Making Money, Creating Wealth:
Your Guide to Financial Independence

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This book began as a series of articles in my weekly newsletter, TIP's. I was not surprised that my 11,000 readers would be interested in articles on the topic of making and keeping money. But I was surprised at the number of emails, calls and letters I received, thanking me for presenting the information so clearly, and in such a practical, useful way.

That touched me, and I began thinking about compiling the three articles into a little pamphlet, which eventually grew into this book. As the book grew, I was encouraged by my coach to consider printing it and selling it as a self-published book. Obviousy, the idea of making money by publishing a book on money made sense and was very attractive!

But, I kept going back to those emails and letters from long-time subscribers. Those notes moved me with their sincerity and their gratitude for a book that put money in perspective, that helped them understand how money works, what it is, and how to manage and use it to achieve their dreams. I wanted as many people as possible to have that experience, and I decided to give this away, free of charge on the Internet.

I want lots of people to read it, and I hope lots of people will get rich using the ideas on these pages. And so, I have three requests:

1. If you enjoy this book, please print a copy for yourself, and then use the information to take control of your finances. Use it! It's free, but I believe it is extremely valuable. So, your first lesson in getting rich is to never confuse the value of something with its cost! The cost here is zero. But many people have told me that the value is very high. So, if you enjoy it, please encourage your friends, family and colleagues to visit my website and get their own copy. Again, there is no cost, but tremendous value! So, pass the word!

2. This remains a work in progress. If you find errors or points that are unclear, please let me know. I welcome your feedback. Because it's published on the Internet, it's easy to add or clarify points, and your contributions will make the book even richer for those who follow behind you. Please write to me at: mailto:Coach@philiphumbert.com

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Chapter 1: Intro: Making Money, Creating Wealth!

The following pages are about understanding, making and keeping more money. I have two very simple objectives: to give you a summary of what I've learned about money over the past 30 years, and to give you specific steps so you will take *action*.

Information is among the most worthless commodities on earth. We are flooded with information from books, magazines, news and seminars, not to mention TV. We have far too much information – and not enough guidance about using it to make a significant difference in our lives. That is my goal with this book. I want to give you the best of what I have learned from working with over 100 entrepreneurs, and investing in the stock market and in my own businesses for many years.

And the one thing I've learned above all else: *Action* is the only thing that counts. Even clumsy or mis-guided or inefficient action will bring results. Maybe not wonderful results, and maybe not the right kind of results, but action always creates an outcome.

By taking action, you can avoid or get out of debt. By taking appropriate action, you can manage money and use it to create wealth. And the truth is, even if you make lots of mistakes, you can *still* accumulate a fortune. Wealthy people make far more mistakes with their investments than most of us – they just recognize them sooner, adjust quicker, and are always taking *action* to move forward. As long as you take action, you will get results.

We can't say that about information. The best book in the world on investing is of no more value than a rock, if it sits on your desk, unread and ignored. It becomes a paper-weight or dust collector. Do not let that happen!

There are dozens of wonderful books on making and keeping money. And I have provided an appendix that lists those that have been most helpful for me. So, why am I writing another one? Because I don't want this to be just a book, at least not exactly. I want this to be a tutorial, a primer, a call to action and your own personal Declaration of Financial Independence!

If you want to study economics, go to college. If you want to understand the banking system or the politics of Fed policy, this book is not for you. Stop reading and be grateful you down-loaded it for free, because that's *not* where we're going.

But, if you want to reduce your credit card debt, invest wisely, make more money, and have more in your pocket at the end of the year, then this is for you! Let's get going!

And…here is the usual disclaimer.

I'm going to be very candid in the pages that follow, and when I have an opinion about what works or what I think you to should do attract wealth, I am going to say it. I have lots of advice. And, some of it might even be good advice! But, I am *not* a financial planner. I am *not* a professional investor, stock broker, insurance agent or lawyer. I am a coach and a businessman. My opinions are my own, my point of view.

Take my advice with a grain of salt, question it, and for goodness sake, don't trust a thing I say! Always check with your own professional advisors. Read and educate yourself about any investment you are considering, and once you invest, monitor your investments closely. It takes work to get rich slowly! And no one will take as much interest in your financial future as you will.

Actually, that's your first lesson in getting rich – never trust anyone who promises to make you rich! It doesn't work that way! Only you can make you rich.

With a good education, solid information, a bit of wisdom, patience, insight and a willingness to take *action*, I believe almost anyone can accumulate substantial wealth. But you don't get there by following a guru, or by being lazy. You get rich by earning it.

So, let's get started!

Chapter 2: Money is an Idea or Symbol

In my weekly newsletter, I've written that making money is relatively easy and yet most folks never achieve financial independence. In fact, most people retire poor! I consider that a modern tragedy, and one of my goals is to change that! You can retire with "enough" – you can earn more, and more importantly, you can *keep* more! Let's talk about how.

Accumulating wealth is the predictable result of knowledge, effective strategies, patience and persistence. If other people have done it, you can, too! Let's figure out how.

The essential first step is to respect money and understand how it works. Most people never study money. Some of us even avoid the subject. We don't talk about it in our families. We don't read about it, we don't budget or track it. And, we certainly don't teach our children about it in school, which I think is a terrible mistake. No wonder that as adults, the one thing we do know about money is that we don't have enough of it! It's time to change that!

The second step to creating wealth is to understand this: Money is fundamentally an *idea!* It's a social agreement to exchange value in a convenient way. Little pieces of paper with pictures and numbers have no inherent value. After World War I, particularly in Germany, cash literally became worthless. There are famous stories of a woman with a wheelbarrow full of cash going to buy bread. Some thieves accosted her, wrestled the wheelbarrow from her, turned it over to dump the money on the ground and ran off with the wheelbarrow.

People had lost faith in their money, and it no longer had any value.

The key to making money is understanding that those numbers and pieces of paper represent human effort and wealth. We can exchange pieces of paper for goods and services only if we agree that those pieces of paper represent value!

Money is a social contract, an agreement about value. And so, the price of any object is only what two people – a willing buyer and a willing seller – decide it's worth. I might decide that a particular piece of paper is worth almost nothing to me, because it has value only as a bookmark or note paper. But to the seller, it may be a valuable stock certificate, or a priceless painting. The value? It's entirely and literally, in the eye of the beholder.

To make and keep money, it is absolutely essential that you "get" this! Your home, your job, your car, the price of a meal in a restaurant or an airline ticket is *only* what the buyer and seller decide it is!

Take a moment to ponder that. In Germany, that woman's wheelbarrow was of far more "value" than the millions of dollars of printed money it contained. The money was worthless.

Chapter 3: Money as a Measure of Value

Hopefully, none of us will ever see our money become worthless, although in a sense that is what happens through inflation. Not too many years ago, as a society, we thought a loaf of bread was worth about 50 cents. Today, we generally agree to pay somewhere between two and four dollars, depending on things like freshness, packaging and special ingredients.

