



The Economic Alliance of Associations

Overview

The Economic Alliance of Associations is a membership organization for associations of productive individuals, for associations of non-profit organizations, and for representatives from the financial services industry. The Economic Alliance of Associations is dedicated to facilitating the Enterprise concept of the "Economic Endowment of Everything that Matters" for productive individuals and for the non-profit organizations that provide the caring infrastructure of society. Membership organizations of productive individuals and membership organizations of non-profits become members of the Economic Alliance of Associations. These membership organizations, working together with Alliance Partner members of the Economic Alliance of Associations, provide the financial services industry products and expertise that are required to accomplish the Enterprise concept goal.

To facilitate the Enterprise concept mission, the Economic Alliance of Associations utilizes the findings of three research projects that integrate economics, agent of change technology, and permanent endowment planning to provide leadership to its membership association members and to its financial services industry Alliance Partner members. The Economic Alliance of Business Executives, and the Economic Alliance of Doctors, representing productive individuals, and the Permanent Endowment Association of America, representing non-profit organizations are charter members of the Economic Alliance of Associations. These organizations provide concept based written book financial planning for their members developed from findings of the three research projects that they sponsor.

The Economic Alliance of Associations also provides consulting services to financial services industry entities including banks, insurance companies, and investment companies regarding the planning needs of the members of its affiliated associations. The resulting special design financial products and services are then made available to productive individuals and to non-profit organizations that are members of the membership organizations that comprise the Economic Alliance of Associations. These efforts by the Economic Alliance of Associations integrate the financial services industry in support of the economic projects of the Enterprise Concept.

An extensive recruiting and training program has been developed and organized by the Economic Alliance of Associations to identify, recruit and train Financial Consultants and Permanent Endowment Consultants to implement the Enterprise concept Projects. Project implementation methodologies and consultant training are based on the behavioral Agent of Change system that was developed from findings of the Agent of Change Research Project. Financial Consultants and Permanent Endowment Consultants provide written book financial plans to productive individuals and to non-profit organizations that were developed from findings of the Economic Research Project and the Permanent Endowment Research Project.

According to the US Census Bureau, there are currently 25 million small businesses and 5 million employers with 1-20 employees. In addition, the United States has approximately one



million non-profit organizations. Productive individuals and un-endowed non-profit organizations are the segments from within these markets that prevent losses by forming consulting relationships with Enterprise Concept Financial Consultants and Permanent Endowment Consultants.

The Alliance Mission

The Economic Alliance of Associations is structured to integrate the financial services industry behind Enterprise Concept projects to contribute to the resolution of some of the country's most significant problems:

1. The lack of personal savings/Social Security Deficit,
2. The economic costs of living longer sicker/Medicare Deficit,
3. The un-endowed status of non-profit organizations that provide the caring infrastructure of society, and
4. Childhood and Adult Life Quality.

Market Description

The Alliance of Associations has multiple target markets depending on the initiative.

Distribution Organizations:

How many

Where

Demographic Description

Manufacturer Organizations

Consortium Leaders

Enterprise Concept Projects

The Self-Completing, Enhanced Defined Benefit Pension Plan Project: 2001 EGTRRA legislation provided for increased deductible savings for defined benefit pension plans.

Enterprise concept retirement plan self-completion and enhancement of retirement benefits align interests of government, productive individuals, and the financial services industry in support of the creation of 500,000 new pension plans over the next 7 years.

The Health Insurance Project: 1996 HIPPA legislation reclassified long term care insurance as health insurance and provided for "C" tax status employer deductibility of premium costs for employees' long term care insurance premiums, no reportable income for covered employees for employer premium payments, and tax free receipt of benefits by insured individuals.

Enterprise concept full return of premium long term care insurance benefits allocations align interests of productive individuals, government, the financial services industry, and non-profit organizations in support of the creation of 1,000,000 new long term care insurance/permanent endowment plans over the next 7 years.

The Permanent Endowment Project: Enterprise concept monetizing of human economic value program aligns interests of caring individuals, the financial services industry, non-profit



organizations, and government in support of the creation of perpetually multiplying funding to facilitate the permanent economic endowment of 500,000 non-profit organizations that support the caring infrastructure of society over the next 7 years.

The Life Quality Project: Enterprise concept monetizing human wellness aligns interests of health care research, for profit and non-profit sectors of the health care industry, mission based non-profit organizations, and government to facilitate the improvement of nutrition and function for 10,000,000 malnourished children, under-performing adults and elderly individuals over the next 7 years.

