

The Red Pill Finance Thread

805 upvotes | 23 December, 2019 | by bsutansalt

</u/TheRedPillFinance> remade this for us, which is now part of the sidebar:

NEW THREAD

Introduction: Some may be wondering how this applies to TRP. My answer to that is to consider guys like Hugh Hefner and Gianluca Vacchi. They built empires for themselves that created lifestyles most guys can only dream of having. Yes women find powerful men attractive, but that's more of a side benefit of having a killer lifestyle, and it's wealth that unlocks it.

Part of making your mission yourself is ensuring you have your personal finances in order. Even if you don't build a monumental empire or sell a software company for millions, while money doesn't buy happiness it does pay for your healthcare and peace of mind, especially once you have "Fuck You Money". And to paraphrase a line from Bruce Lee, money helps you *live a life worth remembering, which is the key to immortality*. Guys like Hugh Hefner and Vacchi will never be forgotten, especially by those they influenced, and for good reason.

Similarly, if you want to have a playboy lifestyle well into old age, then frankly you are going to need to be wealthy. This is just the way the world works. Good game, being fit, and all that is great for those of you who are younger, but once you get over a certain age it's not that simple anymore. Celebrities being the exception to the rule of course.

Building your empire and developing multiple streams of passive income through entrepreneurship, investing, etc. could potentially cause guys to fall into beta bucks mode, but that's not the intention. Again, the goal is to wind up like Hugh Hefner and [Gianluca Vacchi, who should be a role model for all of us](#) IMO and avoid becoming rich beta bucks like Jeff Bezos and Bill Gates.

Step 1: The Reading List

IMO the "must reads" are:

* [Bachelor Pad Economics](#) by Aaron Clarey. This is *THE* book for single guys just getting started on their own. * [Rich Dad Poor Dad](#) This and the following were eye openers to what's possible with personal finance, regular day jobs, and why side hustles are so critical for long-term passive income. * [The Millionaire Next Door](#) * [Intelligent Investor](#) * [Rule 1 Investing](#)

The latter 2 above educated me on what's known as "value investing". More on that later...

Step 2: The Budget

Why is this important? Well, you need to know where your money is going to minimize waste to enhance your savings. This will ultimately keep you out of trouble and help you stay focused on what's important.

Step 3: Building Wealth

This is when you take that budget you've created and start putting that excess cash to work for you. 74% of building wealth with investments is simply *starting* to invest. If you're more than 10 years out from

retirement, then time in market > timing the market. Fees, returns, all of that is secondary to actually starting the process of investing. And it's never been easier! The best time to invest was yesterday. The second best time to invest is today! As Einstein famously once said, compounding interest is the 8th wonder of the world. Those who don't understand interest pay it, and those who do, earn it.

[M1 Finance](#), [Robinhood](#), and almost all of the other big boy brokerages now offer free trades and fractional shares. You're a fool not to take advantage of the opportunities this creates.

To wit, the typical millionaire has on average 7 passive income streams. This could be dividends from investments, a course you put together and sell on Udemy, a YouTube channel, or real estate à la Robert Kiyosaki or Graham Stephan. You name it, the sky is the limit.

I mentioned value investing above. What you need to know about that is that it's how Warren Buffett became a billionaire. The core principles of value investing are finding wonderful companies that are:

* In your circle of competence * Have a big "moat", aka competitive advantage * Provide a 50% margin of safety * You're comfortable holding onto them for 10 years or more

Regarding "margin of safety", it just means the company's price is currently about half of what they should be valued. This happens frequently because the market is *emotional*. Some companies core functions, values, and performance may not change, but an external event could push down their price making them a good buy. An example of this was when Chipotle was getting people sick a few years back because of a supply chain issue or the market as a whole taking a giant dump like it did during Q4 2018.

Re: Chipotle, what happened was a couple of their suppliers sourced them tainted ingredients which got people sick and the news knocked their price down from about \$750 a share to a low of about \$250 in January 2018. You know what they're worth today? \$828.29 at the time of this writing. The company itself didn't change, it was just a couple of shady suppliers that they quickly replaced and were back to business as usual. But... people are emotional and sold their stock that drove prices down lower and lower. Well their loss could have been your gain.

