#### CONTENTS

Acknowledgments vi Introduction vii

# PART ONE PREPARATIONS

#### 1. WANT TO MAKE MORE MONEY? DO THESE THINGS FIRST 1

Who Am I? 4

A Few of the Things I Learned and Why I Want to Share Them with You 9

# 2. BEGINNINGS, DANGERS, AND DIRECTIONS 19

Of Course You Want to Take Immediate Action! 20

The Dangers of Moving Too Slowly 21

Do It Alone or Get a Partner? 22

A Checklist for Successful Preparation 23

## 3. MARRIAGE, MONEY, AND FAMILY 33

Investing and Marriage Issues 33

Harnessing the Synergism of a Two-Income Family 34

Life Insurance on Both Partners: Term, Convertible Term, or Other 35

Tax Considerations and Strategies 37

Planning for the Financial Burden of Having Children 38

Protecting Your Assets from Legal Ramifications 40

You and Your Spouse as Investment Partners 42

#### 4. SELF-KNOWLEDGE: Your Practical and Emotional Selves 45

Investor Behavior 46

Mastering the Psychological Aspects of Investing 50

The Majority Is Usually Wrong—Don't Forget That! 53

## 5. SETTING FINANCIAL GOALS 55

Many Investors Have Been Losers 58

Victims of the System 63
A Few General Rules to Get You Started 64
The "Boring" Part of Setting Financial Goals 73

## PART TWO STRATEGIES AND ALTERNATIVES

#### 6. THE GENERAL INVESTMENT MODEL 81

An Overview of the General Investment Model (GIM) 81
The Setup, Trigger, and Follow-Through Method (STF) 92
The STF in Detail 96
Summary 99

# **7. THE METHOD** 101

Selection and Timing of Investments 102
Introducing the Method 106
Introducing Momentum 109
How to Calculate Momentum 111
What Does Momentum Tell Us about a Market? 112
Divergence and Changes in Trend 113
Timing, Timing, Timing 117
Where Do I Get the MOM? 120
Practice, Practice, Practice! 120

# 8. GAMBLE OR INVEST YOUR WAY TO WEALTH? 129

The Instant Age 132
Contradictions, Conflicts, and Consistency 132
Narrowing the Field of Choices 133
How the Stock Market Can Be a Gamble 137
How the Stock Market Can Be an Investment 138
How the Stock Market Can Be Used for Trading 138
Real Estate and the General Investment Model 139
The Good News and the Bad News in Futures Trading 140

# 9. STRATEGIES FOR A SHOESTRING BUDGET 143

The Three Shoestring-Budget Starting Levels 145 \$5,000 Available Starting Capital 146 How Dollar Cost Averaging Works 146 Drip Your Way to Success 151 Less Than \$2,500 Available Starting Capital 151
A Few Portfolio Suggestions for Beginners and Small Investors 154

# 10. GETTING SERIOUS: Strategies Beyond the Shoestring Budget 157

From \$5,000 to \$20,000 157

More Than \$10,000 but Less Than \$25,000 158

More Than \$25,000 but Less Than \$50,000 159

More Than \$50,000 159

Investing in Precious Metals and Coins 159

Protecting Yourself with Investments in Rare Coins 162

Numismatics and Numismatic Coin Investment Programs 168

Guidelines for Investing in Coins 170

Fast and Furious—The Hottest Games in Town 172

# PART THREE LOOKING AHEAD

# 11. STAYING AHEAD OF THE CURVE: Emerging Opportunities 177

What's Ahead in the Area of Technological Breakthroughs? 178

## 12. SUMMARY AND FINAL THOUGHTS 181

A Perspective on Investor Psychology 181

Economic Yin and Yang: Cycles of Boom and Bust 187

Markets Have a Life of Their Own 191

Yesterday, Today, and Tomorrow 192

Summing Up the Lessons Learned 194

Keep in Touch 194

Appendix: Practice Charts and Analyses 195

Online Resources 207

Index 209