examples of how a business can be destroyed -- the grocery business by taking groceries out the back door of your store and the banking business by making loans to yourself and not paying them back.

Again, I warn you, if you want to kill the best business in the world then go to it. But your blood will not be on my hands. You have been adequately warned.

You must admit that getting into the banking business the way we have studied in lesson 9 & 10 is very costly and time consuming. It will be a long time before you show a profit, probably as much as 10 years. But it must be extremely profitable over the long haul for people to go through the gory mess

you have just studied.

There is a much easier way to accomplish it and the mechanism has been around for over 200 years. It is tried and true. It is called participating (i.e. dividend-paying) whole life insurance. The problem is that very few people know how the business works, including the home-office folks at life insurance companies.

At this point, it will help if you understand the word, “co-generation,” a term used in the production of electrical power. Most everyone knows that this power is produced in plants using fossil fuels, nuclear fuels or water to turn turbines. But there is another source of power that is significant – the wood products plants – paper mills and sawmills. Trees are harvested for the wood they contain but the bark on the outside of the tree and the sawdust from sawing lumber has little economic value. But these things make a very good fire, and thus produce steam to turn dynamos that produce electricity. Every paper mill and all large sawmills have a “co-generation plant.”

Suppose that you own a paper mill and your co-generation plant can produce 125% of your needs for electrical power. What do you do with the surplus? You can sell it, of course! But you don’t have to erect power lines and get a sales force to sell it. You simply understand the distribution system is already there and you simply tie into that system and sell it to them!

Creating your own banking system through the use of dividend-paying life insurance is much like co-generation. All the ingredients are already there in place. All you have to do is understand what is going on in such insurance plans and tap into the system.

Take control of your financial world by
Becoming Your Own Banker

Find a Practitioner Near You

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

- Russ Morgan - Vestavia Hills, Alabama
- Justin Craft - Birmingham, Alabama
- Kim Butler - Mount Enterprise, Texas
- Dale Moffitt - Red Deer, Alberta
- Charlie Jackson - Hillsboro, Texas
- Stephen Devlin - Vancouver, British Columbia
- Richard Gailey - Lake Mary, Florida
- Gary Sund - Saugus, Massachusetts
- Franz Griswold - Dansville, New York
- Allan Johnson - Prince George, British Columbia
- John Stewart - Salt Lake City, Utah
- Don Hooser - Kailua Kona, Hawaii
- Richard Canfield - Sherwood Park, Alberta
- Barry Page - Ocean Springs, Mississippi
- Eric O'Connor - Beaver, Pennsylvania
- Terry Hellenbrand - Waunakee, Wisconsin
- S. Paul Horsley - Hudson, Wisconsin
- Jack Burns - Algona, Iowa
- Eric Roy - Gatineau, Quebec
- Arkady Milgram - Thousand Oaks, California
- Marc Solomon - Denver, Colorado
- Kenneth Shapero - Boca Raton, Florida
- Barry Brooksby - St. George, Utah
- George Bryant - Altoona, Florida
- Merv Peters - Winnipeg, Manitoba
- Ron Luongo - Paoli, Pennsylvania
- JD Hill - Forth Worth, Texas
- Jason Pohlmeier - Byron, Nebraska

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.