Step 4: Continuing Education

I'm a big fan of personal finance YouTube channels and the ones I watch the most frequently are (in no particular order):

* [Ryan Scribner](#) * [Graham Stephan](#) * [Dave Ramsey](#) * [Andrei Jikh](#) * [Minority Mindset](#) * [Chris Hogan](#) * [Wealth Hacker](#) * [The Money Guy Show](#)

Step 5: The Financial Order of Operations

This is right out of The Money Guy show on YouTube:

<https://www.moneyguy.com/2018/08/financial-order-of-operations-how-to-prioritize-your-financial-goals/>

Deductibles Covered: You need to have enough money saved to cover basic emergencies **Match from Employer:** Everyone who has access to a retirement plan that provides a match should work to take advantage of that "free money." **Credit Card:** The order of priority between employer match and credit card debt is a coin toss. Consumer credit card debt and punitive interest rates charged should be avoided if you are going to be on the path to financial independence. **Emergency Reserves:** You need to save three

to six months of living expenses for a rainy day and the unexpected events that can make life scary. **Roth and HSA Contributions:** The thought of tax “free” growth is exciting. Currently, you’re allowed to save \$5,500 per year in a ROTH IRA if you’re under 50. If you’re over 50, you can save up to \$6,500. **Max-Out Retirement Options:** Retirement accounts are great for building wealth for the future. We share the max-out numbers for each type of account in this episode. **Hyper-Accumulation:** You should aspire to reach hyper-saver status by saving 15-20% of your gross annual income. **Pre-paid future expenses:** You need to make sure you have your retirement squared away FIRST and then prioritize the other financial goals you can prepay and fund. **Debt Prepayment:** The desire to be master of your financial life includes being completely debt-free. We share exactly how you can do this and how to prioritize which debts to pay off first.

If all this sounds familiar, it's probably because there's a flowchart similar to this over on another sub.

<https://i.imgur.com/lSoUQr2.jpg>

Here's a down and dirty example based on my own income, savings, and debt situation...

Deductibles Covered:

- Home = \$3145 for total coverage
- Car = \$500 for collision
- Health = \$1200

Total deductibles = \$4845 if everything goes wrong all at once. Done.

Match from Employer:

- Mine gives 5% match so I need to contribute at least \$7900/year (\$329.17/pay period) to get this squared away.

Credit Card:

- \$5/mo paying off Spotify just to build up a good credit score by showing I pay on time every month, and only doing so with a monthly \$5 charge ensures I keep my debt to income ratio and the amount of used credit as low as possible.

Emergency Reserves: They didn't go into details, but this means save up 3-6 months worth of expenses (for me that's \$4000/mo) while working. Once you're retired you want to save up 18 to 36 months (to preserve capital during market downturns). This cash should be in high interest savings and NOT invested in the stock market.

- \$24,000 done. I have it saved in a [1.5% Spend Plus account on M1 Finance](#). I could probably get higher elsewhere, but I like having my money in one place so I can use it to buy a major dip should the market crater.

Roth and HSA Contributions:

- HSA = In my case this is N/A as my HSA account is 100% fully funded by company to cover the deductible for our medical plan.

Max-Out Retirement Options:

- In progress. I'm converting \$6,000 per year from my traditional IRA (that I rolled over a traditional 401K into a while back) and putting it into a Roth IRA. This is called a [backdoor Roth conversion](#). I need to fund [my Roth IRA](#) this way because I make too much to contribute to one directly.

Hyper-Accumulation: Ideally the Roth, HSA, and 401K (with company match) will add up to what they call "hyper-saving", which I personally choose to aim for 25% rather than their figures.

- Rest of Roth 401K is being funded up to the maximum \$19,500/year (additional \$483.33/pay period = \$812.50/mo total). That's \$19500 of my own savings, plus another \$7900 from the company match for a

grand total \$27,400.

Note: If you have the option between a traditional 401K and a Roth 401K, IMO I'd choose the Roth like I did. You will pay a little bit more every year in taxes, but the long-term goal of building wealth will come out on the back-end as 100% tax-free.

Note 2: If you plan to join the FIRE movement, then you'll realistically need to be investing 50-70% of your monthly income for about a decade.

Pre-paid future expenses: This is saving up for a new car, your kid's 529 college plan, weddings, custodial accounts/trusts, etc. ~~~~~ \$1188/mo into my M1 Finance [Capital Growth account](#). I intend to build a house in a few years, so I'm heavily investing trying to build up that nest egg.

Debt Repayment: Yes, I changed this. Now is the time to start pouring more money into those really long-term low interest debts like a home mortgage. Generally speaking you will get a far better bang for your buck by doing the above steps and investing than you will by paying off your mortgage early. - N/A; no additional debts since renting.

Summary:

The intention of this thread was to give you a quick primer on personal finance and provide some critical food for thought as it's incumbent on each and every one of us to get our financial houses in order.

Archived from theredarchive.com

Comments

AutoModerator[M] [score hidden] 31 January, 2020 01:50 PM stickied comment

Why are we quarantined? The admin don't want you to know.

Register on our backup site: <https://www.trp.red> and reserve your reddit name today.

I am a bot, and this action was performed automatically. Please contact the moderators of this subreddit if you have any questions or concerns.

Don_Himself • 292 points • 24 December, 2019 02:01 AM

Sad how this sub focus 90% on the easiest topic on earth that is women, and 9% on fitness, while ignoring the utmost important factor that determines your real wellbeing - finances and career.

