RETIRE OFF OF BITCOIN

THE "NEW RICH" PLAYBOOK: FREE GUIDE TO BUILDING A TAX-FREE BITCOIN INCOME STREAM

USE THE ELITE STRATEGIES TO UNLOCK BITCOIN'S TRUE POTENTIAL, BUILDING WEALTH BEYOND TRADITIONAL LIMITATIONS.

MARK **MOSS**

Intro

"Poor people feel the game of money is rigged against them,

Wealthy people realize the game is rigged, and learn how to play the game"

The ever-widening gap between the wealthy and the poor makes it clear, that the wealthy are playing a different game with a different set of rules...

You see, the game is rigged by the wealthy to build enormous wealth and fast, and you and I have 2 choices, either be the sucker at the table or learn the game, play it the right way, and get the same advantages the wealthy do.

Of course, playing the game to win, the way the wealthy do is what we should be doing so let's break it all down.

Let's take a look at:

- What the game of wealth really is
- How to use the strategy for the rigged game to our advantage
- How Bitcoin and other Assets help us win the rigged game
- A full breakdown of the numbers, the data, and the math
- Bitcoin history and future price projections and tax-free income
- A Bitcoin calculator to map out your journey and path

Warning:

Most people want things to be a giant mystery, and if they could just find the secret, then achieving it would be easy. But the reality is most things in life are simple, but... they are not easy.

I give this warning because the strategies we discuss might seem simple, and you might dismiss them, or...

You might miss the nuance of the dangers and end up further from your goals. Sort of how most people going on a calorie-restriction diet end up gaining more weight. But...

If you take time to implement them carefully, and you use this same strategy used by the richest people in the world, you should have about the same results.

Before we dive right in, one thing to keep in mind is that the further ahead you can see, the faster you can go, so keeping a long-term perspective is crucial for building wealth,

It's a marathon, not a sprint. The homeless junkie on the street is only focusing on their next hit, whereas Elon Musk thinking of colonizing other planets for future generations.

So as you read through this, think of this game being played not just for yourself, but for the future generations that will benefit from this, because...

This is so much bigger than you, through this wealth strategy, you're wealth will become generational, building your legacy.

If done correctly, your kids, grandkids, and beyond will all benefit from the shade of your planted tree.

One last thing...

While this strategy I am discussing uses Bitcoin as the asset in this example, whenever you hear "bitcoin" you could also just think "assets" because, the wealthy use this strategy for all their assets, including:

- Real Estate
- Stocks
- Insurance Policies
- Trusts
- Businesses

So keep your mind open... this is a strategy, it's not just about Bitcoin only but Bitcoin is the best asset in the world and works the best in this scenario.

Ok, let's go!

Understanding The Game

When to Sell Bitcoin?

What's your price? At what point will you sell your Bitcoin?

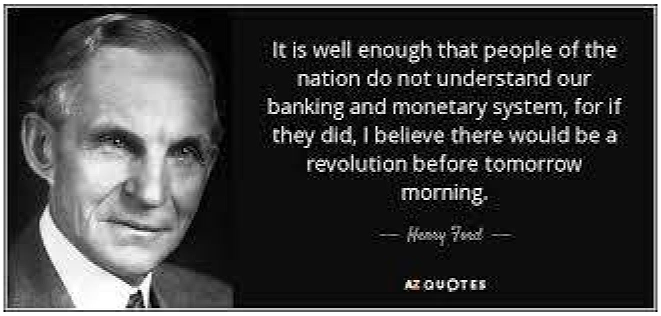
This is a question I have been asked more times than I can remember, and every time I hear this I just think to myself...

"*This person has no idea how the game of money works*"

It's no wonder, the education systems of the world specifically leave out any education around money, what it is, how it works, how central banks work, debt, the relationship between money and assets, or anything else that might help us understand the game.

And it's easy to know why.

Over 100 years ago, the father of the automobile and mass production Henry Ford told us:



If the people knew, there would be a revolution, “before before the morning”

Sure, some schools have “personal finance” which teaches you how to be an employee, an active consumer, and a slave to the debt and credit system.

But they fail to mention how money is created, how we live in a debt-based monetary system, what true wealth is, strategies around taxes, or anything else that might actually help us break from the 40-year wage slave goals they are preparing us for.

But… despite the lack of formal education, many people have learned the game of money, and have mastered it at different levels and the good news is…

While learning and mastering the game of money takes a long time, we can learn “the basics” of the game pretty quickly and start playing.

Oh and one more thing…

I do not believe life's purpose is to acquire wealth.

Wealth is only a tool that we should use to help others.

“We should USE money to LOVE people”

“Not, LOVE money and USE people”

But, for this, we are playing the game of wealth, so let's go! 🚀

Master Game of Money (GoM)

Mastering the game of money or, GoM as I will refer to it, is a big and deep subject that has many nuances, strategies, and tactics, and we are not able to cover all of that here, but…

You will walk away with the high-level parameters as much as they apply to this single strategy we want to learn and implement today.

But to give you a good frame of the game…

Let's say I came over to your house and I brought a new board game with me, one you had never played, seen, or even heard about.

Before we could play, you would want to know at least the basics such as:

- What is the game
- What is the objective of the game
- What are the rules of the game
- How do you play / progress through the game
- Who are the other players in the game
- Any tips available to play better
- And much more

As you can see, this is a much larger topic than we will deal with here, and…

If I had been playing this game for years, and you had never played it, it's reasonable to believe that I would have acquired all types of tips and strategies giving me shortcuts to winning and beating you, just like in our real-world GoM.

for our purposes of understanding how to retire from Bitcoin, let's just look at the objective of the game in 2 parts.

The objective of the GoM

For winning the GoM, there are 2 main objectives.

Most people don't understand them because, of course, they have never been taught. As I say in the intro of my YouTube videos, "Everything you have learned is wrong"

While you have been repeatedly told your entire life:

"Get a good job and save for retirement"

this has been proven a huge failure and misrepresentation of the ultimate objective.

Fact: boomers are broke

Nearly half of baby boomers have no retirement savings

BY DANIEL DE VISÉ - 05/08/23 6:00 AM ET

Reason: we don't live off savings, we need to cash flow

So instead of saving for retirement, we want to be buying.

Buying what is the next question and actually, our two objectives.

Objective 1: Accumulate Trophy Assets

Acquire Assets

Objective #1 for the GoM is to acquire assets, not money.

This is why when people ask me when I will sell my Bitcoin for more dollars, I realize they have the game backward.

To help understand this, you first must realize that money is not wealth, nobody wants money. What we want are the things that money buys us, which are goods and services.

Each month, you should be looking at your "game scorecard", or in finance terms, "your balance sheet" which tells you all your assets - your liabilities, giving you your total assets / net worth.

The goal of the GoM is to get those assets higher and higher and higher, and then to pass those to my kids, teaching them how to play the GoM and continue for generations, just like the Rockefellers, Vanderbilt, DuPont, Kennedy, and others.

Just like the game of Monopoly, the goal is to buy assets, leverage the bank, make deals with other players, and accumulate as many assets as possible.

Monopoly is a finite game, eventually, one person wins, but we are playing an infinite game as explained in the book of the same name by Simon Sinek, so think loooooonnnger.

Types of Assets

Not all assets are equal and you must understand the difference between them so you can build wealth by acquiring the best assets to build with.

Because the purpose of storing our wealth in assets is to preserve or increase purchasing power into the future, it's important you know the differences.

I like to think of assets in three main categories.

Scarce Assets

While most assets simply keep pace with inflation, scarce assets can outperform inflation.

Scarce assets with limited supply and high demand can offer significant returns.

Example:

Over the last four years (1/2020 - 1/2024), the Federal Reserve's M2 money supply has grown by a staggering 35%.

This significant increase in the money supply has fueled inflation across the US economy. Interestingly, the national median real estate price has kept pace, appreciating by approximately 33% during the same period according to the Federal Reserve Bank of St. Louis

However, the story becomes even more compelling when we look at specific markets.

Austin, Texas, consistently ranked as the fastest-growing major city in the US, has seen its median real estate prices soar by an impressive 45% over the last four years.

This outpaces the national average because of higher demand, but, where scarcity truly shines is looking at scarce assets in the area.

In Austin, waterfront properties on Lake Travis have surged a staggering 150% to 250%, which is 3-5 times the national median real estate appreciation rate.

This dramatic increase highlights the power of scarcity in assets.

Energy Intensive

In contrast to scarce assets, another asset class worth considering is energy-intensive commodities. Unlike collectibles or prime real estate, these assets aren't limited in quantity. Think copper, oil, or lumber. Their value proposition lies elsewhere.

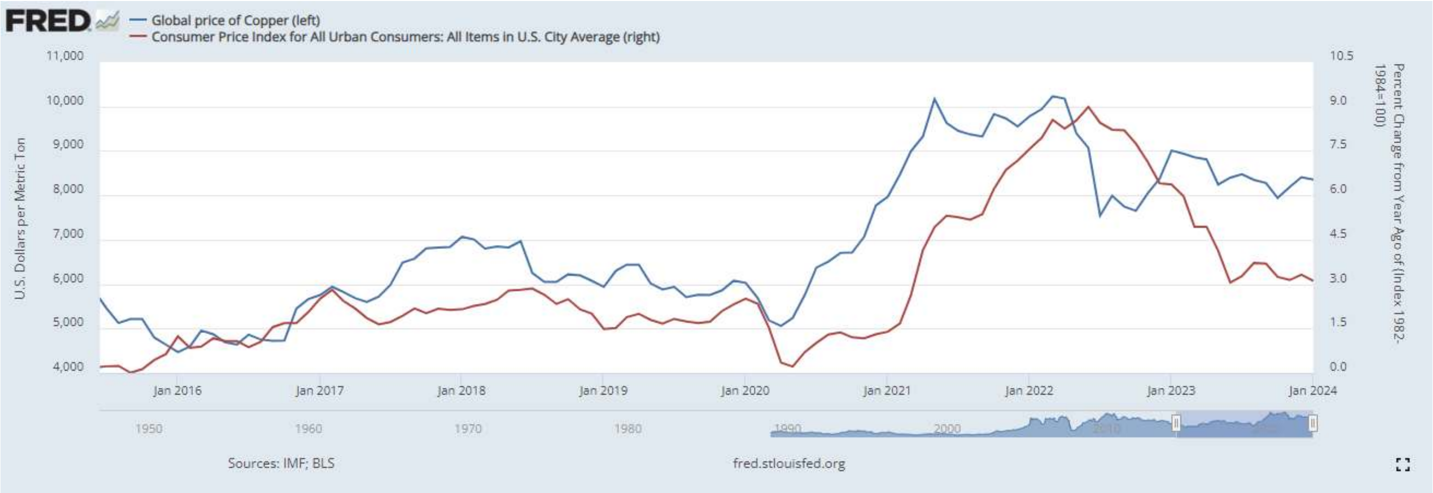
While not inherently scarce, these commodities require significant energy and resources to extract, process, and transport. As inflation pushes up production costs, the supply of these commodities can become constrained, leading to price increases.

Additionally, unlike printing more money or issuing new shares, the production of these materials often can't be easily ramped up to meet surging demand. This interplay between inflation and production limitations can make energy-intensive commodities a hedge against inflation, even though they aren't scarce in the traditional sense.

Example:

Copper is a vital component in everything from electronics to construction. While its reserves are vast, the process of extracting and refining it is energy-intensive and geographically limited.

Over the past decade (January 2014 - January 2024), the average annual inflation rate in the US was around 2.3%. In comparison, the price of copper has increased by roughly 50% during the same period according to the World Bank.



This demonstrates how copper's production limitations can propel its price above inflation.

