

Introduction

This book is unlike any personal finance book you've ever seen. True, like some other books, it shows you how successful people got that way. But unlike other books, this one does not focus on the super-elite of Wall Street or neighbors of yours who own successful businesses. Instead, you'll get to know ordinary Americans—people just like you—who have somehow managed to accumulate wealth despite the fact that they never earned all that much money or achieved the highest levels in business, politics, or the arts.

Instead, these people are middle- and upper-middle-class citizens. They are schoolteachers, engineers, government employees, computer analysts, lawyers, physical therapists, office managers, doctors, journalists, graphic designers, and musicians. They are your neighbors, co-workers, friends, and relatives. And they are similar to you in age and marital status, with similar incomes and expenses, with kids and pets—and with similar goals and aspirations. Like you, they want a comfortable home in a quiet neighborhood, kids who get through college, marry and have children of their own, and they want to have enough money left over to care for their elderly parents while retaining enough to feel secure during their own retirement.

But unlike most others, these ordinary Americans have done something extraordinary: they somehow have managed to achieve all of these goals, while accumulating enough money to be able to live out their lives in comfort and financial security.

How did they do it?

The pages that follow give you the answer. You'll discover the actual real-life practices and habits of my firm's 5,000 clients. So it won't be me who's guiding you in these pages; it'll be the wonderful message-filled stories of ordinary Americans who have achieved extraordinary success.

As the owner of one of the largest financial planning and investment management firms in the nation, I have clients who (naturally) tend to be financially successful. But my colleagues and I have had very little to do with it, and this is not a chicken-and-egg question. The consumers who hire my firm

do so because they are successful, not the other way around. Successful people—and those who want to be—are the kind of people who hire financial advisors. I didn't make them rich, nor does any financial advisor make a person rich. Our clients either are rich by the time they hire us, or they will become rich anyway, because that is their nature. I simply have been fortunate enough to enjoy their journey with them. Indeed, I am convinced that even if they hired some other financial planning firm, they still (in most cases!) would have achieved similar success. After all, the person who joins a health club is the kind of person who is—or will be—physically fit. Which health club she joins has much less impact on her results.

Therefore, all of my firm's clients are members of a self-appointed group: a group of successful investors. Consequently, they have many habits and traits in common. To write this book, all I had to do was discover what those traits are, and reveal them here for your benefit.

I accomplished this goal in a rather obvious way: I simply asked some of my firm's clients how they did it (okay, I asked about four thousand of them). Market Facts, the prestigious survey research firm, issued, collected, tabulated, and analyzed the results of an extensive eight-page survey I wrote. These questions asked my clients how they've handled money throughout their lives, and I searched their answers for commonality, consistency, and replicability.

Did we discover clear patterns and trends among this diverse group of people? Yes, we did. Poring through the data, I identified eight major themes that were common to nearly everyone who responded to the survey. Each of these themes, in my opinion, reflects the biggest factors influencing my clients' ability to produce the wealth they now have. And the best news: anyone can easily duplicate these themes in their own life.

That means you, too, can achieve financial success as easily and as surely as they did. You can do it without having to undergo major upheavals in your life. You don't need to quit your job and open a convenience store. You don't need to become a day-trader, spending your life staring at a computer

screen while yelling orders into the phone at some broker. You don't have to subscribe to dozens of personal finance magazines or religiously tune in to *Rukeyser*, subject yourself to intense behavior modification, connect with your inner self, or resolve all those conflicts with your mother. Nor do you have to invent some revolutionary gizmo that will change the world. All you need to do is follow eight simple financial strategies. You'll discover that they are remarkably easy to implement and remarkably effective. All of my clients have achieved (or are in the process of achieving) financial success, and there's not a Warren Buffett or Bill Gates in the crowd. Just like my clients, you can do it, too!

As you read this book, prepare to be surprised. The strategies you're about to explore are not what you might expect, and in fact, they may seem counterintuitive. Keep an open mind.

Expect to see yourself—in two ways. First, through the many stories my clients will share with you, you'll see that you're not very different from them, and this will show you that you can do what they did. Second, after examining their experiences, you're likely to exclaim, "Uh oh! I'm doing the opposite of what they did!"

And finally, expect to get excited. You'll discover how easy it is to stop doing what you've been doing wrong and start doing what you need to do, so you, too, can achieve financial success. Not only is the list remarkably short, but the actions required are so simple that anyone can do it—including you. The success stories of my firm's clients will empower you, and you'll love how that makes you feel.

Ric Edelman
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