This deserves a sticky. Good shit OP

whatnololyea • 67 points • 24 December, 2019 02:25 AM

Why is it sad? If this sub focuses on finances first as a sexual strategy (which this sub is about) then you run the risk of raising an army of betabux.

Plus a lot of mindsets you learn from dealing with women also apply to making money - especially on things outside investing like navigating the corporate world or operating a business.

Don_Himself • 51 points • 24 December, 2019 02:59 AM

The path to true **ZFG, Fuck-You** Money aka absolute freedom will forge a man out of even the most blue pilld simp.

Few comprehend this

linkofinsanity19 • 63 points • 24 December, 2019 07:27 AM

Jeff Bezos, Elon Musk, Bill Gates. Three guys with Fuck You money for days but not a second of game.

squarehead93 • 40 points • 24 December, 2019 09:06 AM

Jeff Bezos' ex wife got of 35.6 billion worth of his Amazon shares in their divorce. Granted, Jeff Bezos' still has more fuck you money than God, but a little bit of game might have saved him a whole lot.

That said, as someone who only recently got into investing, finances absolutely should be a larger topic of discussion around here. OP brings a lot of good ideas to the table.

Liberum_Cursor • 3 points • 29 December, 2019 08:07 PM

the divorce was tactical to prevent amazon from being dismantled by US regulations / political interests

bmw1999m3 • 28 points • 24 December, 2019 03:41 PM*

Long ago one of my best friends was the biggest womanizer I've ever known, and he was broke.

Not living on the streets broke, but average lower class with a job and a mortgage. Even before he had his own place, I'm certain he banged 100+ girls before he was even 20. We knew each other in high school and I saw first-hand how he'd scoop up any woman he went after, whether in class or out cruising the town. He'd make every woman he met drop her panties within minutes of meeting him.... and I mean moist panties too. They didn't go after him with the prospect of money in mind. He knew how to make them tingle with pure lust. He was not a "good guy", quite the contrary. He was a bad boy and a troublemaker, and gave off absolutely zero 'provider' or 'boyfriend' vibes. Even women I never thought were 'that kinda girl' got that look in their eye when they met him and it always blew my mind, being the frustrated beta friend.

I'm not saying money isn't important, but I think it should be for you and you alone. When it comes to game, mindset is vastly superior to income, and I don't want chicks getting with me for my money anyway. I would consider it pretty separate from sexual strategy in fact.

Calleca • 29 points • 24 December, 2019 05:43 PM

I'm certain he banged 100+ girls before he was even 20

That's what you're missing. He was 20 years old.

OP addressed this in his post. You can do that when you are 20 and broke, but try doing it if you're 50 and broke.

The point is that to be wealthy at 50 you have to start in your 20's.

Don_Himself • 3 points • 24 December, 2019 10:03 PM

Do they really have that actual money tho? you know of their *potential* networth thru fake news media. in reality, we have no idea how much liquid assets either of these guys really have after taxes & debt clear.

no one knows what type of dealings they have with gov/mafia/banks that make them feel like theyre not the billionaires theyre portrayed to be. we are all on the outside looking in.

[deleted] 26 December, 2019 04:43 PM

[deleted]

linkofinsanity19 • 5 points • 30 December, 2019 08:26 PM

Game, Money, Looks (physique and fashion). Three major parts of a man. With enough of 1, you don't need the others just to get laid. However, without the others you're not likely to reach your potential as a man. Point is, this sub focuses on the 1st one primarily. There are enough other subs for the other 2. Info on the other two has its place in this sub, but our focus here is sexual strategy.

I don't need coping when I have improvement.

Delirious133 • 9 points • 24 December, 2019 07:34 AM

I personally find this to always be a good conversation to have with some people. What is that number they consider to be Fuck-You money. Always some good insight into that person.

uwey • 8 points • 24 December, 2019 09:05 AM

Getting sued by Disney, counter sue and wins. That is some fuck you money right there, able to win a law suit with conglomerate and have influencer in law or politics.

Anyone can't make dent in politics or lobbying don't get close to fuck you money, look Rothschild and all under radar Jews. If the pocket is so deep, no news dare to report until you tell them to, they probably own everything we live on today, entire west civilization.

redvelvet_oreo • 3 points • 24 December, 2019 05:58 PM

I think if you have no debt and are making around 160 - 170K is where you start to see you have alot of "FU" money. With that much money you can easily afford an expensive apartment, pay living expenses etc etc and have alot left over.

