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*Chapter One*  
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What is Wealth?

Personal Perspective on Prosperity

I used to joke that my parents have two children: one's a doctor and one's successful.

I'm the doctor.

While I spent years in school pursuing a professional career and a traditional route towards financial freedom, my younger brother took a more aggressive approach.

He began buying rental properties shortly after graduating from high school. Eddie spent nights and weekends building a stable of investment properties while working days as an automobile mechanic.

As I accumulated student loan debt, he collected monthly rent payments from his tenants.

Despite the enormous differences in our levels of education, I realized that it would take years before I achieved equal financial footing with him. Somehow it didn't make sense—or seem fair. Outwardly I was proud of him; inwardly I was jealous.

Although neither of us realized it, Eddie began the *Middle Class to Millionaire* trek many years before me. His entrepreneurial

spirit guided him, while I still expected to rely on conventional methods.

I left the medical field before I turned 40. The departure proved to be a wonderful beginning to a more prosperous and peaceful life. Escaping the rigors of a busy surgical practice granted me additional time with my family. It also offered the opportunity to formulate, refine, and implement the successful strategies detailed in this book. These recipes for riches turned out to be far more profitable than my many years in college.

Even though Eddie got a head start, I'm sure he'd agree that in the past ten years my assets have surpassed his by multiples—proving that successful strategies can make up for lost time.

You don't have to be the first one out of the gate. You can start from wherever you are, at any time.

Rich is Relative

Wealth is like age. People never view themselves as old or rich.

To a teenager, forty seems ancient. Yet, to a forty-year-old, the notion of old takes on an entirely new meaning.

So is it with wealth. To a man with ten thousand dollars, a million dollars seems rich. Yet, somewhere around six figures in wealth...the definition gets re-vamped to require much more money.

Age and wealth are concepts that most people accept rather reluctantly. Like it or not, more people become old than rich. I hope that you can become both. Unfortunately, I can't recommend any fountain-of-youth potions to ensure your longevity. So when it comes to growing old, and deciding on when you get there, you're on your own.

On the other hand, if you believe that seven-figure wealth will make you rich, please join me on the *Middle Class to Millionaire* journey for the thrill of a lifetime. As your tour guide and fellow traveler on this incredible adventure, I'll share a smorgasbord of

suggestions and tested techniques for you to generate and accumulate wealth...no matter how you define it.

Here's how the Merriam Webster' Collegiate Dictionary (www.m-w.com) weighs in on the subject:

“Rich implies having more than enough to gratify normal needs or desires.”

Few will argue with that definition. But what exactly is “more than enough?” What are “normal needs or desires?” Do normal needs include mansions, yachts, luxury automobiles, personal aircraft, and fine timepieces? Do normal desires encompass personal trainers, in-home chefs, vintage liqueurs, and imported cigars? Do normal requirements mandate mountaintop ski chalets and ocean-front beach condos? Rich is an enigma that even the extremely wealthy don't understand.

I've spoken to men of great means and possessing staggering fortunes, yet not one of them thought that they were rich. Not the fellow who acquired hundreds of millions of dollars in stock and cash in his late-30s when he sold his software company. Not the man, on the cusp of his fiftieth birthday, who took yet another company public on an international stock exchange after building the business from scratch. Not the soft-spoken gentleman whose net worth exceeded a billion—yes, billion with a “b”—dollars after reaping the rewards of long-term investing.

And not the kindest of all: a true gentleman whose real estate management and other ventures facilitate his philanthropy and fund his collecting passions.

In each instance, these very wealthy men pointed to or hinted at others above them on the economic food chain. So, although you and I would consider each of them exceedingly rich, they view themselves differently when peering into their financial mirror.

Make Up Your Mind

Most people—regardless of their bank account balance—deny being rich...even to themselves. Among those who earn less, a commonly suggested barometer for rich is an annual income of one million dollars or more. Although seemingly specific, such a definition is still ambiguous. What determines the one million dollar level? Is it net income after deductions? Or does gross qualify also? Will pre-tax income satisfy the criteria? Or must the monies be post-tax? While the definition could be honed to “one million dollars per year in post-tax dollars” many savvy people through generally intelligent deductions and tax planning strategies purposefully avoid having such a large annual personal income.

Although we’re setting the bar a little lower, I hope that all of us pursuing the *Middle Class to Millionaire* dream face the challenge of such large incomes.

Rich is Two More Zeros

What then is rich? A long time ago, I came up with the following formula:

Rich is two more zeros.

A child with one dollar thinks he’ll be rich with \$100. A young adult with \$1000 suspects he’ll have a fortune with \$100,000. And a middle class person with \$10,000 believes he’ll have it made with a million dollars.

We all want one hundred times more than we have—or two more zeros. This is a simple concept that takes its foundation in human greed, good fortune, and exponential experience. This truism governs most investors’ thinking, although they’ve never heard it verbalized

Let's examine a fictitious character. We'll call him Need M. Bux. Our prince charming already possesses \$1,000. Just to have the surplus to sock away the first thousand, he obviously earns more than \$10,000 per year. So, Mr. Bux has a clear understanding of the value of ten grand. He knows that ten thousand sure won't make him rich. But he truly believes, with every fiber of his mistaken little being, that if he only had \$100,000 (*two more zeroes* than he presently controls) he would be rich, really rich.

