

Our Heroes on the Front Lines

# Reader's Digest

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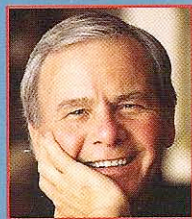
Denzel on  
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## Real People Real Miracles

5 Inspiring Stories

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# \$ecrets of Self-Made Millionaires

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They're just like you. But with lots of money. | BY KRISTYN KUSEK LEWIS

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WHEN YOU THINK “millionaire,” what image comes to mind? For many of us, it’s a flashy Wall Street banker type who flies a private jet, collects cars and lives the kind of decadent lifestyle that would make Donald Trump proud.

But many modern millionaires live in middle-class neighborhoods, work full-time and shop in discount stores like the rest of us. What motivates them isn’t material possessions but the choices that money can bring: “For the rich, it’s not about getting more stuff. It’s about having the free-

dom to make almost any decision you want,” says T. Harv Eker, author of *Secrets of the Millionaire Mind*. Wealth means you can send your child to any school or quit a job you don’t like.

According to the Spectrem Wealth Study, an annual survey of America’s wealthy, there are more people living the good life than ever before—the number of millionaires nearly doubled in the last decade. And the rich are getting richer. To make it onto the *Forbes* 400 list of the richest Americans, a mere billionaire no longer makes the cut. This year you needed

a net worth of at least \$1.3 billion.

If more people are getting richer than ever, why shouldn't you be one of them? Here, five people who have at least a million dollars in liquid assets share the secrets that helped them get there.

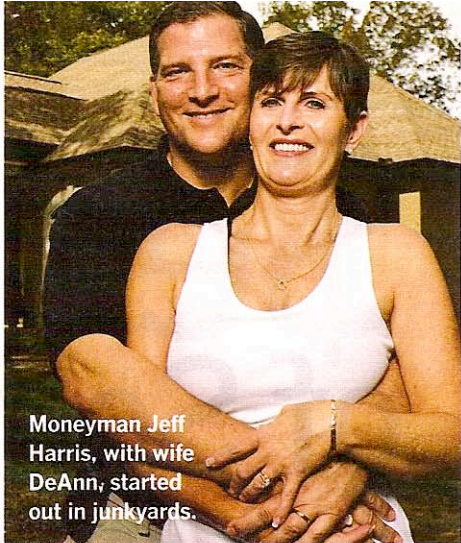
## 1. Set your sights on where you're going

Twenty years ago, Jeff Harris hardly seemed on the road to wealth. He was a college dropout who struggled to support his wife, DeAnn, and three kids, working as a grocery store clerk and at a junkyard where he melted scrap metal alongside convicts. "At times we were so broke that we washed our clothes in the bathtub because we couldn't afford the Laundromat." Now he's a 49-year-old investment advisor and multimillionaire in York, South Carolina.

There was one big reason Jeff pulled ahead of the pack: He always *knew* he'd be rich. The reality is that 80 percent of Americans worth at least \$5 million grew up in middle-class or lesser households, just like Jeff.

Wanting to be wealthy is a crucial first step. Says Eker, "The biggest obstacle to wealth is fear. People are afraid to think big, but if you think small, you'll only achieve small things."

It all started for Jeff when he met a stockbroker at a Christmas party. "Talking to him, it felt like discovering fire," he says. "I started reading books about investing during my breaks at the grocery store, and I began putting \$25 a month in a mutual fund." Next he



Moneyman Jeff Harris, with wife DeAnn, started out in junkyards.

taught a class at a local community college on investing. His students became his first clients, which led to his investment practice. "There were lots of struggles," says Jeff, "but what got me through it was believing with all my heart that I would succeed."

## 2. Educate yourself

When Steve Maxwell graduated from college, he had an engineering degree and a high-tech job—but he couldn't balance his checkbook. "I took one finance class in college but dropped it to go on a ski trip," says the 45-year-old father of three, who lives in Windsor, Colorado. "I actually had to go to my bank and ask them to teach me how to read my statement."

One of the biggest obstacles to making money is not understanding it: Thousands of us avoid investing because we just don't get it. But to make money, you must be financially literate. "It bothered me that I didn't

understand this stuff,” says Steve, “so I read books and magazines about money management and investing, and I asked every financial whiz I knew to explain things to me.”

He and his wife started applying the lessons: They made a point to live below their means. They never bought on impulse, always negotiated better deals (on their cars, cable bills, furniture) and stayed in their home long after they could afford a more expensive one. They also put 20 percent of their annual salary into investments.

Within ten years, they were million-

something in the process,” he says.

In 2003, Steve quit his job to become part owner of a company that holds personal finance seminars for employees of corporations like Wal-Mart. He also started going to real estate investment seminars, and it's paid off: He now owns \$30 million worth of investment properties, including apartment complexes, a shopping mall and a quarry.

“I was an engineer who never thought this life was possible, but all it truly takes is a little self-education,” says Steve. “You can do anything once you understand the basics.”

### 3. Passion pays off

In 1995, Jill Blashack Strahan and her husband were barely making ends meet. Like so many of us, Jill was eager to discover her purpose, so she splurged on a session with a life coach. “When I told her my goal was to make \$30,000 a year, she said I was setting the bar too low. I needed to focus on my passion, not on the paycheck.”