BoobToArmRatio • 4 points • 24 December, 2019 08:02 PM

But you're a slave to your job, so that's not FU money. 160K in passive income is FU money though for sure, so maybe \$4 - \$5 million in net assets?

redvelvet_oreo • 1 point • 24 December, 2019 08:56 PM

I was just giving a rough number since most people earn a salary rather than their own business or have passive income. That being said all the extra money can be invested. Also who says just because you make a salary you are a slave to your job? There are way to not have corporate be such a grind.

BoobToArmRatio • 1 point • 26 December, 2019 03:11 PM

Yeah, I agree that some jobs are much better than others. However, I have worked jobs on both ends of the spectrum and ultimately it's a grind either way. If the job was fun, then they wouldn't be paying you a lot to do it. Being a "slave" to the job might be strongly worded, but if you work for someone you're tied to the job one way or another.

Don_Himself • 1 point • 24 December, 2019 10:00 PM

Doesnt have to be a specific number.

Be Your Own Boss, earn more than you spend, and most importantly be able to SAVE more than you spend as well.

as long as you can easily handle any financial situation that comes your way, you're set.

taotedude • 1 point • 26 December, 2019 09:08 PM

Lmao... so many rich losers. Just check out the tech/crypto scene. If you can write a song and sing from the heart you don't need a dollar to gain access to the highest quality women. Even FEWER comprehend this and choose to spend their time playing virtual games instead of developing analog skills

Don_Himself • 2 points • 27 December, 2019 01:42 AM

Just check out the tech/crypto scene. If you can write a song and sing from the heart you don't need a dollar to gain access to the highest quality women.

It's not the actual "" talent "" they care about. It's the act of genuinely expressing your thoughts and words into being congruent with your actions.

If you go the singing route, the only way to get the real quality women is by actually making it to hollywood. Fame Game is the GOAT. Musician Game is probably as effective as Street

Magic/Mystery game. Good, but clearly not the absolute best.

In fact, clout/fame/influence is the #1 boost of value any man will ever experience. rich, broke, or anything inbetween.

taotedude • 1 point • 27 December, 2019 11:47 PM

While I agree that it isn't about the 'talent' and is definitely about the genuine expression, I know for a fact that you don't need to take it to the hollywood level to meet extremely high quality women through performing. For an anecdotal example, a gorgeous professional athlete sponsored by The North Face who also has a PhD in STEM fell for me 100% at an open mic. In my opinion, it doesn't get any higher quality than that. Nerdy girls and athletic girls absolutely love musicians/artists with a touch of badboy and overall teddy bear vibes.

Don_Himself • 2 points • 28 December, 2019 04:45 AM

a gorgeous professional athlete sponsored by The North Face who also has a PhD in STEM fell for me 100% at an open mic.

this says nothing about her natural beauty, and actual sexual market value.

high value women are defined by their natural beauty, feminine grace, and nubile glow. this chick may have been cute and athletic, but the fact that she has a PHD meant shes rather masculine. and the fact that she's athletic may mean she couldve been slim (or bulky), without fleshy round ass and big tits.

using this woman as proof you could score tons of quality pussy without top tier talent is invalid.

taotedude • 1 point • 29 December, 2019 04:56 PM

Lmao. Thanks for the entertainment. Send a pic of yourself to prove you know what you're talking about from experience. Beauty is in the eye of the beholder. Let's see what you're beholding

bsutansalt[S,M] • 20 points • 24 December, 2019 12:19 PM*

If this sub focuses on finances first as a sexual strategy then you run the risk of raising an army of betabux

You're looking at the subject from the wrong perspective. Advocating for financial well-being is no different than telling guys to lift. It's about building a better person overall. And yes women find powerful men attractive, but that's more of a side benefit of having a killer lifestyle that wealth brings to the table.

Building your empire and developing multiple streams of passive income through entrepreneurship, investing, etc could potentially cause guys to fall into beta bucks mode, but that's not the intention. The goal is to wind up like Hugh Hefner and Gianlua Vacchi, who should be a role model for all of us IMO :)

Those who succeed to build their empires tend not to become beta bucks because of the inherent drive and focus it takes to become that successful. Especially if they acclimate to the access and abundance it brings to the table. There are some outliers for sure like Bill Gates and Bezos who got married early and their wives kept them locked down, but then you've got celebrities such as Leonardo Dicaprio and guys like Hefner and Vacchi who know their worth and have abundance thanks to their wealth and the status it brings to the table.

In other words not everyone gets to be the successful multimillionaire or billionaire hooking up with models into his 60s and beyond. The cold hard truth of the matter is some people's purpose in life is to serve as an example to others of what **NOT** to do. That includes the ultra-wealthy, so be like Heff and not like Bezos. However, that means you still need to build that wealth/empire if you want to have long-term access to that caliber of women late into life.

fitness4393 • 2 points • 26 December, 2019 02:17 AM

I concur. I got rich first, then got into red pill then started lifting. Wish I did it in reverse order. Made a lot of stupid decisions to impress stupid girls and spent a lot of money on stupid shit.

nevva_Again • 3 points • 25 December, 2019 02:32 PM

Sad how this sub focus 90% on the easiest topic on earth that is women, and 9% on fitness...

