

# TIMELESS ADVICE FROM MONEY MASTERS

THE MONEY MARATHON BY ED DOUGLAS CFP®

In the new *Forbes* magazine (June 14, 2013) annual investment guide, there was timeless advice from 20 money masters. I have listed some of their best comments below along with my commentary.

“To me, money in abundance is paradise and power and love. In scarcity, it is terror and guilt.” (Ben Stein Author and Financial Commentator) *This underscores why it is important to manage a person’s money well.*

“Don’t let the mood swings of Mr. Market coax you into speculating, selling in panic or trying to time the market. The key is to keep your emotions in check.” (Warren Buffett CEO Berkshire Hathaway and Legendary Investor) *Warren Buffett is the best at buying when others are selling. He doesn’t let panics change what he does.*

“If you want to get rich don’t focus on the minutiae.” (Ramit Sethi Author) *Knowing the big picture and major trends are more important than saving money on a latte.*

“While there are some Warren Buffets in the world, finding one is like finding a needle in a haystack.” (Burton Malkiel, Princeton Economist) *This is why it is so difficult to beat the market over the long haul.*

“It takes hard work, passion for what you do, and luck. Money enables you to put bread on the table at first, but it also enables you to give back in a big way.” (Leon Copperman, Founder Omega Advisors) *Being successful with money allows you to give money to help others - a very good thing.*

“Sometimes to make money you have to spend it. Don’t be paralyzed by the tax consequences so that you miss out. Money is necessary but that doesn’t mean it should always be first.” (Kelly Erb, Tax Lawyer) *Sometimes you have to take some risk to get rewarded. People sometimes let tax consequences stop them from selling when they should. Money will not make a person happy, but a lack of money can go a long way in making a person unhappy.*

“Save early and regularly and put money in a low cost index fund... so you can benefit from the magic of compounding returns... without being destroyed by the tyranny of compounding costs.” (Jack Bogle, Founder the Vanguard Group) *High management costs can really hurt investment returns. That is the case for investing in index and low cost funds.*

“The best piece of advice I’ve ever been given is to look at every expenditure and not to think about it in today’s dollars but in future dollars.” (Alexa von Tobel Fouders Learnvest) *A dollar spent today can be a lost opportunity for \$500 down the road - really.*

“You need 10,000 hours practicing to be great at anything. There are no shortcuts.” (Ron Baron Baron Capital) *Practice really does make perfect. The book, The Outliers, reinforces this concept of 10,000 hours.*

“The key to getting rich is saving and saving early.” (Dan Ariely Behavioral Economist Princeton) *This is why I wrote my first book, Making a Million With Only \$2000-Every Young Person Can Do It. Small amounts saved regularly and invested wisely can make young people multi-millionaires.*

“Remember that you don’t know everything, and you have to be willing to change your mind.” (Barry Sternlicht) *Sometimes it is important to realize you were wrong; things change and adjust accordingly.*

My hope is that some of this advice from the experts will give you cause to reexamine some of the investment decisions you make and make you a better investor.

Remember every investor’s situation is unique, and it is important to review your specific situation with a financial professional.

Ed Douglas is a Certified Financial Planner/Consultant, Chairman Emeritus of Citizens Bancshares and author of three books, *Making a Million With Only \$2000-Every Young Person Can Do It*, *The Money Marathon: 7 Simple Steps to Financial Freedom* and his latest book, *25 Truths: Life Principles of the Happiest and Most Successful Among Us*, available at [www.eddouglas.com](http://www.eddouglas.com) and on Amazon. Ed can be contacted for financial planning services or seminars based on his books at [ed@eddouglas.com](mailto:ed@eddouglas.com) or 660-646-2066 or at his office at 601 Locust.

*25 TRUTHS*: Truth Number 19: EXERCISE, EXERCISE, EXERCISE (Live a healthy lifestyle). Ed’s books are available at [eddouglas.com](http://eddouglas.com), Hy-Vee, Amazon, or Boji Stone.