

The “Buy, Borrow, Die” Tax Strategy: The Wealthy’s Secret Weapon (And How You Can Use It Too!)

Alright, let’s talk about a juicy little secret the ultra-wealthy have been using for decades—the **“Buy, Borrow, Die”** tax strategy. Sounds like a plotline for a Netflix crime drama, right? Well, it’s actually a lot more boring (but WAY more lucrative) than that. This strategy is the financial equivalent of a cheat code, and once you know it, you might just start wondering why everyone isn’t using it.

Step 1: Buy Stuff (Smart Stuff)

First things first: You’ve gotta buy stuff. Not just any stuff. Smart stuff. Think bitcoin, land, gold, silver, real estate, stocks, or other appreciating assets that are like the cashflow of investments: not too risky, not too boring—just right.

The idea is to buy assets that grow in value over time. This is where the rich start their game plan. They build up their wealth by buying things that will appreciate, giving them the sweet, sweet satisfaction of watching their portfolio grow.

Step 2: Borrow Against It

Now, here’s the magic trick. Instead of selling your assets to cash out and pay those pesky taxes, you borrow against them. Yep, you read that right. You don’t sell, you don’t pay capital gains taxes, and you get access to the money you want.

But wait—how do you do this without getting buried in debt? Simple: The wealthy borrow from banks or lenders at super-low interest rates, using their appreciating assets as collateral.

So, they’re paying a tiny interest rate on the money they borrow, while their assets continue to grow. It’s like paying rent on a house that you own, while it’s still increasing in value. Mind- blowing, right?

Step 3: Die (But Not Before You Get Rich)

Here’s the kicker that makes **“Buy, Borrow, Die”** so sweet: When you die (and we all will eventually), your heirs inherit those assets at current market value, meaning no capital gains taxes on the appreciation that happened while you were alive. It’s like passing on a tax-free inheritance wrapped in a bow.

So, they don’t have to pay taxes on all that wealth you built over your lifetime. Instead, they get to start from scratch, as if you bought everything yesterday. No capital gains taxes. No estate taxes (depending on how you structure it). Just generational wealth flowing down the family tree like it’s your personal cash fountain.

Why Does This Work for the Rich (And How Can You Use It)

So, how do the rich get away with this? They’ve mastered the art of not selling. They don’t cash out their investments. They don’t trigger taxable events. They live off borrowed money, let their assets grow, and pass it all down to their heirs. It’s like the financial version of playing Monopoly forever—but never having to pay income taxes or property taxes!



Now, I'm not saying you can pull this off with your 2008 Corolla and a couple hundred bucks in crypto. But, if you can build up a solid portfolio of appreciating assets whether that's bitcoin, real estate, stocks, gold, silver, or even businesses—you can use the same principles to keep your money working for you instead of against you.

So how? Here are the **7 Steps To Use This Strategy**:

Step 1: Build Assets That Grow

The strategy starts with ownership. You need assets that can increase in value or generate cash flow:

- Stocks and ETFs
- Real estate
- Businesses
- Bitcoin or other digital assets
- Precious metals (Gold, and silver)

The goal is not to hold cash. The goal is to own productive assets that can grow over time.

Step 2: Build Your Financial Reputation

Banks do not lend because you have a good idea. They lend because you have proven assets, income, and the ability to repay.

Build:

- Strong credit history
- Consistent income or business cash flow
- Clean financial records
- A history of responsible borrowing

Your goal is to become someone banks want as a customer.

Step 3: Build a Relationship With Your Banker

Do not wait until you need money.

Meet with a banker and explain your financial goals:

- You are building assets.
- You own investments.
- You are growing a business.
- You want access to capital without selling your assets.

The key is **building trust**. Approach your banker with humility and respect. Recognize them as a person, not just a service provider.

Invite them for a coffee. Learn about their experience, understand how they help clients, and build a genuine professional relationship.

Strong relationships create opportunities. When a banker understands your goals and financial position, they are more likely to help you find the right lending solutions.



Step 4: Present Your Assets

When requesting financing, show proof of what you own:

- Investment statements
- Real estate documents
- Business financial statements
- Revenue records
- Asset valuations

The bank needs evidence that you have collateral and reliable cash flow.

Step 5: Borrow Against Your Assets

Instead of selling an appreciating asset, ask and say to the bank:

“I have this assets currently valued at _ can I use my assets as collateral to access a loan or line of credit?”

Examples:

- Borrow against a stock portfolio
- Use real estate equity
- Use business assets or cash flow statement

The purpose is to access liquidity while keeping ownership of your assets.

Step 6: Negotiate the Loan

Do not accept the first offer.

Compare lenders and negotiate:

- Lower interest rates
- Better repayment terms
- Higher flexibility
- Lower fees

Your assets and financial strength give you bargaining power.

Step 7: Use Debt as a Tool, Not a Trap

Borrowed money should create value:

Good uses:

- Scaling a business
- Buying more productive assets
- Investing in opportunities

Bad uses:

- Lifestyle inflation
- Unnecessary purchases
- Debt without a repayment plan

Step 8: Continue Growing Your Asset Base

The long-term objective:



Buy assets → Keep assets → Borrow against assets → Use capital wisely → Grow wealth

The wealthy focus on owning assets that work for them rather than selling assets to fund every expense.

Note: Tax rules, lending policies, and estate laws vary by country. Professional financial and tax advice may be needed before implementing this strategy. But go to your bank and just ask.

Anyone can start this strategy. Start small, buy wisely, and build your assets over time. The “Buy, Borrow, Die” strategy might sound like a rich person’s game, but with a little know-how and a lot of strategy, you can play too.

So, while you’re out there hustling, just remember: the wealthy aren’t just earning money; they’re mastering the art of never paying taxes on it. And now, so can you.

"Freedom is the only worthy goal in life. It is won by disregarding things that lie beyond your control." – Epictetus

