

Hello, this is Wayne Rivers at The Family Business Institute. Thanks for tuning in. Please click on our social media icons and follow us there. And as always, we'd like to have your feedback in the comment section.

So, this week I want to talk about what do wealthy people look like? And why is this even a topic? Well, because most of you in this audience are wealthy. You might not think of yourself that way, but because you run successful businesses for the most part, or you have successful legal practices or you advise family businesses or whatever, you've carved out a business that has allowed you to be somewhat prosperous, especially when measured to the average Joe or Jane working lunch pail type person. You don't feel like you're rich, you work super hard, but on paper you're wealthy.

So, I want to talk about what the stereotype is for wealthy people. How are wealthy people characterized in the media or in the press, on television, in the movies, et cetera, et cetera. And then we'll talk about the reality of what constitutes wealthy people. All right, so what's the stereotypical movie rich person look like. It's they're wearing a Rolex, they're driving a Mercedes, they inherited money from their father or grandfather or great grandfather. They have some notable family name, the household word type names that we've all heard. They went to an Ivy league school. They have yachts, they have airplanes. The wealthy depicted in the media tend to be the super wealthy. The people that really do have huge airplanes and gold fixtures in the bathroom and all that kind of stuff. But what do Dave Ramsey, probably all of you familiar with Dave Ramsey. What did Dave Ramsey and Dr. Tom Stanley have to say about this? What do wealthy people really look like?

Dave Ramsey did a study of about 10,000 millionaires in the US and Canada. And of course, Dr. Tom Stanley wrote The Millionaire Next Door. And he was the original person who studied wealthy people. So, myth number one, wealthy people inherit their money. Ramsey says, 79% of wealthy people didn't inherit one nickel and 21% did inherit something most. It was a little something. It was a few dollars here and there, maybe some property from parents or grandparents. So, 79% nothing, 21% something but sometimes not so much.

Myth number two, wealthy people take stupid, crazy risks, bet at all, and engage in get rich quick schemes so that they can become wealthy. Dave Ramsey says the average millionaire crossed that threshold at age 49 so that means a long working lifetime to get to the point where on paper he or she was a millionaire.

Myth number three, wealthy people went to Ivy league schools and they have a leg up in terms of contacts and education, all these are the things. Nope. Again, 79% did not attend a prestige school. Now I went to North Carolina state, which I consider a prestige school. You may not, and I know a lot of you have more in common with me than somebody that went to Harvard or Yale or something like that. 62% of millionaires graduated from state schools. Like for example, the North Carolina State or something like that. 8% went to community college and 9% didn't go to any colleges whatsoever. Never. Dark in the doorway of a college. And if most of you think about the... Unless you're an engineer or something, a doctor or something of that nature, how much of your college education do you really apply in your daily life? I mean, come on. It's just not that much.

The fourth myth is that wealthy people have these insanely high paying jobs and they earn \$1 million or \$2 million a year, and that's just not true. 69% again, Dave Ramsey never earned more than six figures in their career. Now, that doesn't mean they have pitiful lifestyles. Most people that own businesses have a pretty good lifestyle, but they don't pay themselves a lot in terms of their base. Where's their money? Their income, where does it come from? That's the profits of the business. So, they take S distributions or some other form of distributions and if the company does poorly, guess

what? So do the owners. I can remember putting my paycheck in a desk drawer to make sure that we had enough in the bank to cover the other people's payroll checks and we wouldn't have them going hungry. I was choosing not to go hungry, but to go on paid so that we could get other people paid. And I bet you've done the same thing in your business.

So, the top vehicle, according to Dr. Tom Stanley, among millionaires, is what the Ford F-150 it's not a Mercedes is not a Rolls-Royce. The Ford F-150 is the number one vehicle among millionaires. The typical millionaire worked for somebody else at some point in his or her career and they said, "Hey, why am I working so hard to make money for these people over here? I can work hard and make money for me and my family and run a business the way I think a business should be run according to my values." And they go, and they start their own business, typically somewhere in their mid-30s and those of you who are watching this video are probably one of those success stories.

If you're the founder, if you're not the founder, you still have to work awfully hard. But you'll be able to build on what other people had built before you and make it even better. So what millionaires, the way millionaires get to crush that paper threshold is they work hard for a long period of time and they show grit and determination. So if you feel like people in the media or in personal conversations are accusing you of somehow becoming wealthy through ill-gotten means, here's what I recommend, that you do, smile in a very kind way and walk away because they genuinely don't understand what it takes to run a business and be successful, and finally, one day, maybe if you're lucky, have some wealth to talk about.

This is Wayne Rivers at The Family Business Institute. I'd like to hear your philosophy on how you handle similar situations. Thank you.