Alliance Association Members

- The Economic Alliance of Associations members include associations representing productive individuals and non-profit organizations.

The Economic Alliance of Business Executives provides a valuable service to members who are business owners or key executives of small businesses through unique capital accumulation and capital distribution planning systems.

The Economic Alliance of Doctors provides a valuable service to members who are doctors through unique capital accumulation and capital distribution planning systems.

The Permanent Endowment Association of America provides a valuable service to members that are non-profit organizations through unique systems to establish permanent endowment programs and to identify permanent endowment program donors.

Economic Endowment for Productive Individuals



The Economic Alliance of Doctors, the Economic Alliance of Business Executives, and the Permanent Endowment Association of America are Permanent Association Members of the Alliance of Associations. The Economic Alliance of Doctors and the Economic Alliance of Business Executives are separate membership organizations that provide capital accumulation and capital distribution planning for different membership groups of productive individuals. The purpose of these capital accumulation and capital distribution planning programs is to facilitate the Enterprise concept goal of "The Economic Endowment of Everything That Matters" for the benefit of their individual members. What matters will vary from individual to individual: the endowment of earnings capabilities, the endowment of retirement savings, the endowment of family legacies, and/or the endowment of value systems important to society that are perpetuated through charities, educational institutions, churches and other non-profit organizations. The mechanisms for the economic endowment of these individual needs and preferences will also vary.

The efficiency, control and safety of the efforts of productive individuals to achieve personal capital accumulation and capital distribution planning objectives will be impacted by public policy that is designed to address perceived problems in society. Members of the Economic Alliance of Associations initiate and implement projects for their members that are supported by public policy. Members of the Economic Alliance of Associations also consult with manufacturers of financial products and providers of financial services to develop special design



products and services that can be utilized by productive individuals and by non-profit organizations to facilitate the “Economic Endowment of Everything That Matters” to them.

The Economic Alliance of Associations quantifies concepts developed from findings of multi-generational economic, agent of change, and permanent endowment research projects for the benefit of productive individuals and for the benefit of un-endowed non-profit organizations. The personal written capital accumulation and capital distribution plans for individuals provide information that productive individuals need to know regarding the products and services they need to have to become financially independent and personally significant. The individual permanent endowment analysis and accumulation plans for non-profit organizations provide information that non-profit organizations need to know regarding the products and services they need to have to become permanently endowed. This research based written plan approach ensures the continuous adaptability required by the velocity of change of the information age. The Economic Alliance of Associations will continue its role in the facilitation of the Enterprise Concept of the “Economic Endowment of Everything That Matters” for the benefit of productive individuals and for the benefit of the non-profit organizations that provide the caring infrastructure of society.

Economic Endowment of Un-endowed Non-profits



The Permanent Endowment Association of America (PEAA) is a Permanent Association Member of The Economic Alliance of Associations. PEAA is a membership organization for charities, educational institutions, professional associations and societies and other non-profit organizations that have not achieved permanent economic endowment. PEAA provides permanent endowment planning and implementation services to un-endowed non-profit organizations that become members. PEAA is committed to the creation of perpetually increasing economic endowments for non-profit institutions that support the caring infrastructure of society. PEAA was developed from findings of the 23-year Permanent Endowment Research Project that integrates specific capabilities of the financial services industry for the benefit of un-endowed non-profit institutions.

“Un-endowed” non-profit organizations are classified by the Permanent Endowment Research Project as institutions that currently lack the assets and a plan to finance existing infrastructure costs that are required by non-profit organizations to accomplish their missions, plus annual growth in infrastructure costs in perpetuity. PEAA provides permanent endowment program planning and implementation services to the un-endowed non-profits that become institution members. Services and benefits to PEAA members include economic education programs on institutional permanent endowment planning, development and implementation. In addition, PEAA provides institution members with specially designed written Permanent Endowment Analysis and Accumulation Plans and Donor Identification Plans that quantify, in an institution’s circumstances, the permanent endowment model developed during the Research Phase of the Permanent Endowment Research Project. Permanent endowment program consulting and implementation services are also provided by PEAA-trained Endowment Consultants to institution members. Capital accumulation and capital distribution “Significance Plan” consulting and implementation are provided by Endowment Consultants to key employees, donors, alumni,



and friends of non-profit organizations participating in the PEAA Permanent Endowment Program.

