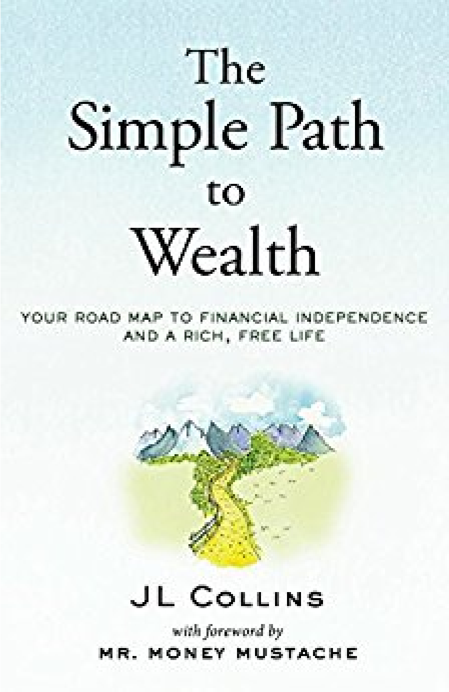
The Simple Path To Wealth: Your Road Map To Financial Independence And A Rich, Free Life



Synopsis

â œIn the dark, bewildering, trap-infested jungle of misinformation and opaque riddles that is the world of investment, JL Collins is the fatherly wizard on the side of the path, offering a simple map, warm words of encouragement and the tools to forge your way through with confidence. You'll never find a wiser advisor with a bigger heart.â • -- Malachi Rempen: Filmmaker, cartoonist, author and self-described ruffianThis book grew out of a series of letters to my daughter concerning various thingsâ ”mostly about money and investingâ ”she was not yet quite ready to hear.Since money is the single most powerful tool we have for navigating this complex world weâ ™ve created, understanding it is critical.â œBut Dad,â • she once said, â œI know money is important. I just donâ ™t want to spend my life thinking about it.â • This was eye-opening. I love this stuff. But most people have better things to do with their precious time. Bridges to build, diseases to cure, treaties to negotiate, mountains to climb, technologies to create, children to teach, businesses to run.Unfortunately, benign neglect of things financial leaves you open to the charlatans of the financial world. The people who make investing endlessly complex, because if it can be made complex it becomes more profitable for them, more expensive for us, and we are forced into their waiting arms.Hereâ ™s an important truth: Complex investments exist only to profit those who create and sell them. Not only are they more costly to the investor, they are less effective.The simple approach I created for her and present now to you, is not only easy to understand and implement, it is more powerful than any other.Together weâ ™ll explore:Debt: Why you must avoid it and what to do if you have it.The importance of having F-you Money.How to think about money, and the unique way understanding this is key to building your wealth.Where traditional investing advice goes wrong and what actually works.What the stock market really is and how it really works.Why the stock market always goes up and why most people still lose money investing in it.How to invest in a raging bull, or bear, market.Specific investments to implement these strategies.The Wealth Building and Wealth Preservation phases of your investing life and why they are not always tied to your age.How your asset allocation is tied to those phases and how to choose it.How to simplify the sometimes confusing world of 401(k), 403(b), TSP, IRA and Roth accounts.TRFs (Target Retirement Funds), HSAs (Health Savings Accounts) and RMDs (Required Minimum Distributions).What investment firm to use and why the one I recommend is so far superior to the competition.Why you should be very cautious when engaging an investment advisor and whether you need to at all.Why and how you can be conned, and how to avoid becoming prey.Why I donâ ™t recommend dollar cost averaging.What financial independence looks like and how to have your money support you.What the 4% rule is and how to use it to safely spend your wealth.The truth behind Social Security.A Case Study on how this all can be implemented in real life.Donâ ™t let any of this intimidate you. Those that have gone before you say:â œâ |.in his patented no-frills and often humorous style, JL makes it both approachable and simple. And powerful.â •â œâ |effective message told in a visual, funny style.â •â œâ |a refreshingly unique and approachable take on investing.â •â œJL Collins has the gift of making boring financial concepts funny and interesting.â •â œInstead of esoteric equations about measuring a stock's alpha and comparing it to its beta, he lights up the campfire and starts telling stories.â •Enjoy the read, and the journey!

