



“This book is probably the best book on financial planning in existence today! It takes the theory of finance and makes it easy to understand and follow with achievable results.”

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Adapted from Chapter 5 of the book *80 Proven Ways to Become a Millionaire*

BE WEALTHY WHILE YOUNG!

How to be worth \$10 million—20 years from your wedding day

Before you become engaged, decide together to become financially free.

These are the easiest ways to become a multimillionaire! There is power when money makes money! Compounding is earning interest on the principal and the accumulating interest.

REDUCE THE COST OF YOUR WEDDING

Forty-five billion dollars was spent on weddings in 2004. In the United States, the average cost of a wedding on the east and west coasts is \$38,000; the national average is \$26,000. The bridal gown and reception generally are the most expensive items.

After receiving my masters, my first job was the director of a college food service. During those four years, my associates and I became well-known for the gorgeous wedding receptions we would create. From all my experience, you can have an eloquent wedding for thousands less than the national average.

If you and your fiancée have the goal to be financially free, spend less and still have an awesome wedding. Be creative! Purchase the book *A Simply Beautiful Wedding* by Eileen Silva Kindig. It shows how to have a magnificent wedding for much less so that you will have a sizeable nest egg to start or continue with your investment program. If you save \$15,000 on your wedding and invest it, in just 30 years you would have almost \$1 million! Leave it alone and in 10 more years you would have over \$4 million!

REDUCE YOUR TAXES—LEGALLY

Another major way to become a millionaire is to reduce your income tax and invest the tax savings yourself. The average household spends \$18,750 in taxes per year. Reduce them in half and invest the \$9,375. Chapter 16 in *80 Proven Ways to Become a Millionaire* is devoted to this topic in detail. In addition, the Appendix has 2000 Ways to Lower Income Taxes.

First invest in your 401(k) and other pension plans. Then start a home business, even if it's part-time, as it will allow you to take advantage of many tax savings.

For 25 years, I owned several farms in Vermont while I lived and worked in California. Those farms gave me excellent income-tax deductions, making it possible to legally reduce my income taxes. Instead of paying unnecessary income tax, I invested that money. Yes, and I still paid my fair share of taxes. Did you know there are 72 different taxes in a loaf of bread?

ELIMINATE PAYING INTEREST

When you pay interest on loans and credit cards others become millionaires instead of yourself. The only interest you should ever pay for is for investments—period! It is tax deductible and will save you money, so you will have more to invest. For everything else, pay cash. See how simple it is to become debt-free in Chapter 8.

Before my dear, beautiful girlfriend and I were married, we agreed to pay interest only on money for investments. Now decades later, no interest was ever paid. You can choose to do the same whether married or not.

The average household spends (actually wastes) \$10,875 interest per year on 14.2 credit cards and loans. Keep this money and invest it for yourself. In 20 years the total invested is only \$217,500 and you will have over \$1 million. Continue for another 10 years and you will have over \$5 million with only \$326,250 invested. WOW, the power of compounding interest!

INVEST SECOND SALARY

I strongly recommend waiting six years before having children. (Chapter 3 of *80 Proven Ways to Become a Millionaire* covers this in great detail.) By doing so, both husband and wife can work full-time. Choose to live on one salary and invest the entire other salary. In six years you will have \$261,737 and a couple of choices.

You could choose to have a perpetual income of \$39,261 created from the interest and dividends so you can stay home and raise your own children. What a blessing that would be for your family—and the nation!

Another choice would be to keep the interest invested and compounding and in 14 short years (20 years total), your investment from six year's salary would be worth \$1.8 million. Now that's exciting!

401(k) INVESTMENT PROGRAM

The value of a 401(k) investment program is so awesome, that when you and your spouse graduate from college, I urge you to consider the following:

- Select the best job which has the best 401(k) plan and contribute 100% to your plan. Remember, 80% of all companies offer a 401(k) plan and 50% of those will contribute to your plan—free money for you.
- Live as close to your job as possible in order to reduce your commute time, automobile expenses, and the wear and tear on yourself. Choose to be rested and to spend lots of quality time together, rather than in commuter traffic.

Let me blow your mind! You can have \$1,889,888 in 20 years with a yearly cost of only \$5,700. “How’s that possible?”

First, assume you fully contribute to a 401(k) for 20 years. Remember, you are not out-of-pocket the full \$15,000. Your employer contributes \$5,000 per year. And, if you are in the 43% federal and state income tax bracket, the government reduces your taxes by \$4,300 a year. So, instead of \$15,000, you are only out of pocket \$5,700 per year.

Just think, as a payroll deduction each paycheck, in 20 years you will have invested out-of-pocket only \$114,000 (\$5,700 per year) while the investment increased to \$1,889,888 (\$15,000 invested per year).

And when you are married, each of you can contribute \$15,000 per year to a 401(k) so you can double the investment returns shown.

FREE MONEY—INVEST SEMIMONTHLY versus ANNUALLY

Another gigantic aspect of the miracle of compound interest is the free money you can make if you invest semimonthly or monthly instead of yearly.

For example—invest your payroll deduction (\$625 semimonthly)/20 years and you will have \$1,889,888. Invest \$15,000 once per year/20 years and you will have \$1,767,152. The difference is added investment income—\$122,736. Look at what consistent investing means to your wealth creation and financial freedom. Take \$122,736 and divide by 20 (number of years). This gives you \$6,136 extra, free money per year invested!

This is the power of money making money! Compounding is earning interest on the principal and the accumulating interest.

*Remember that Wealth is a Matter of Choice—Yours Alone.
Choose today to become a millionaire, to focus on your wealth creation,
to create a life you love for you and your loved ones.*

NOTE

This article is designed to inspire you into action and to provide accurate and authoritative information in regard to the subject matter covered. Factual material has been obtained from sources believed to be reliable, and is not guaranteed. All examples are for illustrative purposes only and are not to be construed as recommendations, advice, or tax counsel. The author is not engaged in rendering legal, accounting, or other professional service. If legal or other expert assistance is required, the author strongly recommends that the reader should contact his own professional advisors.

Past performance should not be taken as being representative of future results. Anything tax-related should be discussed with your accountant before it is used for tax purposes. All information provided in this article is for informational purposes only.

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80 Proven Ways to Become a Millionaire was published in May 2007. It is an Award-Winning Finalist in Personal Finance category of the National Best Books 2007 Awards by USA Book News. Included are Paul's proven investment strategies that earned him an annual average return of 15% or more for the past 50 years. Flip to any easy-to-glean page and find neatly divided charts, actual results, and action lists that can be implemented today. It is a "brain dump" of what he taught for over 20 years at his Wealth Creation and Wealth Preservation seminars. He loves to help people, especially young people, to have a more rewarding, happy life as they make better financial decisions. He wants to improve the financial literacy of each person in this country.

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