

99 Minute Millionaire

The Simplest and Easiest Book Ever on
Getting Started Investing and Becoming
Rock Star Rich

Scott Alan Turner

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To my wife, Katie, the real rock star.

*To the **Financial Rock Star** nation. It's
your show, and this is your book. Many
thanks to you all. You rock!*

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Introduction

Back in my money-moron days, around the year 2000, I followed a lot of bad investing advice.

I lost \$40,000 in the stock market by foolishly thinking I knew what I was doing.

I went from money moron at age 22 to self-made millionaire, thirteen years later at age 35. Part of achieving that goal was following the investing principles I share in this book. I socked away a lot of money during those thirteen years to have that much to invest. And over the next several decades that money will continue to grow even more. I'm throwing out there my financial situation not to impress anyone, but simply to impress upon you that if I can do it, you can too.

What is “investing”?

It's putting your money to work so that it makes you more money (and rich)—that's investing. If you don't know what “putting your money to work” means or how to do that—don't worry. That's what I'll help you with in this book!

I don't want you to make the same mistakes I did. Since losing that first chunk of money in the stock market, I've educated myself by reading over 200 personal finance and investing books, university research papers, and the works of Nobel prize winners on the subject of investing. My wife Katie and I have also worked with a fee-only Certified Financial Planner since 2005, starting shortly after we were married.

After **losing** a lot, I've **learned** a lot.

I now spend 60 to 90 minutes a *year* reviewing my investments. I'd rather spend my free time helping people with their financial questions, playing with my twin toddlers, cooking amazing hamburgers for my wife and our friends, and playing guitar in my band.

Investing has been made out to be such a complex topic that you might believe it requires a PhD in economics to get started or to build wealth, but once you get past the jargon, it's simple. You might be so afraid of losing money (so am I!), you end up making terrible money decisions that will cost you tens to hundreds of thousands of dollars over your lifetime. Do any of the following sound familiar?

- What is investing?
- I don't know how to get started investing.
- I'm young, why should I invest?
- I'm older, is it too late for me to invest?
- Investing is too complex.

- I don't have a lot of money to invest.
- I don't have *any* money to invest, I'm just trying to pay my bills.
- Investing is boring.
- Investing is for rich people.
- I don't have time to learn how to invest.
- I want someone else to manage my money for me.
- There are too many choices to pick from.
- I'm afraid of losing my money.

Or as one listener wrote in to my show, *Financial Rock Star*—"I've been reading up as much as I can [on investing], but some of these topics seem to send me in an endless circle of searching with no real answers, sadly."

If you are new to investing—welcome! You're in a great spot because you haven't had the chance to lose all the money I have by being stupid (more on that later). If you are not new to investing, you'll still get something out of this book, even if it's just the ability to learn how to explain to others investing in simple language.

One of the biggest problems investors face is financial experts who make this stuff seem more complex than it is. You occasionally find someone that simplifies it, but they may give out bad, inaccurate, or incomplete advice. We are bombarded with advertisements and news every day about what we should be

doing with our money. There are stories, articles, products, and salespeople pitching how we can strike it rich if we just follow certain advice.

You will either find yourself very confused or very scared. Confused over what to do and scared to lose your money. You may have even lost money already and are afraid of getting back in the game. I'll strip away all those layers of complexity and replace your fear with confidence.

This is a book that answers your questions about investing in a simple, easy-to-understand way. This book has been designed to guide you, step-by-step, through the technical jargon and make you a more successful investor than 95% of Wall Street professionals *who have finance degrees*.

This book is for people who want to achieve financial freedom, whatever that means to you.

- Is it being able to retire early?
- Is it paying for your kid's college tuition?
- Is it buying your parents a home?
- Is it quitting your job and pursuing something else you're passionate about?
- Is it taking a year off and traveling the world?
- Is it being crazy generous and helping people?

What would you do if money didn't matter? Financial freedom means different things to different people. I'll show you how to get there from an investing perspective. What you choose to do with that additional money is up to you.

I know what you might be thinking: "Why should I believe anyone that doesn't have any fancy title or formal education in investing?"

Great question!

I have no training or work experience dealing with the financial markets or the industry in which they operate. I've never worked on Wall Street or for a Wall Street firm. I am not a stockbroker. I'm not a financial planner. I don't have a finance degree. There are no acronyms after my name.

But one of the things you will discover in this book is the people that have those things often give out flawed advice that costs you money, and they aren't really that good at investing.

What I do have is the ability to teach and to learn. And everything I have learned, I will share with you, citing university studies, academic research, and Nobel prize-winning economists. In other words—I'm not making this stuff up and pulling it out of thin air. It's not *Scott's investing philosophy*. It's *Scott sharing documented academic research made by people much smarter than he is, so you can understand it simply and easily*.

