



LEAP SYSTEM[®] Glossary of Terminology

Definition of words and phrases that are used with the Lifetime Economic Acceleration Process[™]

Compound Tax

The name of the effect an escalating tax has due to the compounding of interest in taxable accounts.

Coordination

The financial relationship between one asset and another.

Coordination Money[™]

The type money which is used within the movement of cash flow between assets in a way that results in the improvement of the overall performance or benefits of either asset.

Cost Basis

The initial amount of money saved or invested that that originated from funds that has already be subject to income taxes.

Cost of Money

The rate at which money lost could have appreciated if it could have been kept or recaptured for economic use.

Enjoyment of Wealth

The spending of one's assets for needs, wants, or desires.

Estate Engineering

The process focused on improving ongoing results associated with the growth, distribution and conservation structure of one's assets and liabilities for legacy or estate transfer issues.

External Design[™]

The study of the efficient and effective flow of money into and out of the assets a person owns within the PS&G Model[®].

External Rate of Return

The rate of return that is a function of the gross rate of return (internal) minus the effect the outside factors of external costs such as taxes and inflation have on it.

Economic Life Value

The economic worth of a person generally associated with the ability to earn income and produce assets over a future period of time.

Gross Savings Rate

The current before-tax stated earnings rate on savings assets.

Ideal Strategy

The strategy using the same assumptions of a client's present financial position, but without the effect of taxes or inflation.

Increase in Money Supply

The additional amount of money one would have in one specific financial strategy compared to a less favorable strategic alternative.

Inflow

All financial income sources including compensation, dividends, interest, capital gains, appreciation, inheritance, governmental and corporate benefits, refunds, etc.

Integration

The movement of money from one asset to another that seeks increases in the future money supply and provides additional protection benefits.

Internal Design[™]

Selecting and structuring any given financial product or service to work more efficiently and/or more effectively.

Integration Money

Money that moves from one asset to another that creates additional protection benefits and a potential increase in money supply of the time period being measured.

LEAP[®]

The Lifetime Economic Acceleration Program[™], which forms the word "LEAP" as an acronym.

Lost Opportunity Cost (LOC)

In LEAP[®] and the Wealth In Motion[™] system, it is the amount of money that is spent and lost by an individual as a result of owning a particular asset or by using a particular strategy.

Macro Cash Flow

The total outflow and inflow per time period.

Macro-Financial

The study of the overall aspects of *all* financial elements in a personal economic model.

Macro-Manager

A person who uses a holistic strategic approach vs. one who uses a linear, single-need approach.

Micro-Financial

The study of **one** element contained within a personal economic model.

Micro-Manager

A person who uses a linear, single-need, strategic approach versus one who uses one that is holistic.

Net Investment Rate

The after-tax hypothetical anticipated earnings rate on investment assets.

Net Savings Rate

The current after tax stated earnings rate on savings assets.

New Money™

Future systematic contributions or deposits into financial products.

No Additional Out-of-Pocket Outlay

Not having to outlay any additional money from earned income beyond what one is currently spending.

No Additional Risk

The intent of LEAP® strategies to maintain or reduce financial risk by not adding more financial risk to one's overall current risk tolerance.

Old Money™

The existing asset value of a financial asset.

Outflow

All financial expenses including ordinary living expenses, taxes, penalties, fees, commissions, charges, premiums, payments on debt, contributions to savings or investments, rents, etc.

Performance Beyond Needs and Goals

A philosophy that one should not stop building additional financial assets just because one is on target or has already met their state financial needs and goals.

Power of Attorney

A legal instrument authorizing one person to act on the behalf of another.

PS&G Model®

A diagram that contains all financial products and strategies related to Protection, Savings, and Growth positioned in a hierarchical value structure, plus a Debt Component that itemizes liabilities.

PS&G Model® Strategy Worksheet

A worksheet showing the PS&G Model® where internal, external and coordination design functions are performed.

PS&G Model® Present Position

The current state of one's personal financial situation.

Rules-Based

The regulatory requirements or limitations applied to a particular type of money or asset.

Tax-Deferred

The postponement of income taxes on earnings of assets until the time of distribution.

Tax-Free

An asset or income source that is not subject to income taxes.

Tax-Deductible

The postponement of income taxes on contributions to assets and their earnings until the time of distribution.

Top Marginal Tax Bracket

The maximum income tax rate to be charged on any income source.

Velocity of Money Concept

The average frequency with which a dollar may be spent, utilized, or from which benefits are received. Achieving an increased velocity of money within one's personal economy typically results in additional wealth, income, and other benefits.

Wealth Building

The financial process designed to obtain an increase in assets and benefits over a period of time.

Wealth Conservation

The financial structure used to protect one's assets from erosion due to income taxes, estate taxes, lawsuit, market declines, illiquidity, disability, illness, and other financial problems.

Wealth Coordination Account

A checking account that acts as an accumulation and distribution account for all financial flows of money.

Wealth Distribution

The transfer of an asset from one individual to another person, business, or government entity.

Wealth In Motion™ Software

The name of software at times used with the LEAP SYSTEM® that uses the economic and scientific principles of money to establish efficient and effective wealth and protection benefits over time.