

Karyn White Seizes the Day with *Bank On Yourself*

Pamela Yellen talks with Karyn White

Pamela: This is Pamela Yellen, President of Bank On Yourself, and I'm thrilled to be speaking today with Grammy-nominated contemporary, pop, and rhythm and blues recording star – and Bank On Yourself client – Karyn White.



Grammy-Nominated Singer
Karyn White *Seizes the Day* with
Bank On Yourself

Karyn was the first female artist to have her first three solo releases hit #1 on the R&B charts when she was in her early 20s. She has collaborated with industry legends including Babyface and L.A. Reid, and after a very successful career, Karyn decided to devote herself to raising a family.

Pocket the Profits

After an 18-year hiatus and a fan base that never forgot her, Karyn decided to record again, only this time she decided it was time to **bank on herself**, and produce her new CD album, *Carpe Diem*, herself, and pocket the profits the record companies used to make off of her.

Karyn had started a Bank On Yourself plan a few years ago and took a policy loan to self-finance her new CD. And she's going to talk with us today about that and how she is seizing the day.

Karyn made a very insightful comment to me, "It's important to understand how money works." But there is no real school for that, and we're going to be asking her for her insights about that, too.

We're also being joined by Karyn's Bank On Yourself Authorized Advisor, Anton Anderson. He is one of only 200 insurance agents and financial advisors in the country who have met the rigorous requirements and training needed to be an Authorized Advisor. And I would like to extend a warm welcome to Karyn White and Anton Anderson.

Karyn: Hi Pamela. How are you this morning?

Pamela: I am excellent, Karyn. Thank you so much for taking time out of your busy touring schedule to join us today. I really appreciate that.

Anton: This is Anton here. Thanks for having us as well, Pamela. It's a pleasure to be with you.

Pamela: Well, I have some questions that I think our readers are going to be interested in. Karyn, tell us a little bit more about your background.

Karyn: Well, I grew up in Los Angeles and wanted to sing at an early age, so I started doing pageants and talent shows, and it was very important for me to really showcase my talent. And then, growing up in a city like Los Angeles, I had the backing of my parents, especially my

mother, who believed in me. And I just always knew that that was what I wanted to do. Singing was just my world.

And I really feel like I've been doing it since I was eight years old, because I've been on a path and had a focus.

At the age of 16, I landed my first songwriting contract with an artist by the name of Stephanie Mills, and I was on my way from there. It seems like such a fairytale story, but it was really a lot of hard work and believing in myself, in an industry where there's just one in a million who make it. So I defied the odds. And God is wonderful. I'm very happy that I'm back singing again.

Anton: And, Pamela, I have a fun story to slip in here. We posted on our Facebook account yesterday that we were going to be having this call with you this morning and with our client Karyn White. And one of our other clients made the comment on our Facebook page, she said, "Tell Karyn that 'Superwoman' will always be my song."

And I thought that was neat because, you know, most artists come and go kind of like fashion trends. But Karyn's songs have really touched people in a different way, and they've remained significant for 10, 15, even 20 years.

Pamela: And "Superwoman," which I love – when was that recorded?

Karyn: Back in 1989. And that song is all over the world. It's an anthem for women. It's pretty special. It's a timeless, classic song, and I'm just happy to be in one of the songs that Babyface wrote. He's actually written 100 top-ten songs. Can you imagine that? So I'm happy to be on one of those top classic songs.

Pamela: Karyn, you had an 18-year hiatus from recording, and a primary motivator for that was that you were raising a family, and you wanted to devote yourself to that. But you also, at some point during those 18 years, began to develop some entrepreneurial skills. Can you talk about that?

Karyn: Oh yes. It's interesting, because once you have done what I've done – the impossible, the one in a million that make it in this industry – I really felt I was an entrepreneur at heart. So I felt there was nothing I couldn't accomplish.

I got the bug when I started to build my first home with my ex-husband Terry Lewis, of Jimmy Jam and Terry Lewis, who are producers. And we built a 30,000 square foot home. I can't even really say that's a home, because that's as big as four or five houses.

It was in Minnesota on Lake Minnetonka, and we built this home, and I really loved it, every aspect of it, from the design, to the architecture, the interiors. And I realized, "Wow! This is something that I really love to do."