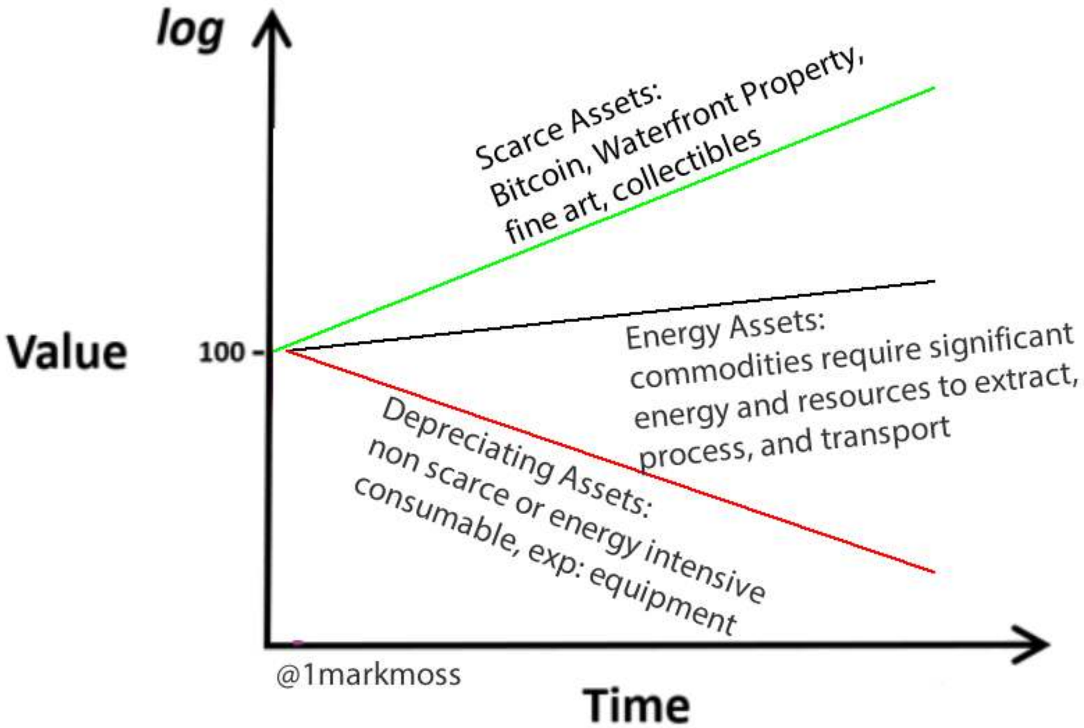
Neither

I typically stay away from assets that are neither scarce nor energy-intensive, so I won't spend time here, but a quick word.

I lump early-stage speculative investments such as Venture Cap deals here, and I keep a small allocation of my portfolio here.

Visual Representation:

For a visual representation of these types of assets:



Objective 2: Acquire Cash Flow

Going back to the start of this section, I reference how about half of boomers have no savings for retirement, proving the “save for retirement” thesis does not work.

While I am a huge advocate for having savings, and yes, I do hold a good portion of my wealth in cash and cash equivalents, the goal of those savings is two parts.

1. To limit my risk
2. To increase my options

I believe you are only as free as you can sustain yourself.

If you have no savings and are living paycheck to paycheck, you are a slave, you can’t quit your job to go find something better so you’re stuck.

The more savings you have, the more chance of freedom you have, so it's important, however…

You only want to draw against savings in this way in emergencies, and then you want to find a new income source fast.

Because, we need money to live, and so we need cash flow to pay for those living expenses.

This is why most traditional retirement advice is so wrong, they want you to save 10% of your wealth for 40 years and then live off those savings, dwindling them down, which again, hasn't worked, and won't work.

A much better way is to spend 5-10 years buying cash flow and then living off the cash flow.

My good friend Robert Kiyosaki created a game called "Cash Flow" and this is the objective of the game, and this game encapsulates exactly what I am talking about.

Side note: If you buy the game and play it 1x per month for a year, it will change your life!

Ok, so now we know the objective of the GoM,

Acquire Assets and Cash Flow

Let's move on to the strategies to play like the wealthy.

The GoM Strategies

As I mentioned before, books have been written on these topics and I certainly can't cover everything all in one sitting, so let me give you a couple of frameworks and a few strategies you can use right now.

Game Mechanics

Frameworks or "mechanics" which is how this game works.

Like many games that have timers or some sort of mechanism to make it harder and harder, so too does the real GoM, and they are...

Debt:

This is the most important part of understanding this GoM, and building wealth is "in this game" the money is created through debt issuance.

To achieve the game's objective of acquiring Wealth and Cash flow, you need money.

And in the game, there are 2 ways of getting this money.

1. Creating Value for Others
2. Using Debt

The more you play the game, and develop strategies to win fast, you realize the fastest way is to have the money printer work to your advantage and use debt.

Note: this game has 3 big pitfalls and dangers, debt being one of them, we will discuss risk mitigation strategies towards the end.

Inflation:

As you are playing the game trying to build long-term generational wealth, the game has a mechanism that is constantly reducing your wealth through a mechanism known as “inflation” which of course you already understand.

To play this game successfully you have to realize your money and assets are being affected by this and so you have to employ strategies to minimize, offset, and work against this force.

Taxes:

Another mechanism of this game is that it consistently takes your wealth through a mechanism known as “taxation” and this happens in many different ways.

Every time you earn money, buy an asset and transfer it to another asset, you lose a huge chunk of your wealth, and in the ultimate game of passing this wealth down through generations, this taxing mechanism creates a massive loss of wealth if not managed properly in advance.

Other Players:

When playing a game, there are other players and characters that you are playing against, either directly or indirectly, like your friends sitting across from you or built-in players and opponents in the game itself.

For example:

In Vegas:

my “in-game” partner or the casino will sell me insurance on a hand of blackjack, or extend me a line of credit.

In Monopoly:

my “in-game” partner or the bank will also extend me a line of credit, and they also tax me when I pass go.

In the GoM, think of your in-game partners being:

People:

Contrary to what some might believe, to win at the GoM, you must realize wealth creation is not a zero-sum game, it is the opposite.

An example:

Jeff Bezos became one of the richest men in the world by creating Amazon.

Because of Amazon, millions of businesses have launched, in 2022, per Jungle Scout, there are over 2 million active sellers on Amazon globally with billions in sales generated:

According to a 2021 Marketplace Pulse report by Amazon, third-party sellers accounted for over 50% of all units sold on Amazon worldwide. This translates to billions of dollars in annual sales flowing directly to these entrepreneurs.

So to succeed, just like in Monopoly, we should look to partner and cooperate with other players.

Wall Street:

This bustling marketplace is where you'll find a vast array of investment vehicles. From stocks and bonds to options and futures, they offer diverse ways to grow your wealth. However, Wall Street can be a tricky opponent. It's crucial to do your research, understand risk tolerance, and develop a solid investment strategy before diving in.

Banks:

They're the in-game lenders, offering leverage to amplify your moves. Think of them as power-ups. Borrowing strategically can help you acquire more assets, accelerating your wealth-building journey. However, like any power-up, use them wisely. Excessive debt can cripple your progress, so manage your borrowings carefully.

IRS:

The taxman is the ultimate in-game villain, taking a cut of your hard-earned gains. However, they're not invincible. Understanding tax laws and utilizing tax-advantaged accounts like IRAs can significantly reduce their bite. Think of the IRS as an obstacle you can learn to navigate efficiently.

Government:

While sometimes seen as an adversary, the government can be a valuable in-game ally. By understanding their objectives and taking advantage of the incentives they offer to partner with them, you can get ahead of the game fast.

But pay close attention because they change the rules often, making it difficult to stay on track and a step ahead of them.

Skills and Strategies:

Level One:

I won't spend any time here, as this is the most basic.

Acquire skills, and serve them in the market.

Level Two:

Acquire higher and higher value skills and continue to deliver them into a larger and larger market.

(problem size) x (market size) = value created

Level Three:

Leveraging Debt

Level Four

Protection and Efficiency

Level Five:

Velocity of Wealth, investing $1 multiple times

Level Infinity...

This game has so many layers, that I cannot even begin to cover them all here.

Choice Of Assets

Just like in the game of Monopoly, the assets you buy matter. In Monopoly, buying Park Place gives you certain advantages.

As I outlined above, so too in the real GoM. I already established you want to buy scarce assets, now, let's talk about the winning strategy, by buying the most scarce, and best-performing asset, which is Bitcoin.

Bitcoin: Digital Scarcity

As I started by saying, in your head, anytime you hear “Bitcoin” you could just think “Asset” because the overall GoM and the strategies work with multiple types of assets.

The more wealth you acquire, the more types of assets you will own, but…

that doesn’t mean all assets are created equal as I already outlined above in the “3 types of assets” section.

As you get to higher levels of the game, you will realize that you should be using multiple types of assets together to build wealth even faster.

For example:

Many in the Bitcoin community believe because it’s the best-performing asset it should be the only asset to own and because they believe it will outperform Real Estate, then RE should be ignored.

However, this is level 3 or 4 gameplay.

More advanced players realize it’s not an either-or, but instead, it’s both, in different sequences.

(To learn more about that, watch this video HERE)

But… that’s more than I am going to dig into here.

For now, let's dig into Bitcoin and why it’s the best asset to use in this strategy of “retiring off of Bitcoin” so we want to look at its past and more importantly its potential future, because…

Its future path is the most important part for us to plan our long-term strategy around.

Bitcoins Past

There has been plenty written about Bitcoin's past performance and future potential.

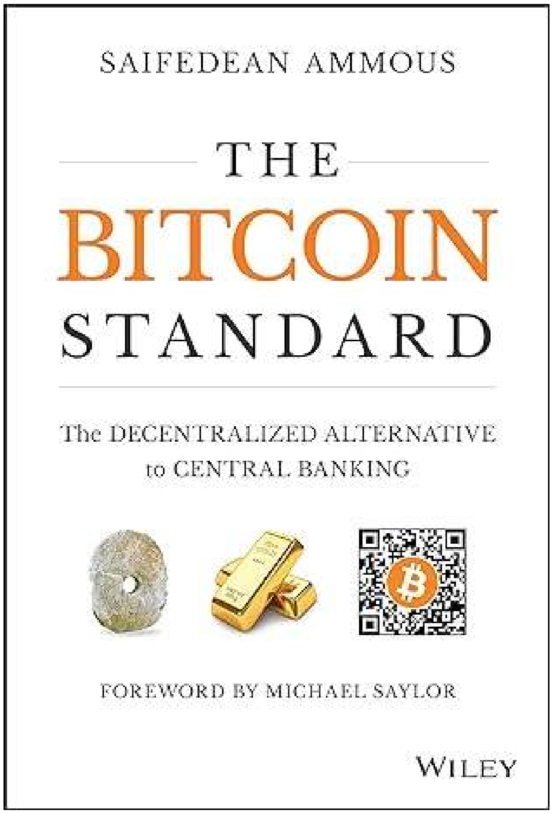
As such, I don't want to rehash all that's been said before, so let's take a quick overview, and I will provide some links for you to go down the rabbit hole further, as part of doing your own research:

Understanding Money

Before you can understand what Bitcoin is, and where it's going, you need to understand many different disciplines, and maybe the most important is the history of money.

