

# **RICH HABITS** POOR HABITS

LEARN THE DAILY HABITS  
THAT SEPARATE THE  
RICH AND THE POOR

TOM CORLEY & MICHAEL YARDNEY



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# ACKNOWLEDGEMENTS

MICHAEL YARDNEY

This book, like almost everything else in my life, is the result of a team effort.

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Over the years I have read almost every book about wealth creation, success and investment ever written. I have learned a lot along the way

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and there are many ideas sprinkled throughout this book that I have learned from others. I guess I had to learn everything from someone at one stage, so I am sorry I cannot acknowledge everyone – I really can't remember where I first came across many of my strategies.

Where I recollect first hearing about an idea I try to give credit where it is due, but if I have omitted mentioning your name, please excuse me as I shamelessly acknowledge borrowing other people's good ideas picked up from observation or from conversation, books, blogs, CDs, DVDs and seminars. As knowledge about becoming rich and successful isn't one individual's sole domain and there are really no secrets, I can only assume that these people also learned from other people's ideas, books, blogs, CDs, DVDs and seminars.

I must make special mention of Robert Kiyosaki who contributed to some of my concepts about wealth discussed in this book and I have also learned from the many successes, and even some of the failures, of the over 2,000 property investors I have personally mentored through my 12-month mentorship program. I am very proud of your successes.

I must thank Michael Wilkinson from Wilkinson Publishing for having faith in me way back in 2006 and publishing my first book. Michael has become a friend and mentor and continues to encourage me to write.

And finally to you, the reader – thank you for choosing to invest in this book. Please take advantage of the information we have to offer by using it to obtain the success you deserve.

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SECTION ONE

**WHY WE CAN TEACH  
YOU TO BE RICH**

*Tom Corley and Michael Yardney*

# INTRODUCTION

The rich are getting richer — but are you?

Study after study shows that while the rich are getting richer, the middle class are working harder and longer than they did a decade ago, but have less to go around each week.

And what's happening to the poor?

They're growing in numbers and they're hurting. And their numbers are swelling as we are slowly losing a middle-class — but the poor don't get much attention. Yet the growing ranks of the financial have-nots is a bad sign for our economy.

In the old days miners took canaries down into the mines with them to warn of impending danger. When the canary keeled over, the miners ran realising the atmosphere was becoming a threat to their lives. Today the poor are the canary for our society, warning of impending dangerous conditions to our economies and lives.

It may not seem fair, but the fact is the “income gap” is increasing and most financial experts only see this trend continuing with no end in sight. One of the realities of life is that, despite living the best of times in some of the richest countries in the world, most people today are struggling financially. And the gap between the wealthy and the average person only seems to be getting wider.

So, this has led many people to ask, “Why do the rich keep getting richer?”

Most of the time, it's not because of luck. It's not because of the family they were born into and it's not because they won the lottery.

***Wealthy people simply do things differently.*** They think differently, they act differently and they have different habits.

Our goal in writing this book is to reassure you that wherever you are in your financial life today, you too can become rich.

But to become rich you'll have to do things differently. You'll have to think differently. You'll have to behave differently. And you'll have to develop different habits — Rich Habits.

What we're going to show you has worked for us and countless others, so there is no reason why you can't achieve your financial dreams if you're willing to take the time to learn how to attain them.

However, this is not a book about money, investing, real estate or stocks — there are plenty of good books out there on these topics — in fact, Michael has written a number of them that you can find at [www.MichaelYardneyBooks.com.au](http://www.MichaelYardneyBooks.com.au).

Instead this is a book about modelling the way rich people feel, think, act and behave. It is a book about developing Rich Habits (the habits most rich people exhibit) and deleting Poor Habits.

But don't misunderstand us — we believe that talking about getting rich is really a discussion about what's important to you in achieving a fulfilling life.

This will mean different things to each and every reader, but if you're honest with yourself, in Western societies, money is seen as the number one benchmark of success — not only do we want to keep up with the Joneses, many of us want to have a bigger and better house and car than they do, too.

And even if you don't aspire to riches or a big home or a fast car, if like many people you live in fear because your wallet is empty, we'd like you to have the satisfaction in life of knowing that you're financially secure.

### **Can this book really make me rich?**

We bet that when you picked up this book you wondered, “Can this book really make me rich?”

The truthful answer is — possibly.