I had had my daughter, and after that I didn't want to necessarily be back in the industry so soon. I was thinking I would just take a little hiatus and make sure I was there for her foundational years. But I saw myself really wanting to venture out. And I started to look at homes, and investing, and real estate investments. And I got a mentor who actually was flipping homes, and I bought her home. That's how it all started, my journey into flipping homes and learning about real estate and going to seminars. It was really a great time in my life.

Although I wasn't singing, it was quite profitable, and I loved it, because I could be at home and still be a mother as well as be creative. That's what I had been doing during these years away from the industry.

Pamela: When and how did you first hear about Bank On Yourself, and what intrigued you about it?

Karyn: I was just learning about real estate and finances and all of the tools to protect and grow your money, because I was making this money and I was thinking, "Now, okay, what do you do with it? How do you protect it? How do you grow it?"

And I heard about a seminar in Sacramento. I went to the seminar, and I was really, really intrigued and impressed. And of course, I did my due diligence. There was another company who had something similar to Bank On Yourself, and I met with them as well.

Putting Bank On Yourself on the Shelf Was a Mistake

Karyn: I wound up putting it on the shelf, and I bought more real estate, which was a bad idea. I wish I hadn't taken that money and put it into real estate. I wish I had gotten the policy in 2007.

But after we had our real estate crash, I was thinking, "Oh my god! What am I going to do?" And I went back to reading your book, and then I also got the audiobook, and I thought, "Wow! This is really the most protection that I can think of." There were so many benefits to using a life insurance instrument, and it really made sense, because I also needed to protect my money and grow it.

I also looked into other insurance policies, but I found they didn't have a particular rider that would supercharge the growth, and I'd already decided that was really the best part about what made this plan work, to accumulate wealth.

And so I revisited it again, and I said, "I really want to do it this time!" So I met with Anton, who is my Authorized Advisor here in California, and we came up with a plan that made sense for me and my goals.

Karyn Finances Her Album Herself, Thanks to Bank On Yourself



Karyn White's latest album, *Carpe Diem*

Karyn: At that time I was wanting to sing again, and I was looking for a way that made sense, and I thought, "This is awesome. I'm able to finance my album with my Bank On Yourself policy." And that's how the journey began with Bank On Yourself.

Anton: And one of the things that is really important for people to recognize is that here was Karyn: she had been extremely successful in her career and also in investments. But 2008 hit her, and she lost a lot of money, and it scared her, and it was a wakeup call.

She realized, "This was a great experience with a unique opportunity to buy and flip real estate properties. But I need something more stable." I think the key thing that Karyn did –

and unfortunately a lot of people do *not* do – is that she *took action*, did some homework, and did something different about it. You know, a lot of people are still complaining about how much money they lost in 2008, and they're scared because they know it could certainly happen again, but they haven't changed their financial plan.

Karyn has completely changed her financial plan, and I think, Karyn, that you are obviously, in a much, much better place today than you were in 2008.

What Goes Up Fast Usually Comes Down Fast

Pamela: That's a very good point. People are doing that in both the real estate industry and with the stock market, even though they have nothing to show for investing in the stock market for 12½ years now, other than the fact that when you incorporate inflation into that, they're digging themselves into a deeper hole every year. They still continue to do the same thing, somehow hoping that maybe this time it will be different.

So Karyn, you're definitely to be congratulated for saying, "You know what? These are things that can go up and you can do very, very well for a period of time, but the rule of thumb, which most people continue to ignore, is that anything that goes up fast, usually comes down fast, too, at some point sooner or later." Throughout history, that's a fact.

Karyn: And I experienced that. So I felt that I wanted to look beyond the obvious vehicles for wealth building, and this was just such a phenomenal concept that I got. I was very excited to do it.

Pamela: When did you start your policy?

Anton: Just about 2½ years ago.

Pamela: And then, about how long after you had the policy did you take that loan?

Karyn: Last August.

Pamela: Two years after you'd started the plan, you took the policy loan. Do you mind mentioning how much the policy loan was for?

Karyn: In total it was \$60,000.