A few great places to go for this are:

1. The Bitcoin Standard (link)



A comprehensive and authoritative exploration of Bitcoin and its place in monetary history

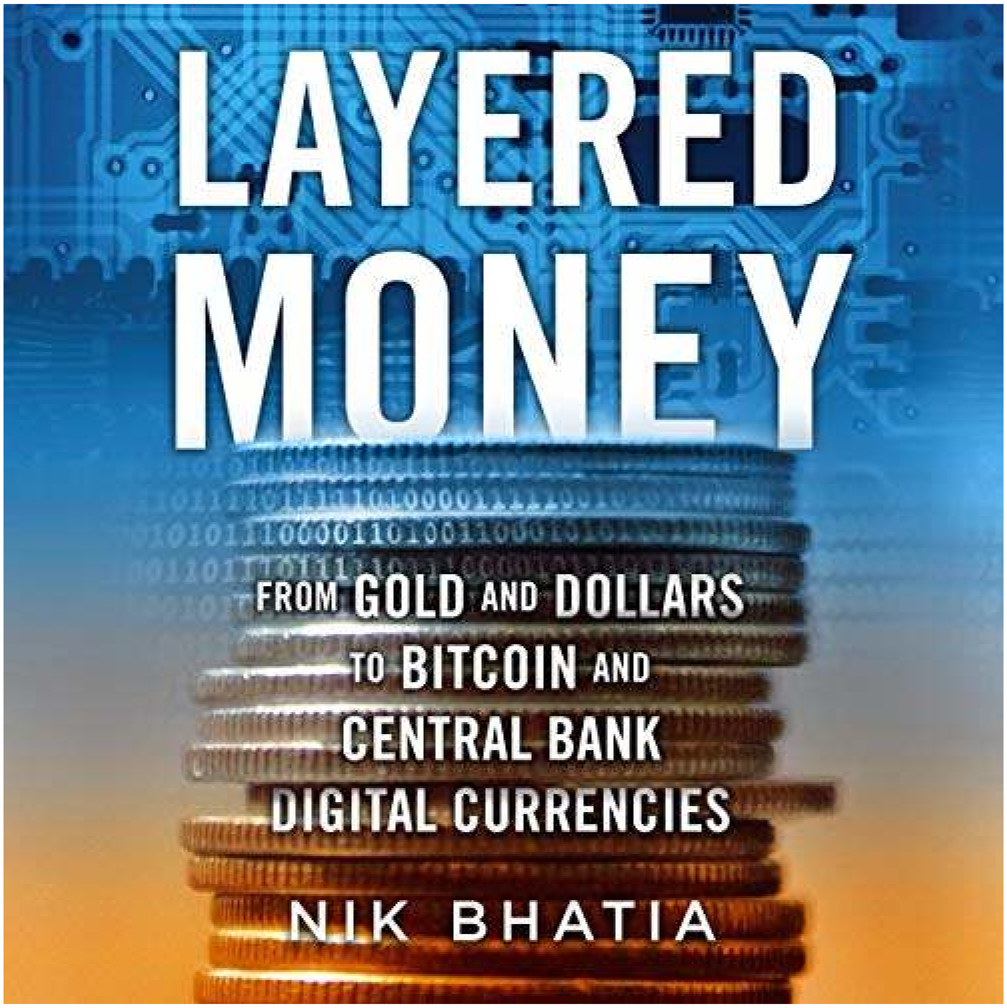
While Bitcoin is an invention of the digital age, the problem it purports to solve is as old as human society itself: transferring value across time and space

The Bitcoin Standard analyzes the historical context of the rise of Bitcoin, the economic properties that have allowed it to grow quickly, and its likely economic, political, and social implications.

I have done a few videos with the author Saifedean Ammous, you can watch them here:

How Understanding Economics Is The Key To Understanding Almost Everything | Saifedean (watch)

2. Layered Money (link)

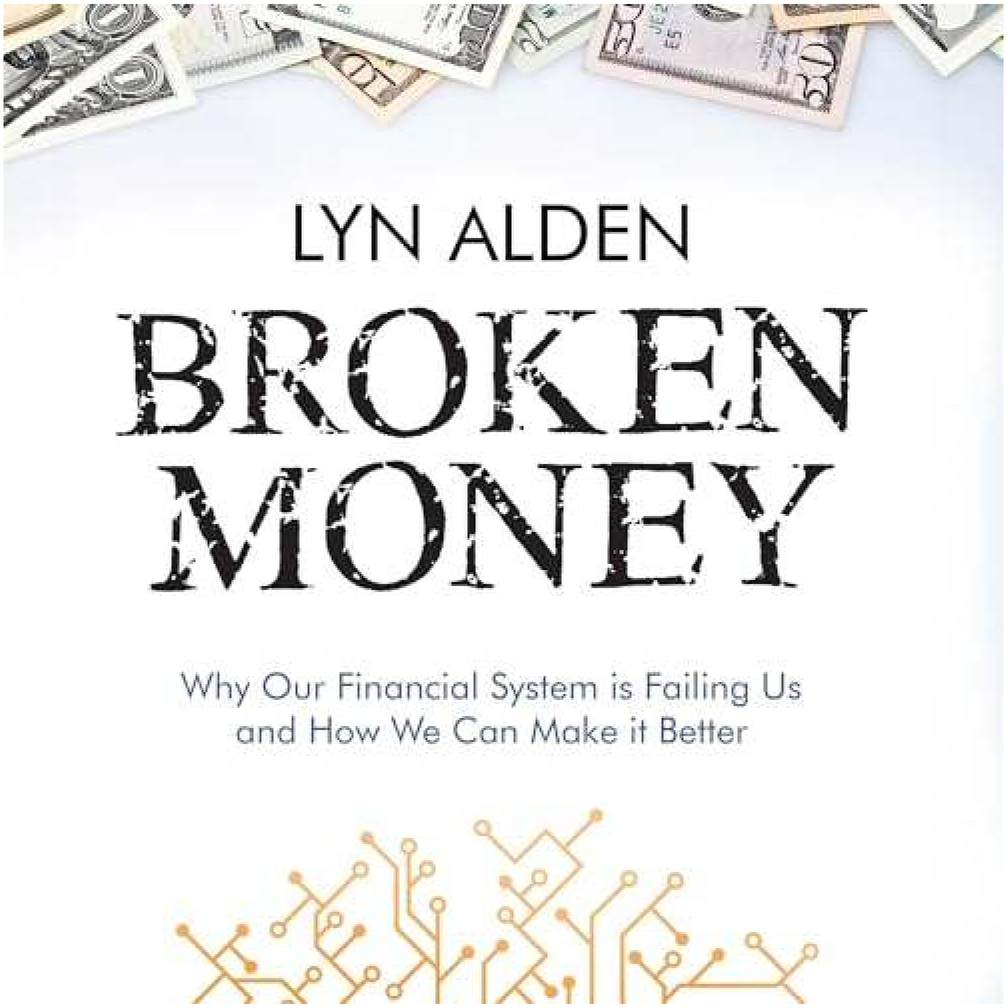


A deep dive into the evolution of monetary systems around the globe, starting with the origins of money and how it's evolved. Understanding this helps you understand digital money, cryptocurrencies, bitcoin, and CBDC's and where this is all going.

I have done a few videos with Nik Bhatia, you can watch them here:

- US Gov Debt, Gold as Money, Bitcoin, History | Nik Bhatia (watch)
- What The Death of The US Dollar Looks Like | Nik Bhatia (watch)

3. Broken Money (link)



Broken Money explores the history of money through the lens of technology. Politics can affect things temporarily and locally, but technology is what drives things forward globally and permanently.

The book's goal is for the listener to walk away with a deep understanding of money and monetary history, both in terms of theoretical foundations and in terms of practical implications. From shells to gold, from papyrus bills of exchange to central banks, and the invention of the telegraph to the creation of Bitcoin, I have done a few videos with Lyn Alden, you can watch them here:

- Is a Market CRASH Inevitable? Lyn Alden's Crucial Analysis | The Mark Moss Show (watch)
- Lyn Alden's Warning: The Debt Disaster & Bitcoin's Future - Exclusive Interview (watch)

Money Is Emergent and Evolutionary

Bitcoin is something that can be described with more than 100 different definitions.

A lot of people debate what they are, but to me personally, Bitcoin is first and foremost a new form of money. It's a new form of thinking about money, storing money, transferring money, and just dealing, organizing, and understanding money, and all kinds of second-order financial effects that come out of that.

But sticking with money, what you will learn from the above-mentioned books when looking at money through history you can see that money has taken many shapes and forms, feathers, rocks, sea shells, and gold and it's always emerged and evolved "IF" the right conditions exist.

To visualize this, I have often used the chart @MustStopMurad put out back in 2018

The reason why I love this chart is because so many people today become impatient wondering why Bitcoin hasn't taken over the world yet, or become unrealistic with their expectations.

This chart helps me to realize the evolutionary path Bitcoin is taking, and I believe it will ascend to the top and final stop as a Unit Of Account.

More on that below...

Past Performance

CAGR

Bitcoin has delivered returns that are “unheard of” in history and ultimately left Tesla stock in the dust.

Bitcoin has achieved a 233% CAGR or compounded annual growth rate, which takes an asset's ROI between two dates and works out the average compounded annual return.

Bitcoin & Traditional Assets CAGR

	Bitcoin	Gold	S&P 500
1 year:	+174%	+13%	+28%
2 year:	+21%	+4%	+8%
3 year:	+9%	+7%	+10%
4 year:	+63%	+7%	+14%
5 year:	+76%	+10%	+13%
6 year:	+33%	+8%	+11%
7 year:	+74%	+8%	+12%
8 year:	+87%	+6%	+13%
9 year:	+83%	+6%	+10%
10 year:	+57%	+4%	+11%
11 year:	+96%	+3%	+12%
12 year:	+121%	+2%	+12%
13 year:	+136%	+3%	+11%
14 year:	+233%	+4%	+11%

https://casebitcoin.com

What this means is that bitcoin has nearly tripled your money, every single year for 10 years, *compounded*.

In raw ROI terms, that works out to over 5.2 *million* % return over the decade.

Ok, but Bitcoin was tiny 14 years ago, and maybe 14 years happens to be a cherry-picked timeframe...

Nope. Bitcoin's CAGR dwarfs other benchmarks over ANY multi-year period in the past decade:

Volatility

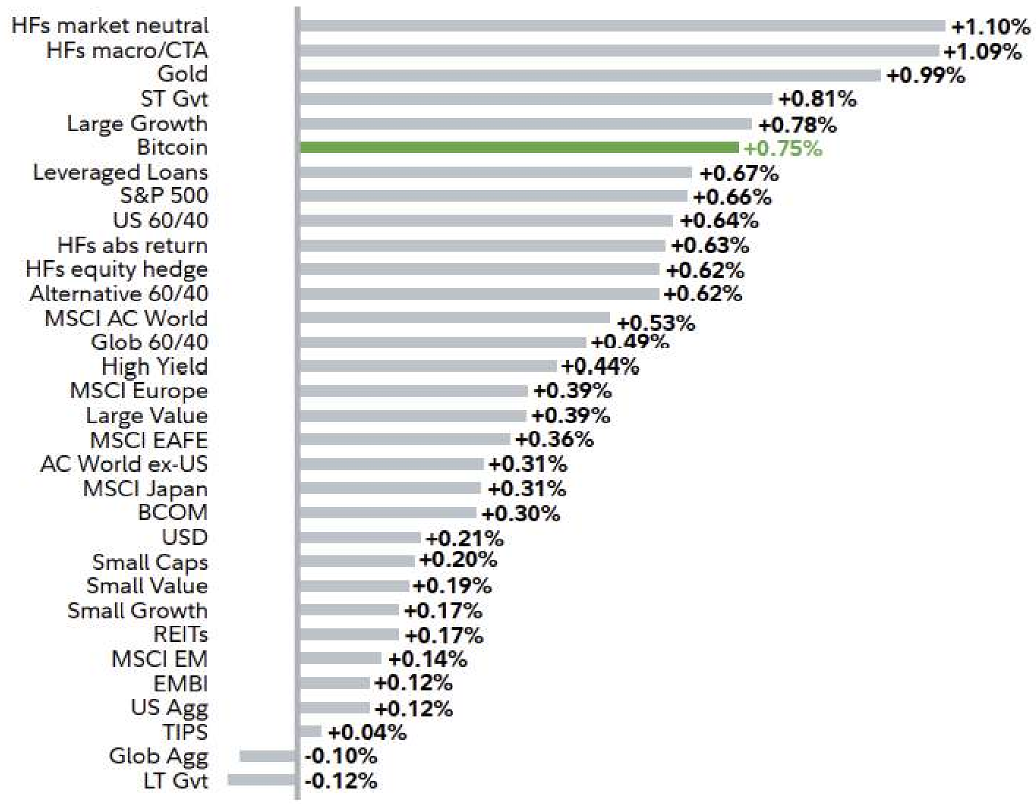
While Bitcoin's historical returns have been massive, you don't go from $0 to a $1 trillion market cap without volatility, which is a feature in many respects.