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Customer Reviews

I liked the authorÃ¢Â Â™s podcast interview by the respected, data driven and the whimsical Mad Fientist. I bought this book for two important reasons: it was self-published and the authorÃ¢Â Â™s persistent reference to Jack BogleÃ¢Â Â™s genius. I support self-published financial authors because the traditional publishers deploy editors to tweak the authorÃ¢Â Â™s voice, and original story, to make the final Ã¢Â ÂœprocessedÃ¢Â Â• book more sellable. Instead, self-published authors do not have to satisfy shareholders, or generate sales, so the authorÃ¢Â Â™s message about BogleÃ¢Â Â™s investment philosophy and the company he founded, Vanguard, remains organic for the readersÃ¢Â Â™ best interest.This book is perfect for beginners, and some seasoned investors who are sick and tired of searching for that short-term investment miracle. Collins stuck with BogleÃ¢Â Â™s purest message from the beginning to the last word. As a Bogle devotee, I appreciate his courage to stand up, write a terrific book and argue effectively for the indexing strategy and against the delusional appeal of day-traders, hedge fund managers, active management strategies, timers, or individuals who claim they can successfully speculate and win big. Far too many normal investors get caught up in those phony, but exciting fantasies and lose. The new guy or gal investor gets the skills to construct a simple portfolio you understand, and then have the courage and the confidence to permanently ignore the mediaÃ¢Â Â™s seductive financial noise machine.The Simple Path to Wealth basic message to beginners is well-known in the Do It Yourself (DIY) investing culture:Ã¢Â Â¢ think long-termÃ¢Â Â¢ live below your meansÃ¢Â Â¢ plan ahead with a fully diversified portfolio (except international stocks, more on this below)Ã¢Â Â¢ invest in Vanguards low-cost index fundsSooooo, what is not to like? IÃ¢Â Â™ll admit itÃ¢Â Â™s a boring plan, and not all DIYers embrace it. But I love my boring plan and itÃ¢Â Â™s exactly where the power of what we can do liesÃ¢Â Â”after setting up our plan, we must be patient.Collins writes much about psychology, for good reason. The power lies with us. It’s not us versus the big intimidating stock market. With time and experience, we learn to be psychologically tough for long periods of time. In the movie Wizard of OZ, Glenda told Dorothy that she Ã¢Â Âœalways had the power to go home again?Ã¢Â Â• It’s the same for us investors. All of the features of a constructing a balanced plan remains under our control. It fairly easy to learn. But the hard part is the unfair and counterintuitive psychology. Thinking long-term is the best antidote. Over time the growth will pay enough of a return to meet or beat the inflation rate. Meeting or beating inflation is a simple, realistic goal, and psychological attractive. This book shows you how to like saving with minimal time and effort to discover the investing process.Patience, psychology, and philosophy are a difficult sell. Many investing aficionados are more interested in the adrenaline rush and chasing the opposite sex than building wealth over time. The market is not something to conquer or control. It is simply made up of wonderful organizations of hardworking people, called publicly traded corporations. The author explains how to harness all of that positive corporate energy, and just flow with it, whether it goes up or down, and over time it goes up. The author addressed the tough sell challenge with elegance and subtle toughness.The author discusses investment costs, taxes, tax-deferred retirement plans offered by employers, the retirement years and strategies to keep from running out of money. My favorite chapters are Ã¢Â ÂœWhy I donÃ¢Â Â™t like Investment AdvisersÃ¢Â Â• and Ã¢Â ÂœSome final thoughts about risk.Ã¢Â Â• Financial advisers are an easy target with hundreds of reasons not to like. Most of us DIYers will never need a financial adviser, for two good reasons: Collins writes Ã¢Â ÂœNobody cares about your money more than you do,Ã¢Â Â• and Ã¢Â Âœyou can learn to manage your money yourself with far less cost and better results.Ã¢Â Â• From my personal experience, knowing how to save investment costs alone was enough to pay cash for the Tesla Model S.On the subject of risk, my favorite part, and I quote as the author was speaking to the zombie apocalyptics among us especially the financial media: Ã¢Â ÂœMajor Armageddon extinctions events, like the asteroid that took out the dinosaurs some 65 million years ago, have happened about five times. So thatÃ¢Â Â™s about one every 10 million years or so. Are we really arrogant enough to think itÃ¢Â Â™s going to happen in the geological eye-blink weÃ¢Â Â™ll be around? That weÃ¢Â Â™ll be the ones to witness it? No likely.