

Hello, this is Wayne Rivers at FBI, and *We Build Better Contractors*.

This week I want to talk about who are America's millionaires. Most, frankly, most of the people who consume this blog are millionaires. And the reason I want to talk about this is there's so much myth and misperception about who millionaires are in today's modern world. And this draws on a report from Ramsey Solutions. That's Dave Ramsey's company. He's a famous guru, the anti-debt guy and his team put together a white paper that's available on their website. And also, it draws on the work that Dr. Tom Stanley did. If you remember, I think in the '90s, he was famous for writing *The Millionaire Next Door*. And that was a very revealing book. He had done a lot of research before that, but he's an academic and he didn't get famous until he partnered with a writer who could take his academic stuff and turn into a really consumable book by the average Joe like me and you.

The perception today is to be a millionaire you have to be a Wall Street investment banker. You have to have developed some new IT revelation solution that has catapulted you into the stratosphere. You have to have an inheritance from grandma and granddad or mom and dad. You have to have graduated from an Ivy League prestigious school. If you don't have all of those boxes checked, there's no way that you're ever going to be a financial success. There's no way you're ever going to have a net worth of a million dollars. And that's just not true. That's not true. Dr. Stanley talked about that. He's been talking about that for 40 years and Dave Ramsey's group also came to the exact same conclusions. It's just not true. So, let's just start with some stats. 79% of millionaires today inherited this much. Nothing. 79% inherited nothing. About 20% did get a little something, but nothing substantial because less than 3% of today's millionaires inherited over a million dollars.

So, I'm sure there are some famous people out there that are on magazine covers and all that and they inherited big time. But the fact is most of today's millionaires just as Tom Stanley said decades ago are self-made first-generation millionaires. Eight out of 10 of the millionaires in the Dave Ramsey survey came from middle class families. So, there's hope for those of us that didn't grow up wealthy. The way these people achieved wealth was they worked and saved consistently over time. On average, it took 28 years to be a millionaire. That's what I always say. It took me 28 years to be an overnight success. Actually, literally it was 28 years. Most people achieve the status, their 28-year period and ends at age 49. So, 49, 50 is when they begin to hit that, what is it, an accolade to be a millionaire?

It's not what it once was. I can tell you that. But anyway, however you want to call it. 49, 50 is when they hit the mark. Three quarters said regular consistent investing was the secret to their financial success. 94% live on less than they earn. I can't believe the other 6% don't. How do you save and invest if you're spending more than you earn? I don't quite get that one, but 94% live on less than they earn. 75% have never had a credit card balance. I wish I could say I hadn't. We carried some pretty nasty the credit card balances at times. When businesses go like this, you do what you have to, to survive.

They reported that they spend less than \$200 a month on restaurants. Now, I would say for us in business, a business dinner or two a month, you're going to spend a whole lot more than \$200. But as far as my wife and I, we're definitely under \$200 a month in restaurants, but she's way thriftier than I am if you can even imagine that. And finally, and you can see this in yourself I guarantee. Millionaires have avoided debt, credit card debt, but all other kinds of debt as well. When they have debt, they pay it off as quickly as possible. And they did that without subscribing to Dave Ramsey too. That's a thing that always amazed me about dealing with people in business, in small business for over 30 years is their abhorrence, their reluctance to take on debt was, I didn't understand it at first.

Now at age 60, I do. I don't want any more debt, that's for sure. But that characteristic just ran across all of the business owners practically that I ever worked with. In terms of education, 62% went to state schools. If you go to a state school, especially in a state like North Carolina that subsidizes tuition so, you don't build up those two and \$300,000 college debts

that you read about today. 8% did go to a private prestigious school, but that means 92% didn't. 88% of millionaires are college graduates. So, education is important. And believe it or not, among millionaires, 52% earned a master's or a doctoral degree. That was really rather shocking. In spite of the popular culture, in spite of the mainstream press, I think this tells us that the American dream is still alive for us, our kids, our grandkids. You don't need an Ivy League education.

You don't need a huge inheritance. You can be a millionaire in America today. It takes a combination of hard work, saving money, being thrifty. But to me, the key ingredient wasn't mentioned in any of the Ramsey survey. To me, the key is persistence. Persistence over a long period of time is the key. And if you have those ingredients, you can be successful financially in America in spite of all of the waves of popular culture that say you can't. I'd like to hear what your secrets are.

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