There are only two ways to learn what you need to know about becoming rich. You can learn from *your own* mistakes and experiences or you can learn from the mistakes and experiences of *others*. The first way is too hard, too expensive and too demoralising.

The second method — learning from the experiences of others — is by far the cheapest and easiest, yet it is also the least used.

Imagine if we offered you two books:

1. Here's one with all the mistakes you could make;
2. And here's another one with all the ways to do it right.

Which one would you choose?

Interestingly, most people choose to try and learn to do things on their own, however you can greatly accelerate your growth and progress towards financial success by systematically copying the rich and successful people who have gone before you.

Now we're not talking about how they invest or what businesses they run, even though this is important to understand. We're suggesting you look a level higher to understand their daily habits and what they do from the moment they get up until the moment they go to bed. We want you to get inside their heads and discover how they feel and how they think because this determines their actions, their habits and their results.

Of course, there is nothing new about this.

The concept of modelling successful people has been used by the top performers in every field from music to sports to business. All people at the top of their field today began by learning from the best at some stage.

Once you do the things the rich and successful people do, once you think like they do, once you act like they do, once you adopt their Rich Habits, you will begin to feel like they feel — you will feel rich and you will start to get the same results that they do, and you will become rich.

## **Oh no — this is not a metaphysical book is it?**

Don't worry this is not a metaphysical book — it's not full of "rah-rah" feel good stuff. It is based on scientific evidence — in particular Tom's five-year study of the rich and the poor.

You will learn that the rich are not very different from the poor. There've simply learned to do things in a different way from the majority. We'll show you that if you do what other successful rich people do over and over again, you'll eventually get the same results.

That's because financial success is not a matter of luck, it's simply the result of the law of cause and effect — if you initiate the causes you will get the effect.

Both of us have independently studied the rich and wealthy and how they became that way.

While we were on opposite sides of the world — Tom in the United States and Michael in Australia — we both came to similar conclusions.

As a CPA, Tom saw how some of his clients were so much more successful than others, so he set about studying 233 rich people and 128 poor people over five years and analysed the results from 144 individual questions, which totalled nearly 52,000 answers!

Michael studied rich and successful people who were being mentored by some of the most successful business people in the world for many years. He spent hundreds of thousands of dollars on personal development education, coaching and mentoring. Michael grew his own national business and a multimillion-dollar property portfolio and then went on to educate more successful property investors in Australia than anyone else. Michael and his team have been involved in more than \$2 billion worth of property transactions and he has personally mentored over 2,000 investors, business people and entrepreneurs over the past decade.

Not surprisingly, both Tom and Michael came to similar conclusions. They realised that becoming rich and successful had little to do with

education, race, background or age. Yet it had a lot to do with the way people think, the way people act and their habits.

Their learnings confirmed what Wallace Wattles wrote many years ago in his book *The Science of Getting Rich*, which was **your thoughts lead to feelings — your feelings lead to your actions — and your actions lead to results.**

*Your outside world is a reflection of your inner world* — your thoughts, your feelings, your actions and your habits.

So, while this is a book about getting rich, it is not a book about investing money in stocks or real estate. Instead, Tom and Michael will share the biggest secret of getting rich — you have to think like the rich and act like the rich if you want to join the rich.

### **It couldn't be as simple as that could it?**

Yes, but while it's simple, it's not easy. And that's not a play on words. That's why most people don't become rich, but it's also the reason why those who understand the principles we are going to share do become rich.

And that's why you can become rich!

You'll learn how important your financial conditioning is to the habits you practice.

We'll show you that the best way to solve your financial problems is to change the way you think, which will lead to a change in habits — start thinking like rich people, rather than the way that middle-class or poor people do.

You're not going to change a situation with the same old thinking.

There's an old saying, "Give a person a fish feed him for a day. Teach a person to fish and you feed him for life".

That's what our intention is in this book.

If you don't change your way of thinking, all the financial advice — in fact all the money in the world — won't make you rich. We know this may be a little hard to believe, but please bear with us and we'll explain why we believe this wholeheartedly.

## How long will it take me to get rich?

It will probably take a little longer than you'd like and the lessons we'll share most likely will be very different to what you're expecting.

As we studied the biggest differences between our wealthy clients and the average person, we came to realise that their success had very little to do with their backgrounds, education, nationality, investment vehicles or starting capital. Instead it has a lot to do with how they think — in fact, 80 per cent of the reason for their success was their mindset.