Ã¢Â Â• Economic Armageddon ainÃ¢Â Â™t going to happen either.There are a few minor omissions. The author is not well known, so he needs to talk more about himself about what he did. I felt like he had more to say as examples of his fears of risk and the mistakes he made. All of that would have made the book even more authentic and organic. What was the role of his wife? What exactly did the author and his wife do for a living? He did report that he worked as a financial analyst. So, was he in the financial industry? He did not explain why he had an overly aggressive portfolio for an individual in his 60s. He did not share his diversification plan, except that he doesnÃ¢Â Â™t own international stocks (he explains why).Consequently, I give him an A for telling us how to set up a portfolio and his rationale, but I give him a B for not showing what exactly he did and for how long. His rationale is spot on, but portfolio construction and asset allocation strategies and information can be found in many books (The Boglehead Guide to Investors, any book written by Jack Bogle or his followers, Ferri, Swedroe, Roth, and Bernstein).Ã¢Â Â¢ Some other minor items that I found perplexing. On page 246, he writes, Ã¢Â ÂœSave and invest at least 50% of your income.Ã¢Â Â• What? I reread this again and again, and could not comprehend why the author wrote this. In my working career, I could not even contribute the maximum allowed in my 403(b) plan let alone save 50% of my income (No, I never had new car payments because I could not afford car payments and invest too). Yet, I reached financial independence at age 61. 50% of oneÃ¢Â Â™s income is overreaching and dangerously discouraging (unless you are a highly elite and talented employee with a 7 figure income). For the rest of us, just start with what you can afford. For example, I started at age 37 with $200 a month in my 403(b), and that was a lot out of my meager income. But I kept it up for 24 more years.Ã¢Â Â¢ Back to his strategy about avoid international stocks. The author knows he will get pushback, and he probably has heard my argument for international investing many times. Diversification means investing in all available stocks, worldwide. So, letÃ¢Â Â™s take advantage of these opportunities to invest in just one fund, the Vanguard Total World Stock ETF (VT). The author wonÃ¢Â Â™t have it. IMO, the author might be reflecting his age because he says that investing in the United States domestic market is enough diversification because of the worn-out global connections argument. He tries to offer valid reasons, but they are out-of-date, and one about excessive costs is flatly wrong. Vanguard's Global fund charges .14%. I donÃ¢Â Â™t know about you, but that is inexpensive.Also, I am 69 years old and old enough to remember my elders saying that is too risky to invest in foreign stocks. We are well into the 21st century and the world has changed. DonÃ¢Â Â™t you think that international corporations want to grow and prosper too? Of course. DonÃ¢Â Â™t you think opportunities for diversification have evolved for the better? Yes. I want as much diversification as possible to reduce equity risk, and reduce volatility. I might even get higher returns, but thatÃ¢Â Â™s not part of my expectations. The global index funds or ITFs make full diversification in just one investment a synch.Ã¢Â Â¢ Another minor objection is his downplaying the Roth IRA. I think he over complicated with trying to predict the tax rate to decide to use or not use the Roth IRA. ItÃ¢Â Â™s futile and a waste of time to guess the future. Not having to pay capital gains taxes after investing in the Roth IRA is one of the best strategies for us regular investors (You can run the numbers on a brilliant Excel program created by The Finance Buff). After running the numbers on the Excel program, you will be thoroughly convinced to include the Roth IRA in your plan.Ã¢Â Â¢ One last objection. I recommend to readers who donÃ¢Â Â™t have a Ã¢Â Âœlump sumÃ¢Â Â• that is, a bundle of money to invest already, that you ignore the Ã¢Â ÂœWhy I donÃ¢Â Â™t like dollar cost averagingÃ¢Â Â• chapter. I had to use DCA during my entire working career investing in my 403(b). Because I started from NOTHING and had less than $50,000 for years. If you have a lump sum to invest, follow the authorÃ¢Â Â™s advice. But I think I can speak for most investors who have little choice but to use DCA. His opinion about DCA was more discouraging than encouraging.CollinÃ¢Â Â™s strong opinions about some of his investment ideas represent more of his individuality than sound investment practice. Of course, the author never intended to be discouraging. I am just responding as a reader with a few of my opinions about his outstanding work. ThatÃ¢Â Â™s perfectly fine for him as his opinions worked for him and they might work for you too. My opinions worked well for me. In the final analyses, he follows the Ã¢Â ÂœBogleheadÃ¢Â Â• way. For that, I am delighted he wrote a great self-published book showing once again the work of the legendary investor, advocate, and teacher, Jack Bogle. Outside of these minor differences of opinion, Mr. Collins earned a well-deserved five stars.In sum, if any author self-publishes a book about investing, I think it is important to readers to know that the message is organicÃ¢Â Â”no other agenda item hangs in secret, other than to explain and lay out a simple plan which will connect with new investors and get them results.