And that simple example holds the key to your getting rich! In my family, we pay more for a loaf of bread that contains whole wheat, is freshly baked, and that we have the "privilege" of slicing ourselves. Why would anyone pay more for unsliced bread? Because of our concept of "value". Keep that in mind!

It's only been in about the past hundred years that society has moved away from considering only gold and silver as "real" money. Credit cards, as we know them, were invented in the early 50's, shortly after WW II, and many subscribers to my weekly newsletter remember when credit cards were rare. Today everyone accepts credit cards and electronic transfers as real, and the numbers printed on monthly statements from our banks and stock brokers can make us happy or very sad!

What does all this history and philosophy have to do with making you rich? I admit this may seem like a long detour, but I assure you, it is the key to getting rich!

Remember, in the last chapter, I wrote that money is an agreement about value. If you want more money, you must create something that other people value!

Throughout history, the things we value have changed. At one time, we valued animals, like cows or pigs. For centuries, horses were particularly valued for their mobility and value as a source of military power. Even before that, with the rise of agriculture, land was valued because we could use it to grow food, and the crops were extremely valuable. For many people today, land remains a primary source of value and they will pay a premium for a piece of ground on which to have a yard, perhaps a small garden and a sense of privacy. For others, however, land is of little value, and they live in apartments or condominiums.

By the 19th century, industrial capacity emerged as the primary source of value, and the richest people in the world owned railroads, oil refineries, and steel mills. The ability to produce "things" was the most valuable ability on earth, followed closely by the ability to sell or "retail" those things. Families like the Rockefellers made fortunes in oil, while Henry Ford created the modern assembly line and the Macy's, J.C. Penney's and Sears & Roebucks created value (and wealth) by making products available to the average consumer.

In the past 25 year, however, attention has shifted again, and we now value information, and even more, the ability to *use* information to solve problems. *That* is the key to wealth!

Chapter 4: Understanding the Cost of Entry

When land was the primary measure of value, it was almost impossible for the average person to acquire wealth. The king owned all the land, and the population struggled to survive on what they could grow or earn in small cottage industries.

When manufacturing was the source of wealth, more people had access to great fortunes, but the number of millionaires was still small because it cost so much to build a factory or run railroad tracks across miles of wilderness. Few people could raise the capital, and so few people ever got into the game. For centuries, most people lived on wages and saved what they could, with very few ever achieving more than a modest level of savings and financial security. The barriers prevented most people from ever being able to own a business or take control of their financial future.

But today, the barriers to entry are essentially zero!

The pages you are now reading represent one of the greatest revolutions in human history. Think about this for a moment….

Even 10 years ago, I might have written these pages, but the odds that you would be reading them were very slim. After writing the pages, I would have contacted a magazine or book editor in hopes they would publish my writing, or I would have gone to a local printer, paid to have a few hundred copies of this booklet made up, and then announced that it was for sale. But, who would have bought it?

By the time I put an ad in a couple of magazines, or in the newspaper or on the radio, the cost of this booklet would have been several dollars, and you probably would (1) never have heard about it, or (2) decided it wasn't worth the price.

In fact, I would probably not have written it, because the odds of making a profit were so slim. The costs of production, marketing and distribution were simply too high.

But today, I can put this together, publish it on my website, announce it to the world, and you down-load it for free! The total cost of production? Some of my time, and the use of Acrobat to format it.

Could I have charged you a few dollars and made 99% profit? Probably! You might have paid a few dollars and, hopefully, the value (the *usefullness*!) is high enough that you would have agreed it was worth it. I would have made money, and you would be a happy customer.

But, with the cost of production so low, I don't have to charge anything for it! I can give this value to you for free! Why? Because it's part of my marketing and brand-creation. I'm a coach. I'm a writer. I give speeches. I make my money by being known and appreciated as someone who knows stuff – who knows about solutions and communication and making a difference! There is more value for me in having this booklet widely distributed, than in rushing to the bank with the few thousand dollars I might earn by selling it. Again, the issue is: *value!*

This little booklet represents a revolution! But the revolution is not in the "information" – these principles have been known and used by wealthy people for thousands of years. The revolution is in: (1) the Low Cost of Entry, and (2) the resulting ability to provide value at low cost.

As we enter the new millennium, this principle applies in every area of wealth creation. If you know about creating and publishing a booklet on the Internet, you can do so! If you know how, you can buy apartment buildings with "nothing down" – there are books on it! The cost to invest in mutual funds and participate in the stock market is as low as $50!

In America, and in most countries, you can start your own business by opening a checking account and buying business cards, for a total investment of less than $200. Most multi-level marketing companies require investments of less than $500, and hundred of millionaires have been created in that type of business. Knowledge is the capital of our times, and if you know how, you can even buy operating, profitable businesses for very little of your own money.

The barriers to entry have never been lower! The requirements today are, basically, knowledge or skill, and desire. Whether your interest and inclinations are to trade stock or commodities, or to write a novel, or sell real estate, you can create a fortune. The barriers to entry are low, and the potential is high. The only real requirements are not capital, or influence or wealth. The only two requirements that count are *desire*, and the ability to add *value*!

Chapter 5: The Value Comes First, the Money Comes Second

There is an old saying, "The more you put in, the more you can take out". It means that you must put the value in first. You must contribute something of worth, something that makes a difference, something your customers (your boss, your clients, your community) value! Value always comes first, the money comes second.

And here's a paradoxical truth about getting rich: To make lots of money, you *must* sell your goods and services for *less* than your customer believes they are worth! (Who would pay more than something is worth?)

Most of us get it backwards. We say, "pay me more money, and I'll work harder or I'll go to school and add more value". But in economics, it never works that way.

Creating value is about changing (transforming) the quality or nature of something. It's about using earth, water, sun and seeds to grow valuable corn. It's about transforming an eager student into a skilled doctor. It's about turning a good idea into a useful tool. It's about putting this booklet on the Internet, making it available, making it useful, and creating value.

So, let's focus on adding tons of value! Everyone has the opportunity to add significant value. By using your skills to create a product or provide a service that makes life easier, more comfortable or more profitable, you create value. Or, by investing in someone else's company, you increase their ability to serve customers.

So, how will you do that? That is the *only* question.

Less than a generation ago, there were other questions. Examples included: Will the union get me a raise? Will they add dental care to my health insurance benefits this year? Teachers asked when they would receive tenure, and engineers asked about the company's retirement benefits. Those were valid questions only a few years ago. Today, they no longer apply.

No matter what your skill, someone is working very hard to provide the benefits of what you do at a cheaper price. Let's pick an extreme example. You might think that brain surgeons could count on significant income, but even that is no longer true. Pharmaceutical companies are racing to produce drugs that reduce the need for surgery, or that prevent illness altogether. And managed care companies now routinely prohibit operations that only a few years ago were common. In fact the need for specialists of all types, including neuro-surgeons, is actually going down!