Now this may not be what you initially want to hear. You're probably hoping for us to show you how to make a killing in the stock market, how to unearth the next property hotspot, or how to start a business that will be a goldmine.

Imagine for a moment that somebody was willing to give you a million dollars in cash or alternatively, they offered to teach you how to create the mindset of a millionaire. Which would you prefer? We believe that most people would take the cash and run, rather than learn how to change themselves.

So ask yourself: which option would you choose?

If you really understand that you would be better off changing your mindset, that's one of the many concepts we'll be sharing with you and you'll discover that ***your world will change when you change***. The exciting thing is that the faster you work on transforming yourself, the faster you'll be able to start creating the things you want.

## No judgment

In this book we use the words wealthy or rich, and poor or average, to differentiate between those who have achieved financial freedom and the vast majority who never quite make it beyond the nine-to-five grind and continue to live just within or, in many cases, beyond their true financial means.

We realise that in Australia and America (where we each live) there are few really poor people — we tend to have the rich and the middle-class.

When we use these terms we're trying to make a distinction and we're **definitely not making a judgment** about the “wealthy” or the “poor” and whether one socio-economic group is better than the other.

This is not a social analysis or commentary. We're just suggesting that most people want to become rich or at least financially well off, in fact most people we deal with want to become financially independent. They are not happy with mediocrity or struggling for a wage.

We also want to make it clear that when we're talking about rich or poor, wealthy or hard working, we're not putting a value on the person, because truthfully there is no way to do that — all of us are priceless. What we're saying is that from a financial standpoint, some of us are doing better than others.

Also, throughout his book we're going to use the words “wealthy”, “rich” and “successful” interchangeably, just for convenience, even though our definition of wealth is much more than having money.

To be truly wealthy you need money plus your health; money plus friends and family to enjoy it with; money plus time to enjoy it; money plus the ability to keep growing; money plus spirituality (and this will mean different things to different people); and money plus the ability to contribute to society and your community.

And finally, just to make things clear...

## **This book is not about making money**

“Making money” suggests that you obtain wealth through, or in proportion to, your efforts or your hard work. Instead we’re going to show you why the rich keep getting richer, and while they do work hard, it’s much more than that. They keep getting richer because of:

### **1. Their Mindset**

So we’ll be discussing their thoughts, attitudes and beliefs about wealth. There is a way of thinking that makes you magnetic to wealth and there is a way of thinking that repels wealth, and this, obviously, is how most people think. But we won’t stop there — unfortunately you can’t just “Think and Grow Rich”.

### **2. Their Behaviours**

*THE RICH DO CERTAIN THINGS IN A CERTAIN WAY* that make them attract money. They have Rich Habits. They work in jobs or are self-employed or run a business. The rich invest in shares or real estate like many others, but the point we’re trying to make is they not only do certain things, they do them in a certain way — a different way to most people. Then, of course, there are certain habits the rich have that the average person does not.

### **3. Their Knowledge**

The rich are financially fluent, which places them in the right position to attract wealth.

## **A word of warning!**

A lot of what you’re about to read in this book is initially going to be hard to accept, because it goes against your teachings or what you read in the day-to-day media, so you may be tempted to reject it. It may even make you feel uncomfortable.

To avoid having wasted the price of this book, and more importantly to avoid missing out on having your share of the wealth that is out

there just waiting to be shared, please be patient and prepared to consider ideas and suggestions that at first may seem wrong and unreasonable to you.

As you read on there are two things that could get in the way of you learning the valuable lessons within these covers.

Firstly, you could think *“I already know that”* and the second inhibiting thought may be, *“This is all too much, I don’t understand it. I’ll never get there anyway so I may as well give up now”*.

Beware: these are both excuses that your mind uses to keep you in your comfort zone.

If at any point you feel overwhelmed, simply say to yourself: *“I don’t need to get it all in the first reading”*, just read through initially to grasp the main points and then re-read the sections that don’t make sense the first time.

Are you up to it?

When you hear your mind saying, *“I already know that”* — maybe you do. Or maybe you should look at it afresh. Is there a new angle that you haven’t considered before? How can you apply the new information that you have learned?

Change can be difficult, but if you put in the effort to transform your thoughts and feelings about money and your relationship with it, you will come out richer in mind, spirit and, yes, in money itself!

To encourage you, in the next two chapters we’re going to briefly describe our “qualifications” to assure you that you should take our suggestions seriously.