No Credit App, and Get Your Money Quickly

Pamela: Sixty thousand. And did you have to fill out an application and a credit app to get that?

Karyn: (chuckle) No. It was as simple as picking up the phone, sending an email, and signing some papers. And it happened very quickly – in about a week.

Pamela: You had the money in your account within a week?

Karyn: Yep.

Pamela: You didn't have to pledge your first born?

Karyn: (laughter) No, and I had to tell myself, "Okay, this is really happening." Even though you say it and you read that it's going to happen, it's no problems at all.

Pamela: Okay. So here you are. You took the \$60,000 policy loan. Did you set a repayment schedule at that time, or did Anton suggest a repayment schedule?

Set a Flexible Repayment Plan on *Your* Schedule

Karyn: We planned a minimal repayment schedule, just because I knew that I was getting back into the industry after 18 years, and I wasn't quite sure what was going to happen. I knew I had to reconnect with fans, reconnect with promoters, and so I just didn't want to lock myself in. That's a great part of it, too. There was no one saying you have to have this amount, and there was so much flexibility, and it just made sense. It made me feel great.

I started by repaying \$100 per month. And as I started doing gigs and getting money from licensing deals, I would call Anton and say, "Okay, I want to put more money in it." Everything was simple, and it's just a great liberating feeling to be able to be in control and not feel the pressure, because there's already enough pressure just getting back into the industry.

Pamela: That's fantastic because you really *didn't* know. You'd been out of the business for 18 years, and it was kind of a crapshoot. Maybe you would be very successful, maybe a little bit successful, or it could flop altogether.

But that was a situation where you didn't want to lock yourself into anything that you would have had to, if you had taken a bank loan or a credit card or finance company loan, where they're going to dictate the repayment terms to you, and if you have to skip some payments or reduce some payments, then you're going to get those collection calls, you deal with possible repossession, and you get a black mark on your credit report. All of that stuff. You didn't have to worry about any of that.

You Control the Terms

Pamela: So, I can see why that must have liberating to know that you could be your own bank or financing source, but you are the one controlling the terms.

Karyn: Yes. You know, your dreams *can* come true, and this is really *me* saying that, because I don't know if I could have gotten a loan. I have a lot of real estate debt, a lot of holdings, and with the industry the way it is right now, that probably would have affected me, so I wouldn't be able to make a comeback, *per se*, or seize the day. But I made just the right choices. And I'm just reaping the fruit of that, and I'm loving it.

Pamela: That's a good point that you just made, Karyn, because right now it's very hard to get loans and financing for things, and if you had a lot of debt, and you were just starting to build up your income again, you might not have qualified for a loan at all, and/or they might have charged you a higher rate because you wouldn't be considered as good of a credit risk, and you weren't really putting up any collateral.

Policy Loan Interest Ends Up Benefitting You

With Bank On Yourself policy loans, you do pay interest, but in my bestselling book, ***Bank On Yourself***, on pages 100 to 103, I explain how that interest ends up benefitting *you* as a policy owner, if you are working with one of the Authorized Advisors who have access to the companies – and there is only a handful of them – that offer that particular feature.

So I do recommend reading pages 100 to 103 in my book, several times if necessary, to understand how that happens.

A Great Below-Market Interest Rate

Pamela: So, if you have poor credit and you don't have collateral, they will charge you a higher rate. But with a Bank On Yourself policy loan, although you do pay interest, ultimately it ends up benefitting you. And that interest is typically at a below-market competitive rate. And it doesn't vary depending on what your credit rating is.

You're going to get the *best* rate, because *you're* the owner of the policy. *You* control the money in the policy. You *don't* have to apply for it, and they don't bother doing a credit check to see what kind of risk you are, before they loan you the money.

Riders Grow Cash Value Faster, Especially During the Early Years

Pamela: Karyn and Anton, I'm thinking that some of our readers may be asking, "How is it possible that Karyn had \$60,000 available in her policy to borrow, two years or less after starting the policy?"

Well, Bank On Yourself policies have riders that make your cash value grow a lot faster, especially during the early years of the policy. And this is not like the kind of policy that Suze Orman and Dave Ramsey and others talk about, not in any way, shape or form. We show that on my website. If you go to "Suze Orman and Dave Ramsey, Let's Debate," at BankOnYourself.com, you can see how these policies are different, and they differ in some very significant ways.