There is no such thing as job security! Someone, somewhere is working very hard to eliminate your current job, or to reduce your income.

The key, the only key is: *provide value*!

To become wealthy, all you have to do is provide a benefit that lots of people value. How do you do that? Generally, by giving people something they want, or by removing something they don't want.

One of the most successful businesses no one ever heard of during the 90's was "SafetyKleen". They haul away the waste oil and solvents from gas stations and repair shops. It's dirty, disgusting stuff and no one wants to touch it! So, people value the service of having someone take it away. It's a great example of providing value by eliminating a problem. Check out their stock chart over the past 10 years. Lots of folks got very, *very* rich!

Johnson & Johnson has become a multi-national company largely on the basis of eliminating headaches (they sell Tylenol brand pain reliever). Proctor & Gamble removes dirt from our clothes (Tide detergent) and plaque from our teeth (Crest toothpaste). The point? People will pay you to solve their problems!

Attorneys solve problems. Real Estate agents solve problems. Dentists and doctors and Chiropractors and fitness centers eliminate or prevent problems and people value these services!

Or, provide a pleasure people…value! Walt Disney made people laugh, and he laughed all the way to the bank! Fax machines and email save us time and postage, so we value them and both fax machines and email software (and often, extra telephone lines!) are standard equipment in every office and in many of our homes. McDonalds and other fast food restaurants do not serve great food, but they do serve convenience, reliable, predictable service, and speed. In our hurry-up culture, these are things that we value, and they have made the McDonalds restaurant chain (and their stock holders) very, very rich.

The possibilities are unlimited, but you must provide value, and you must take *action*!

Chapter 6: The 4 Paths to Financial Freedom

Hopefully, by now you understand that money is simply an agreement about value, and that providing value is the only real road to riches. But the practical question remains, what paths can you follow to accumulate significant wealth?

The key to providing value over the long-run, and the point at which many people get confused, is that there are only 4 basic strategies for accumulating wealth. There may be various combinations and a few exceptions (you might win the lottery!), but there are only 4 primary ways to create or attract wealth.

The first method is through **employment**. This means getting a job with a good company, hopefully doing work you enjoy, and earning promotions and pay raises over time, until you are rewarded with various bonuses and a substantial paycheck.

In most countries, this is the most common and least efficient strategy for making money. Income is taxed at very high levels, and taxes are deducted from your paycheck, so there is no chance to invest before the government takes it's share.

There are very, very few jobs that pay enough after taxes to facilitate the accumulation of significant wealth. For most Americans (and citizens of other post-industrial nations), taxes on earned income are simply too high. And, as you get the raises and bonuses, the percentage of income lost to taxation actually goes up, usually even faster than your raises. A "progressive" or graduated income tax is specifically designed and intended to do exactly that!

There will always be a few CEO's, movie stars, and others who are paid large salaries, but it's worth noting that the few people who are paid at that level usually insist that their salaries be paid as a "compensation package" that takes advantage of stock options, deferred income or other techniques for reducing income taxes.

And remember, employers *must* pay you less than your skills are worth. Employers rightly expect to make a profit on the capital, management skills, and risks they invested to create your job. Additionally, as we discussed in Chapter 5, in the global economy, there will be more and more competition for the good-paying, high-value jobs that are available. As a result, both salaries and job security will go down as we enter the new century.

For most people, earned income (a job) is an inefficient way to provide value or accumulate wealth. While there are many reasons to work as an employee (security, convenience, mobility, etc), making large sums of cash is not one of them.

The second path to financial independence is **Self-Employment**.

This is the choice of many professionals and home-based businesses. From an income perspective, there are two main advantages. As the self-employed owner of a small business (often called a "micro-business"), you can set your hourly rate, and you have some freedom to work when and if you choose. You can adjust your schedule and workload according to family responsibilities, your personal preferences and take a day off when you want to.

And, the government offers substantial tax advantages in exchange for the risks you take in creating your own job. As your own boss, you are responsible for your own office, your tools, marketing, management, billing and production. The government recognizes that this represents substantial risk (most new businesses ultimately fail), and it represents lots of hard work. As your "partner" the government expects to be paid (in taxes), but will cooperate with you in permitting some accounting and tax benefits.

The down-side is that, while we refer to it as a business, in fact, it is usually still a job. For most self-employed people, their income stops the moment they get sick, take time off, or retire. And, many people find that being both the boss, and the most important employee, is very stressful.

As a self-employed professional, with perhaps a small number of employees working for you, the bulk of the responsibility is on your shoulders. If you take a leave of absence or are not able to do your work as an attorney, accountant, sales person or graphic designer, your income usually stops. "No work, no pay" is the rule, and very few self-employed professionals ever move past this level.

Many independent contractors, artists, multi-level marketing professionals and other small-office, home-office business are in this category. The freedom and independence are wonderful, but it is a hard path to financial wealth.

The third path to financial independence is **business ownership**. This is a much rarer and riskier, but potentially more rewarding path to wealth.

Businesses are systems that deliver value by organizing and combining the efforts of many people. Creating a business requires leadership, organizational and management skills, and capital. It means taking risks, and reaping the rewards if things work out.

Restaurants are great examples of systems that multiply effort, create jobs, and create wealth. Going back to McDonalds, the *system* delivers burgers, and makes money whether the owner is present or not. Most self-made millionaires are business owners.

There are many disadvantages and difficulties in starting a business, particularly compared to the simplicity of having your own company as a self-employed professional. (Remember this distinction: all businesses are organized as a "company", but not every "company" is run as a business!) Starting or running a business requires great skill at understanding and managing people, inventory, cash flow, and sales. As a business, you'll have employees to hire, train, supervise and sometimes, fire. There are legal and accounting complexities and you'll need talented (and expensive) professionals to advise you.

But, the huge advantage of owning a business is that the system, if it is designed and managed appropriately, can largely "run itself". The owner of a well-run restaurant does not have to be physically present every moment the restaurant is open for business. The owner of a manufacturing plant does not personally box and ship every widget that goes out the door.

Once a business is running smoothly, it creates value (and cash) indefinitely. The critical value-added component of a business is rarely the product or service it produces directly, but rather the value of the jobs it creates and the business's ability to organize and focus effort to get a specific result.

To take an extreme example, Microsoft is generally acknowledged to be among the most successful businesses in modern history. But the little CD's they sell have almost no intrinsic value. In fact, the cost of producing CD's is so low that many companies give them away as advertising freebies. Bill Gates' genius is in organizing a diverse army of programmers, engineers, visionary thinkers, shipping clerks, lawyers, janitors and advertising executives to produce and deliver thousands of CD's that contain code to make our computers work.

