

Three Wealth Building Secrets

THAT MILLIONAIRES DON'T WANT YOU TO KNOW



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You can't go from broke to rich overnight in a single step. If you want to build wealth, working harder is a huge mistake, it's about working smarter. Wealth building exists on a continuum. It's not one thing or another, but a diverse range of options. Managing your wealth is an important part of financial planning and increasing your net worth. Losing out on the advantage of tax breaks, missed investment opportunities and failure to protect your income and assets could leave you falling short of achieving your long term goals. By taking several proactive steps now, you can help shepherd your wealth into a growth cycle that will preserve your assets and keep it in your family for generations to come. To help you understand the entirety of the cycle of money management, and wealth building you can implement the same strategies of millionaires now and put together a life plan that will cover all aspects of your life.

Secret #1: They are savvy investors ~ astute, knowledgeable and confident



Investing isn't a once-off decision that's set in stone. Goals change, and so should your asset allocation. Stocks are a key part of any portfolio. You can invest in mutual funds and exchange-traded funds that own stocks, or you can research and buy individual stocks. In either case your portfolio should be diversified, spread across asset classes and categories based on your time horizon, and risk profile. Asset allocation models should not be selected according to what the Wall Street Journal calls a best practice, but according to your unique financial objectives.

APPLY THESE TIPS NOW! Every personality has its unique approach to risk. The question is how big is your appetite to lose some or all of your original investment in exchange for greater potential returns. A risk tolerance questionnaire will help you pinpoint your acceptable level of risk and select suitable investments.

1. Focus on learning basic concepts and terms such as diversification, risk tolerance, time horizon, inflation, dollar-cost averaging, asset classes, asset allocation, stocks, bonds, mutual funds, exchange traded funds (ETF's) and alternative investments.
2. Check out the Business Section of the *Wall Street Journal* or your local paper, and sign up for retirement and financial subscriptions with noted financial journals like [Kiplinger's Finance](#).
3. Read about finance daily such as *Money Magazine*, explore <https://www.bankrate.com/> or <https://finance.yahoo.com/> to expand your knowledge of investing, banking, credit, and more.
4. Focus on increasing your net worth by investing in appreciating assets that produce income such as real estate, rental properties, stocks, bonds, crowdfunding projects, partnerships and a business. Growing your knowledge in investing while improving the financial health of your portfolio and your overall wealth is a huge confidence builder. Invest in your financial education, invest in yourself.

Secret #2: They diversify to grow their income

Develop multiple streams of income. If you want to build wealth, saving money isn't the only way. You need to make money, save money and invest money. You cannot grow your wealth without multiple flows of income. That starts with the income you currently have. Increase that income and start adding multiple flows. If you have a hobby or talent use it as a side gig to complement your regular job to increase your income to save and invest and pay off debts.

Say for example your total annual income is \$50k. You can boost your total income if you can earn *just \$5k per year* in side income after tax and keep your personal expenses the same as they are now. If you save that extra \$5k per year, and invest it at just 7% per year, you'll have approximately \$100k extra in your portfolio in 15 years after adjusting for inflation.



- ***Passive income is another effective strategy to create additional income and build wealth.*** Creating online courses or other digital apps to sell is one way to increase your income. Consider freelance web design, writing or editing. Coaching, consulting, tutoring, marketing, etc. Use your creativity by tapping into your passions for your gifts and talents.
- ***Pay yourself first is what millionaires do no matter how much money they make or don't make, no matter how many expenses they have, they always pay themselves first and they don't touch it.*** The average consumer doesn't do that. What they do is pay everyone else first. They pay the government, the landlord, the car payment, etc .and they get to keep whatever is left over.

APPLY THESE TIPS NOW! The key to paying yourself first is to make automatic payroll deductions directed straight to your savings where you will reap the benefits of dollar-cost averaging. Here is the breakdown:

1. Contribute 10% or more to your 401(k) or other company plan or investment accounts. If they match, contribute the maximum. That's FREE money.
2. Set-up a unique account at a bank account that you don't have a debit card for strictly for emergencies: multiply your monthly income times 6 to come up with the total amount needed. Divide that by between 2-5% to come up with the total amount to have automatically withdrawn per month. Name the account to create an attachment to it and be proud of your achievements.
3. Create another account for work bonuses, tax refunds or other windfalls and set it up for automatic deposits in a bank account that you don't have a debit card for.

Commit to grow your income beyond your expenses. Then save the difference and watch your savings grow your wealth over time.

Secret #3: They protect their income and assets to live well and leave a legacy



Market shifts can impact your personal wealth. If a substantial portion of your fortune is tied up in a business, a sudden disruption could leave you critically overextended. The likelihood of lawsuits increases as your wealth increases.

APPLY THESE TIPS NOW! Protecting and preserving assets and income through proper multiple vehicles is critical.

1. Comprehensive estate planning should include the formation of limited liability companies, buy/sell agreements, prenuptial agreements, the creation of wills and trusts vehicles to use should you become incapacitated or die unexpectedly.
2. Whether you are an employee or business owner having disability insurance during your working years can offset an unexpected illness or injury to protect your income.
3. Create your emergency fund of 6 –8 months income in case of job loss or disability and automate it.
4. Life insurance and long term health care insurance (LTCI) policies and annuities are protective vehicles that can help mitigate many risks. Life insurance incorporated in an estate plan can be used to protect your assets from taxes and ease the transfer of wealth. Statistics have shown women outlive their spouse. That's why you should be prudent in protecting your assets and income with safe money strategies.

LAST TIP

Building your wealth should not be a chore or create anxiety. Commit to apply each tip at your own pace with consistency; for example apply one tip per week and watch your confidence grow along with your portfolios and bank accounts. Welcome to the Millionaires Club!

Congratulations!

Now that you've CRACKED the Code of millionaires, let's talk about how you can go further in applying these tips to your unique situation for building lasting wealth.

Schedule your **30 minute Get Financially Fit** call today.

[Contact Us](#)

To your financial success!

Patricia

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