Except that over 90% of men find women to be the most difficult topic, and less than 9% of the population is fit...

Don_Himself • 3 points • 25 December, 2019 06:45 PM

k, and only 10% of americans have \$1000 or more in savings.

hmmm, wonder whats more important to focus on.

uwey • 7 points • 24 December, 2019 08:59 AM

Finance is something that you can't really get it if your job sucks.

Like, below average 40%.

How to get better job has a lot of to do with your personality, sociability, past dependence, and education background.

I am hate to say play identity politics is the way, but yes if you are not stand out and with poor communication skill (for example, a average non minority with low tier English abilities.)

If you score 1200 in SAT is not bad for if you claim you are minorities or LGBTQA whatever ism. But if you are not, you kinda screw in college, and you can be looking good, fit, and poor for about 10 year. (18-28).

That 10 year, a minority of know how to do it, can get leads that average person never able to catch up. Most of the time it is not the case.

Use your network, and pay attention to anti white policy. Anti white is very real, I am not white and I see it all the time.

Financially most people get paid better around 30+, and only make best money around 40-50.

If you need master degree, get it before 40. And only aim for top school for networking purposes. Be top or be unique in your niche.

Politics, finance, and network are important. You can look like shit and no one care. For longevity purposes, look good don't hurt, but prioritize your time, spend 10hr in gym don't make you big bucks, spend your time in your career, not body build simply you want pussy, that is like paying women with your time hope to get laid.....do it in efficiency and with purpose, right amount and don't go extreme.

Once you break 200k you know you want more, women will notice, too. Tax is your biggest enemy.

Tax is like 40% if you make 160k+, thank god they only tax share 15%.....

bsutansalt[S] • 13 points • 24 December, 2019 12:38 PM*

Finance is something that you can't really get it if your job sucks.
Like, below average 40%. Bullshit excuses.

Bullshit. Those are excuses. Anyone can become a millionaire thanks to the power of compounding interest. You merely need to start early. Just \$100 a month is all it takes to get the ball rolling, and if you don't have that, then still start even if it's only \$20 a month. It's never been earlier to invest thanks to brokerages offering free trades and fractional shares. This is truly the first time in human history the masses have had this level of access to the means of building wealth through investing.

Here's a quick example with the math comprised of the following timeline:

10 years of investing \$100/mo in your 20s
5 years of investing \$150/mo from 30-34
5 years of investing \$200/mo from 35-40
20 years of investing \$500/mo from 41 to 60

If you put that away into a Roth IRA and followed Warren Buffett's example (you'd average 15% yearly returns), then you'd have over **\$2.8M** *tax free* at 60 years old.

If you went hardcore and socked away \$500/mo from 18-40, then you'd be sitting on **\$3.4M** tax free and retired at 40 years old. Living on 4% a year that'd be \$138k a year tax free for life.

It all comes down to what is important to you. Do you want to go out partying on the weekends blowing all your money, or would you like to have a secure retirement and do the things YOU want to do while you're still relatively young, and not having to work the rest of your life hoping you don't have to eat cat food or freeze to death in the winter because you can't afford to turn the heat on?

beginner_ • 13 points • 24 December, 2019 04:02 PM

15% per year in current market is way to optimistic if you don't make trading your job and/or get lucky.

bsutansalt[S] • 4 points • 24 December, 2019 04:48 PM*

That's where we disagree. 15-20% is absolutely attainable. And I'll explain later when I'm not on the road.

benjaminsinmypouch • 3 points • 24 December, 2019 06:06 PM

Please do, I'm 19 and I'm really interested in this.

[deleted] • 13 points • 25 December, 2019 07:43 AM

Don't listen to the guy below. Hedge fund managers with unbelievable resources and capital still fail to beat the index 98% of the time over a period of 10 plus years. If you happen to pick that outlier money manager they will eat away your returns with heavy fees. Invest passively in no load index funds (e.g. VTSAX) and take your inflation adjusted 7-8% per year.

Read through JL Collins stock series: <https://jllcollinsnh.com/stock-series/>

Also read BogleHeads guide to investing book

Subscribe to bogleheads forum

If I was 19, I'd either join the military or start working now in some trade and contribute the max to IRA and 401k (if employee offers) and you will be so far ahead of your

peers at the end of your 20's it won't even be funny.

Best of luck to you mate.

benjaminsinmypouch • 3 points • 25 December, 2019 05:31 PM

Thanks for the detailed answer man, I really appreciate it.

bsutansalt[S] • 4 points • 25 December, 2019 12:46 AM*

Don't try to outsmart the market or reinvent the wheel. Instead just do what proven winners do. You can see the portfolios and SEC filing for the big investors like Warren Buffett. Him and Seth Klarman are major value investors and have demonstrated they can get 20%+ year over year annual returns.