The company is immensely profitable because it has been able to organize the talents of many different people. By bringing the contributions of different people together, Microsoft produces value-added software that has made Mr Gates, and thousands of his employees and stock-holders, rich.

Starting, organizing and running a business is one of the most reliable paths to wealth. There are tax incentives, and if things turn out well, it can create a stream of cash that lasts for generations.

It is interesting to note that for over 200 years in America, immigrants have been among the greatest beneficiaries of this pattern. Whether it was the Irish or the Italians or the Eastern Europeans of the 19th century, or more recent immigrants from Asia and Latin America, immigrants have traditionally arrived poor, and they have suffered from discrimination. Many don't speak English, and they are often prohibited from entering the professions or other high-skill, high-salary jobs. So what do they do?

They open family owned businesses. They become florists or landscapers or dry cleaners. They own the local gas station or the janitorial service that cleans our homes and office buildings. Families will often pool their capital to buy a taxi or, especially in New York, to buy a push-cart and sell hot-dogs or pizza or deli sandwiches. And, with the profits they buy another cart, and then another, until within a generation, the family becomes an "over-night success"!

Business ownership is clearly not for everyone, but it is one of the most reliable paths to wealth.

The only other path to wealth is **investing**, or using your money in ways that create value and wealth over time. The classic American investments have been land and buildings, stocks and bonds, and precious metals or other commodities.

The key to creating wealth through investing is that you are permitting other people to use your money (your accumulated and easily transferable *value*) to create businesses of their own. In return for the use of your money, you share in the wealth created by their business.

In the case of investing in an office building, for instance, you use your money to create a physical location where other people can conduct business. In exchange for your investment in the property, they pay you "rent", which is really a part of the proceeds from the business they transact inside the building.

If you buy stock in a company, or loan it money in the form of bonds, the relationship is even more specific. The managers of the business take your money (and pool it with money from many other investors) and add their organizational and leadership abilities to create a business. If there are profits, you are entitled to share in the proceeds.

Non-investors often think investing is an easy way to make money, but that it requires lots of cash to get started. In my opinion, the reverse is true. You can begin investing for less than $1000, but it does take skill, knowledge and discipline to understand great investments. Too many beginning "investors" are really gamblers, and like gamblers, they eventually lose everything.

Serious investing is *not* gambling or a matter of luck. Skilled investors educate themselves about the property, stocks, or other ventures they are considering for investment. They read, compare one investment with another, and seek expert advice. Often, the best way for new investors to start out is through mutual funds, which is a form of investing where the risk (and later, the profits) are shared among many investors, and the investments are managed by a professional.

Gamblers, who would never go near a poker game or bet on a horse-race, will nevertheless, bet on a "hot tip" about a stock, or rush to buy shares of the latest miracle story on wall street. That is *not* investing!

Investing is a carefully considered decision to invest your accumulated skills, effort and abilities in a specific business venture, in the form of cash. Over the years, I've observed that the investors who make the most money, those who routinely get returns of 50% to several hundred percent on their money year after year, are very cautious. They read and study investing, and they learn from both their own mistakes and by observing the wins (and the losses) of other skilled investors.

Investors like Donald Trump, don't gamble. They build the casinos where other people gamble. Important distinction!

Throughout history, investing in land and buildings, stocks and bonds, or commodities, has been a reliable and efficient way to accumulate wealth. And, much like owning your own business, the government has traditionally created tax advantages of various kinds to reward investors for the risks they take. "Capital gains" taxes, which are much lower than income taxes, and various credits and incentives for specific types of investments are a few examples.

It's often been said that the poor and middle class work for money; the wealthy have their money work for them. That's a cliché, but like most clichés, there is great truth in it.

And, this reminder that investing is complex and there are risks. Even highly skilled investors occasionally get an unpleasant surprise. Consult with experts and develop your skills through practice and education. But to accumulate great wealth, *do* invest! Learn the skills and practice until you gain confidence. Start small if that's appropriate in your situation, but do let your money work for you. More about that in the next chapter!

Chapter 7: The 10% Solution

This chapter is about a technique that will allow anyone – yes, I said *anyone* – to accumulate substantial wealth.

That's a huge promise, but I believe I can fulfill it because the laws of mathematics are on my side. Albert Einstein observed that "Compound interest is the 8th wonder of the world." The plan is based on having compound interest working for you, rather than against you.

So, how do you get rich?

Very simple: Save 10% of everything you make, invest for the long haul, and you will retire rich. Period. The math makes it a sure thing.

From Biblical times right up through recent books like "The Wealthy Barber", many people have advised, "Save 10% for the future." And, for thousands of years, the vast majority have complained that they "can't afford to", and believing their own complaints and doubts, they never do. And, predictably, since they never start, they never accumulate any money!

Some people question whether they can actually save 10%, and others ask whether the 10% is figured before or after taxes. To an amazing degree – if you get a calculator and do the math – it really doesn't matter. And, if you can't start with 10%, start with 7% or even less. But: *start*!

The key is consistency and perseverance over time. If you save only $3000 per year, in monthly deposits of $250 each, in 30 years at 12% interest, you will have over $882,000! If you start early, and have the discipline and the desire, almost every average, middle-class American should expect to be a millionaire before they retire. Unfortunately, of course, we know that most will not only fail to retire wealthy, but will in fact, be quite poor. That is unacceptable!

So, how can you find and save 10%? Easy! Here are a couple suggestions:

First, figure out how folks who make just a little bit less than you do survive! In your neighborhood there are people who make slightly less than you do. And, they are still alive! They have food and clothing, a roof over their heads, and shoes on their feet. Now, they may not have new shoes, or a fancy TV, and maybe they don't eat out as often as you do, but they do survive! That's critical.

To pay off your debts or to increase your savings, you are going to have to spend less each month. We've talked about increasing income, and that is an option. But, over and over again (we all know this story), as income goes up, spending goes up just a tiny bit faster! Making more money will *not* make you rich!

Spending less will!

Second, pay yourself first. That old advice simply means that before you pay any other bills, even the mortgage, you put money in savings *first*! There's a simple logic to this.

No one will remind you or pressure you or encourage you to save. You must do that on your own, as an act of self-discipline and personal pride. But, you can depend on lots of people to remind you to pay all your other bills. Trust me on this!

If you forget to pay the phone company, they will remind you! They'll send you a note, they might even call you up to remind you. They are very helpful that way! And, you know what? Everyone else you owe is just as helpful! The garbage collector, your landlord, even the nice people at VISA will remind you to pay them, if you forget. But none of them, not a single one, will ever advise you to pay yourself.

To save and invest 10% for your future, spend a bit less, and pay yourself first. And, it should go without saying, but I'll mention it anyway: once you put the money in savings, it never – *never* – comes back out! That is for retirement. It is to pass on to your children, and their children, and their children after that.

