5 Things Millionaires Know That Creates Wealth
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Creating wealth comes in all kinds of shapes and packages. Some earn it, inherit it, win it, or even marry into it. Whether you are financially wealthy today or working to build wealth here are some very important truths that you need to know to create and preserve your wealth. These truths come not only from my own experience, but from also advising millionaires for the last 18 years.

THEY SEEK WISE COUNSEL AND NEVER STOP LEARNING
This may sound a bit self serving being written by a financial advisor. That being said, the wealthy value knowledge and counsel, and understand that paying a premium for great advice is an investment in itself and pays them back many times over. They realize that it is impossible to know everything and more importantly their time also carries a premium. While they might save a few dollars on the front end trying to learn something themselves, they typically will pay dearly on the back end with the inordinate amount of time they spent learning followed by likely missing something important that an expert in that field would have caught in their sleep. They know that it is better to work hard at building trust and a healthy relationship with experts rather than try to know everything themselves. That being said, they still consume information and read as much as they can, as being informed is the best way to maximize the relationship with their advisors.

THEY UNDERSTAND THE BENEFITS OF TAX PLANNING
Most CPA’s do an excellent job preparing tax returns for their clients by providing them with an accurate report for the IRS. However, an accurate return doesn’t always equal an optimal return. It’s no secret that the U.S. tax code is complex and full of all kinds of various rules and regulations. For high wage earners, especially business owners, there are many strategies that can significantly lower their tax burden. However the time and effort to fully explore if these strategies are appropriate is rarely evaluated. Millionaires understand that effective tax planning must be a priority and treated separately from tax preparation.
THEY DON’T FEAR BEAR MARKETS, RATHER PREPARE FOR THEM
We all wish markets just went up all the time, however they can and eventually will drop in price. Of course trying to time these ups and downs is near impossible. Millionaires understand that no matter how long spring and summer last (a bull market), winter (a bear market) eventually shows up. They make sure they have a rules based investment strategy which not only helps them protect their assets from a devastating loss, but also allows them the opportunity to take advantage of lower prices.

THEY UNDERSTAND HOW CONSUMPTION VS. INVESTING AFFECTS WEALTH
We are all bombarded daily with the message of buying and consumption. From signs on the road, to television advertising, to even using our smartphones, we are inundated with reasons to buy bigger and better things. When we do, we try to save some money and spend time looking for sales and coupons as no one ever wants to pay full retail price for anything. Millionaires understand however that a lifestyle where you spend a majority of your time looking for saving money on purchases instead of looking for investment opportunities greatly limits your ability to grow your wealth. Saving 30% on a purchase may feel good, and you will enjoy telling folks how much you saved, earning 10% on that money instead will affect your lifestyle exponentially. They realize that it is far more valuable to spend their time evaluating the best investment opportunities to commit their capital than the latest sales deal.

THEIR STRATEGY DRIVES THEIR FINANCIAL DECISIONS, NOT THEIR EMOTIONS
Planning isn’t just a nice thing to do, but rather the foundation of their financial home. They know that if they spend the time and effort to create and implement a solid plan today, their foundation will keep them solid through the ups and downs of the economic cycle. A solid plan also serves as a guidepost to keep them on the path during volatile times where their emotions might tell them otherwise. A plan also gives them peace of mind as they always know if they are on track to reach their goals and always understand how their financial decisions affect their trajectory.

These are just a few of the many strategies that millionaires use to create and grow their wealth. If you found any of these interesting and would like to learn more, please go to parallelfinancial.com and click on “Schedule To Meet” for an introductory meeting to see how Parallel Financial can help you.

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