# WEALTH & OWNERSHIP

Wealth happens automatically to those who own the right assets.

> When your financial security is a priority to you,
> you make better decisions about how you will
> earn, learn, spend, take risks, and live.

As the assets you accumulate grow in value, they increase your security, options, and freedom. Think of the dollars you invest as if they are employees who work for you and need very little supervision. Put as many of them to work as you can. Invest in what you know and can keep track of.

Take for example the laborer whose wages were low and his raises were limited to adjustments for inflation. He had no retirement benefits. Five years ago he bought a house for $75,000.

A second man managed an apartment building downtown, lived rent free, and received a tiny salary. He waited five years to get a job managing apartments at the beach. Since these units were pricier, the manager got a nicer apartment and more money. But while he was waiting for the job at the beach, the house the man wanted to buy went up in value by $150,000. The manager now can't afford the house he could have bought while he was waiting for the raise.

Achieving wealth was not a priority with either man. The laborer could have borrowed enough money on the home he bought for a down payment on another home or duplex. The manager could have used his spare time during the day to find a higher-paying job or develop a home-based business to raise money for a down payment.

When you become more knowledgeable about the things you choose to invest in, you reduce your risks and increase the chances of doing well. One way to get smarter at investing is to work in the field in which you intend to invest your money.

Get ownership any way you can.
Landlord, self-employment, stockholder, partner,
franchisee, collector, and landlord.

Go to work for companies where employees can buy into it directly or through their stock; ideally through a profit-sharing plan. If ownership in the company you work for isn't possible, buy stock in other companies.

Stocks are pieces of ownership a person has in a business or property. If you don't want to manage your own investments, you can opt to make maximum contributions to any retirement plans that your place of business offers. Some prefer this because it comes right out of their paycheck and requires little effort. Make sure you have stocks of many companies in your portfolio (not just those of your employer). This is easily done. There are many companies (funds) who only own shares of other companies. Each share of their stock gives you fractional ownership in every company whose stock they hold.

A person who needs money on-hand to make the type of investments they want to make, may be better off paying the taxes on their savings. If they put their savings in tax sheltered investment like an IRA, they can't get access to it without paying penalties and taxes which can reach up to 50% of its value.

**Questions for choosing the course of our investments**

- How much can I save and how fast?
- How can I learn the most about investing the soonest?
- What sequence of job changes would get me to where I can get ownership?
- Which type of assets could I manage best: property, collectibles, stocks, or a business?
- What kind of education, job, and experience do I need to know about what I want to invest in?
- How can I have some ownership of the business where I work?
- Can I work for someone while I learn and save, and then buy his business or a similar one when I am ready?
- How can I buy real estate that will earn the income needed to pay it off over time?
- Can I create my own business?
- How can I start my own full- or part-time business?
- What am I willing to give up now in order to be self-sufficient later?
- How much energy am I willing to give?
- Is getting wealthy a priority for me?
- What am I doing now to become self-sufficient?
- How much money will I need when I retire?

Skillful Thoughts

*Underlined statement holds me back. Arrowed statement will empower me.*

<u>Charge it</u>

- I'll go without this item and invest what I would have paid.
- I will put enough on my card to develop a credit history, but pay most of it off monthly.
- I will look at what little interest I pay, as the cost of having credit available in case I need it for an emergency.