We hope this rather long introduction has set the scene for the exciting journey we are about to share together.

We’re about to show you a way of approaching financial independence that is quite unique. We’ve seen people in serious debt use these wealth-building strategies to break out of the rat race and we’ve also

seen what many would consider already rich people grow their wealth exponentially. Wherever you are starting from, these strategies will give you the edge in the years ahead.

However, as you earn more money, you will realise that money doesn't bring you happiness. It may give you some short-term satisfaction, especially if you are financially insecure. But as you work your way up the Wealth Pyramid (a concept we'll explain shortly), you'll find that relationships and contributions will mean more to you than money.

Money by itself is empty and meaningless — you have to give it a meaning. Money can be earned, grown, invested, fought over, won, lost, watched over, exchanged, given away or buried. But the nicest thing you can do with money is share it.

Contribution has become an important part of life for both of us as well as our families. Every dollar we have shared with someone less able to gain prosperity has doubled in value — maybe not as cold hard cash but in myriad other ways.

So, are you ready to learn the habits and the mindsets of the rich?

## CHAPTER 1

# WHO IS TOM CORLEY?

Why do so few succeed in life?

Why are some people rich and other people poor?

What specific things are the rich doing every day that the rest of us aren't?

Few ever find out the answers to these questions during their lifetime. Unfortunately, how to be successful in life is not a subject that is taught in our schools. We are all in the same boat, attempting through trial and error to figure it out on our own.

I understand the difference between being rich and poor because at age nine my family went from being multimillionaires to broke in just one night. As an adult, for five years, I observed and documented the daily activities of 233 wealthy people and 128 people struggling with poverty.

I discovered there is an immense difference between the habits of the wealthy, particularly self-made millionaires, and the poor.

You see... I grew up in a very religious family. Every Sunday we attended mass. Every Saturday was confession. I said the rosary every night before I went to sleep.

At a very early age I truly believed my calling in life was the priesthood. But things changed and, instead, I became a certified public accountant (CPA). Most CPAs I know are very moral and honest individuals. I suppose those not cut out for the priesthood become CPAs!

One of the things my mother would often recite to me was a biblical scripture in Matthew 19:24:

*It is easier for a camel to pass through the eye of a needle than for a rich man to enter the kingdom of God.*

As a result, I grew up convinced that the pursuit and acquisition of wealth was a mortal sin and saw all wealthy individuals as sinners. That all changed in 2009, after completing my analysis of my five-year study on the daily habits of the rich and poor. That study opened my eyes. I learned that wealthy individuals were not bad people. So many of them had devoted their time and money funding and running charitable organisations that helped poor people, disabled people, homeless people and those otherwise cast aside by society.

Rich people, I found, were among the finest human beings to walk the earth.

No, it's not a sin to pursue and acquire wealth. In fact, I have come to believe that those who pursue and realise their dreams, and become wealthy in the process, are actually closer to God than those who sit in condemnation of them.

So, don't let ignorant ideologies hold you back from the pursuit of success. Unshackle yourself from them. Those who embrace the notion that the pursuit and acquisition of wealth is bad, are, in my opinion, the real sinners.

During my research I identified more than 300 daily activities that separated the "haves" from the "have-nots". The culmination of this research can be found in my #1 bestselling book, *Rich Habits: The Daily Success Habits of Wealthy Individuals*.

I'm also a certified financial planner (CFP) and hold a master's degree in taxation. As president of Cerefice and Company, CPAs, I head one of the premier financial firms in New Jersey.

Between 2004 and 2009 I devoted five years of my life to studying the daily activities of more than 350 rich and poor people to find out what the rich and the poor do from the time they wake up in the morning to the time they put their head on the pillow at night.

Thanks to my research, I was able to uncover exactly what the rich are doing right and what the poor are doing wrong. I incorporated what I learned into the "Rich Habits Program" which is designed to provide

timely, easy-to-follow guidance on achieving unlimited personal and financial success.

***Wealth is not just a by-product of random luck***, advanced formal education, a superior work ethic or inheritance.

Success is a foolproof process. Within these pages is the 21st century blueprint for financial success and happiness!

The genesis of my research began when a struggling client came to my office seeking advice. The client's business was growing however he had difficulty in making ends meet, particularly at payroll time. In sheer desperation, he asked, "What am I doing wrong?"