Someone can have CPA, CFP, MBA, RIA, or Vice President after their name, and still give lousy advice. Just because someone has an impressive title doesn't mean they have your best interest in mind. I did get an A in financial accounting during the one

semester I was in graduate school. That must count for something, right? No, it doesn't. If you feel more comfortable hearing from someone with an impressive title, fine—I'm the CEO of Enterprise Innovation Group. Number of employees: one. Me.

You have a choice to make, and if you get it wrong you're in trouble.

- You can trust the people trying to make money off you (banks, brokers, many advisors, insurance agents, investment companies)
- You can trust your friends, neighbors, and co-workers who may be as in the dark as you are about money but want you to think they are smart
- You can trust academic research, which doesn't want your money or care what you think about it

If there is **one thing** that separates me from other people offering investment advice, it is this:

Unlike people who make money if you buy a product or service, make a commission, a kickback, an endorsement, a referral fee, or whatever, I have nothing to sell you (other than some proven investing advice guaranteed to save you thousands of dollars). I get compensated in the form of thank-you emails by helping you do well (and whatever you paid for this book unless you're reading it at the library right now for free).

You won't find in this book the next hot stock tip mentioned by the entertainers in nightly business shows. You won't hear the same advice that celebrity financial gurus give out about how to invest

your money. Not only is their advice incomplete and inaccurate, often they offer conflicting advice and don't invest themselves in the products they push onto you.

The advice in this book is a proven path to growing your money, backed by academics, research, and university studies, not marketing hype.

And frankly, I'm going to keep things simple using fifth-grade math, pulling a few numbers from reports, and explaining a handful of definitions. No Wall Street background needed. It's not rocket science. If it were, you wouldn't understand it anyway, and I wouldn't bother trying to explain it.

Decades-Old Advice

The same investing philosophy in this book is practiced by tens of thousands of do-it-yourself investors every day to build wealth and retire early. Many financial advisors, as well as large institutional investors (those that manage billions of dollars of investments), also follow this same advice for their clients as part of their investment strategy and retirement planning. It's not just some investing plan I made up.

In fact, the advice has been around since 1974. But the reason you don't hear about it is because it's kind of a **boring** way to invest. It doesn't take a lot of time to learn, maintain, or keep up-to-date on. Can you spare an hour a year to become a successful investor?

I don't use the phrase "get rich" very often because it sounds scammy, like I'm trying to sell you a secret, undiscovered goldmine. The process in this book is used to get rich slowly, not quickly. It works!

Fifth-grade Simple

I've intentionally made this book **fifth-grade simple**. Why? Because after looking at all of the "best" and "top-selling" investing books for beginners around, after reading just one or two pages in the introductions, I would come across the same stuff about "rates of return" and the "stock market goes up overtime." See! I just did it too. I too was left scratching my head and asking myself, "I'm only on page two, and I'm seeing special terms a regular person may not understand. Why continue on to page three?"

So this is the challenge I laid down for myself:

Teach a person who has zero finance knowledge about investing, and make them a better investor than the people working on Wall Street. Oh yeah, and do it in 99 minutes in such simple language they could explain it to a fifth grader.

There are just a handful of principles that, once you learn them, will get you 95+ percent of the way there. And at the end, if you want to take it up a notch and move on to more advanced topics, the choice is yours.

If you will stay with me and follow the steps in this book, you and your family will build wealth through investing. I think you'll be very surprised just how easy it is to be a successful investor and have all of the financial freedom that comes from it.

It doesn't matter if you have \$10, \$100, or \$100,000 to invest. You will be a better investor than the vast majority of the people around you, and you'll be able to explain the most important investing topics in a simple, easy-to-understand manner.

A Bright Future

Don't be the person who gets to retirement age only to find that you need to keep working—*until you die*. Or the person who has to live on peanut butter and jelly sandwiches in their golden years. I *love* PB&J, it's one of my favorite meals, but I choose to eat it because I *want* to, not because I *have* to. Be the kind of person who **never** stresses out about money and lives comfortably and worry-free.

The Fast Lane to Expertise

What you're about to learn about investing has been proven to build wealth, without you having to spend hours of your time learning. All you have to do to gain control of your future is to keep reading. Each chapter will give you new insights and arm you with the skills to have financial freedom. I challenge you to take control

of your life right now, create the future you deserve, and reap the rewards in your life for the decades to come.

One final note: I want to thank you for reading this far, and I congratulate you. Only 28% of people read a nonfiction book each year.¹ And 10% of people who buy a book never finish it.

