

7. PASSION AND PERSPECTIVE

AFTER MANY YEARS OF OBSERVATION, I DISCOVERED THAT I LOVE PASSIONATE PEOPLE, ESPECIALLY YOUNGER PEOPLE, WHETHER IT'S A HOBBY, SPORTS, TRAVEL, A CAREER, A SIDE BUSINESS OR VOLUNTERING OR _____?

I SEE THIS IN ALL OF YOU, YOUR "MATES" AND A GOOD NUMBER OF YOUNG PEOPLE I KNOW OR MEET. BEING PASSIONATE LEADS TO HAPPINESS AND A BETTER ABILITY TO HANDLE THE BAD THINGS IN LIFE. IT ALSO LEADS TO COMPASSION FOR OTHERS.

FROM PAUL MCCARTNEY: *"AND IN THE END, THE LOVE YOU TAKE IS EQUAL TO THE LOVE YOU MAKE"*

FROM C.S. LEWIS: *"THE TRUTH IS, OF COURSE, THAT WHAT ONE REGARDS AS INTERRUPTIONS ARE PRECISELY ONE'S LIFE"*

"YOU DON'T STOP LAUGHING BECAUSE YOU AGE, YOU AGE BECAUSE YOU STOP LAUGHING"

8. WHY BUILD A NEST EGG?

A HAPPY AND FULL LIFE REQUIRES RESOURCES, SOMETIMES CALLED A NEST EGG. SAVING AND INVESTING MONEY IS NECESSARY, HOWEVER, IT'S NOT ONLY ABOUT THE MONEY. MONEY IS JUST A TOOL. THE REAL OBJECTIVE HERE IS BUYING TIME AND FREEDOM LATER IN LIFE. FREEDOM TO DO WHAT YOU WANT, WHEN YOU WANT.

PUTTING BACK 10 OR 20% OF YOUR INCOME IS A REASONABLE GOAL FOR MOST PEOPLE AND STARTING EARLY IS VERY IMPORTANT.

THE BEST THINGS IN LIFE ARE NOT THINGS!

SAVERS AND INVESTORS, ESPECIALLY YOUNGER FOLKS, HAVE A CHANCE OF A LIFETIME IN A LIFETIME OF CHANCE, BUT THEY CANNOT GET BACK THE YEARS (TIME) THEY DELAY STARTING THEIR NEST EGG.

MY SIMPLE RULES FOR SUCCESSFUL INVESTING:

START EARLY

BE PATIENT

BUY QUALITY

BUY DIVIDENDS

DIVERSIFY

ALLOCATE HOLDINGS FOR RISK/RETURN PURPOSES

LOOK FOR COMPANIES WITH GOOD LONG-TERM TRACK RECORDS, WHETHER IT BE AN INDIVIDUAL COMPANY, MUTUAL FUND OR ACTIVELY MANAGED ETFs.

MINI LESSON: A STOCK IS OWNERSHIP IN A COMPANY; A BOND IS LENDING MONEY TO A COMPANY AND USUALLY MEANS GETTING A FIXED RETURN. DON'T BE AFRAID TO HOLD SOME BONDS, FOR BALANCE IN YOUR LONG-TERM INVESTMENTS. REMEMBER THAT BOND VALUES GO UP WITH LOWER INTEREST RATES, AND DOWN WITH HIGER RATES.

THERE'S NOTHING WRONG WITH BUYING SOME MORE HIGH GROWTH INVESTMENTS BUT THE RISK IS ALSO HIGHER. YOU MIGHT CONSIDER HAVING THAT AMOUNT BE 20-30% OF YOUR TOTAL NEST EGG ACCOUNT. MOST OF YOUR SERIOUS MONEY SHOULD PROBABLY BE IN BLUE-CHIP TYPE STOCKS AND SOME FIXED INCOME SECURITIES. YOUR RATE OF RETURN

WILL PROBABLY BE LOWER, BUT YOU WILL BE MORE CERTAIN OF YOUR NEST EGG SUCCESS. REMEMBER THAT AT A SEVEN PERCENT ANNUAL RETURN MONEY INVESTED DOUBLES IN ABOUT 10 YEARS.

WORKING WITH A TRUSTED, EXPERIENCED ADVISOR SHOULD BE CONSIDERED, SINCE THE HUGE AMOUNT OF TIME AND ENERGY TO MANAGE INVESTMENTS SUCCESSFULLY MAY BE A POOR USE OF YOUR TIME. CONSIDER THE TOPICS OF EARLIER CHAPTERS LIKE OPPORTUNITY COSTS, GOOD ENOUGH IS BEST, AND SCARCITY. AS YOU AGE AND BECOME MORE SUCCESSFUL, YOU WILL FIND THAT TIME AND GOOD HEALTH BECOME MORE IMPORTANT RESOURCES AND NOT MONEY, SO MUCH.

AS FAR AS PERSPECTIVE GOES, I KNOW YOUNGER PEOPLE HAVE LESS TIME AND MORE DISTRACTIONS, SO I TRY TO NOT WASTE WORDS WHEN PRESENTING IDEAS. MOST FINANCIAL WRITERS MAKE MANY CONCEPTS MORE COMPLEX THAN NECESSARY. I PREFER TO “KEEP IT SIMPLE”.