For months I analysed his business, his expenses, processes, labour rates and industry comparative data. I even sought advice from a "rich" client in the same industry, with a similar level of gross revenues and whose business shared comparable demographics. After all of that work the only thing I had to show for my efforts was that my client was taking a salary that was about \$40,000 more a year than my "rich" client.

At a lunch meeting with my struggling client, some weeks later, I confessed that the only variable that stood out was that slightly higher salary.

The client was not happy. I was not happy. We sat in silence at our table for some time. In an effort to break the uncomfortable silence I asked my client what he did for fun. That seemed to break the ice, as there was an immediate shift in my client's demeanour.

The client leaned in, eyeing the other tables at the restaurant and said ever-so-quietly, "On Wednesday nights I get a couple of ladies of the night, a few bottles of wine and..."

The client, in response to my obvious look of shock, stopped mid-sentence. "I'm sorry," he said. "I shouldn't have shared that with you. I talk way too much sometimes."

I assured him that I was an Irish Catholic boy from New York raised in a family of eight. I told him that growing up in my family we looked at

laws as mere obstacles to be overcome. There was very little I had not seen in my life.

My shock was not from moral indignation, but from the realisation that I had been asking my client all the wrong questions these past few months. I went on to ask him how much he spent on those Wednesday nights and how long he had been doing this. He confessed that when he got divorced some 10 years ago he adopted this Wednesday night habit.

He thought for a moment about what it cost and guessed those nights ran to about \$500.

I did some quick math and determined that those Wednesday nights were costing him about \$25,000 a year. I further determined that over the course of 10 years this one habit cost him about \$350,000. This \$350,000 was almost exactly what he owed on his company's line of credit that the bank had shut down. His additional \$40,000 in salary was being used to fund his Wednesday night trysts. Worse, he was funding it with his line of credit!

That one habit ended up putting my client into bankruptcy.

The epiphany I had was that there was much more to financial success and failure than meets the eye. *The devil was in the details.*

The only way to uncover those details was to ask the right questions. I eventually came up with what I now call my "20-questions list".

This list is actually 144 questions, grouped into 20 categories. I asked these 144 questions to 233 rich people and 128 poor people over a five-year period. If you do the math, that's 51,984 questions. Of the 233 rich people, 177 were self-made millionaires; 31 per cent came from poverty and 45 per cent from the middle-class. It took me five years to complete my research and analyse the data.

The data I gathered from these 51,984 questions makes it clear that there is a difference the size of the Grand Canyon in the way rich people and poor people live their daily lives. This one client unknowingly took

me down a path toward the discovery of the secret to financial success and that secret is our habits!

***Our habits***, good or bad, ***determine the financial circumstances of our lives***. Those habits that lead to financial success I call the Rich Habits. Those habits that drag us down into poverty I call Poor Habits.

If you would like the list of questions plus the details of my research findings, please register your copy of this book at [www.RichHabitsPoorHabits.com](http://www.RichHabitsPoorHabits.com) and you'll be able to get all the details plus more in the bonus section.

If you're one of the tens and tens of thousands of readers of my first book *Rich Habits*, I promise this new and improved, expanded edition will blow you away. It includes all of my most recent research as well as insights from Michael Yardney to help you think and live like the rich. Thanks for picking up a copy of our book. Your life is about to change!

## CHAPTER 2

# WHO IS MICHAEL YARDNEY?

Of course you're not going to listen to just anyone telling you how to get rich, are you? At least, I'd hope not! So this is an introduction to who I am and why I'm qualified to share this information with you; but don't let that stop you from reading this section! I merely want to explain how I learned about wealth creation and to show you that if I can do it, so can you.

I also want to help you understand a little about the things that influenced me over the years, because if you're going to take advice from someone in wealth creation, it's only right that you should ask: "Why should I listen to you?" It's important that you know that they know what they're talking about and have a long-term, verifiable track record.

You see... I've read most books on finance and personal investment and many of them were written by authors who were not what most of us would call "rich". If they haven't achieved true financial independence themselves, what makes them think they can show you how to do it? Most of them believe in the "fake it 'til I make it" philosophy and some have done well during the last few years, but many have done well for the wrong reasons — a rising tide lifts all ships.

While I'm Australasia's most published author on the psychology of success and wealth creation, I'm not a theorist — I bought my first investment property in the early 1970s for \$18,000 and proceeded to turn a \$2,000 personal loan into a very, very substantial multimillion-dollar property portfolio... in my spare time.