If all you do is follow their lead you're as close to guaranteed as it comes wrt stocks at getting 15-20% yourself. It's a bit lower than their returns because there's a touch of lag time before you'll see the filings and they sometimes get preferred shares, but 15-20% blows the doors off the stock market at large over the long term. It's really not that complicated.

And if things get squirrely for you there's always Ray Dalio's "all weather portfolio" you can fall back on.

benjaminsinmypouch • 2 points • 25 December, 2019 07:13 PM

Yeah, I see what you mean. There are some varying responses to this kind of thing so I'll keep that in mind while I do some research

Project_Zero_Betas • 1 point • 15 January, 2020 11:18 PM

15 - 20% annualized isn't realistic for 99.999999999999% of this (or any sans r-securityanalysis) sub.

TheRedPillFinance • 1 point • 16 January, 2020 03:43 PM*

Value investing makes this entirely attainable. I did 60% in my capital appreciation account. And my Roth IRA in which a third of the account was designated for dividend growth (which usually under-performs the market) still managed to get a 50% return last year.

It all comes down to 4 key elements:

Only buying companies with a large "moat", aka competitive advantage
Sticking to your core competencies, in other words business/markets you understand

Buy with a large margin of safety (I aim for 50%)

Only invest in companies with proven trustworthy management

Lastly, when in doubt just follow Warren Buffett's lead. He's averaged 20% year over year. If you just buy what he buys and sell what he sells tracking his portfolio moves, you'll get 15-20%.

Project_Zero_Betas • 1 point • 31 January, 2020 09:03 PM

Tracking WBs portfolio is different from advocating for anyone to just stick to value investing.

uwey • 7 points • 24 December, 2019 04:50 PM*

If you get 8% I call it lucky. 15% is exaggerating.

No market can sustain 15% for long term. If you are economist, why not be a billionaire first then sell the story?

That is the shit rich sell it to you for eat it right up, that you may hope to achieve it. But starting point is HUGE difference.

Someone a trust fund baby went MIT or Colombia can have a huge head start that life long income will surely 5 fold when both of you hits 40. When we work that barely middle class 120-180k, these head start kids will making easy 300k and by their 50s they already have over 5 million saved plus their assets. Difference is they can afford to make mistakes and accident of the market. We can't.

When Market crash in 2008, I don't have enough cash to get all the assets. My boss have 800k cash in investment and he all in in 2009. Now he is multi millionaire and growing.

Right time, right fits, and skip the line is the key. Don't buy that build wealth by taking shitty jobs and save money. Most people died hoping they can one day make it to finish line, they get doped by millionaires selling dreams like carrot for donkey, keep working, because life is smooth and everything is so predictably easy so everyone just save money to be millionaires.

ManOfTheTimes • 2 points • 24 December, 2019 11:14 PM

Concur. I see no way to get 15% market returns outside of somewhat risky individual stocks.

IRAs and 401ks? Even in this bull market I am not getting double digits in mine. I'd like to see some sort of specific plan.

uwey • 4 points • 25 December, 2019 12:47 AM

IRA and 401k is more like a inflation backed value plan for normal person.

Medical cost is one major killer, I would urge someone to have a advanced degree and a 10 year high paying career, and switch to Federal as a part time work simply you can't beat the medical safety net on it. Even a part time Air National Guard, JAG, Chaplin, Health care professionals are all gold simply because the tricare price.

Best money making scheme people can't get into is real estate. Concocted a plan carefully balance initial cost, tax, tenants, and maintenance will be the challenge but rewarding investment.

Own 4 property and consolidated, move into higher price margin area, and consolidated again. If consolidate few times over 10-15 year business can get you multiple million rental properties, then it is time to retire while run the company based on management performance.

Some of my extended family have that build long ago, and it is indeed the neighbor millionaires. They live normal life but have extensive wealth.

Also, know when to cash out. Don't stuck in things you build and let it suck all your valuable time away.....a 6 figure management job that work you 80hr is not as good as a trade job pays 70-90k with 40 hour and union backing.

bsutansalt[S] • 1 point • 25 December, 2019 01:00 AM

SPY is getting over 20% this year. I'm up about 35% and I started in late May/early June.

Read the books above, it's not rocket science. When in doubt look at Warren Buffett's moves for guidance.

[deleted] • 3 points • 25 December, 2019 07:50 AM

Okay? It's all paper, imaginary "wealth." What happens when the repo market takes a shit, the Fed can't "control" rampant inflation, and the dollar is worth less than toilet paper?

Yes, you and millions of others (including me) are up 30,40% but the underlying economy is a massive bubble. I'd hedge with precious metals, land, guns and ammo.