Jim Collins has done more to make personal finance knowledge accessible than anyone I can imagine. He took the huge complex wealth building system of the stock market and made it understandable. His explanation for how important reducing fees in investing is similar to the John Bogle Common Sense Book of Investing. Adhering to the principles and advice in this book provides an incredible base of knowledge that can help any person spend their money well, build wealth, and retire early if they choose.After reading the book, we increased our savings rate by 20% because according to Jim 50% is a reasonable savings rate. Thanks in part to his advice, we will be able to retire in ten years at 44 if we choose to do so. I highly recommend this book to all of my friends and whoever will talk to me. I'm planning on buying the upcoming audiobook as well. The main reason I gave it five stars is that I couldn't give it six stars. Read this book!

I just finished A Simple Path to Wealth and I have only one criticism. I wish it had been written it in the late 1970s when I graduated from high school. Other than that, itÃ¢Â Â™s perfect. I came to very much the same conclusions but it took me almost forty years and tens of thousands of dollars of so called financial planner fees to get there. Thanks to the author for such a succinct guide.My stepsons, nieces and nephews will be receiving a copy to go along with Jacob FiskerÃ¢Â Â™s Early Retirement Extreme and George ClasonÃ¢Â Â™s The Richest Man in Babylon. The rest of my investing library is going to the used book store and the proceeds into VTSAX.

Outstanding read. Just more or less solidified that what I was already doing was the correct path to be taking. Mr Collins and Mr Money Mustache are outstanding teachers in the ways of the financial and investment worlds. Listen to them. Investing doesn't have to be difficult. You don't have to listen to the echo chambers on business news TV. At the end of the day, nobody truly knows what the market is going to do and Collins goes in depth on explaining why attempting to time the market for your investments is a fool's errand. Nobody should have to get another job during their retirement years to make ends meet. Be a smart and non-emotional investor and retire with actual wealth and don't assume social security will be there to help you along. Read this book and prosper. You can be retired in your 30's if you start early enough. Best of luck!

This should be required reading material for every high school student before graduating! It is written so clearly and easy to understand. He lays out easy steps that took me 25 years of reading and investing to learn. I have recommended this book several times to the millenials I know, and their parents. What a gift he has given his daughter and the readers by laying out an easy-to-follow roadmap. Like the author, I am a money nerd and had already figured this stuff out slowly. I read the book simply because my niece had asked for a recommendation. If I would have had this book in my early 20’s, I would be retired now!

This is a great book. There is nothing in it that is not of great importance to anyone who is looking for financial independence. It is a book for anyone looking to do simple investment also. I’ve read several books and done research on investing, and by far this is the simplest one. As a result, I’ve opened 2 accounts with Vanguard. One taxable and a Traditional IRA. I am also fully funding my 457b at work, and we are becoming more and more frugal so that We can maximize our investments. Also, for those looking to become financial independent as fast as possible, check out Mr. Money Mustache, Madfientist and extreme early retirement on the web. Good luck!

(Gluten-Free Diet, Celiac Disease, Wheat Free, Cookbook Book 1) Your Money or Your Life: 9 Steps to Transforming Your Relationship with Money and Achieving Financial Independence: Revised and Updated for the 21st Century The Wealth Mindset: Understanding the Mental Path to Wealth Rich Dad's CASHFLOW Quadrant: Rich Dad's Guide to Financial Freedom Passive Income Online: 5 Highly Profitable Ways To Make Money Online (Passive Income, Automatic Income, Network Marketing, Financial Freedom, Passive Income Online, Start Ups, Retire, Wealth, Rich) FINTECH: Simple and Easy Guide to Financial Technology(Fin Tech, Fintech Bitcoin, financial technology fintech, Fintech Innovation, Fintech Gold, Financial services technology,equity crowdfunding) Your Money or Your Life: 9 Steps to Transforming Your Relationship with Money and Achieving Financial Independence Rich Bitch: A Simple 12-Step Plan for Getting Your Financial Life Together...Finally