 This is a WIWEK - What I Wish Everyone Knew.♦ I've been a financial planner for eight years.♦ I have thousands of hours of education and many times that of experience in helping people making smarter choices with their money.♦ This is one of many rules of personal finance that I wish everyone knew, but most don't.♦ We don't teach this in schools.♦ There are also too many people who make too much money when you don't know this stuff.♦ I hope this post helps you.
 What's the fastest, most reliable way to build wealth? One answer to that question is, "Make more money."♦ Not bad!♦ If this is your answer, you're part way correct. However, the most common answer is, "Make more money on my investments."♦ When I meet people for the first time and tell them that I am a financial planner, the first question they usually ask me about is their portfolio or the stock market in general. That is to be expected, I guess.♦ After all, you hear about the stock market every day on the news. ♦ All the brokerage houses spend gobs of advertising dollars trying to get your business.♦♦ Even financial planners and fiduciary advisors have a tendency to focus their attention on investment assets when they're fees are based on "assets under management." Millions of people are focused on the wrong things for the wrong reasons and they're completely missing the most important point.♦ It's like the overweight person at risk for a heart attack getting their fast food meal Super-sized. They are getting way too much of the wrong kind of food, but what's important to them is that at least they bought a diet soda.
 <h3>They're All Wrong
</h3> The very first - and most important - WIWEK of them all is that the most powerful and reliable way to build wealth has little to do with your investments.♦ It has everything to do with your Cash Flow. Good Cash Flow Management entails doing whatever you can to get MORE income AND have FEWER expenses.♦ It is the fastest, most reliable way to create a secure future for your family and to amass enough money to become financially independent. Unlike the markets which go up and down because of the whims and decisions of politicians, bankers, corporate head haunchos and other various market forces; you can have almost complete control over your cash flow - especially your expenses.
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>The Power of Saving</h3> The average household family income in America is $50,000 per year.• If a person were to save 10% of that income and do so over their 40-year career, that person would amass a $998,175 nest egg (using a conservative investment return rate of just 7% - about 3% below historical averages).• That million dollar nest egg would be enough to generate a $40,000 income stream for as long as this responsible citizen lived with plenty of money left over to give to his/her family or charity. But Americans don't save.• We spend.
 While the average American household income is $50,000, the average retirement savings for those at retirement age is somewhere around $150,000 (and that is according to the most generous data I could find - most surveys suggests average savings for new retirees are closer to $50,000).
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g></h3> Now, I don't want to ignore the importance of making smart investment decisions.
Being a great saver and a horrible investor is a recipe for disaster, too. The Dalbar studies have proven that the average investor sees investment returns that are actually about 7% short of the market averages. Certainly having a 3% average rate of return on your 10% savings each year would greatly diminish the results after 40 years. You wind up with $361,000 compared to $1 million.
 We've explained the 7% Solution before. It is an important part of your wealth building process to make certain you are following a written investment strategy and not allowing your emotions to drive your decisions (true with Cash Flow as well as Investing). But there are always wild cards with investments. Markets can move in mass. We have been dealing with a global recession the past few years where most everything seems to be losing value. Each of us has very little control over these market forces which could greatly affect our investment results. You have far more control over your spending choices. So far (as proven by the insufficient retirement savings for Americans today), the American public hasn't chosen to take that control as a society. When YOU make that choice, it will start you on your way to building wealth, a secure future for your family and a rich and fulfilling life now and for as long as you live.
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