I contribute the max to these magical 401k and max Roth just like all of you but it's all a giant farce and will crumble. The Fed can't print itself out of the next one and QE4 has already begun.

bsutansalt[S] • 1 point • 25 December, 2019 12:56 AM

Buffet and Klarman are getting north of 20%. And their moves are public. Move when they do like I do and you're set. Why try to reinvent the wheel or build a better mousetrap in an attempt to beat the market when you don't have to?

INNASKILLZ2K18 • 5 points • 24 December, 2019 05:07 AM

Well it is a sub about sexual strategy.

That's like going onto a sub about the NBA, and writing 'sad how this sub focuses on basketball and not your finances'.

Um...that's the subject header.

Don_Himself • 15 points • 24 December, 2019 05:41 AM

Except the red pill refers to disconnecting from the lie known as the matrix and seeing ALL things for what they really are.

You're limiting sexual strategy to just merely women when in reality, there's dozens of other factors that contribute just as much or more than the female nature (which has been mastered for literal eons now).

INNASKILLZ2K18 • 6 points • 24 December, 2019 06:09 AM

Yes, I understand what you're saying and I agree it's a big part.

But in a sub headed 'a discussion of sexual strategy...' it's understandable that women and how to fuck them takes up most of the air space.

Women were conquered eons ago, but the majority of guys, especially new here, still haven't worked them out.

Don_Himself • 7 points • 24 December, 2019 06:48 AM

the train of thought justifying the fact that women (who our much less equipped ancestors conquered eons ago) take up so much air space is why most dudes nowadays are cucks.

women are not that important, they never were and never will be. your fitness, mental wellbeing, finances and career are infinitely more important. women are just the cherry on top of all that, and until this sub understands that, yall niggas gon stay strugglin'.

INNASKILLZ2K18 • 6 points • 24 December, 2019 11:25 AM

I agree with you, and share those views.

I'm merely accepting why the sub is so heavy on guys who don't realise they pedestalize women. So heavy on 'how to fuck this one womanz?'

But really, it's less competition.

hazaraMoghul • 1 point • 26 December, 2019 05:09 AM

If you have truly internalised red-pill. then you know finance is one of the elements of red pill. Red-pill is not a "HOW TO GET LAID QUICK" guide. sorry bro.

INNASKILLZ2K18 • 1 point • 26 December, 2019 05:37 AM

Thanks for the tip.

You misread that it's my intention to find a 'get laid quick' guide.

I'm explaining why the sub is primarily guys talking about women. When there are many guys who are virgin/incel etc, organising finances isn't their number one concern.

[deleted] • 1 point • 24 December, 2019 11:50 PM

Because that's what this sub is for. Fitness and finance are discussed elsewhere on reddit in dedicated zones. This is a good primer but those places do it better.

machocornflakes • 1 point • 24 December, 2019 07:19 AM

The Pareto principle (also known as the 80/20 rule, the law of the vital few, or the principle of factor sparsity) states that, for many events, roughly 80% of the effects come from 20% of the causes.

Think about that one for a moment.

[deleted] 23 December, 2019 11:38 PM

[deleted]

Darkspace100 • -8 points • 24 December, 2019 12:46 AM

I don't understand this logic. People build all this wealth and either don't spend it meaning it goes back to the government for all your hard work or some ungrateful family member inherits it and goes on a spending spree not appreciating how much hard work it took to gain that wealth.

drcube2000 • 42 points • 24 December, 2019 01:26 AM

I sleep better knowing I don't have to worry about money any time in the short term and knowing that my family isn't going to suffer financially if I die suddenly.

Darkspace100 • 2 points • 24 December, 2019 11:44 PM

No is saying you have to spend every last cent. What I'm saying the whole point of money is to support and provide for yourself a good life. Fuck giving it to other people. I'd rather be broke than all of my hard work being exploited for someone else's gain and that includes family or friends.

Also I can't believe I got downvoted for the previous comment. A lot of closet beta blue pillers pretending to be red pillers and dream of that perfect picket fence fantasy.

[deleted] 24 December, 2019 01:01 AM*

[deleted]

ENTPunisher • 13 points • 24 December, 2019 05:58 AM

A society grows great when old men plant trees whose shade they know they shall never sit in.

[deleted] 24 December, 2019 05:59 AM

[deleted]

ENTPunisher • 5 points • 24 December, 2019 06:05 AM

Correct and just like TRP, but it's a strategy and not a religion. I'll happily keep shilling for what I believe is right irrespective of the tools we have in our pockets.

ultrasuperthrowaway • 68 points • 24 December, 2019 01:42 AM*

I've said this before and been downvoted but if your finances aren't straight you are a beta, end of story. Not the other way around. People think "beta bucks" means anyone who succeeds in life financially means you are beta, that's not what that means. It means you are giving your money to women rather than enjoying it yourself.

thebadguy89 • 12 points • 24 December, 2019 07:27 AM

Agreed, and also as a guy the older you get the more people judge you by how much money you have/earn.

