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*I am frequently asked by clients or clients' family members what their children should do to become financially successful. Recently, I was asked this question by a sixth-grader and I decided to sit down and write this newsletter. Please pass it on if it does not apply to you. If you are one of the many clients who guided my learning process, thank you very much!*

### HOW YOU CAN BECOME A MILLIONAIRE

As an investment advisor, I make money by making money for people. The people who become millionaires, and *stay* millionaires, appear to do some basic things right. It has been my privilege to learn from successful people.

Most self-made millionaires are normal people who save their money, and who live consistent, responsible, and disciplined lives. From the outside, that might seem rather boring. Actually, being responsible, consistent, and disciplined will give you the chance to make your life an exciting, productive, and creative adventure.

Here is a simple guide to becoming rich, inspired by the lifestyles of my clients. Not only will these recommendations work for you to *become* wealthy, they are also just as necessary to *keep* you rich, should you win the lottery or inherit money.

1. **Do what you love and do it well.** Be creative and find a way to get paid. You might not get paid as much as you would if you just took a job for money. On the other hand, you may wind up making more because you will put your soul into it. You will also avoid expensive emotional burnouts and blowouts later in life.
2. **Have a small house and a big life.** Some people who have expensive cars and big houses are in debt up to their eyeballs and worry a lot. Instead of copying them, begin by living moderately. If you buy a big house to live in, the only way you will ever see a dime of its value is to move out and rent or sell. As you grow wealthier, buy rental real estate instead of a trophy house.
3. **Save.** If you save 10% of what you make, and do not spend it, you will inevitably become wealthy if you are healthy and have a normal lifespan. Save as much as you can in tax-deferred retirement plans. Here is a fact to chew on: If you save \$3 a day from the time you are twelve until the time you are sixty, and you grow it at the 50-year average for the stock market, which is 10% per year, you will accumulate over \$1,157,000. As the graph on the next page shows, if you begin saving when you are twenty-one, you will need to save \$7 a day, or \$2,500 a year, to accumulate the same amount. If you wait until you are forty, as many people do, you will have to save \$45 a day, or \$16,000 a year. It pays to start early.
4. **Practice stealth wealth.** As you become wealthy, do not change your life habits. To succeed, you must keep your spending under control. The best tool to accomplish this is by nourishing a sense of gratitude. Be a good steward and appreciate what you already have. This will keep you from lusting for what you do not own.

5. **Love people, not things.** The most successful people genuinely love life itself and the people they meet on the journey. For a successful millionaire, money is only a tool. A Corvette cannot hug you back. Money cannot buy you a sunrise. Seek adventure instead. Some of the great people of our community are millionaires who put their money into service to the community, not simply toys.
6. **Use Time as your ally.** The compounding effect of money is astounding. Save early, save long, and spend cautiously. This allows small annual gains to add up. The compounding effect, which most people do not understand, is why you can become a millionaire by the time you are sixty simply by saving \$3 a day, starting at age twelve.
7. **Be disciplined and consistent.** Most successful millionaires are unusually self-controlled. They stay moderate in their life habits, and focus on successful relationships. They savor and grow their marriages and their relationships with family and friends. Divorce and illness are the major destroyers of wealth in the United States. Avoid them as much as possible.
8. **Be a life-long learner.** In the 21<sup>st</sup> century, you will live in a global, multi-cultural world where you will probably be a minority. Prepare yourself for a lifetime of ongoing and general education, including subjects we do not even have names for yet. You will also need to know about personal finances. If you do not make the effort to master the world of personal finance, it will master you. You especially want to pay attention to understanding and minimizing taxes.
9. **Be secure.** You will want to make sure that you have adequate emergency savings, effective physical security, and good, inexpensive insurance to cover unlikely but financially devastating disasters. You will also need to stay as physically fit as possible to maximize life and minimize unexpected expenses. I have noticed that many millionaires are healthier and live longer than non-millionaires because they have better life habits. See #7 for why that is true.
10. **Build a winning team.** There is a saying: “You are only as rich as your friends.” Statistically, this is true. You do not want to go out and ingratiate yourself to flamboyant rich people, because they will not teach you good habits. Instead, seek out holistically successful people. Focus on identifying and cultivating relationships with individuals who are successful at life and whose company brings out the best in you. As your wealth grows, you will also need to develop a winning professional team: a lawyer, a tax professional, and an investment advisor. Remember you are pursuing a long-term plan to become wealthy. A reasonable investment in expert advice will provide you with a solid foundation for growing your own pot of gold. 🍀🍀