If you want to save for a vacation or a new car or your kids college, that is in addition to the 10%. It has to be! Again, watch the logic. If you save, and then spend it all, what's the point? Save 10% of everything you make and be very, very reluctant to ever take it back out!

If you save 10%, within a very short period of time you'll have to make some decisions about where to invest it. There are many books, magazines and planners you can consult, but my personal advice is always to start by paying off your debts.

Depending on your tax bracket, the "after tax, real rate of return" of paying off an 18% credit card debt can be as high as a 30% annual rate of return! You won't get that good a return anywhere else! Pay off your debts!

Then, invest in the stock market through mutual funds. I respect that many people have other opinions, but for most folks, a good, solid, boring mutual fund is the golden path to riches.

Yes, you should invest in tax-sheltered retirement plans first, and yes, there are other investment possibilities. And yes, the market can go down. But to retire wealthy, pick a great, long-term growth fund, invest regularly, and watch the system work for you.

I am convinced the biggest hurdle that stops folks from getting rich is: They never get started! Pay off your debts, start saving, and don't try to get rich quick. In this instance, boring is good!

Chapter 8: Top 10 Reasons to Invest in Mutual Funds

Everyone who follows the financial news has heard of mutual funds and knows the stock market has risen steadily for almost 20 years. In fact, by most measures, the stock market has made more people more money, and done it more reliably, than any other investment over the past 75 years! If you want to accumulate substantial wealth, you must include stocks in your investments!

But, most people who "invest" don't study the market. They don't understand it, and they don't have time to manage their portfolio wisely. That's where mutual funds come in. I respect that other people have other opinions, and certainly not all mutual funds are well managed – you MUST choose wisely and use appropriate caution! But, for most folks, a good, solid, boring mutual fund is the golden path to riches.

Here are my Top 10 reasons to invest in mutual funds:

1. **Selection.** You can select from thousands of funds (you'll find one to suit your needs) and you can get information on them easily. Magazines like "Money" are easy to find. Most credit unions have information, and your local library is a goldmine – and there's the Internet.

2. **Start Small.** Most mutual funds will let you start with less than $1000, and if you set it up for automatic deposits, some will let you start with only $50. I've spent more than that in a restaurant!

3. **Simplicity.** You deposit 10% of your income every month. Just pay yourself first, then pay the mortgage, then pay everyone else.

4. **Professional management.** I don't always have time to research, select, and monitor individual stocks. So, I pay a professional a small fee to do it for me. A good fund manager will make you rich!

5. **Compound interest.** Depending on what index you pick, the U.S. stock market has gone up an average of over 12% per year for the past 10 years, and it's been almost that high for the past 20 years. The market fluctuates, but the beauty of this is, you don't care! Over 10, 20, or 30 years, the system works!

6. **Dollar-cost-averaging.** The details are complicated, but by investing every single month, whether the market is up or down, you get a tremendous boost from the mathematics. Your "average cost" will always be less than the "average price" you paid! And that is money in your pocket!

7. **Diversification.** A broad-based growth fund typically invests in dozens of companies in different industries, sometimes even in different countries around the world. If one stock goes down, hopefully dozens of others will go up. There is excellent protection and sound risk management built-in to these funds.

8. **Specialization.** If you prefer, and if you do the research, there are funds that invest in only a very small number of companies. If you can accept the additional risk, you can invest in one particular industry, or one country, or in companies with certain management styles. This creates the potential for even greater profits if you select the right industry, but be aware it also brings greater potential risk.

9. **Fund "Families".** Most mutual funds are offered by management companies that sponsor several different funds, with different objectives. They make it easy to move your money between funds, so as your goals change, you can adjust your investments with a quick phone call, or on the Internet.

10. **Momentum.** Once you get started, your enthusiasm builds. Once you have money "in the market", you'll track it, manage it, and in all probability, your desire to save will increase. If you've had difficulty saving in the past…*start*! Those monthly statements will be positive reminders to do even more.

There are risks and there can be costs to investing in mutual funds, so be sure you read the prospectus and understand the details before you invest. The stock market does fluctuate, and I strongly advise you to read seveal books and consult with a professional if this is all new for you. But get started! For almost everyone, regular deposits to a long-term growth mutual fund is the sure, simple and reliable way to get rich! But you must: *start*!

Chapter 9: Keys to Keeping What You Have

There are books written on the best ways to protect what you have or shelter it from taxes, or hide it from nosy neighbors. This chapter will cover the more routine, every-day things that impact almost all of us. If you need specialized information on how to hide your wealth over-seas, I'm afraid you'll need to look elsewhere.

Most of us lose what we make in one of four basic ways:
1. The "leaky bucket"
2. We pay too much in taxes
3. We fail to insure and protect what we have
4. We don't have an appropriate Will or Living Trust

#1: The Leaky Bucket

Almost all of us spend more in cash and with credit cards than we imagine. One of the challenges I give many of my clients is to track every single purchase for just one month. Keep a notebook, and just for a short time, try to track every single dollar you spend. When they do that, almost without fail my clients call to tell me they are astonished, appalled and even ashamed at how much money "disappears" each month.

If you spend just $5 per day on lunch, that's over $100 per month. If you buy a couple cans of pop, or stop for ice cream, or maybe bring pizza home for dinner once in a while, it's not uncommon to have those small, every-day purchases total over $500 per month! Even an inexpensive dinner out, followed by a movie and maybe a drink on the way home can easily total over $100 for a couple. Take the kids, and Saturday afternoon at the movies can shrink your wallet in a hurry!

Now, none of these are bad things. I enjoy dinner in a nice restaurant or a movie as much as anyone. But, if you want to control your finances, you must add these things up, tell the truth about how much they cost, and make some decisions about how many of them you can afford.

It may help to realize that all of these things are purchased with *after-tax dollars*. That means that a $10 pizza actually costs you about $18 in time and effort, about $8 for the government, with $10 left for the pizza guy. Multiply that by the cost of a weekend at that nice resort, or the price of a luxury car, and pretty soon you're talking about real money!

One of the observations Thomas Stanley makes in "The Millionaire Next Door" is that wealthy people are very cautious about spending money. Most do not own expensive watches, fancy cars or expensive suits. Those things simply cost too much for a rich person to afford them!

Here are some simple suggestions that can save you hundreds of dollars per year:

- Keep a simple notebook and record every purchase. Keep it simple, but tracking your daily purchases will almost certainly help you spend less, and spend more wisely.
- Rent movies, make popcorn at home. Obviously, just one example, but simplify!
- Healthy snacks and simple meals often cost less and take less time than commercial counter-parts. Eating an apple instead of a candy bar saves in many ways.
- Use coupons and shop when things are on sale. Always shop from a list, and never go to the grocery store when you're hungry!
- Comparison shop for insurance. You might easily save $100 per year on car insurance. Installing smoke detectors is smart, and will save on home-owners insurance.
- Controversial, but consider driving an older, smaller or cheaper car. Annual costs for vehicles and transporation are typically far greater than most people realize.
- Greatly reduce credit card spending, unless you are one of the few with the discipline to use them wisely, buy little, and pay off your balance every month.