But understanding the volatility is key when we go to project out its future potential.

Per Fidelity: We can see how Bitcoin volatility and risk-adjusted returns stack up relative to gold and other asset classes.

Bitcoin's Sharpe ratio, which is the 5-year compound annual growth rate (CAGR) divided by the 5-year annualized volatility, shows that it has been competitive to gold as well as many other traditional asset classes (source)

EXHIBIT 5: Bitcoin's Sharpe ratio shows that it has been competitive to gold as well as many other traditional asset classes over the past five years.



Past performance is no guarantee of future results. Source: Fidelity Investments, Bloomberg Finance LP, HFR Inc., www.HFR.com, © 2023 HFR, Inc. All rights reserved, Haver Analytics, as of Dec. 31, 2023. See Appendix starting on page 18 for indexes and definitions shown above.

Annual Returns

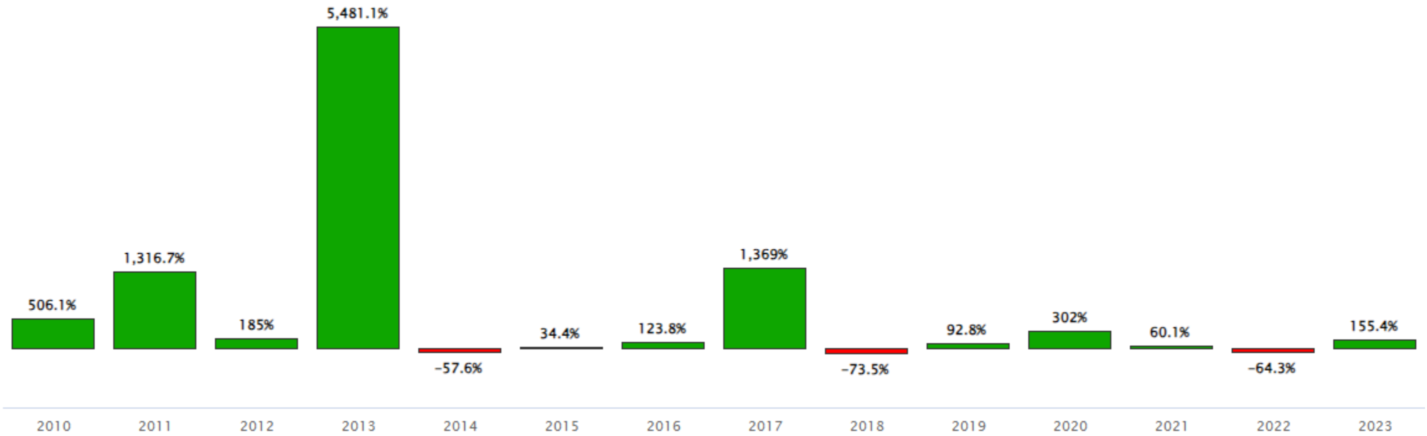
Another way to look at Bitcoin's performance which in my opinion is the "wrong" way to look at it is the annual / yearly performance. I say this is wrong because we should be looking at performance over much longer periods.

We want to hold the asset for life right?

- In real estate, you typically have a 5-year period.
- For new business, it's typically a 10-year period.

And with Bitcoin, we have 4-year periods, as there hasn't been a time you could have purchased and been down during a four-year period.

However, per what we are doing here, figuring out how we can retire on Bitcoin, we need to know the actual yearly performance.



As you can see, we have historically had 3-4 green years, 1 red, on repeat.

You will see we use this data when we go to the calculator later on.

For more price levels and history, here are some more links:

- Glassnode: CAGR (link)
- Case Bitcoin CAGR (link)
- Visual Returns v Other Assets (link)
- Price History (link)
- Coinglass Quarterly Returns (link

Ok, so now we have seen the past, but as we say in finance:

“Past performance is NO Guarantee of future performance”

And of course, you understand, in life, there are **NO CERTAINTIES**, there are **ONLY PROBABILITIES**.

So let's look at the future probabilities of where Bitcoin is going so we can plan our course on how to retire off of owning Bitcoin.

Bitcoins Future

I know this is getting long but it's just getting to the good part, which is…

What can we expect from Bitcoin over the upcoming years, decades, and longer?

But… If you are getting ready to get to the actual calculator, you can skip over this part if you wish, I will give you the spoiler alert:

$43 Million Per Bitcoin!

Ok, ok, ok… how the heck did we get there?

And more importantly, over what time frames, and what can we expect, 1, 3, 5, 10, 20 years, on the path to the full $43m?

Let's break that down.

If you would rather, I recently did a YouTube video on this, you can watch it (HERE)

Ok, so there are a few ways we can project Bitcoin price paths and targets.

1. Metcalfe's Law
2. Scarcity
3. Venture Cap method

Metcalfe's Law

Fidelity Predicts: $1B per 1 BTC by 2038 — 2040

Metcalfe's Law suggests that the more users a technology or network has, the more attractive and valuable it becomes.

Fidelity is the 3rd largest asset manager and has been involved in Bitcoin since 2014, which is a year longer than me, so we should listen to their opinions about Bitcoin.

Jurrien Timmer, the Director of Global Macro at Fidelity Investments, thinks the v**alue of a single Bitcoin could reach $1 billion by the year 2038**.

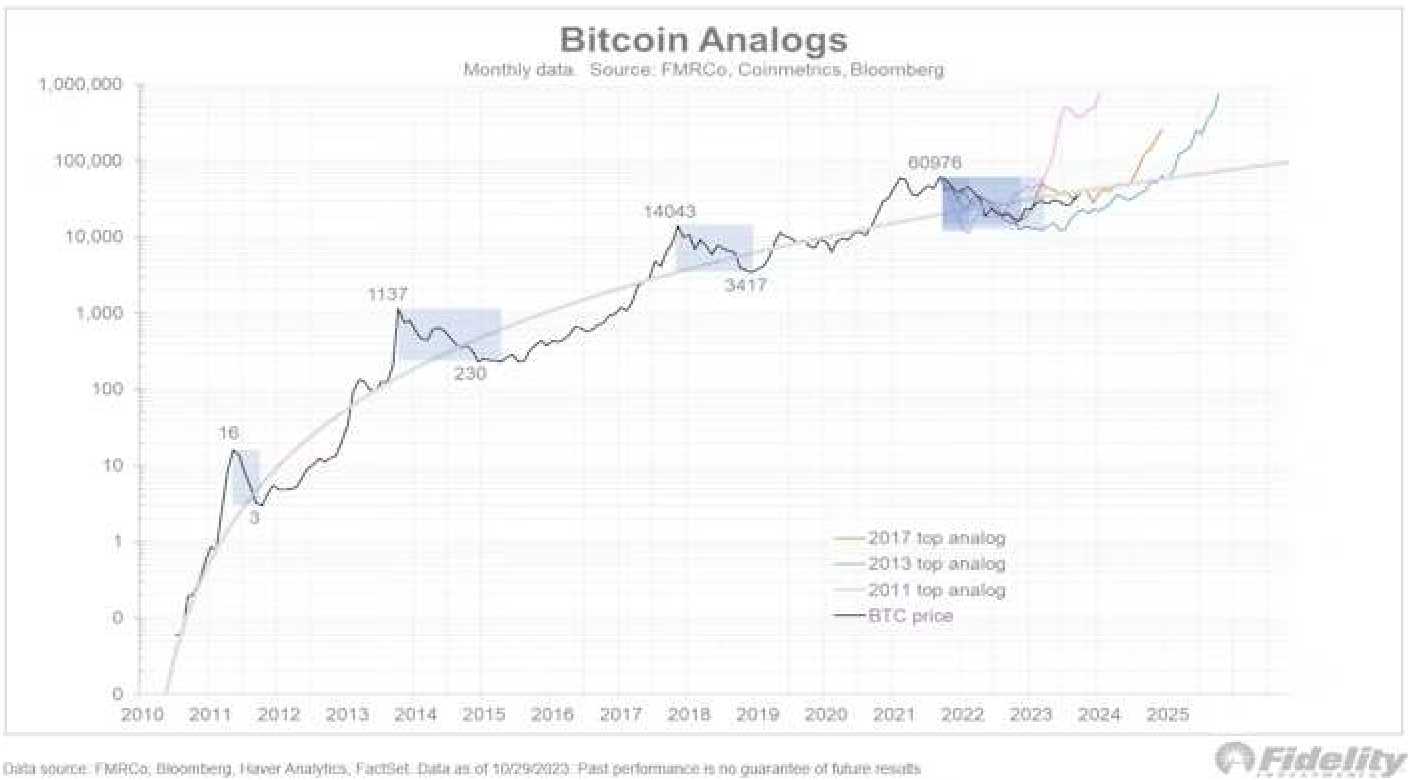
Timmer's demand model is rooted in Metcalfe's Law which claims the **value of Bitcoin will grow steadily to about $1 million per full Bitcoin by 2030**.

A network like Bitcoin comprises a set of nodes that form connections with one another and follow a protocol, a group of rules.

When applying Metcalfe's Law to protocols, the first protocol to get to this 'critical mass crossover point' begins to develop a supermajority feedback network effect.

Jurrien further broke down his reasoning HERE. and another good one HERE

Fidelity has been an institutional leader in the Bitcoin space and continues to onboard users into their new ETF and publish amazing Bitcoin research.



In October 2023, they released a report titled:

Bitcoin First Revisited: why investors need to consider Bitcoin separately from other digital assets. ([read it here)](read it here)

In it, they double down on why Bitcoin is unique from all other digital assets and belongs in its category.

Venture Capital

VC are the true believers that come in and support the innovators investing in early-stage disruptive technology. Think Uber, before there was Uber.

Was there a market for it? Would consumers want it? And if so, how much would it be worth?

There are 2 common approaches to valuing early-stage deals by VCs.

Market approach:

The market approach involves comparing the company, its performance, and financial metrics to those of similar companies.

Venture capital (VC) method:

The VC method involves estimating the company's future value based on the assumptions typical for venture capital investors.

There has been lots of research put into valuing Bitcoin as a payments company and comparing the transactions, settlements, and payments compared to Paypal, or Visa, but I believe this is too small.

Bitcoin is a lot of things and will become and disrupt more things than we can imagine today, but one that we do know for sure is:

"***Bitcoin is disrupting and competing against value itself"***

I like this model for looking towards Bitcoin's future value.