Your money is important. And even though I don't know you, and we've never met, it's important to me that you keep as much of your money as you can and make as much investing as you can. I've made a lot of money mistakes, and I would hate for you to repeat what I did and lose money. I hate to lose money, and I hate to see other people lose money when they don't have to or when others get ripped off. It's my mission to educate you and anyone that will listen and learn the difference between fact and fairytale advice.

If you and I were sitting down for coffee together, it's the same advice I would tell you in person. It's the same advice I give on my show, *Financial Rock Star*. It's the same advice I've followed for the past fifteen years (with a few hiccups along the way . . .).

If you do not finish this book, front to back, I guarantee you will be costing yourself thousands, to even hundreds of thousands, of dollars over your lifetime.

That's your money! Commit to spending the time to read the whole book. Every chapter has action items you can do to get closer to your goals. Share with others what you are discovering and applying because one of the best ways for you to learn and remember something is by teaching it to someone else. So,

teaching it to others will raise the odds you will reach your financial goals.

Turn the page and let me show you how to become a smart investor.

What This Book Is NOT

Your time is valuable, and I don't want to waste it. I made a lot of promises in the Introduction as to what this book is. But I also want to be clear on what this book is not, so you can decide if it's right for you.

—This book is NOT complicated.

Complicated doesn't help you. And if it's not simple, you won't do it or understand it. When you win, I win because I want to see you succeed.

—This book is NOT going to mislead you with half-baked information.

I believe in whole-baked information. You may have heard you can get a 12% return on your money (it's early, but I'll explain "returns" in part 1. It's how your money can make you more money). I use real math, backed by academic research, and I provide the resources, so you can check the facts on your own. While some people trying to get your money want to convince you a 12% return is reality, I'll peel back the layers showing why 12%

returns are as likely as finding a fat-free donut that results in weight loss.

—This book is NOT something that hasn't been said before.

As you will see repeatedly throughout the book, the information is based on decades of academic research using data going back to 1926. What I've done is taken information that is made out to be complex and confusing, and presented it in simple, plain English.

—This book is NOT a get-rich-quick scheme.

Let me be clear—this book is NOT a get-rich-quick scheme. I will show you how to get rich slowly. If you want quick, go to Vegas.

—This book is NOT a sales pitch.

You can't write an investment book without talking about investments. So I included some of my favorite low-cost products and services that I recommend you check out.

Neither I, my book publisher, nor anyone involved in this book has a financial stake in any product, investment, or service mentioned. No compensation has been received, no kickbacks, no advertising money, no commissions, and no referral fees.

Where there are comparable low-cost alternatives, they were included.

—This book is NOT just for people with money.

It's for anyone who wants to build wealth. If you have \$1, \$100, \$100,000, or \$1,000,000—the song remains the same. These

simple principles are critical to start applying in your finances. Even if you think you know them all already—it's time to make sure you take action and follow the principles. We all start where we start, and go from there. The opportunity is for everyone.

—This book is NOT wrong.

The content in this book is grounded in research from academia—university professors with PhDs, Nobel prize-winning economists, etc. I'm not giving you my opinion, just the best information from the smartest people in the world.

While you can contact me and tell me I'm wrong, my reply is going to be the same—you're going to have to go argue with that Nobel laureate, it's their research. Good luck.

In the next section, you'll have to decide if you want a steak-and-lobster style retirement or if you'll be stuck eating peanut butter and jelly for thirty years, or being a Walmart greeter.

—This book IS for you to

- *get out of debt faster,*
- *save more money, and*
- *retire rich.*

PART 1

Having More Money:

**Would You Rather Live on Steak and Lobster,
or Peanut Butter and Jelly?**

1. Storing Up Grain in Silos

My dad spent 33 years working for the town on the roads and eight years painting tools in a factory. My mom has lived in the same two thousand-person small town all her life, having the same lifelong friends she went to elementary school with. They lived a very simple life, never owned a home, never had any debts, and rarely traveled. When my dad passed away, Mom moved into a government-subsidized retirement community. Her only income is from social security.

She doesn't like traveling, doesn't want a home, could care less about fancy clothes, and doesn't eat out much. She takes the senior citizen bus to Walmart because she doesn't like driving anymore either. Don't get me wrong—she's as happy as a clam. She has no wants other than to see her family and friends.

But this is not my picture of retirement for myself. I plan on traveling—a lot (Europe is my favorite destination, I've been four times). I'm an early retiree. I work because I want to, not because I have to. If I were age 65, retirement would not be possible on social security. Heck, I couldn't even pay the property taxes on my house with social security.

And this is why I started saving money at an early age. I saved *early*. I saved *often*. And I saved *a lot*. In the one year my wife and I lived with our in-laws, we saved **90% of our income**.