Of course, human nature being what it is, somewhere before reaching the six-digit marker on the *Middle Class to Millionaire* highway, Need M. Bux will revise his thinking and decide that it takes more than one hundred grand to be rich—much more!

In any event, Need M. Bux will genuinely comprehend the power of one million dollars. In fact he will be so comfortable—perhaps even casual—with a million that it will fail to satisfy his revised definition of rich. So, at \$100,000, just as at any level, it will take *two more zeroes* (or \$10,000,000) to feel rich.

While many can reach the one hundred thousand dollar plateau, some with little effort, very few can ever attain the high water mark of ten million dollars...even with concerted effort, sound financial advice, and a lifetime of commitment.

Savor your Success

Let's face it: your name will never top the Forbes 400™ list of the wealthiest people. If you expect to find it there you're either pathologically optimistic or should be writing, not reading, a book on personal finance. Let me disappoint you further: you're not even going to make the top ten, probably not even the top one hundred. So, in the most extreme sense, you'll never truly be rich. Those few with megabucks of astronomical proportions define absolute wealth for the rest of society. Unless you're the big dog at the top of the heap there will always be

others above you to serve as convenient—and discouraging—yardsticks. A man with a net worth of one million dollars is very rich, in a relative sense, when compared with other shoppers in a discount department store. However, this same person is below average—even “poor” perhaps—at a convention of millionaires. Wealth, like age, is relative.

👉 Middle Class Mentality 👈

The man destined to remain trapped within middle class, often under a pile of credit card debt, carries a defeatist attitude. He’s been told his whole life that he’ll never be rich. He’s grown to believe it. No one taught him about personal finances and, if you’d look, his bottom line is so far in the red that it’s crimson. Aside from reviewing his Federal tax return, he steers clear of all matters relating to finances.

He’s a man of a million excuses why he will never make a million dollars. He’s chuck full of reasons which he tells himself and others to rationalize why he’ll never be rich.

Cement boots couldn’t keep our fellow more firmly entrenched in middle class than these typical excuses:

- “I wasn’t born rich.”
- “When I get my next raise/job, then I’ll be rich.”
- “It takes money to make money.”
- “I don’t have any money to invest.”
- “My family spends every dime that I make.”
- “The only way I’ll be rich is if I hit the lottery.”
- “The stock market is too volatile.”
- “I can’t buy real estate, I can hardly afford my own house.”
- “I don’t have the time.”
- “Uncle Sam gets enough tax money from me.”

- “Social security will take care of me when I retire.”
- “I’m too old to get started; maybe if I was younger.”
- “I don’t understand all that mumbo-jumbo.”

What truly is paralyzing our current—and soon to be former—neighbor is fear. Fear is a powerful factor. It is a force to reckon with. Fear causes hearts to race and palms to sweat. Fear gets people out of trouble; unfortunately, sometimes it keeps them out of opportunity.

Undoing a lifetime of defeatist programming isn’t easy. If someone intends to escape the chains of financial mediocrity, she must learn to master fear, overcome panic with logic, and recognize income-generating opportunities. Failure to do so guarantees a stagnant fiscal future. Unless she makes a long-term commitment to deposit dollars and acquire assets her destiny is to finish not far from the starting line. Be careful not to kick up too much dust when you pass by.

👉 **Millionaire Strategy** 👉

Money isn’t everything. If you’re comfortable in your middle class life, enjoying good health, and blessed with a loving family then you’re rich already. Still, throwing a million dollars into your circumstances can hardly be a bad thing. An excess of money—true monetary wealth—certainly seems more attractive than a shortage of cash.

America is the land of opportunity. If the United States grants every child the potential to grow up and become president how many more chances exist for her citizens to become millionaires? To put it another way: if the possibility of being elected as leader of the free world is guaranteed by the Constitution what, by design, would impede financial progress?

The individual with a healthy outlook on life and money doesn’t fall prey to the convoluted thinking and unobtainable goal

that being rich requires two more zeroes. Time and energy spent battling this vicious cycle is a waste. The well-adjusted investor realizes that chasing an ever-escalating benchmark creates frustration. And frustration dampens appreciation of current success.

Only you can decide when you've become rich. However, the more time that you spend worrying about arbitrary definitions the less time that you'll have to create assets—or enjoy the fruits of your labor. And, if you have neither the time nor the inclination to enjoy the money you've saved, then what purpose does the money serve?

Perhaps you've never considered it this way, but all that money buys is the time to enjoy the money.

Money, if used properly, is a liberator. It buys freedom. With adequate resources and reserves, one is no longer forced to punch in at eight o'clock to milk the cash cow for another weekly paycheck.

Let's conquer the constraints of cash deficits. Let's create wealth. Let's create the money to enjoy the time that money allows. Make the money. Make the time. Enjoy both!

I'm wearing my conductor's hat, standing on the platform at the *Middle Class to Millionaire* depot. The express train will depart soon. You won't need a boarding pass. You're my invited guest. I've saved a seat for you. The ride might not always be smooth, but I promise that the train won't derail...unless you disembark prematurely. The whistle is about to blow. Hop aboard. Somewhere, far down the tracks, you'll be able to provide your own perspective on prosperity and decide for yourself—*What is Wealth?*

www.MiddleClassToMillionaire.com