The examples are endless, but the point is the same. Don't spend money you don't have to!

 # 2: We Pay Too Much in Taxes

Most Americans, particularly those who work for a paycheck, pay the bulk of all the taxes. That may not be fair, but it's the way the system is designed. To reduce your taxes and put more money in your pocket, become educated about the tax laws and learn to use them to your advantage.

Begin by learning the distinction between tax avoidance, and tax evasion. Tax evasion is illegal and stupid. You'll eventually be audited, get caught and have a world of headaches. And, even before that, you'll have the anxiety of knowing you've cheated. Don't do it!

But tax avoidance is not only legal, it's recognized by the Courts as smart and ethical business. To reduce your taxes, consider the following steps:

- Always – *always!* – fund any tax-sheltered or tax-deferred investments first. Contribute the maximum to any IRA or Keogh accounts. Fund your 401-k, and other tax advantaged accounts.
- Look for ways to reduce your personal property tax. Often appealing the assessment on your home can result in substantial savings, now and for every year to come.
- Understand the benefits of capital gains taxes, and invest for the long haul.
- Understand tax laws relating to certain types of real-estate and bond investments. The interest on many municipal bonds is partially or entirely tax free! Look into it.

#3: Insurance

I recently read that the odds are 1 in 4 that a healthy adult will be disabled for a year, sometime during their working life. That's an amazing statistic! And yet, disability income insurance is one of the least understood and least appreciated forms of insurance. While you're healthy, contact your local agent and find out about guaranteeing your income if you become injured or suffer a lengthy illness.

Beyond that, most Americans do not have the correct type or amount of life insurance. Almost everyone has either too little, or too much. If you are single and have no children, why do you need life insurance? But if you have small children, a new house and a pile of bills (who can afford life insurance?) you really, really need to protect those you love.

Consult with at least 2 difference independent insurance agents, and get solid advice. You should have appropriate insurance on:

- Your home and your belongings
- Your car
- Your life and your health
- Your income and earning capability
- Your business assets, including intellectual property rights

Again, read Consumer Reports and other magazines. Become informed. I strongly recommend Suze Orman's book, "The 9 Steps to Financial Freedom", listed in the appendix. You can often save hundreds, even thousands of dollars by shopping around and buying the right insurance. But never try to save a nickel by not having insurance you need to protect yourself, your loved ones and your future.

#4: Have a Will and a Living Will

There has been much written in recent years about various forms of trusts and other forms of estate planning, so the term "will" in the title of this section is used generically to indicate that you have taken responsible, thoughtful steps to pass on your wealth when you die.

The fact is, every citizen does have a will, whether you know it or not. The state has written one for you. It's clumsy, impersonal, and almost certainly does *not* suit your unique situation, but it is right there, in the legal code. If you die without having written your own will, that's OK – the Courts will simply use the one the government wrote for you. Is that what you want? I doubt it!

Even a complex estate can often be handled with a simple will costing less than $500 and taking no more than a couple of hours to prepare. Is a basic will adequate and complete in your situation? Maybe not, but it's a start, and it's a whole lot better than nothing. Get started!

Here are just a few things to consider:

- If you have substantial assets, you will want to consider a trust or some legal way to transfer wealth to your loved ones before you die. Estate taxes can run as high as 80%. I consider that obscene, but it's the law!

- Decide in advance who you want to receive the bulk of your estate, and be very specific about the details. Maybe one of your children should receive a particular family heirloom, while another should receive stock in your company. Spell it out!
- Consider the ramifications if you and your spouse should both die, perhaps in an accident or other disaster. Who do you want to receive your estate then? Who will care for your children?
- Decide if you want to leave something to your favorite charity, house of worship, or educational institution. There are very important tax advantages to setting this up ahead of time. Your attorney can advise you about the details.

Finally, a note about "Living Wills". The odds are that you will not be hit by lightening or die instantly in an accident. Most probably, you will grow old, get sick, and for at least a short time, you will be unable to participate in decisions about your own health care. That's when a living will is invaluable. Tell your loved ones what you want! Indicate if you wish to be an organ donor. Decide now, while you are healthy, what measures you want (or do not want) taken to keep you alive. Decide now, and write it down!

Most self-made millionaires have neither a large income, nor a flashy life-style. But they do hang on to what they earn, and they use it wisely. Paying attention to the costs of your lifestyle, and simplifying where you can, makes a huge difference.

And, there are often non-financial benefits that turn out to be even more important. An entire movement, often referred to as the "Voluntary Simplicity" movement has discovered the joys of being home more, working less, spending less and throwing away less. Often, by reducing expenses we add not only to our bank accounts, but to the quality of our lives.

Chapter 10: Top 10 Steps to Becoming a Millionaire

There is perhaps no more important decision than to take charge of your own financial future. We live in a world of opportunity, and yet most Americans are buried in credit card and other debt. We are surrounded by people who are getting rich, but most of us are running in place. If you can read this, you are literate, have a computer, you are part of the "wired generation". You can become as financially independent as you wish to be. Here are the Top 10 keys to your financial success:

1. **Decide to be financially successful.** This is different than wishing, hoping, wanting or even desiring to be rich. Make a commitment that this is going to happen! Financial independence is not an accident or matter of luck, and it usually requires some inconvenience. Have you decided to achieve this goal?

2. **Understand how money works.** Most of us never studied finance or investing in school. Most of us were never even taught to balance a checkbook! To master anything, you have to understand it. Read. Study what successful people do. Take classes.

3. **Master your relationship with money.** Some of us spend for excitement, to show off, to prove we can. Some of us are addicted to spending, and some of us are just careless about it. Whatever your relationship with money, understand it and develop a relationship of respect, appreciation and gratitude. Use it wisely!

4. **Set specific goals.** They should be challenging, but not unbelievable, just out of reach but not out of sight. Challenge yourself to be out of debt by a specific date. Make a commitment to saving an exact amount each month.

5. **Develop a budget.** A budget is a set of dreams and aspirations. It's how you really, really want to use money to benefit your family and run your life. Budget to buy the things you really want, and to eliminate the "impulses", the toys that waste too much of our income. A budget is a map to your destination. Have one and use it!

6. **Reduce spending.** Yes, this comes after making a budget, because when you begin getting control of your money (rather than the other way around) you have powerful new reasons to reduce expenses. Most self-made millionaires live far below their means! You should too.

7. **Begin investing.** Most of us spend or speculate. Both are roads to disaster! Invest in things you understand. Invest cautiously, wisely, and regularly. The objective is not to "make a killing", but to get rich over time. Know and obey the distinction between gambling, and putting your money to work for you.