So, the question is:
"What markets is Bitcoin disrupting, and pulling value from"

I don't want to spend too much time here but if you want to dig in, I highly recommend reading "**Once in a Species: Bitcoins Full Potential Valuation** (here)

Here is a relevant part for us:

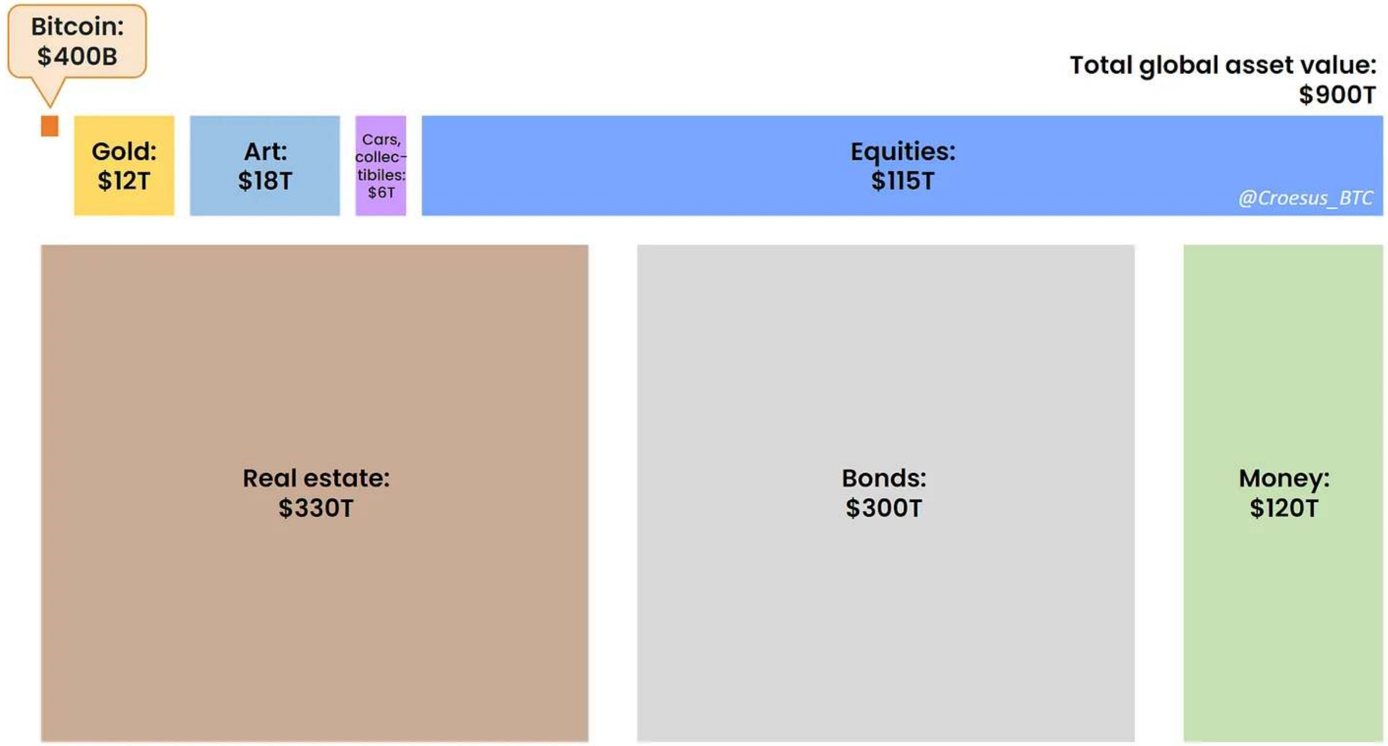
"Bitcoin has an unthinkable property: it gets more valuable over time.

Gold is good at storing purchasing power, but Bitcoin grows purchasing power.

The value stored in Bitcoin becomes worth more over time because of Bitcoin's design of increasing scarcity – you just have to outlast the (admittedly brutal) volatility along the way.

Bitcoin is an excellent savings technology for any value that is interested in being propagated undiluted through time and growing in purchasing power along the way (because of the remarkable properties of increasing scarcity).

But how much value is out there looking for such a vehicle?



This is a rough picture of all the world's value. It's something like $900T in total.

But how much of that is relevant to Bitcoin? How big is the addressable market?

Bitcoin's total addressable market (TAM) is:

the world's balance sheet, All $900T of it.

So long as Bitcoin has the most attractive characteristics as a store-of-value asset in the investable landscape, this will remain so. Bitcoin is a black hole on the world's balance sheet.

Any of the value stored in some particular asset could, theoretically, be reallocated to Bitcoin instead. All it takes is for individuals to decide that Bitcoin is a better asset to hold than what they currently are holding.

Currently, the market cap of Bitcoin is around $1 trillion us dollars, or…

$1T out of $900T. That's 1/900th of global asset value.

Trying to value Bitcoin in this way, it's crazy but yet somewhat conservative to think that Bitcoin could grab 10% of that market in <decade which would be $90T

Again, if you want to go down this path, go read the full article here

Inflation:

Forget the CPI and consumer prices, if you are reading this you know inflation is from the increase in the money supply and prices going up are the result of the money supply increase.

So when looking at Bitcoin's future valuation, we must also look at the future valuation or "de-valuation" of the USD.

At the rate we are on today, the US is adding about $1 trillion dollars of debt every quarter, and that's not slowing down anytime soon.

US ECONOMY

The U.S. national debt is rising by $1 trillion about every 100 days

PUBLISHED FRI, MAR 1 2024·11:47 AM EST | UPDATED MON, MAR 4 2024·11:58 AM EST

Michelle Fox
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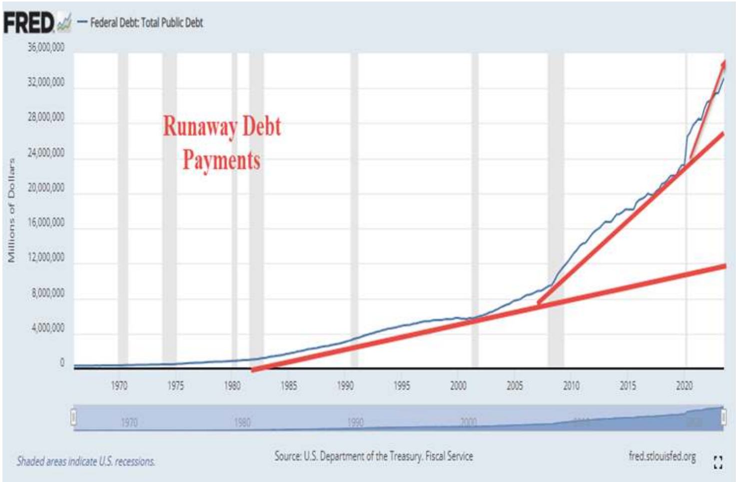
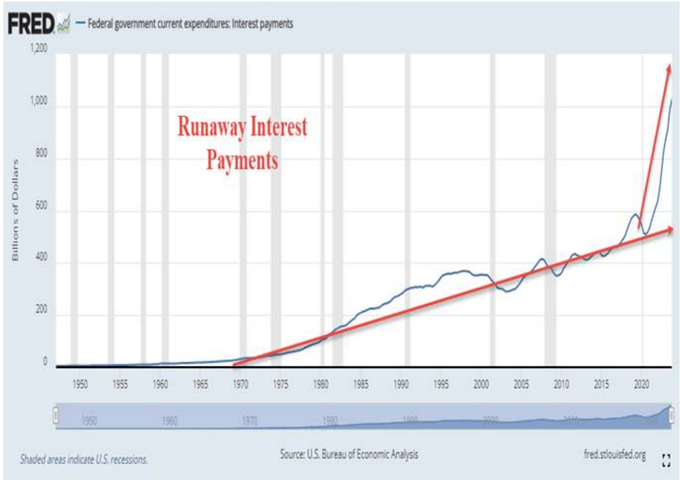


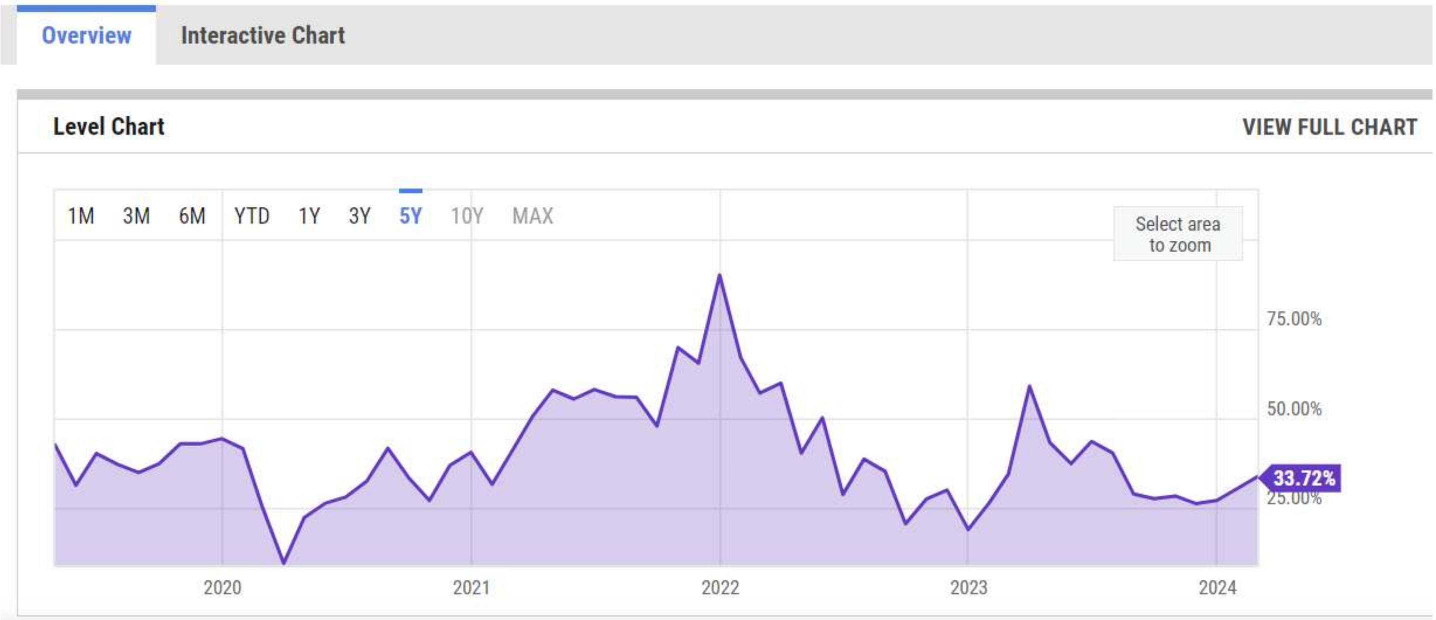


As the US adds more debt, the doom loop only accelerates, pushing prices of assets and consumer prices higher and higher.

The SP500 is a perfect proxy for inflation and is averaging about 30% over the last 3 years.

S&P 500 3 Year Return (I:SP5003YR)

33.72% for Feb 2024



And per the Government's own Congressional Budget Office (CBO) this is only going to accelerate.

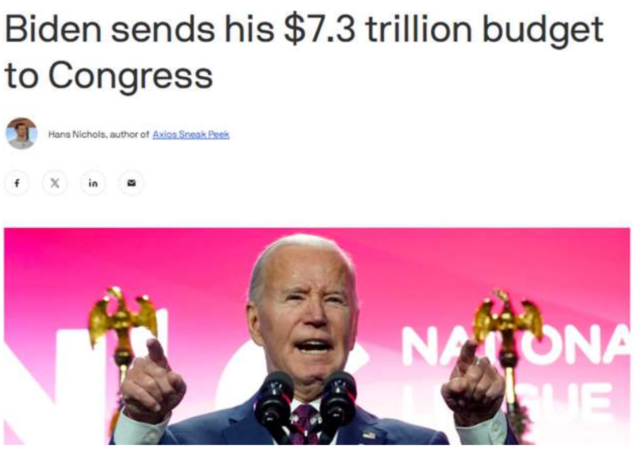
I mention this because as we discussed above, “scarce” assets go up many times more than non scarce, and so we would expect Bitcoin to do many Xs more than the SP500 index.

In the Bitcoin forward-looking calculator, you will see that I have bitcoins appreciation slowing down to about 35%, which is about where the SP500 is today.

Keep this in mind when you look at the projections, as they look crazy, insane even, but

Ask yourself, if the SP500 is doing these numbers, what would Bitcoin do?

And will it continue? Get better or worse?