PEAA administers the permanent endowment planning process for un-endowed non-profit institutions. The planning process begins with concept education. The next step is the collection of data from the un-endowed institutions that includes current infrastructure costs, historic investment returns on assets, historic growth in gifts received, and historic growth in the number of donors. Permanent Endowment Concepts, developed from findings of the Permanent Endowment Research Project, are then quantified for each institution in Permanent Endowment Analysis and Accumulation Plans that are prepared by PEAA. The second phase of the planning process is the implementation of the plan recommendations. The implementation phase results in the achievement of the non-profit organization's Institutional Endowment Critical Capital Mass (IECCM). IECCM is the quantity of endowment assets required by a non-profit organization to finance, in perpetuity, the growth of infrastructure costs and the expansion of charitable projects funded by the non-profit organization.

During the Application Phase of the Permanent Endowment Research Project, a permanent endowment pilot project was initiated for a representative group of non-profit organizations. Qualified donors were identified for educational institutions, professional associations and societies and other non-profits and were encouraged to make contributions to the participating non-profit organizations to fund Permanent Endowment Programs. These funded Permanent Endowment Programs are projected to generate hundreds of millions of dollars of perpetually increasing funding for infrastructure costs and project costs for these participating non-profit organizations. Perpetually multiplying funding created by permanent endowment programs can and will finance the expansion of charitable projects that support the caring infrastructure of society.

An Expansion Phase of the Permanent Endowment Research Project was initiated in 2006 when the Permanent Endowment Association of America assumed sponsorship of the Permanent Endowment Research Project. A new permanent endowment funding model for non-profit organizations was created that was not based on compound interest systems that had failed to achieve the permanent endowment goals of organizations studied during the initial Research Phase of the Permanent Endowment Research Project.

Endowment through monetization of Human Economic Value: Findings of the Permanent Endowment Research Project led to the development of the concept of endowment through the monetizing of human economic value. Human economic value is scientifically defined by actuarial laws of large numbers and monetized by the life insurance industry. This concept of monetizing human economic value utilizes the reality that all human beings are mortal and that the predictability and the certainty of mortality creates unrealized economic potential that can be converted into an economic resource that is available to permanently endow non-profit institutions and to benefit society.

Many caring individuals value the missions of non-profit institutions and demonstrate their support with gifts of their time and monetary contributions. However, these individuals have little economic capability to ever create meaningful endowments for the non-profits they care about. These well-intentioned individuals have the capability of becoming significant endowment donors through the conversion of their human economic value and the human economic value of others into a significant monetary resource for the endowment of their favored non-profit institutions.



The Permanent Endowment Research Project determined that assets are often lost by non-profit organizations that use the compound interest model as a result of market cycles, economic cycles, and short-sighted alternative uses for funding. As a result of these periodic losses the projected upward movement of compound interest systems is not guaranteed. Losses of invested assets that occur within compound interest systems have prevented the inter-generational permanent endowment process of non-profit organizations.

The Permanent Endowment Association of America facilitates and administers Permanent Endowment Programs for un-endowed non-profit organizations. The Permanent Endowment Association of America provides permanent endowment program consulting, planning, donor development and administration services to un-endowed non-profit organizations. The Permanent Endowment Association of America provides non-profit organizations with written Endowment and Accumulation Plans that identify the organizations' endowment deficits and provide a plan to accumulate the endowment assets required to permanently fund the infrastructure costs of the organization. Permanent Endowment Association of America planning allocates increased investment management returns on existing assets of the organization and gifts from new permanent endowment program donors to permanently endow participating non-profit organizations.

Permanent endowment program donors contribute cash and full return of premium benefits paid at their deaths by specially-designed long term care insurance policies that insure friends of the non-profit organization. Excess investment returns, cash gifts and gifts of premium refund benefits are allocated by the Permanent Endowment Association of America to acquire special-design permanent endowment program legal-reserve, equity-indexed, universal life insurance policies insuring the lives of permanent endowment program benefactors. Permanent Endowment Program benefactors can include directors, donors and friends of the non-profit organizations who are age 65 and over and eligible to contribute a portion of their insurability for the benefit of the non-profit organizations they support.