8. **Increase assets.** Most people try to increase their income, and that's a mistake. Making more money means paying more taxes. It takes time and hard work. And, when wealth arrives in the form of cash, it's easier to spend. Millionaires buy stocks and buildings, they invest in assets that will make them rich – and that are hard to spend on a whim!

9. **Reduce taxes.** Most Americans pay more in taxes than for food, clothing and shelter combined! It is your largest expense! The poor and middle class don't realize how much they pay because it's deducted from their pay check. The wealthy know there are legal and appropriate ways to shelter income, to invest in socially-responsible ways, and that the tax code encourages this. Learn the tax laws and use them for your benefit! (Yes, it's the most boring reading you'll ever do, and worth it!)

10. **Use your wealth wisely.** Someone once said, "The reason most of us aren't rich is that we'd spend it all on ourselves." Give. Share. Help others. When you use money to make a difference, to have a positive impact, you get the chance to do more. Being greedy and selfish will not draw money to you. Investing in your community, will!

To begin your education about money and becoming a millionaire, I highly recommend several books on the subject. Two of the best are: "The Millionaire Next Door" by Thomas Stanley and William Danko, and "Rich Dad, Poor Dad" by Robert Kiyosaki and Sharon Lechter.

Most middle-class Americans will earn well over a million dollars during our working lives. Even if you start working as late as age 30 (after college and a few years of kicking around looking for your niche) and plan to retire a few years early, say at age 55, and assume your average income is $50,000 per year, during those twenty-five years you will earn 1.25 million dollars! With the combined earnings of husband and wife, and perhaps having started work at a younger age or being willing to continue into your 60’s, the potential to earn (and pay taxes) on several million dollars is very real.

Where does the money go? That is *entirely up to you!* As many observers have noted, millionaires don’t necessarily earn more, but they spend less. They live below their means. They live well, but they do not spend on items that depreciate, or on frivolous items to impress their friends. They invest wisely, often in their own businesses, or in stocks or other investments that they understand and are willing to monitor closely. They take money seriously. And, they *expect* to retire wealthy. They value money, and they pay attention to it. They manage it. They accumulate and they let it work for them, rather than always working for money, from one paycheck to the next.

The secret to becoming a millionaire? Do what millionaires do, and do it over and over, until you arrive at your goal.

Chapter 11: The Next Steps

If you've read this far, you are obviously ready to take control of your finances, invest wisely and accumulate substantial wealth. We've talked at great length about what money represents and how it works. We've talked about the 4 paths to accumulating wealth, and the advantages of mutual funds. We've talked about taxes and where money tends to "evaporate".

Now it's time to review the comments in the introduction about this being a "Declaration of Financial Independence" and a call to action. Like many other books on money and investing, much of what we've covered is understandable. In fact, I hope much of what you've read has been familiar, as if you're being reminded of things you already know.

Because the greatest secret of accumulating wealth is this: It is not a secret!

There are books on it. People will show you and teach you how. They will coach you, they will respect and admire and encourage you. They will hire you to manage their business and show you the ropes. They will sell you a franchise or an apartment building. Shares of stock and mutual funds are for sale at your local bank, and there are money managers, investment professionals and financial advisors in every community who are honest and who will work hard to help you become rich. Most of us know this.

But we get caught up in daily life. Just as Madison Avenue intends, we are tempted by the advertising, by our children's "need" for the latest clothes, toys and gadgets. We "need" a new car or deserve a vacation, so we pull out a credit card or write a check. And next month, we are in the same financial spot we were in the month before. We have all done this.

So, it doesn't surprise me that much of what you have read sounded familiar. You've heard it (or something similar) before. And, like so many other books on money and investing, you can easily set this down, pat yourself on the back for how much you know and how smart you are, and take no *action!* If that happens, I have wasted my time in writing this, and you have wasted your time reading it.

Information without action is worthless! And, I can tell you that if you are not satisfied with your current financial situation, and if you want a different result in the years ahead, you *must take action!*

Now, I do not know what the most important next step is for you. Everyone who reads this will be in a different place, with different values and different financial responsibilities. But, based on the statistics of where most Americans are, I can make some guesses. The list on the next page starts at the very beginning. If you have already taken care of the basics, *great!* Congratulate yourself, and keep reading down the list until you find the steps that fit your situation. Check them off, and get to work!

Here are my suggestions for key action steps:

If this step is completed, check it off. If not, write the words, "Do This!" and put a date by which you will complete this step.	Action Step
	Balance my checkbook, add up the bills and figure out where I stand financially
	Accurately list my monthly income and expenses
	Establish a written plan – a budget – for how I want to use my money each month
	Commit to saving 10% of my income every single month
	Commit to paying off all consumer and credit card debt
	Within 30 days, have a valid Will or Living Trust
	Within 60 days, talk with my loved ones and establish a Living Will that outlines my desires should I become incompacitated
	Within 90 days, review my insurance coverage, including insurance to protect my income if I become disabled
	Review and be certain I am living below my means, every month
	Create a long-term plan for my financial future and take active responsibility for making certain I reach my goals
	Read one book or magazine on money and investing every month. Become the best educated person I know about money and creating wealth
	Have my "Performance Team" in place, including at least: an attorney, accountant, financial advisor, and insurance agent I know and trust
	Use my knowledge and skill, and the advice of my Team, to invest in things I understand and can monitor over time
	For myself and my family, an additional action step I will take is:
	For myself and my family, an additional action step I will take is:
	For myself and my family, an additional action step I will take is:

Chapter 12: Continuing the Journey

In the end, it's not about the money. It never is.

In the classic Charles Dickens' story, "A Christmas Carol", old man Scrooge had lots of money, but no friends. In the story, he was given the blessing of a dream that fore-told his future, and having seen where he was headed, he changed his direction!

In a more modern version, the movie "Jerry McGuire" created the famous line, "Show me the money!", but in the end, the Tom Cruise character walked away from the money in favor of love, ethics, and friendship. It's never about the money!

As we studied in the beginning, money is simply a convenient way to measure and transfer value. Money is a number that represents your contribution, your effort and your skill. If you collect lots of it, and put it under your mattress or bury it in your backyard, I would argue that both financially and personally, you have truly wasted your life. Yes, you might buy nice toys, a big house, or take some fancy trips around the world, but of what use is that?

Life is meant to be invested. Our lives are meant to create value, to make a difference. I want to cast a long shadow, to leave footprints in the sand where I have walked. I want to be remembered, and to do that, I must contribute to my community.

There are as many ways to contribute as there are people. Your talents and interests are unique, and I would never try to tell another person the "right" way for them to participate in our community. Some will create jobs or build homes and apartments, others contribute to charitable foundations or create educational scholarships. Some, like President Carter, retire early and spend 20 years building homes for Habitat for Humanity. Others mentor children, or invest in struggling young businesses to help them grow.