But what I want to ask is, how was this policy structured? I'm sure some people will be curious. Were you putting in \$100,000 a year of premium? How did you manage to have \$60,000, when you were only about two years into the policy? Anton, maybe you can speak to that.

Anton: Yes, I'd be happy to. One of the things that a lot of people don't realize is that when you understand the way that these policies are built fundamentally, and you understand that you can add unique riders to them or use different techniques that the life insurance company is completely aware of and happy with, you can create a lot more flexibility as far as the design of the policy and also the use of it.

In Karyn's situation she had a life insurance policy that she had owned and been funding for a number of years. It wasn't really built to optimize the growth of the cash value, but it was old enough that it had built up a fairly significant amount.

It May Benefit You to Transfer Your Old Life Insurance Cash Value to Your New Policy

Anton: So when we took a look at her overall financial situation and I was going through what investments she has, what assets she has, and what level she wanted to fund the policy, we looked at this older policy. And I said, "Well, there is an option where we can do a rollover of the cash value, do a *1035 Exchange*, and essentially we're replacing the older policy with the Bank On Yourself policy.

What we were able to do, without creating any taxable event, was transfer the cash value from the old policy into the new policy. And so on day one, not only did she have the initial premium amount that she paid, but she also had all of the cash value that she built up in the previous policy as well. So we were starting off with a much higher cash value.

Pamela: Okay. I want to make it clear I'm not recommending that you just go ahead and transfer out values of any older policy that you had. You definitely want to have an Authorized Advisor look at it. It may not make sense to do that.

Anton: Absolutely correct. You absolutely have to look at the old policy, where it is, how well it's performing, as well as what somebody is trying to do. Sometimes we won't even consider touching it. Other times, as in Karyn's situation, it makes sense to go ahead and do that.

Pamela: So, in situations where it makes sense, it's a way of doing a lump sum funding into the part of the policy that grows the *fastest*. So, it allows you to "extra supercharge" the growth of the policy, especially in the early years. And so, Karyn, that's really how you ended up in less than two years having \$60,000 available for you to borrow.

Karyn: Yes. Correct.

Anton: And there are other techniques that we can use as well, to bump up the cash value in the first year. That's certainly not the only solution. It really just depends where somebody is and what they're trying to do as far as what we would suggest, and how we would design the policy.

Pamela: Which is another reason why I would suggest that if *you* are wanting to know the different ways in which a policy could be funded and supercharged – because there is not just one way to do this, and not every way is going to apply to every person – then you want to go to BankOnYourself.com and click on the **"Request Your Free Analysis"** button.

That will give you access to one of the 200 Bank On Yourself Advisors, like Anton Anderson, who can help look at your individual unique situation and help you figure out the best way to make that happen.

Why Karyn White Finds Bank On Yourself Valuable

Pamela: So, Karyn, I would love to hear from you about what you see as some of the other benefits of the Bank On Yourself method that you find valuable.

Karyn: Well, let me see. Not having to pay taxes on the money borrowed from my policy is a great benefit. Knowing that my principle won't vanish like real estate or stocks, and that my growth is locked in. That's really some of the advantages.

Pamela: And I seem to recall you mentioning that with a family, the death benefit is a pretty good advantage, too.

Karyn: Oh yes, yes, yes! Definitely, definitely, because you have an estate and you leave it to your heirs, but it's taxed. It was important for me to have enough cash value for my daughter, that if something happens to me, my insurance policy would cover that, and she would be able to pay the taxes. So that was strategically planned as well.

Pamela: And you told me that you feel it's very important to understand how money works, and really, you did a lot of self-taught learning about money, because most of us are, unfortunately, not brought up to be taught things about money, at least not the things about money that really, really work. There's no real school out there for learning what really works. I'm trying to fix that, but that's one of my projects!

Karyn: Oh, but you are, you are!

And I am also teaching my daughter, who I'm going to be doing a policy for this week. And I'm always telling my friends, "If you guys start at a younger age, you have such an advantage." So I'm really excited about Bank On Yourself and what you are doing. It's great.