Upon the death of insured Permanent Endowment Program Benefactors death benefits are allocated to purchase additional life insurance policies on new Permanent Endowment Program benefactors in whom the non-profit organizations have an insurable interest. The Permanent Endowment Association of America retains a small beneficial interest in the death benefits paid to administer the program. An increasing cash reserve is accumulated in a trust account to service the program in addition to the exponentially increasing number of additional life insurance policies that are continually purchased. When Infrastructure Endowment Critical Capital Mass is achieved during the implementation of the Permanent Endowment Program the allocation of a percentage of the death benefits to the purchase additional assets can be reduced or terminated. The premium payments on existing life contracts owned by the non-profit organization participating in the Permanent Endowment Program can be continued until the death of the insured or the policies can be converted into cash. The inter-generational administration of the purchases of the life insurance policies insuring the lives of Permanent Endowment Program Benefactors will continue to be implemented by the Permanent Endowment Association of America on behalf of the non-profit organizations participating in the Permanent Endowment Program for as long as the benefiting non-profit organizations desire to continue the growth of their permanent endowment assets.

If the non-profit organization that was the initial beneficiary of a Permanent Endowment Program has access to an insufficient number of individuals age 65 and older who are available to become Permanent Endowment Program Benefactors by acquiring life insurance contracts for



the benefit of the non-profit organization, an alternative funding mechanism is available to the non-profit organization. During the implementation and administration of the permanent endowment program by the Permanent Endowment Association of America, senior life settlement contracts on individuals 75 and older who have no affiliation with the non-profit organization can be purchased in addition to the purchases of the policies insuring Permanent Endowment Program Benefactors in whom the participating non-profit organization has an insurable interest. The presence of a non-profit organization's insurable interest in a Permanent Endowment Program participant maximizes the tax efficiency of the receipt of the death benefit by the non-profit organization. Senior life settlement contracts on unaffiliated insureds over 75 years of age may provide a shorter time period between the time of the investment of endowment funds and the receipt of a death benefit than would insurance purchased on benefactors under age 65. The shorter time to funding can offset the loss of inefficiency to taxes.

With the passage of time the exponential growth of the Permanent Endowment Program will enlist the participation of many thousands of benefactors and non-profit organizations in order to accomplish the objective of the permanent endowment of the non-profit organizations that comprise the caring infrastructure of society. The Permanent Endowment Association of America will assist un-endowed non-profit organizations by providing Permanent Endowment Program education symposiums; Permanent Endowment Program consulting; trained Endowment Consultants to implement Significance Plans and generate Permanent Endowment Program gifts; and, inter-generational Permanent Endowment Program administration services. The Permanent Endowment Association of America works with un-endowed non-profit organizations to develop and administer Permanent Endowment Programs that support the unique value systems and cultures of the un-endowed non-profit organizations that elect to participate in the Permanent Endowment Program administered by the Permanent Endowment Association of America.

Alliance Partner Members

The Enterprise Concept utilizes a decentralized implementation and management structure based on the reality that all the resources and infrastructure needed *to facilitate the Economic Endowment of Everything That Matters* already exist.

Alliance Partner Members include financial product manufacturers and their distribution organizations, financial services providers including accounting firms and pension design and administration firms, and Enterprise trained Financial Consultants and Permanent Endowment Consultants. These organizations and individuals contract with the Economic Alliance of Associations to become Alliance Partner members participating in the implementation of Enterprise Concept Projects. Alliance Partner members provide the products, services, distribution systems, and administrative systems that are required to implement the Enterprise Concept Projects. An integrated internet-based communications and data base system that is owned by Enterprise Concept related entities connects Alliance Partner members with Alliance association members and non-profit organization members and the productive individuals that are members, donors and executives of the affiliated associations and non-profit organizations.



The Economic Alliance of Associations currently includes Alliance Partner members from the following sectors of the financial services industry:

- Insurance
- Investments
- Banking
- Accounting
- Pension Design and Administration

Alliance Partners provide special design financial products and services to productive individuals who become members of the Economic Alliance of Doctors or the Economic Alliance of Business through associations that become members of the Economic Alliance of Associations. Financial Consultants are trained by Alliance Partners to implement Enterprise Concept capital accumulation and capital distribution planning for individuals who are members of these affiliated associations. Alliance Partners also provide special design financial products and services to non-profit organizations that become members of the Economic Alliance of Associations through their membership in The Permanent Endowment Association of America. Permanent Endowment Consultants are trained by Alliance Partners to implement Enterprise Concept Permanent Endowment Planning for non-profit organizations who are members of this affiliate.