

How to Climb the Mountain of Happiness

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by Michael Malloy, CLU, TEP



Happiness is not at the top of the mountain, but in how to climb.

~ Confucius

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PPLI Provides Steps Up the Mountain

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Private Placement Life Insurance (PPLI) offers a structure that produces *tax efficiency*, *enhanced privacy*, and *asset protection*. In our opening quote, it can be likened to stepping up the mountain. PPLI is not a goal, but a financial structure that gives *wealthy international families* key elements of financial happiness.

"PPLI functions more like a trust, than a financial product."

It is appropriate that this quote is from *Confucius*. For those unfamiliar with Confucius we will have a biographical sketch later on. What is also connected is Part I of a video that re-creates a presentation that I gave at The 4th FOA Family Think Tank Forum in Shanghai, China, which was held on the campus of Fu Dan

University. I was invited to speak by Ann Lee of the Wintel Law Firm in Shanghai.

The presentation is an introduction to Private Placement Life Insurance (PPLI), and the international tax planning concept of Expanded Worldwide Planning (EWP). The two-day conference was attended by attorneys, accountants, financial planners, insurance brokers, and other professionals who work with high net worth clients in China and the Far East.

First, we have a quote about PPLI from *Senior Consultant, The Voice of the Investment Management Consultant*.

“Private Placement Life Insurance (PPLI) is much more than an insurance policy. PPLI represents one of the most powerful vehicles available to the high net worth investor in the marketplace today.

PPLI enhances both wealth creation and wealth preservation. Wealth creation is the result of the tax-free growth of the assets in the insurance contract. Wealth preservation is a result of the death benefit paid from the insurance contract.”

Much is written about tax transparency. Many of those who champion tax transparency say that it will result in a system that is more equitable and fair. Will it result in greater happiness? The conclusion of this *New York Times* article, [Happy ‘National Jealousy Day’! Finland Bares Its Citizens’ Taxes offers a different perspective.](#)

“Shortly after 6 a.m. on Thursday, people began lining up outside the central office of the Finnish tax administration. It was chilly and dark, but they claimed their places, eager to be the first to tap into a mother lode of data.

Pamplona can boast of the running of the bulls, Rio de Janeiro has Carnival, but Helsinki is alone in observing “National Jealousy Day,” when every Finnish citizen’s taxable income is made public at 8 a.m. sharp.

The annual Nov. 1 data dump is the starting gun for a countrywide game of who’s up and who’s down. Which touselled tech entrepreneur has sold his company? Which Instagram celebrity is, in fact, broke? Which retired executive is weaseling out of his tax liabilities?

Esa Saarinen, a professor of philosophy at Aalto University in Helsinki, described it as “a fairly positive form of gossip.”

Finland is unusual, even among the Nordic states, in turning its release of personal tax data — to comply with government transparency laws — into a public ritual of comparison. Though some complain that the tradition is an invasion of privacy, most say it has helped the country resist the trend toward growing inequality that has crept across of the rest of Europe.

“We’re looking at the gap between normal people and those rich, rich people — is it getting too wide?” said Tuomo Pietilainen, an investigative reporter at Helsingin Sanomat, the country’s largest daily newspaper. ...

Roman Schatz, 58, a German-born author, rolled his eyes, a little, at Finland’s annual celebration of its own honesty. “It’s a psychological exercise,” he said. “It creates an illusion of transparency so we all feel good about ourselves: ‘The Americans could never do it. The Germans could never do it. We are honest guys, good guys.’ It’s sort of a Lutheran purgatory.” ...

Economists in the United States have shown great interest in salary disclosure in recent years, in part as a way of reducing gender or racial disparities in pay.

Transparency may or may not reduce inequality, but does tend to make people less satisfied, several concluded. A study of faculty members at the University of California, where pay was made accessible online in 2008, found that lower-earning workers, after learning how their pay stacked up, were less happy in their job and more likely to look for a new one.

A study of *Norway*, which made its tax data easily accessible to anonymous online searches in 2001, reached a similar conclusion: When people could easily learn the incomes of co-workers and neighbors, self-reported happiness began to track more closely with income, with low earners reporting lower happiness. In 2014, Norway banned anonymous searches, and the number of searches dropped dramatically.

“More information may not be something which improves overall well-being,” said Alexandre Mas, one of the authors of the University of California report. ...

One of the great sports of National Jealousy Day is to publicly shame tax dodgers.

In 2015, Mr. Pietilainen found that executives from several of Finland’s largest firms had relocated to Portugal so that they could receive their pensions tax free. His reporting caused such a stir that the Finnish Parliament terminated its tax agreement with Portugal, negotiating a new one that closed the loophole.”

Now a little about the extraordinary life of Confucius from the [Simple English Wikipedia](#). We found this section on Confucius suited our article better than the longer *Wikipedia* article.

“**Confucius** (born 551 BC, died 478 BC) was an important Chinese educator and philosopher. His original name was Kong Qiu or Zhong Ni. As a child, he was eager to learn about everything, and was very interested in rituals. Once he grew up, he worked as a state official who handled farms and cattle. Then he became a teacher.

Confucius lived in a time when many states were fighting wars in China. This period was called the Spring and Autumn period of the Zhou Dynasty. Confucius did not like this and wanted to bring order back to society.

Like [Socrates](#), Confucius sometimes did not answer philosophical questions himself. Instead he wanted people to think hard about problems and to learn from others, especially from history. Confucius also thought that people should get power because they were good and skilled, and not just because they came from powerful families.

Confucius wanted people to think about other people more than about money or what they owned. However he also felt that there should be strong rules in society and that people needed to obey them. Confucius thought that there were five relationships people could have, and that they all had their own rules. Two people could be

- Prince and Subject
- Father and Son
- Husband and Wife
- Elder and Child
- or Friends

These were traditional relationships called the 'five prototypes'. Confucius said that in all these relationships, both people must obey rules. For example, a subject must obey a prince, but also a prince must listen to a subject and must rule him well and fairly.

Confucius said that people should only do things to other people if they would be okay with other people doing those things to themselves. This is sometimes called the Golden Rule and was also taught by Jesus Christ.

His students wrote down small stories about him, and things that he said. These were put together to make a book called "*The Analects*."

At ***Advanced Financial Solutions, Inc.*** the mountain that we climb is the creation of unique asset structures for wealthy international families using PPLI. We welcome you to climb this mountain with us, and achieve a structure that can give you financial happiness. Please **[contact us](#)** today.

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