



Lcbs-2023-04-09-WhyWorkFor40YearsToRetire.pdf

DISCLAIMER - I am not a Financial Advisor and do not work for any Brokerage Firm. The opinions given are my own and are not to be used as professional advice. These are my findings and can hopefully help you to make informed

decisions on investing. Consult a Broker or Lawyer before making any investment.

Why Work for 40 Years to Retire?

If you are like me, you were taught to go to college, study hard, get a good job, and put a lot of money in your 401K at some large corporation and after 30 or 40 years retire and enjoy those golden years. In Rich Dad Poor Dad, Robert Kiyosaki says that rich people don't work for money. He also said that working hard for money will never set you free. However, we have been taught all our lives that this is the way to do it. Get a good job and sock away money and "HOPE" we can retire one day.

Rich people have learned to not work for money, but use their money to buy assets that will pay them back dividends. Passive income is receiving money in the night without having to put in hours of labor to receive it. We must realize that time is our most valuable resource here on Earth, and while we are here, we should fight to use our time as we desire. Unfortunately, many live their whole life making more money for their employer without considering Passive Income.

Passive income is produced when we invest in something that returns dividends on the investment. You do not exchange time to receive them as you do in a job. This can be done in many ways. You can write books, invest in real estate, buy hard assets such as oil, gold, silver, etc., or do one of my two favorites, buy bonds or income-producing stocks and ETFs.

I can not over-emphasize the importance of reading and studying about investments all the time. Things change and laws change, and what works yesterday may not work as well today. The more I study, the more options I find that make good dividends. Also as you study investments, you find out which ones are safest and those with the greatest risk. You can invest in REITs and get money into Real Estate without having to purchase any properties. Many advantages to doing it by investing. No wake-up calls when the toilet clogs, no background checks to see if the renters are going to pay. Just money steadily coming in from Real Estate Investments. Read about REITs here.

[REITs – Real Estate](#)

One of the simpler methods to invest in the stock market is to just purchase full stock market ETFs such as VTI or SCHB.

[Investing with Stock Market ETFs](#)

This past week I branched out of REITs and decided to invest directly in Real Estate through [FundRise.com](#). In fund rise (and there are several other companies like them), you pool your money with other investors and the company purchases various real estate. The reason I choose Fund Rise was due to having two tiers. They have a low-end investment group where you can start at as low as \$10 of money. They also have a higher tier which requires a \$1,000 minimum investment, and you can set this one up as a ROTH IRA. I intend to do that long-term once I test out the waters. I just put in \$100 this first month to see how well it works.

According to my friend Joshua King who has been with them for 3 years, they have never paid out less than 5% in yearly dividends and recently paid out 23% for this past year. Real Estate is an iffy business, and it is greatly affected by interest rates. So don't invest here unless you can leave the money invested for at least 2 years. If I understand the rules, you can only get back money once per quarter once you invest. If you have no Real Estate investments and are new to this, I would suggest just buying the ETFs HOMZ and RIET managed by Hoya Capital. Both are paying above 8% and they pay dividends monthly.

The reason most people never get a lot of Passive Income is fear. They may think that every dollar they invest will be lost. Of course, there is danger in any investment, but carefully planned investments can return good results. I read this week a quote by Ivan Horman from the book "Boost Your Brain Power." Ivan said, "Aspiration without action is nothing, and when you have nothing, you are back to square one." Get a plan and put it into action. The younger you start the sooner you will see results.

When I study something new for several months and determine it might work well for me in my portfolio, I take action. I am not frozen in time with fear of failure. This past year I have invested more money into Dividend Growth Stocks, Closed-End Funds, and Preferred Stocks based on yield than ever before. I don't spend hours studying each company, but make sure they are solvent and paying high dividends (many from 12 to 19.2%). If so, I buy a few shares and on that same day, I put in a STOP LOSS order to sell the entire holding if it drops below 92% of the price I paid.

I have had a few stop losses fire this year, but over 90% have held and are paying excellent returns. We recently got our yearly dividend income above \$1,000, and I hope to have it over \$5,000 in 2 years. As dividends pay, compounding comes into effect and it gets easier to grow your money. And what is super about my plan is that in theory at least, no matter how bad the market goes down, my maximum loss on any one holding is 8%. I have only had this plan in effect for 6 months, and it takes 3 years of up-and-down markets to prove a strategy. But I think it is going to work well for us. Make no investments based on this, but consult an attorney or broker for help in making investment decisions.

In my reading of books this past week, I came across a new term. ERE. It stands for Early Retirement Extreme. I have found a large number of people who claim to have gone from zero investments to over a million dollars in a short period. One fellow says he did it in 1500 days. He is the one I started studying first as it truly sounds incredible. I am going to give you some links to read about this almost unbelievable opportunity. Remember I am not recommending this nor am I selling anything. I just find this incredibly easy for the normal person. The younger you are the faster you could retire and have a lot of years to enjoy retirement.

Most of these people are doing it by using minimalism to the Nth degree. They have cut costs to the bare minimum and are living disciplined lives. My thought is, if we can just be a bit frugal for 4 to 7 years, it is worth it to not have to work anymore. If you read my opening paragraph, I mentioned that working for 30 to 40 years and hoping to retire is not a good plan. I think common sense planning can make us get out of the day-to-day job grind quickly if we make excellent investment planning.

I want to say up front that I am not endorsing any of the following blogs. I am just suggesting you read these peoples ideas and what they have accomplished. The first one I recommend is about the guy who decided to try and make a million dollars in 1500 days. This is a little over 4 years. He says some others have tried to duplicate his feat and failed, but read about it. He made it, and at year 10 now has close to 4 million.

1500Days.com

He used other investors as a ramping board to get him started. One he used was called [Get Rich Slowly](#) written by J D Roth. Another is [Mr. Money Mustache](#). Each site has some interesting stuff on them. What is the common link is that all are using common sense frugal living ideas. You may not want to live that way all your life, but would not a few years of discipline be worth it to not have to work all your life? Being an avid reader, I am exploring each of these sites daily and learning some great ideas.

But of all the sites I have read, my favorite one is [EarlyRetirementExtreme.com](#)

I like the Blog's design. On the left side, go towards the bottom and read each link under 21-Day Makeover. Some of his ideas sound really extreme, but he explains how easily you can you get your first million.

Don't be naïve and think it will be easy. All of the people I read about that made a million dollars relatively quickly and did it differently. One bought old houses, lived in them, renovated them and moved to another one, and repeated the process. But one common thread is in them all and that is to not waste money and live simply and frugally. Every dollar you can use to purchase something making money gets you there more quickly.

I encourage you to check out these sites. Most of the links here are in that first blog on 1500days.com He lists some others that did not work well for me. All I listed are good ones.

You might enjoy checking out some of the forums on [Early Retirement Forums](#).

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