Karyn White's Advice to You

Pamela: Karyn, I'm sure there are people who are reading this who have been thinking about adding Bank On Yourself to their financial plan, but they haven't taken the next step yet. What advice would you give them?

Karyn: (chuckle) My advice would be to start now. Definitely. To me Bank On Yourself is like a dream come true, and *it makes dreams come true*, so I definitely would just tell people, "Do your due diligence, and you'll find that what we're saying is true, that this tool is a great tool, and it also targets many areas at one time. People *can* achieve their goals, but in order for you to have options, you have to take control of your destiny and not leave it in the hands of someone else."

Pamela: Yep. Absolutely. Karyn, I know some of our readers have heard your songs, but for those people who want to learn more about you, want to be able to get your new CD, or maybe some of your older recordings and just stay in touch with you and find out what you're up to, what would you recommend they do?

Karyn: Well, the best way to reach me is at www.KarynWhite.me. I have a website and everything "Karyn's World" is there.

Pamela: Is there anything else that you'd like to recommend?

Karyn: They can buy my CD as well as my book. *Carpe Diem* is the name of the book that I've written, so I've seized the day in every way, and I feel like I'm a poster child for it, because I really believe in doing the right things and making the most out of your life, and living your dreams.

If you have any questions, I also have a blog. If you want to talk to me about Bank On Yourself, I would love to share with you, because I think I've been empowered, and it's part of my duty to empower others, especially women, because I'm a Superwoman!

So I just want to thank you for having me. It was great talking and sharing.

Pamela: And I would definitely encourage everyone to go to Karyn's website, and you can also be on her Facebook page if you'd like. You can hook up to it on her website.

And I would also say that if you have not yet implemented Bank On Yourself, go through the process that Karyn went through. Find out how a plan could be structured to help you meet both your long-term and short-term financial goals and dreams. Go to BankOnYourself.com, and click on the "**Request Your Free Analysis**" button.

That will get you a referral either to Anton Anderson or one of the other 200 advisors in the U.S. and Canada who are qualified and have done the rigorous training to be a Bank On Yourself Authorized Advisor.

Absolutely No High Pressure

Pamela: There is no high pressure. Karyn, I'm sure you can attest to that. Did Anton twist your arm?

Karyn: Oh no. No. I probably drove him crazy with lots of questions, lots of emails.

Pamela: Was he patient with you while you asked all those questions?

Karyn: Oh, yes. Extremely patient. And I kept asking things like, “Can you put it in an email, because I want to retain it.” So it was great.

Pamela: There you go. So if you still have questions about this, get the referral to a Bank On Yourself Advisor. Get your analysis. There is no obligation whatsoever. And when you look at it, you’ll be able to tell the guaranteed minimum value your account is going to be worth on the day you plan to retire, and at every step along the way.

Use Your Plan for Financing Personal *and* Business Purchases

Pamela: You can find out how you can use the plan for financing personal things like cars and vacations, and/or business things like as Karyn did, financing her own record and becoming her own producer.

This what I personally did with my own business. I was able to get a very hefty six-figure sum by just picking up the phone and telling them basically where I want them to send the money, and how much I want them to send.

And that was at a time when the credit markets were absolutely at their lowest. Nobody could get access to money, and all my business owner colleagues were asking, “Pamela, how did you *do* that?” But I needed to grow my business, and that was the *only* way at that time that I would have been able to get access to capital.

For business owners and people who aren’t business owners, this is just one of the best tools you’ll ever find – if not the best tool – for not only having financial security but becoming your own source of financing, because it allows you to take advantage of opportunities. Opportunities are out there, but you need to be in a position to take advantage of them as Karyn was. So I do urge you, go to BankOnYourself.com, and request your analysis.

I would like to say thank you so much, to both Karyn White and Anton Anderson. I think there are a lot of great nuggets of information that I hope our readers will benefit from, and I would love to hear from everybody.

What did you think of this interview? What did you take from it?

And be sure to go KarynWhite.me and find out which of Karyn’s albums you’d like to get your hands on.

Thank you, everyone, for joining us today. This is Pamela Yellen, for Bank On Yourself.