Whatever is right for you, find a way to make a difference.

Whether you refer to it as God or the Universe or just as Life, there is something that does not want you to be poor. You need not be poor in spirit, poor in opportunity, or poor in finances. We will not all control vast fortunes, but we all have the ability, and the response-ability, to accumulate wealth. And, having done so, we have the obligation to use it wisely and do something magnificent with it!

What will you do with your fortune?

Bibliography

Here are several of the books that have been most helpful to me, along with a link to their page at Amazon.com. I am absolutely convinced that a library of books and periodicals on investing, money and time management are one of the best investments you can make. You do not need a large library. You do need one that motivates and gives you the confidence to take action.

Invest in a few books. Read them. Take notes. Talk about them with your friends, and read the books they recommend. And then get into the game! Get started. You can't win, if you don't enter!

The Wealthy Barber, by David Chilton
This is, without a doubt, the best book on personal finance and getting started that you've never heard of. It has sold fairly well, but has never hit the best-seller lists or developed the reputation it deserves. Particularly if you are just getting started, this is fun, educational and intensely practical. The perfect "first" book!
http://www.amazon.com/exec/obidos/ASIN/0761513116/philiphumbert

The Millionaire Next Door, by Thomas J. Stanley, William D. Danko
This book has been a wild success, and sold many copies. My question: While it made the authors rich, how many of the people who bought it, have used the information to get rich themselves? There is tremendous wisdom, common sense and power here. Buy it, use it!
http://www.amazon.com/exec/obidos/ASIN/0671015206/philiphumbert

The 9 Steps to Financial Freedom, by Suze Orman
Another best-seller that has helped many families talk about and take control of their financial destinies. I found it very helpful, particularly with understanding the roles of insurance, savings, and planning for a solid financial foundation.
http://www.amazon.com/exec/obidos/ASIN/0517707918/philiphumbert

The Courage to Be Rich : Creating a Life of Material and Spiritual Abundance, by Suze Orman
This book builds on Suze's first book and emphasizes the attitudes, actions and expectations of achieving financial independence. Many of us sabotage ourselves when it comes to money, and this book can help!
http://www.amazon.com/exec/obidos/ASIN/1573221252/philiphumbert

Rich Dad, Poor Dad, by Robert Kiyosaki & Sharon Lechter
This is probably the best, and best-selling, book on understanding money and how the system can help you, if you play by the "rules". Not the best writing in the world, but incredibly valuable ideas! This book belongs in your library!
http://www.amazon.com/exec/obidos/ASIN/0964385619/philiphumbert

Cashflow Quadrant, by Robert Kiyosaki & Sharon Lechter
This is the sequel to "Rich Dad, Poor Dad" and continues your basic financial education about how to manage money, understand cash flow, taxes, investments and business so that you can play the game to win. Again, I would not say this is great literature, but it is very sound financial advice. Buy it!
http://www.amazon.com/exec/obidos/ASIN/0964385627/philiphumbert

The Motley Fool Investment Guide, by Tom & David Gardner
This pair of brothers have become a cottage industry in helping individuals master the art of profitable investing! On their radio show, website and in their book they advocate a simple, no-nonsense approach that anyone can master. Great book!
http://www.amazon.com/exec/obidos/ASIN/0684827034/philiphumbert

Learn to Earn : A Beginner's Guide to the Basics of Investing and Business, by Peter Lynch & John Rothchild
Peter Lynch has been called one of America's greatest investors because of his work building the Magellan mutual fund into the worlds largest, and arguably the most profitable. But I respect him even more for his books that help average folks learn to invest and follow in his footsteps. I've made many thousands of dollars from what he taught me, and you can, too!
http://www.amazon.com/exec/obidos/ASIN/0684811634/philiphumbert

The Instant Millionaire, by Mark Fisher
This is one of the most profound little books I've ever come across! I absolutely *loved* it and gave over 20 copies to my friends and family for Christmas. I strongly urge you to buy, read, and study this book! It's "only" a simple little story, and you can read it in an afternoon, but if you understand it, and take action, this delightful book will make you rich.
http://www.amazon.com/exec/obidos/ASIN/0931432723/philiphumbert

Final Notes

Many friends and readers of this book have encouraged me to add some closing notes about (1) making money, and (2) my work and the services I offer. I appreciate the encouragement, so here we go:

1. Pay off any debts, and live within or below your income. There is simply no other way to accumulate wealth. The odds of winning the lottery or picking a stock that will make you rich are insanely remote. Live well – enjoy life, relax, have fun, laugh a lot! And, spend less.

2. As soon as you have paid off any consumer debts, immediately – *immediately* – start investing in the stock market. Talk to professionals at your bank or brokerage, and to your accountant and other advisors. Research some great funds in Money or other magazines, but once you have the basic information, take *action!* Over the past 100 years, no investment has done as well, as consistently over time, as the U.S. stock market. Get involved!

3. Protect what you have. Talk with insurance professionals, and make sure you have the right coverage, in the right amounts. Almost no one does, unless they have done a thorough review and up-dated their coverage in the past 2 years. It will save you money and give you peace of mind.

Now, about my work and services:

- The most widely known thing I do is publish a FREE weekly newsletter, called TIP's. Anyone can subscribe by visiting my website at: http://www.philiphumbert.com We have over 11,000 subscribers, it's very popular and I'm very proud of it. I hope you'll subscribe!

- I have over 250 pages of articles, tips and techniques for your success on my website, including over 60 Top 10 lists that you can use in your own newsletter, on your website or in your magazine. Help yourself! Again: http://www.philiphumbert.com

- I love doing public speaking and present regularly as a keynoter, at Rotary, Chamber of Commerce and other groups, and to the leadership of MLM organizations. My talks are a blend of motivation, humor, common-sense, and I always challenge my audiences to rise to their full potential. People enjoy it, and I'm told my talks make a difference in people's lives, and in their performance. To have me speak to your group or function, contact me at: mailto:Coach@philiphumbert.com

- And, I coach individuals for peak performance and total success. I love working with people who are determined to fulfill their goals and create the life they really want! It's fun, and wonderful things happen! For information, visit my website at: http://www.philiphumbert.com or send email to: mailto:Coach@philiphumbert.com

I've created a PDF version of this guide because I want every Money Boss reader to have a shared frame of reference. I want us to have a shared vocabulary and a shared understanding of the philosophy behind this site. With this groundwork laid, we can move on to deeper discussions of financial freedom. If you download the guide, can you do me a favor? Please drop a line if you spot any errors (such as typos or misinformation) or if you find something that's broken. Through proper financial planning and making it a goal to improve your personal finances, you can become one of them too. Creating financial freedom takes time up front, but the more you learn, the less time it ends up taking. Here Is A Preview Of What You'll Learn What Is Financial Freedom?