Today I am CEO of the Metropole Group of Companies, with a team of property professionals across our offices in the three biggest capital cities in Australia — Melbourne, Sydney and Brisbane. Together we have bought, sold, negotiated and project managed over

\$2 billion-worth of property transactions to create wealth for our clients (and ourselves).

I've written eight bestselling books, I've once again been voted Australia's leading property investment adviser and I'm frequently quoted in newspapers, magazines and on the radio.

My daily blog [www.PropertyUpdate.com.au](http://www.PropertyUpdate.com.au) has more than 100,00,000 subscribers and I have probably educated more successful Australian property investors than anyone else. I regularly present at seminars throughout Australia and South East Asia and teach about wealth creation through property investment and the psychology of wealth and success.

Over the past decade I've mentored more than 2,000 property investors, entrepreneurs and business people and I have made a lot of money for myself and for others. But I have also lost money making foolish decisions at times through what seemed to be prudent decisions that caught me out when economic circumstances changed unexpectedly.

I have a beautiful wife, Pam, who was also one of the founding partners in my business until she retired. In our blended family we have six children and nine grandchildren. We own a very substantial property and share portfolio, live in a beautiful penthouse apartment, have many good friends and enjoy a life we could have only dreamed of when we were growing up.

I tell you these things not to brag — I don't need to — and just in case you wondered, life wasn't always this way or this good...

The son of working-class parents, I came to Australia at the age of three when my family settled in Melbourne. My recollections of my childhood include my parents arguing at the end of each month when it came time to pay the bills. I remember hearing them discussing who would get paid that month and who wouldn't. I remember them struggling to put a few shillings (this was before dollars and cents) aside each week to save up to have some money to spend at Christmas.

Interestingly, while both my parents worked as employees (my father

was too afraid to take the “risk” of running his own business), almost all of their friends owned their own businesses and were considerably wealthier than we were. It seemed to me that we were the poorest family in the street and I definitely felt the poorest amongst our friends.

My friends’ parents all owned cars — mine couldn’t afford one for many years. My friends and their parents went on summer holidays — for many years we did not. And my friends’ parents owned investment properties — mine didn’t when I was young.

So, while my friends’ parents owned their own businesses and invested in property to grow their wealth, I remember my father’s financial plan.

Every Saturday morning he would sit at the kitchen table smoking his cigarettes, drinking his black coffee and daydreaming. He would make a list of how he would spend the winnings when his lottery numbers would come up. Of course, he never won the big jackpot. But occasionally he won a small prize, just enough to encourage him to buy a few more lottery tickets in the hope of getting the big one the following weekend.

Of course, the lottery is not a financial plan... but it was the only way my father could see himself escaping the rat race.

I learned a lot of very beneficial things from my parents who tried to instil good moral values in me. They wanted me to have a better life than they did. They strongly encouraged me to get a good education, get a secure job, buy a house and pay it off.

On the other hand, when I visited my friends I heard their parents give them very different advice. They said things like, “If you want to get on in Australia,” (the “lucky country” as they would call it, as most were European migrants) “you need to go into business and earn money which you should then invest in property — that’s the true path to real wealth.”

Through my friends’ parents I learned you couldn’t count on the lottery or your boss to make you rich. I knew from an early age that I wanted to be rich and I soon realised that if I was going to get rich it was up to me!

## What makes people rich and powerful?

I don't remember exactly when I decided that I wanted to become rich, but I know I was pretty young. At an early age, I determined that I did not want to struggle when I grew up like my parents had. I didn't want to fight with my wife about money and which bills we could pay and which we could not.

Apart from seeing how my friends' parents did it and learning what I could from them by endlessly asking questions, I studied rich and successful people because I wanted to be like them. I read all I could to find out what it was that caused certain men and women to succeed in everything that they did, while others of equal intelligence failed. I wanted to know what it was that set the rich and super successful apart from the rest.

As I studied these people I found that they did not necessarily have a higher education — there were many examples of rich and successful people who didn't go to university; in fact, many didn't finish school at all. They didn't necessarily have more resources; many came from poor or migrant backgrounds — so I looked for common threads.

What I found was that many had made their fortunes in real estate. And those that had made their money in other industries seemed to have invested their money in property.

Now you may say that not all successful people are rich and not all rich people are successful, and you would be right. We've all read of rich people who lead miserable lonely lives or don't lead a balanced life to enjoy the pleasures that family and friends can bring.