Jill, who lives with her son in Alexandria, Minnesota, owned a gift basket company and earned just \$15,000 a year. She noticed when she let potential buyers taste the food items, the baskets sold like crazy. Jill thought, Why not sell the food directly to customers in a fun setting?

With \$6,000 in savings, a bank loan and a friend's investment, Jill started packaging gourmet foods in a backyard shed and selling them at taste-testing parties. It wasn't easy. “I remember sitting outside one day, thinking we were



Jill Blashack Strahan's good taste is now worth \$120 million.

aires, and people were coming to Steve for advice. “Someone would say, ‘I need to refinance my house—what should I do?’ A lot of times, I wouldn't know the answer, but I'd go find it and learn

three months behind on our house payment, I had two employees I couldn't pay, and I ought to get a real job. But then I thought, No, this is your dream. Recommit and get to work."

She stuck with it, even after her husband died three years later. "I live by the law of abundance, meaning that even when there are challenges in life, I look for the win-win," she says.

## The Biggest Secret?

Stop spending.

Every millionaire we spoke to has one thing in common: Not a single one spends needlessly. Real estate investor Dave Lindahl drives a Ford Explorer and says his middle-class neighbors would be shocked to learn how much he's worth. Fitness mogul Rick Sikorski can't fathom why anyone would buy bottled water. Steve Maxwell, the finance teacher, looked at a \$1.5 million home but decided to buy one for half the price because "a house with double the cost wouldn't give me double the enjoyment."

It's not a fluke: According to the 2007 Annual Survey of Affluence & Wealth in America, some of the richest people "spend their money with a middle-class mind-set." They clip coupons, wait for sales and buy luxury items at a discount.

No kidding! Talk show host Tyra Banks calls herself the Queen of Cheap and keeps perfume samples from magazine ads in her purse for quick touch-ups.

Sara Blakely, founder of the \$100 million shapewear company Spanx, gets her hair trimmed at Supercuts.

And Warren Buffett, the third richest person in the world, according to *Forbes*, lives in the same Omaha, Nebraska, home he bought four decades ago for \$31,500.

The positive attitude worked: Jill's backyard company, Tastefully Simple, is now a direct-sales business, with \$120 million in sales last year. And Jill was named one of the top 25 female business owners in North America by *Fast Company* magazine.

According to research by Thomas J. Stanley, author of *The Millionaire Mind*, over 80 percent of millionaires say they never would have been successful if their vocation wasn't something they cared about.

## 4. Grow your money

Most of us know the never-ending cycle of living paycheck to paycheck. "The fastest way to get out of that pattern is to make extra money for the specific purpose of reinvesting in yourself," says Loral Langemeier, author of *The Millionaire Maker*. In other words, earmark some money for the sole purpose of investing it in a place where it will grow dramatically—like a business or real estate.

There are endless ways to make extra money for investing—you just have to be willing to do the work. "Everyone has a marketable skill," says Lange-meier. "When I started out, I had a tutoring business, seeing clients in the morning before work and on my lunch break."

A little moonlighting cash really can grow into a million.

Twenty-five years ago, Rick Sikorski dreamed of owning a personal training business. "I rented a tiny studio where I charged \$15 an hour," he says. When money started trickling in, he squirreled it away instead of spending it, putting it all back into the business. Rick's 400-square-foot studio is now Fitness Together, a franchise based in Highlands Ranch, Colorado, with more than 360 locations worldwide. And he's worth over \$40 million.

When extra money rolls in, it's easy to think, Now I can buy that new TV. But if you want to get rich, you need to pay yourself first, by putting money where it will work hard for you—whether that's in your retirement fund, a side business or investments like real estate.

## 5. No guts, no glory

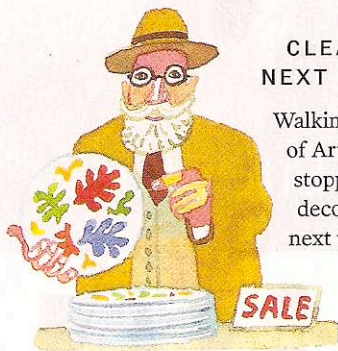
Last summer, Dave Lindahl footed the bill for 18 relatives at a fancy mansion in the Adirondacks. One night,

his dad looked out at the scenery and joked, "I can't believe we used to call you the black sheep!"

At 29, Dave was broke, living in a small apartment near Boston and wondering what to do after ten years in a local rock band. "I looked around and thought, If I don't do something, I'll be stuck here forever."

He started a landscape company, buying his equipment on credit. When business literally froze over that winter, a banker friend asked if he'd like to renovate a foreclosed home. "I'm a terrible carpenter, but I needed the money, so I went to some free seminars at Home Depot and figured it out as I went," he says.

After a few more renovations, it occurred to him: Why not buy the homes and sell them for profit? He took a risk and bought his first property. Using the proceeds, he bought another, and another. Twelve years later, he owns apartment buildings, worth \$143 million, in eight states.



### CLEANLINESS IS NEXT TO ODDLINESS

Walking through the Metropolitan Museum of Art's exhibition "Cézanne to Picasso," I stopped and looked at several beautiful plates decorated by Matisse. I turned to the man next to me and said, "Aren't they beautiful?"

He answered, "Yes, but are they dishwasher-safe?"

MICHAEL PARELLA

On a visit to her father's grave recently, my mother noticed this disquieting notice posted in the cemetery: "Please carry out what you bring in."

KIM COVATIS