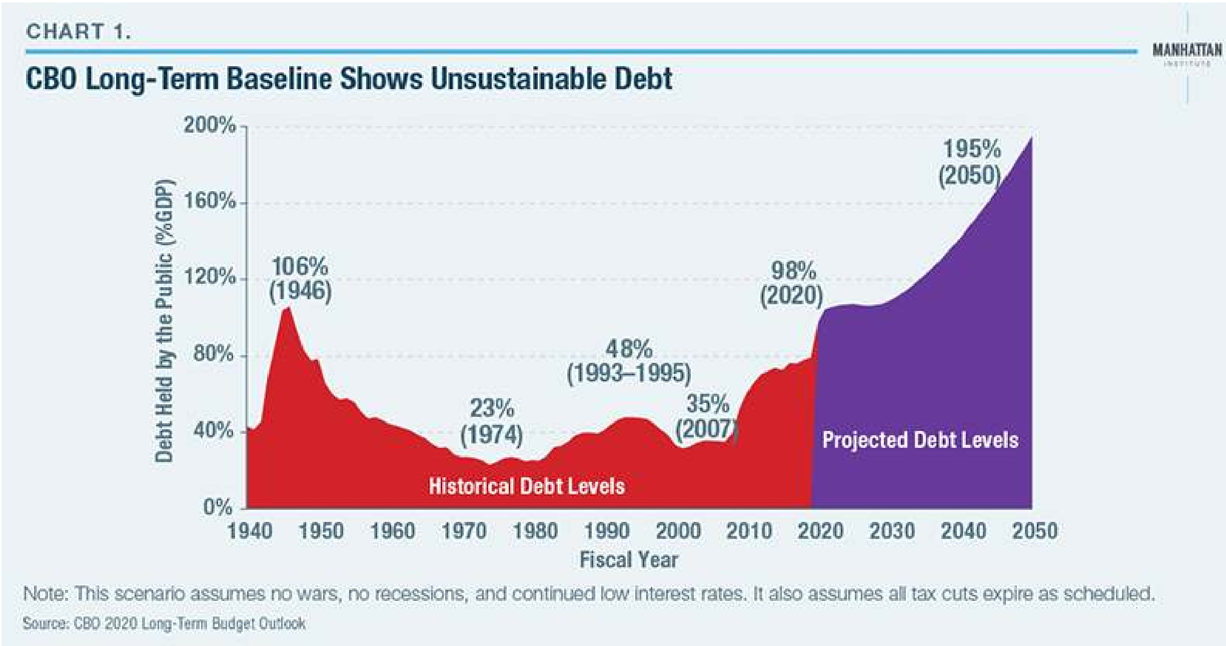


CBO's Baseline Budget Projections, by Category

	Actual, 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total 2024–2028	Total 2024–2033
	In Billions of Dollars													
Revenues														
Individual income taxes	2,632	2,523	2,467	2,511	2,764	3,018	3,121	3,246	3,377	3,515	3,650	3,803	13,881	31,472
Payroll taxes	1,484	1,562	1,633	1,703	1,778	1,849	1,920	1,993	2,068	2,147	2,226	2,307	8,884	19,625
Corporate income taxes	425	475	479	489	495	494	506	514	520	527	527	539	2,462	5,089
Other[a]	356	251	260	264	273	293	369	386	398	414	435	449	1,459	3,540
Total	**4,896**	**4,812**	**4,838**	**4,966**	**5,310**	**5,655**	**5,916**	**6,139**	**6,364**	**6,603**	**6,838**	**7,098**	**26,686**	**59,727**
On-budget	3,830	3,678	3,643	3,711	3,999	4,292	4,501	4,671	4,842	5,023	5,200	5,402	20,145	45,284
Off-budget[b]	1,066	1,133	1,196	1,255	1,311	1,363	1,415	1,468	1,522	1,580	1,637	1,695	6,540	14,443
Outlays														
Mandatory	4,135	3,840	3,812	3,995	4,193	4,395	4,731	4,756	5,115	5,391	5,665	6,140	21,125	48,192
Discretionary	1,662	1,741	1,864	1,955	2,005	2,063	2,119	2,159	2,215	2,266	2,319	2,380	10,007	21,347
Net interest	475	640	739	769	828	903	995	1,071	1,149	1,236	1,333	1,429	4,232	10,451
Total	**6,272**	**6,221**	**6,415**	**6,719**	**7,026**	**7,361**	**7,845**	**7,986**	**8,479**	**8,894**	**9,317**	**9,948**	**35,365**	**79,990**
On-budget	5,188	5,011	5,091	5,297	5,521	5,771	6,163	6,215	6,602	6,908	7,215	7,737	27,843	62,520
Off-budget[b]	1,084	1,210	1,324	1,421	1,504	1,590	1,682	1,771	1,877	1,986	2,102	2,211	7,521	17,470
Total Deficit	**-1,375**	**-1,410**	**-1,576**	**-1,752**	**-1,716**	**-1,706**	**-1,929**	**-1,847**	**-2,115**	**-2,291**	**-2,480**	**-2,851**	**-8,679**	**-20,263**
On-budget	-1,358	-1,333	-1,448	-1,586	-1,523	-1,479	-1,662	-1,544	-1,760	-1,885	-2,015	-2,335	-7,698	-17,236
Off-budget[b]	-18	-77	-129	-166	-193	-227	-266	-303	-355	-407	-465	-516	-981	-3,027
Primary Deficit[c]	-900	-770	-838	-984	-888	-804	-934	-776	-966	-1,055	-1,146	-1,422	-4,447	-9,812
Debt Held by the Public	24,257	25,716	27,370	29,214	30,927	32,645	34,642	36,406	38,604	40,945	43,482	46,445	n.a.	n.a.

Well, per President Bidens latest spending budget, he is way overshooting the CBO's budget forecasts.

This means we will most likely way overshoot the CBO's debt projections as well, which are currently set to $50 trillion of debt and a 200% Debt / GDP ratio.



This is of course, “Unsustainable” by the CBO’s own admission and…
Per the IMF’s whitepaper published in 2015 titled “Liquidation of Gov Debt”


WP/15/7

IMF Working Paper

The Liquidation of Government Debt

Carmen M. Reinhart and M. Belen Sbrancia

INTERNATIONAL MONETARY FUND

The game plan and strategy moving forward from here is to have very high and sustained inflation, high double-digit inflation for 3-4 years to get the Debt/GDP levels back into check.

So with that information, where do you think the SP500 / Houses / and Bitcoin end up?

My guess… Bitcoin doing 35% asset appreciation in 10 years is reasonable and even conservative.

Other Resources:

For further reading on this, check out:

- Swan Bitcoins: "Bitcoin Price Prediction 2030 & 2040 (April 2024 Update)" (here)
- To see how it gets to $43m per Bitcoin, watch the video (here)
- To hear Jeff Booth break it down, watch the video (here)

MicroStrategy gives gold 10 years before it's consumed by Bitcoin and that's 12-13x from here.

> "The next decade will witness the complete digital transformation of gold to bitcoin, and the demonetization of the precious metals asset class."

Debt in the GoM:

Mastering the Double-Edged Sword

Are you playing the game to not lose, or… are you playing the game to win?

In the GoM, where the objective is asset acquisition, debt becomes a powerful tool.

The first thing you must realize and most people miss is that we live in a debt-based monetary system.

What this means is money is created through debt.

It's not the Fed making the printer go Brrrr… as we like to meme,

but rather when a bank issues a loan, the money or dollars are created.

This offers a strategic advantage;

using "good debt" to leverage your buying power and accelerate wealth creation.

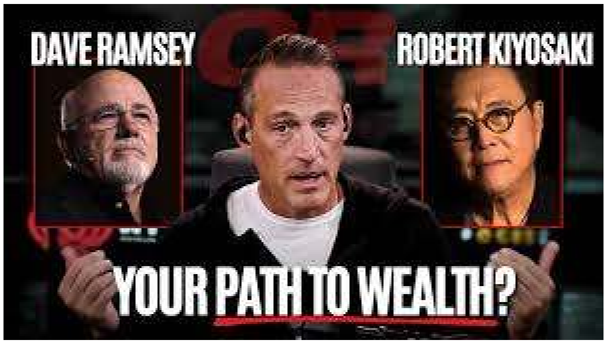
This philosophy is championed by my good friend and mentor Robert Kiyosaki, who advocates for strategically using debt to acquire productive income-producing assets like businesses and real estate.

However, debt is a double-edged sword.

Financial guru Dave Ramsey offers a contrasting perspective, urging individuals to avoid debt entirely.

This seemingly contradictory stance holds weight, particularly for most GoM players.

Watch a video breakdown of the two financial teachers contrasting philosophy (here)



Here's why:

Ramsey: Playing not to lose

Most GoM participants lack the experience and knowledge to wield debt effectively.

Debt, if mismanaged, can quickly spiral out of control, hindering, not accelerating, progress.

I like to think of it like fire, it can warm your house, or burn your house down.

This is why of course kids should not play with fire, because they haven't learned how to use it safely.

Credit is similar in that the average person, they just don't understand how to use it safely and effectively.

Ramsey's approach prioritizes eliminating all debt and staying debt-free, and risk-free. If you are like most people, playing the game "not to lose", this might be what's best for you.

But, don't be fooled into a false sense of security because remember, everything in life is a trade-off, and everything carries risk.

If you use fire to heat your home, you risk burning it down,

if you don't heat your home, you risk freezing to death.

Because of the built-in game mechanisms to destroy your wealth, inflation, and taxes, this is ultimately a losing strategy.

Kiyosaki: Playing to win

For seasoned GoM players with a strong understanding of risk management and investment strategies, debt can be a powerful tool.

Kiyosaki emphasizes using "good debt" – debt on assets that generate income or appreciate in value – to amplify returns.

This advanced strategy requires careful planning, thorough research, and the ability to manage cash flow effectively.

Building your own education and experience is key here.

Just as kids should mature to learn how to use fire responsibly, most people should mature enough to learn about money, finances, investing, and how to use debt strategically.

Debts Dual Purpose:

In the GoM, debt has 2 purposes.

Acceleration

As we have previously discussed, money is created through debt issuance.

How many times have you heard:
“I wish I had a money tree”

Well… you do, it’s called a bank.

You see, leveraging good and productive debt in a safe way can help you scale wealth much faster.

Of course, you know this, but do you understand this?

Let me give you an example:

Many people would love to have $100,000 of passive income coming in, but…

It takes money to make money, and because you have to go buy the passive income, most people get stuck.

It doesn’t have to be this way. While it seems out of reach for most people, it could be achieved quickly if you went to the money tree or the bank.

Let’s say I want to buy a $1 million business that is throwing off $300,000 of cash flow per year but I don’t have the $1 million.

So, I go to the money tree / bank to borrow the money needed to close this transaction.

I now have the asset, I have $300,000 of cash flow, but I have the debt service let's call that $80,000 ($1m * 8% int) and I end up with $220,000 free cash flow after debt service.

While this is an oversimplified example, it's not too far off from what you can do if you know where to look.

(Most service-based businesses can be purchased for 3x profits which means a $1 million business would throw off $330k of profits per year)

Just like in the game of Monopoly:

1. You borrow from the bank
2. You buy assets, and
3. You collect income from the assets.
4. You pay off the debt interest
5. You pocket the difference

Ok, now you're probably asking yourself… what the heck are we talking about?

