

EIGHT STEPS TO SEVEN FIGURES

The Investment Strategies Of
Everyday Millionaires And How
You Can Become Wealthy Too

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MAIN IDEA

Ordinary working people can create a seven-figure net worth within their lifetimes solely through a long-term stock investment program -- and without starting out with a large chunk of capital or any specialist expertise. To prove this point, 170 people with investment portfolios greater than \$1 million were studied to learn the keys to their success.

Their real-world experiences were then distilled into eight key steps they had all had in common:

1. Get started as soon as possible.
2. Set meaningful goals along the way.
3. Invest only in assets that always grow over time -- which means stocks or mutual funds.
4. Don't try and make a killing. Just accumulate steady gains year after year.
5. Add to your investments every month, even if you can't add much.
6. Don't trade stocks. Buy and hold and then hold some more.
7. Take advantage of everything the government allows.
8. Maintain a steady lifestyle, living on less than you earn.

What makes these eight steps and 170 success stories so compelling is that nothing exotic is required. In other words, any person with similar aspirations can do the same. Success in long-term investing isn't limited to just a few with specialist knowledge or access to exotic systems. All that's required is the right mindset, patience, personal discipline and perseverance. In fact, in many ways, success is just applied common sense.

Anyone can invest their way to a million dollars if they do the same.

Step 1 -- Start investing immediately. Page 2

You'll never have more than a million dollars in assets if you don't get started somewhere. The power of compounding means time is your greatest ally. Therefore, begin now to switch some of your expenditure from consumption to investment.

Step 2 -- Establish meaningful goals. Page 3

Without goals, your investment program will struggle to get moving. It really doesn't even matter what goals you establish just as long as your goals makes sense to you.

Step 3 -- Buy only stocks or stock mutual funds. Page 3

To become rich over time, the only game in town is to own stocks. Don't waste time on anything else. All you need is the patience to buy stocks and hold them for 20- to 30-years. And then once you are rich, you stay rich by buying bonds -- nothing else.

Step 4 -- Don't worry about home runs -- just concentrate on getting to first base. Page 4

Focus on quality when buying stocks rather than trying to find something that will make a huge gain in the immediate future. You'll do far better by staying in the game and generating a 10- to 15-percent gain year-in and year-out than you will by trying to get into a highly speculative stock.

Step 5 -- Invest every single month -- even if you don't invest very much. Page 5

Investing every month makes a huge difference over the long haul. It forces you to spend less than you earn, it lowers risks because of time diversification and it puts more and more of your money into play generating additional future value for you. It's hard to do but exceptionally worth it.

Step 6 -- Buy and hold ... and hold ... and then hold some more. Page 6

Trading stocks regularly will only make one person richer -- your broker. To become rich yourself, you must buy and hold the stocks for five or ten or twenty years .. or longer.

Step 7 -- Take whatever the government is prepared to give you. Page 7

Whether you like it or not, Uncle Sam is your investment partner. Therefore, only a fool will fail to take advantage of things like IRAs, 401(k) plans and the tax benefits of holding investments for at least twelve months.

Step 8 -- Have a stable lifestyle -- so any shocks that occur are financial only. Page 8

Millionaire investors do everything they can to develop stable and predictable cash flows and expenses. That way, they can invest consistently and limit any financial shocks which may breed uncertainty.