Why should you save money? A big reason we can all agree on is—to buy things! What those things are differ from person to person, and it isn't always *stuff*.

When you have savings, a world of opportunity opens up. Just think about it:

- Working at a job you love
- Not working at all
- Taking a year off
- Living wherever you want
- Saving for college
- Buying a new car with cash
- Having an emergency fund in case of a job loss or medical emergency
- Spending more time with friends and family
- Buying stuff
- Helping people (one of the great joys of having extra money is being able to help those that don't)
- Having choices and freedom in retirement

- Having choices and freedom *now*

Put simply, investing is putting away money for future use, usually at least for five years into the future, in expectation that the amount you put away will grow more than what you put in. You might have been asked before, “Are you saving for a rainy day? Are you saving for your future? Are you saving for retirement?”

You need money both now (for expenses), in a few years (saving), and in the future (investing).

Good savings habits can begin in children as early as three years old. Developing your savings habits now—no matter what your age—will result in huge paybacks later.

Your retirement is coming. It may be 20, 30, or 40 years away. *You can't stop it from coming.* Plan for retirement, and you'll be able to ease into it under your control. Do little to nothing to get ready, and retirement may run you over like a freight train. Those who are financially ill-prepared for retirement, in just a few years, may see their money gobbled up by rising property taxes, increased health care costs, and inflation. Suddenly, they have to sell their home to get some money and then move in with the kids just to survive, which is fine if that's the goal, but if it isn't, start planning now, so you can own what your retirement will look like.

How do you picture your retirement and do you have a plan to get there? The fast answer is it's going to take money. And unless you want to live in a government-subsidized retirement community like my mom, you're going to need a lot of it.

And I won't sugarcoat it—saving takes time. An event happens, and you'll get off course. You'll have to find your way back. Birds don't travel in straight lines. They go over, under, and around objects. They make adjustments and get back on course. Later chapters will show you the pot holes, detours, speed traps, and how to avoid them to keep you going in the straightest line possible, like geese heading south for the winter.

Saving Rates

The **current** savings rate for a person living in the US is 5.4%². Compare that to Europe, where the savings rate is 12.7%.

It's shocking that despite the United States' being the richest country in the world, it has some of the brokest citizens. The answer to why is because of how much we spend on *stuff*.

Estimates put you needing 70% to 80% of your yearly income to live on in retirement. **Some experts say you'll need 100% of your yearly income in retirement to live on.** So if you're making the average \$53,000 in household income a year and spending it all, you will need \$37,000 per year in retirement to keep your current standard of living. Figure you want to retire at age 65, and you'll live to age 85, that's \$742,000 you'll need.

Research shows the average 40-year-old American has only \$63,000 saved for retirement. This falls well short of conservative benchmarks of a nest egg being three times a person's annual salary. If you're making \$55,000, you should have a balance of \$165,000 already in the bank.

The average 50-year-old has just \$117,000 saved for retirement. In your fifties, the goal is to have a minimum of four to six times your annual salary saved. If you make \$60,000 a year, you should have at least \$240,000 socked away.

What that means is most people are not saving enough.

While social security can *sometimes* be enough to get by on (as my mom does), you're going to have a pretty scaled-down life if that's your retirement plan. No house. No travel. No new cars. No eating out all the time. And if you plan on living someplace expensive, like New York City, forget about it.

Your Next Step: Ask a close friend or family member, "What would you do if money were no object?"

Now that you know saving is incredibly important, you might think putting your money in a savings account would be a great idea. Wrong! Let's take a quick look at why saving up cash and doing nothing with it *will* cause you to *lose* money.

Websites and Services Mentioned

Low-cost Brokers

Vanguard
Fidelity

Robo-advisors

Betterment
Wealthfront

Fee-only Certified Financial Planners

XYPlanningNetwork.com
Garrett Planning Network
NAPFA

Services

Bloom.com – Automatic 401(k) asset allocation
Brightscope.com – Retirement plan ratings (401(k), etc.)
FeeX.com – Compare mutual funds

Other

Dimensional Fund Advisors (DFA) dfaus.com

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About the Author

Scott Alan Turner is a popular podcaster and host of the *Financial Rock Star* show, where he helps people get out of debt faster, save more money, and retire rich. A self-proclaimed “money moron” in his early twenties, he got out of debt and became a self-made millionaire at age 35. Now, as an early retiree, he has the privilege of sharing his experiences about money with others and helping them achieve their goals in life—and becoming financial rock stars.

Scott lives in Dallas with his wife Katie and their twin toddlers, and Scott plays guitar in a rock-n-roll band.

To learn more about Scott, go to:

ScottAlanTurner.com/about