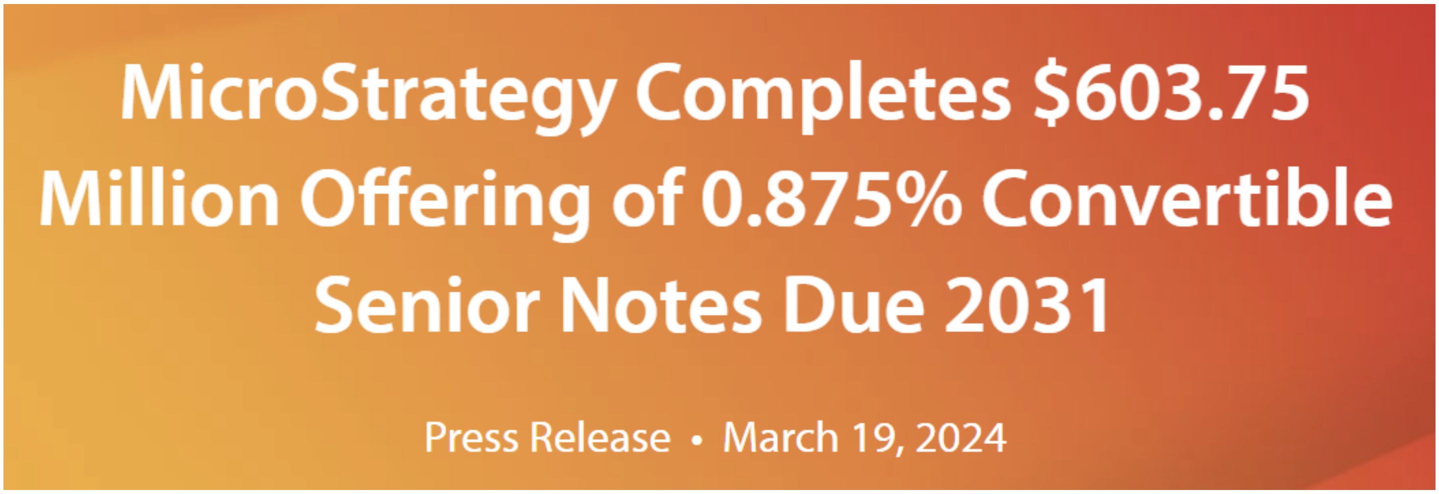
I thought this was about Bitcoin, and there are no cash flows like with Real Estate or Businesses, and… you would be right.

The point here was to illustrate one of the key functions of debt, which is to accelerate wealth.

But to bring it back to Bitcoin, just look at the absolute masterclass Michael Saylor has been putting on with the publicly traded company he founded MicroStrategy (MSFT)

By using a combination of assets and debt instruments, he's been able to acquire 1% of the total Bitcoin supply, for little to no cost.

As of March 2024, MSFT just announced another round of debt, raising $603 million dollars to buy Bitcoin and the money is only costing them 0.875%



So you can see…

you can follow the super safe advice of the Dave Rameys of the world, skipping your morning coffee and saving away, and at least you're doing something, however…

Even that's not as safe as it seems.

While you are diligently saving, and abstaining from debt, you have certainly lowered your probabilities for certain types of risk, such as debt coverage and margin calls, however…

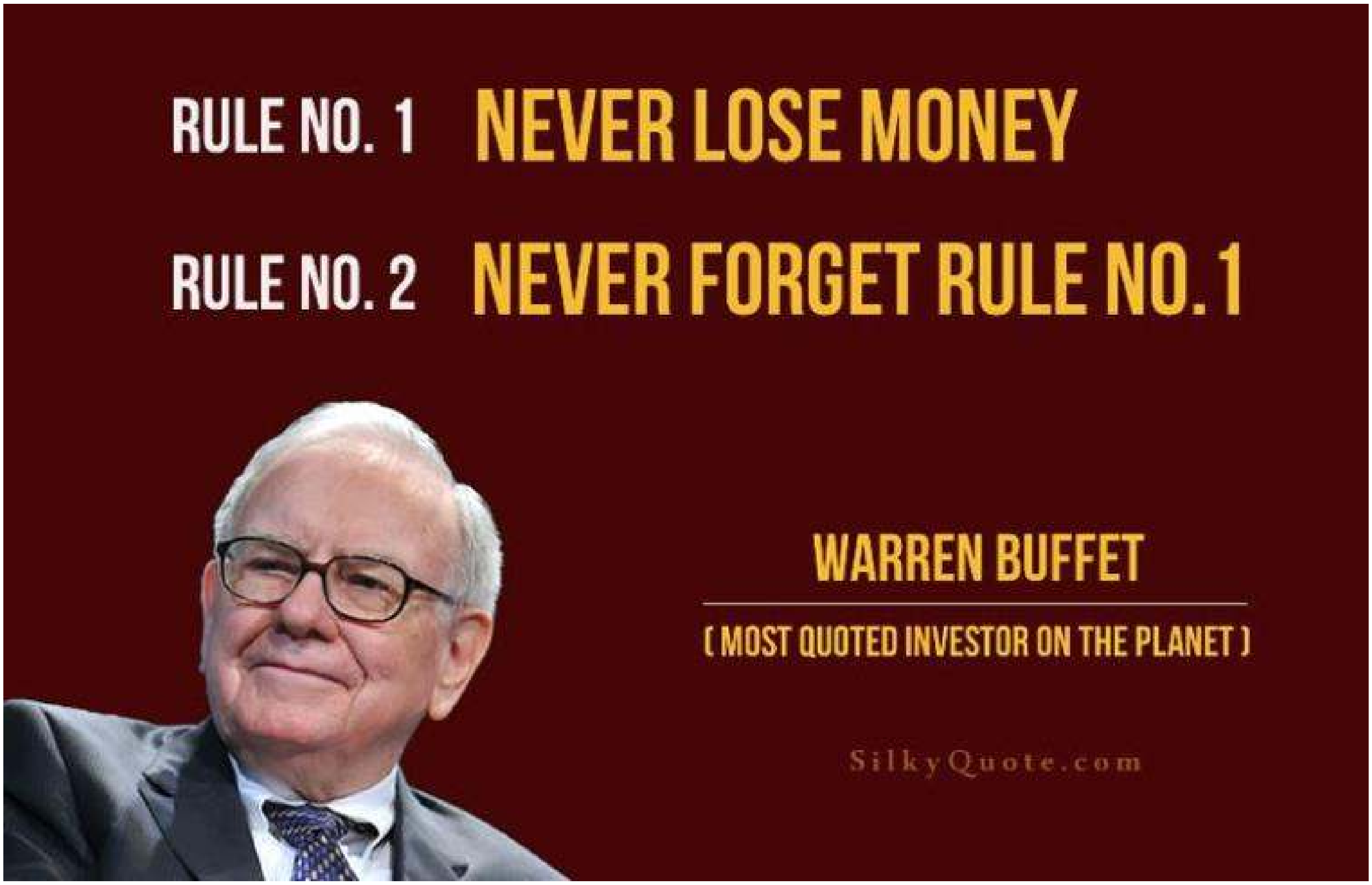
"If your wealth isn't growing faster than inflation, you're still falling further behind. "

Ok, so now you can understand how debt and leverage can help you grow your wealth and assets much faster…

Let's take a look at the other killer feature of using debt, and that is…

Preservation

One of the G.O.A.T's of investing, Warren Buffet said the 2 most important rules of investing are:



Now, there are more ways to lose money than I can cover here for now, so let's just stick specifically to what we are talking about in playing the GoM.

To win the GoM faster, we have to learn to preserve our wealth from the two forces stealing our wealth in the game, and they are:

Inflation and Taxes.

We just covered how to use debt to accelerate our wealth faster to offset inflation, so now...

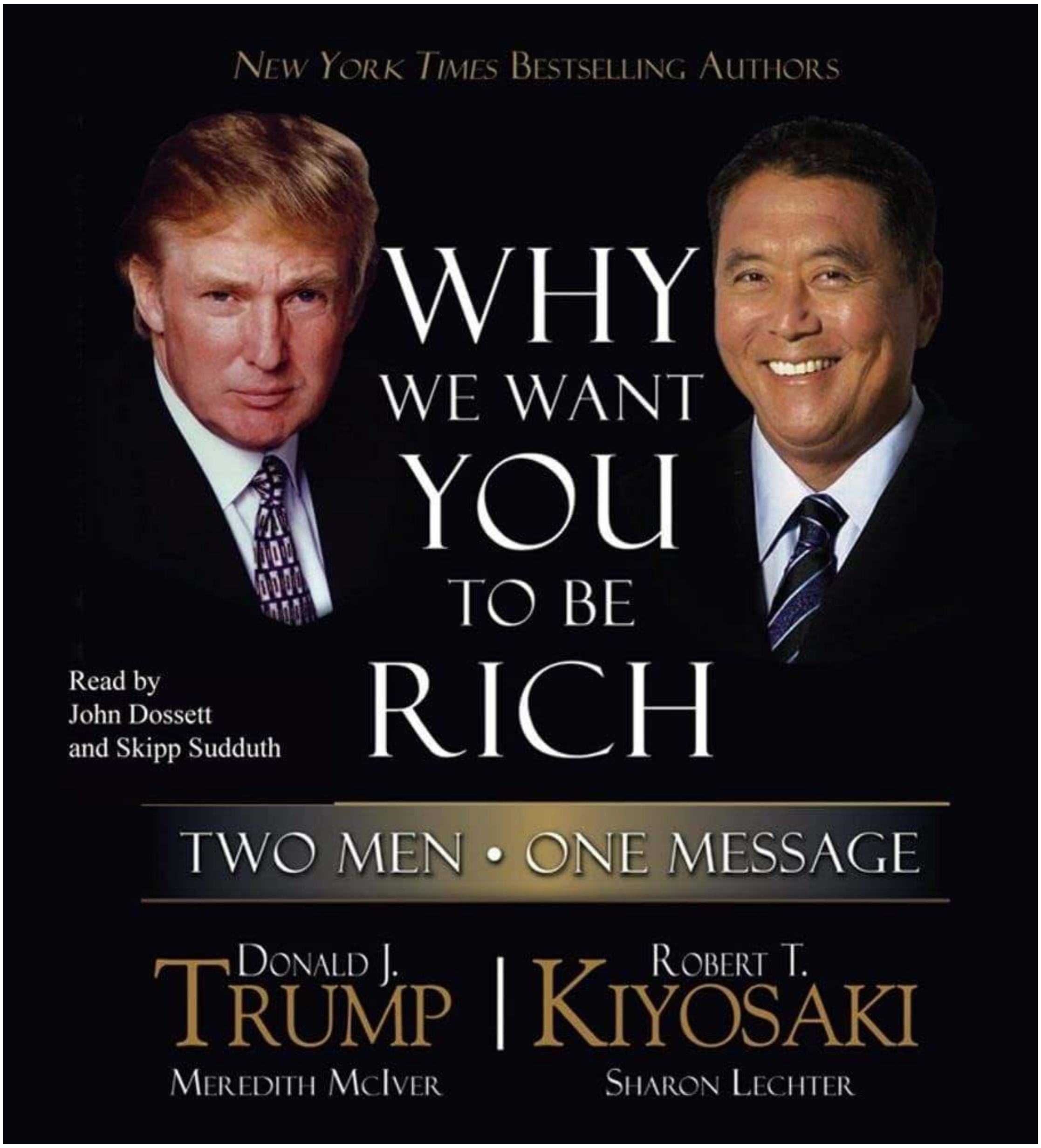
Let's break down how debt also offsets the losses caused by taxes.

Again, the game is rigged, you just have to learn how to play.

MILLENNIAL MONEY: LIKE TRUMP, ROBERT KIYOSAKI DOESN'T PAY TAXES EITHER

Donald Trump and Robert Kiyosaki are two prominent figures who have leveraged debt to become billionaires and you hear about them paying no income taxes.

While the poor mindset people get mad, the wealthy mindset just finds out how to do the same thing.



And this isn't about some tax scheme or scam, it's just understanding the game.

You see… income and profits are taxed, but there are ways to mitigate this.

Only Profits are Taxed:

At the current pace the Government's debt levels are accelerating, one day, maybe, they will do something like a wealth tax or create a tax for "unrealized" gains. But for now…

We are only obligated to pay tax on profits.

but…

- While my beachfront house gains millions of dollars of value, it's not taxable.
- While my business equity valuation increases millions of dollars, it's not taxable.
- While my Bitcoin gains millions of dollars of value, that's not taxable either.