It took me many years to learn that to be truly wealthy you need to a lot more than money. But remember I was still young and naive and I wanted to have it all! This led to an unbalanced life and at times, more problems than I care to discuss.

Looking back now, I can see that because of my early childhood experiences I was tainted and angry. I was angry that we were poor and I felt that I had missed out on many things my friends enjoyed. So

for the first half of my life I chased money. I desperately wanted to be “rich” and I went about trying to “prove” myself to the world.

Interestingly, as the size of my real estate portfolio grew, it wasn’t enough. The anger didn’t really go away and I still wanted more. It was many years later that I realised that if what drives you to want money is fear, or anger, or the need to prove yourself, money won’t help you. When you get the money, the fear doesn’t go away. The anger doesn’t disappear. ***The money doesn’t make you a different person.***

Chasing money in an unhealthy way led to a very unbalanced life and this, amongst other things, led to me sabotaging the first half of my life. When I was much younger I did some things that I am very ashamed of and this broke up my marriage and ruined my early career. I paid the price for my actions and it made me a very different but much better person.

I came to understand what was really important to me. Over time I realised that there has to be a more significant reason to have money. I then set about building the Metropole business and this became the focus of many years of hard work for Pam and I. But it wasn’t until I found a real purpose for the money that I became truly wealthy.

I’m sorry to say that it took too many years to realise that the true purpose of money for me (and I accept that it will be different for every reader of this book) was contribution.

For many years now I have enjoyed giving back to the community in a number of ways. I have dedicated myself to educating property investors through my blogs, writings, webcasts and seminars. Pam and I donate to many charities — not only money, but also time and energy.

Yes, I’ve had my challenges in life (mostly self-inflicted) and I’ve hit rock-bottom, but I got up again, learned from my mistakes and moved forward.

## Why are some people so much more successful than others?

I've been conducting seminars on wealth creation for more than 16 years and I've found something very interesting.

I would present to an audience with a few hundred people but only a small group — maybe about one or two per cent of the attendees — would take action and did something to grow their wealth and protect their financial future. And guess what the rest did? You're right, nothing at all.

As an educator, this disappointed me as I wanted to be good at my job. So I started running longer seminars, sometimes over two or three days. I brought in guest speakers and I taught people even more material about how to become rich.

And guess what happened?

One or two per cent of the attendees would take action and do something to grow their wealth and protect their financial future. And the vast majority of attendees at my seminars said they really enjoyed them but went home and took no action.

This made me wonder, why do some people take all the available knowledge and can immediately apply it to improve their situation and become rich, while others struggle to make even the most basic changes? What separated the ones who succeeded from the ones who did not?

Albert Einstein made an interesting observation: *"We can't solve problems by using the same thinking we used when we created them."*

From my experience working with thousands of ordinary people I've discovered where many get stuck along the road to getting rich. As Einstein suggested, there are levels of thinking that got them there and continue to keep them there.

As I speak at these seminars people ask the same questions: *"Why does success seem to come so easily to some people, while others have to struggle?"* and *"How do I build the financial freedom I've always wanted?"*

If you ask these people, “What does money mean to you?”, they’ll generally say “freedom”. When asked what freedom means to them they’ll say things like: “*I can live my life in my own way*” or “*I can order in a restaurant without having to look on the right-hand column of the menu*” or “*I can buy things for my family without worrying about the price.*”

One of my aims in this book is to show you the road to riches and at the same time open your eyes to the fact that the way you have thought about money and most of the ways you’ve behaved around money (your money habits) for most of your life is most likely flawed and this has been holding you back.

It’s not your fault... most of what you were taught about money was probably taught to you by people who were not wealthy and our educational system has failed you. But ***now is the time to educate yourself*** — to learn how to become rich by understanding how the rich think, feel and behave and then by doing what the rich do. To learn about their Rich Habits.

## **Why am I still working?**

Recently a prospective client asked me: “Michael, now that your candles cost more than your birthday cake, why are you still working?”

I know others have wondered — is this guy really financially independent? If so, why is he sitting here across the table from me wanting to show me how to become financially independent?

I’d like to answer these questions for you because there are some instructive lessons in the answers for anyone who wants to develop financial freedom.

Firstly, the answer to the second question is — yes, I am truly financially independent, having built a very substantial real estate and share portfolio over the years. But I think the biggest lesson for you will come out of my answer to the question of why I am still working.