This is one of the big reasons we want to buy only "trophy" assets, and we never want to sell them.

Of course, as I covered, in the GoM, the goal is to buy, hold, and grow our assets, and the strategy around this is to buy the best assets, and never sell.

If I am buying and selling, and paying taxes on the gains, I am losing major efficiency in my wealth accumulation.

It's like running the AC in the house with the windows open, which is a bad idea, so of course, you close the windows and doors before you do.

Likewise, I want to seal off the money leaks in my financial game.

Consider the math…

If I buy Bitcoin or any other asset, and I sell in 12 months or less, and I live in a high tax state such as NY or CA, and I am in a high tax bracket, up to 50% of my profits will go to the Government.

50%!! That's half! And so, we buy the trophy assets, and we don't sell them.

Of course, some of you are now asking, then how the heck do we use them, why even buy them, and… you might be asking…

I thought we were going to learn how to cash flow from Bitcoin.

Ok, so that gets us to the next preservation aspect of using debt and that is.

Debt Isn't Taxable

As I explained, only income and profits are taxable, not debt. In fact, in many instances, debt is actually tax deductible, meaning it lowers the amount of taxes you owe.

And this is the strategy of the Robert Kiyosaki and Donald Trumps of the world.

Buy trophy assets, accelerate the rate of growth with debt, and then when you need some money for whatever purpose, instead of selling the asset and paying up to 50% in taxes, you leverage the asset with debt, which is tax-free.

Now I know, that sounds risky, dangerous, or whatever, so let's break this down…

Scenario One:

I buy bitcoin for $50,000 and in 1 year it's worth $100,000.

I want to sell it so I can get the $50k of profit to buy something else.

I end up selling the $100k of BTC, I pay $25k in taxes

I end up with $75k in the bank and $0 BTC

Note:
In this scenario, I ended up with $0 of bitcoin, so there is no more capital appreciation of the asset, as I no longer hold it.

Scenario Two:

I buy bitcoin for $50,000 and in 1 year it's worth $100,000.

I want to sell it so I can get the $50k of profit to buy something else.

instead…

I borrow $50k against the $100k of BTC, I pay $0k in taxes

I end up with $50k in the bank and still have $100k of BTC

Note:
In this scenario, I ended up with $100k of bitcoin, which has been compounding at 200%+ per year, so I still have a capital appreciation of the asset, because I still hold it..

2 reasons why I would do this.

1. I don't like paying taxes to a Gov to spend on things I object
2. I want to hold the asset for the compounding growth

Use responsibly

So now we understand the GoM, the in-game mechanisms, and the players and we have some strategies, let's put it all together and in action.

Using this strategy, it's possible (not certain) that we could hold a trophy asset like Bitcoin, and never sell it so we could continue to benefit from the capital appreciation, and then leverage the asset with debt as income, which is not taxable.

As we discussed before, debt is like fire and can be dangerous if not used properly.

But, there are many things we can do to minimize the risk such as we would do with a fire.

I will discuss potential risks as well as mitigation strategies further down from here.

For now, let's look at some scenarios of how you could use this.

In Action

I have created a calculator to help you see how this could work in the future and enable you to plug in your actual amounts of Bitcoin, the amount of debt you want to pull out, and all the other variables.

Of course, this is built on assumptions mainly about how much Bitcoin will continue to appreciate from here.

I have pulled in many opinions, facts, numbers, and ways to analyze and I have come up with some numbers that make sense to me personally.

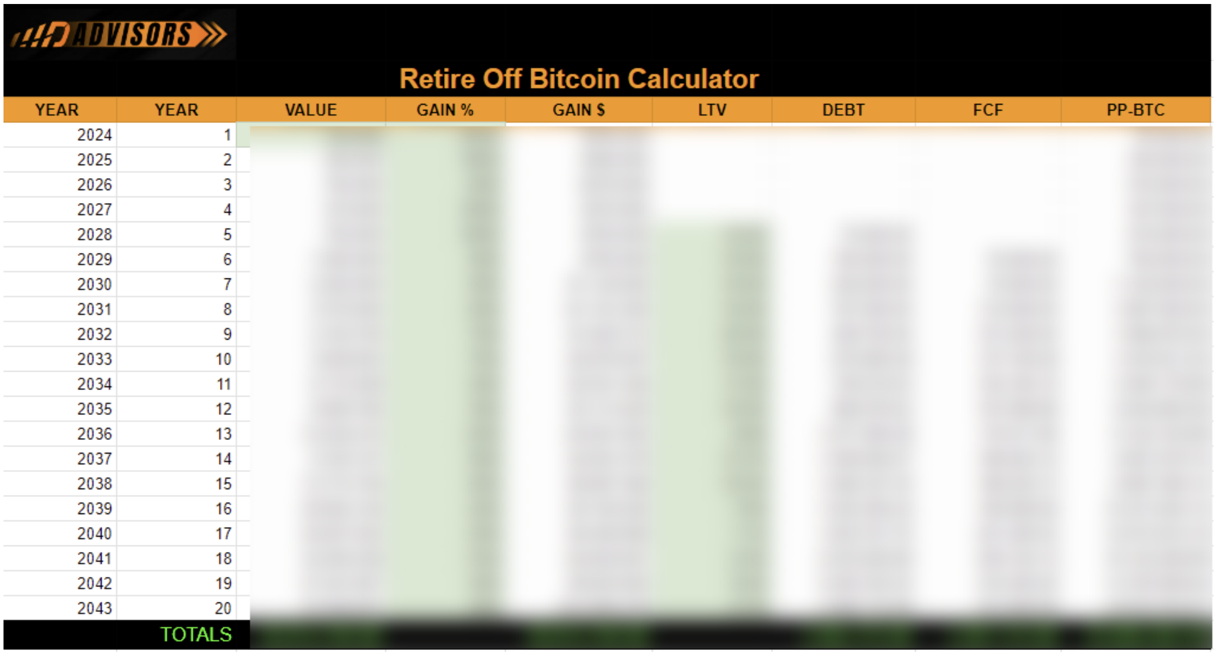
While they look completely unrealistic to anyone outside of Bitcoin and honestly even for me, the reality is if what we think is happening is happening and what Bitcoin is doing is going to come to fruition, then…

These numbers are actually conservative, but…

Do your own research, use your own judgment, and plug in your own numbers.

The Calculator

Here is how it works. (link)



Retire Off Bitcoin Calculator

YEAR	YEAR	VALUE	GAIN %	GAIN $	LTV	DEBT	FCF	PP-BTC
2024	1	[illegible]	[illegible]	[illegible]				[illegible]
2025	2	[illegible]	[illegible]	[illegible]				[illegible]
2026	3	[illegible]	[illegible]	[illegible]				[illegible]
2027	4	[illegible]	[illegible]	[illegible]				[illegible]
2028	5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]
2029	6	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2030	7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2031	8	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2032	9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2033	10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2034	11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2035	12	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2036	13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2037	14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2038	15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2039	16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2040	17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2041	18	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2042	19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2043	20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTALS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Access Calculator Here: (link)

Other Considerations

Future guidance

In the Financial world, the disclaimer is always:
"Past performance is no guarantee of future performance"

So while we know Bitcoin's history as fact, the future is uncertain.

Always remember in life there are no certainties, only probabilities.

Dozens of potential Black Swans could crash the global markets and suck the liquidity out of the world, that's not my base case, but it's a probability.

So while I believe Bitcoin IS THE ONLY real path forward for the world as we transition out of the International Monetary Order

(watch the video here)

It's not certain so I don't advise selling your chairs for Bitcoin 😉

Unseen Risks

The Rate Of Growth:

In this strategy, we are basing our borrowing on a specific rate of return or growth rate on our underlying collateral.

This is a big piece to understand because we need the rate of growth to outpace the debt service we are paying to borrow against the asset.

If the rate of growth drops too low, we could either be forced to borrow a higher percentage of our stack which puts us at risk, or not be able to borrow at all.

Volatility Increases

Another potential risk is the volatility increases from here, causing the drawdowns to be larger than whatever numbers we have used in our future projections.

While I expect the volatility to continue to trend down as the asset continues to get larger and now with the ETFs and Futures hedging positions, we just don't know.

Having much larger drawdowns in certain years, in more years, could greatly affect the outcome of this model.

For my assumptions, I used the historical 4 good years and 1 bad year to help plan for this, modeling for diminishing volatility both to the upside and the downside, but...

The numbers plugged in are only guesses.

Risk of Collateral Loss

My quick risk plan starts with a simple question to myself:
"*What's the worst that can happen, and am I ok with that outcome*"

Of course, there is much more to risk management but let's look at the worst-case scenario because it might not be as bad as you think.

Let's just assume the worst-case scenario which would be:

1. I get rugged

This means I put up my Bitcoin as collateral, received some funds as a loan, and then the lender disappeared with my Bitcoin, similar to what happened in 2022 with Celsius, BlockFi, etc.

First off there are ways to mitigate this, for example,

- doing a collaborative custody lending solution where you could hang onto a key.
- Using a 3rd party escrow service
- Using an institutional / public company

Second, what's your exposure

- With Celsius and BlockFi, they would give you options, the more leverage you gave them, the more they would pay you. Some people took high leverage risk for high returns and lost it all.
- To mitigate risk, I would work with an asset-based lender, not one that rehypoticates the collateral and... I would want to get as close to 50% LTV as possible, to limit my exposure.

2. I get liquidated:

Liquidation means I pledged my Bitcoin as collateral, let's say at a 50% loan-to-value ratio, and then the price of Bitcoin drops heavily, leaving me upside down.

In this scenario, the lender would either.

1. **Margin Call:** the lender would require me to post more capital to bring the loan to value back to acceptable levels.
2. **Liquidate**: if I am unable to meet margin requirements in a timely manner, the lender could liquidate some of my holdings to cover the loan obligations and bring the loan to value back to acceptable levels.

The math

Similar to the 2 scenarios I laid out above, let's play out the worst-case scenario.

If I sold and paid taxes

I ended up with $0 Bitcoin and $75k in cash

If I got rugged

I ended up with $0 Bitcoin and $50k in cash

If I borrowed against and lost

I ended up with $0 Bitcoin and $50k in cash

So in the "worst case scenario" I ended up about the same as if I was going to sell the Bitcoin in the first place.

Note: these are generalizations to help you visualize and calculate your own positions. Of course, tax rates depend on many factors, so speak with your tax professional.

Security / Custody

Finally, it's outside of the scope of this guide but I can't talk about Bitcoin without talking about the solutions available for security and custody of your assets.

We can break these down into 2 main types:

- Custodial: someone else holds my Bitcoin private key for me
- Non-Custodial: I hold my private key

There are more and more security solutions every day so this is not a complete list or comprehensive instruction, but rather just a mention so you understand your options.

Everything in life has risks and trade-offs, and you must decide which risk you are willing to take and which trade-off you are ok trading.

For example: if I go to the gym, I risk getting in an accident or getting hurt, if I don't go to the gym, I risk obesity, heart disease, and depression.

Similarly…

If I allow someone else to hold my private key, my risk is they won't allow me to get it back at some point.

If I custody on my own, the risk is that I don't secure the key properly.

I don't want to go much further than that, but I believe in personal responsibility, and so I would advise you to learn how to properly secure and store your own Bitcoin, at least whatever isn't exposed if you decide to go down the loan / lending route.

Closing:

Bitcoin is a zero to one moment, it is discovering fire, and it’s the greatest invention and opportunity to both bring freedom back to the world of growing totalitarianism, as well as bring value, savings, and prosperity back, so…

Don’t Mess This Up

Using leverage is powerful when used correctly and dangerous when it’s mistreated.

Always ask yourself: “What’s the worst that could happen”

And proceed from there.

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