[deleted] 24 December, 2019 09:19 PM*

[removed]

ultrasuperthrowaway • 11 points • 24 December, 2019 09:31 PM*

They may be alpha to you, but they aren't actually alpha to the actual meaning of the word. Alpha means top of the pack in every aspect of life.

Don't idolize people just because they get laid by Susie Rottencrotch.

Don't put pussy on a pedestal.

Being Alpha means being able to compete in the real world and come up with actual results that matter. Not just to your dick, but your legacy as a man.

taotedude • 1 point • 26 December, 2019 09:13 PM

Alpha is a vibration. A mindset that presents itself through ineffable qualities like intonation, body language, word choice and confidence. Don't put finances on a pedestal. The "real world" is an illusion and MATERial is MATERnal. The greatest male leaders (Jesus, Buddha, Gandhi, etc) chose to be poor and their legacy is far bigger than a Bezos or Gates material beta

ultrasuperthrowaway • 1 point • 26 December, 2019 09:57 PM*

You have a physical body that must be cared for and is made up of living cells and is therefore material, is having a body beta now? Is it not materialistic to care of your physical needs. The same thing that makes people rich is the thing that made Ghandi, Buddha and Jesus successful in their endeavors. Doing things you believe make the world a better place, setting goals and achieving them.

taotedude • 1 point • 26 December, 2019 10:33 PM

Good points. Yes, the body is beta, the spirit is alpha. That is why a perfect body with an idiot's personality will not see any success in relationships. Did Buddha care for his physical needs while fasting? No, quite the opposite, he became emaciated while he cared for his spiritual needs. Jesus fasted for 40 days... Make the world a better place? Hmmm, sounds like you think you know better than everyone else combined. "Do you think you can take over the universe and improve it? I do not believe it can be done. The universe is sacred. You cannot

improve it. If you try to change it, you will ruin it. If you try to hold it, you will lose it." Tao Te Ching ch29

ultrasuperthrowaway • 1 point • 26 December, 2019 10:39 PM

If Jesus, Buddha and Ghandi decided they will just be lazy and not do anything then they would not have become the people they were so you could idolize them.

taotedude • 1 point • 26 December, 2019 10:49 PM

What jobs did they work? Buddha was rich and decided to become poor and then sat around meditating until he was gaunt and a poor girl gave him porridge. Jesus quit as a carpenter and became a preacher. I never said to be lazy. You're making things up at this point...They "did nothing" in the true sense. Wu Wei

ultrasuperthrowaway • 1 point • 26 December, 2019 10:55 PM*

In much the same way the Jesus, Buddha and Ghandi became spiritual leaders I make lots of money sharing my intelligent ideas with the world. If you be more like Jesus Buddha or Ghandi you will become rich as a consequence.

taotedude • 1 point • 26 December, 2019 11:02 PM

Prove it. What are your intelligent ideas?

[deleted] 25 December, 2019 05:15 PM

[deleted]

ultrasuperthrowaway • 6 points • 25 December, 2019 05:35 PM

If the millionaire was actually jealous of that lifestyle they could easily quit his job and become a ski bum. The ski bum cannot simply just decide to quit being a bum and easily become a millionaire.

The millionaire is not actually jealous of the ski bum, they could simply do it if they wanted to do it.

It's not about chasing the currency, the currency is just a points system which keeps score of the winners of the game of capitalism.

taotedude • 1 point • 26 December, 2019 09:17 PM

You're wrong. Show me a single example of an ultra-wealthy person that easily "quit his job and became a ski bum". It's impossible. The ski bum is free from the material world while the rich man is tethered to it. That's why the bum bangs the rich dudes wife on vacay... he has the ineffable spiritual qualities that cannot be obtained through material gain. The bible even said "Again I tell you, it is easier for a camel to go through the eye of a needle than for someone who is rich to enter the kingdom of God." Matt 19:24

ultrasuperthrowaway • 1 point • 26 December, 2019 09:42 PM*

You are wrong. Show me an example of a wealthy person who is actually jealous of a ski bum. They may say it in the moment but they aren't really actually jealous. Especially when the ski bum goes back to his shack and the millionaire goes back to one of his beautiful houses up high in Vail. The ski bum's wife will also go back to the millionaires house to get in his hot tub while the ski-bum sits in a shit apartment and eats Spaghettios.

The ski bum won't be so "free" when he breaks his leg and can't afford to get it fixed, then his

life will cascade in a downward spiral while the millionaire does whatever he wants and thrives. Also, I've taken Bible studies and you are misinterpreting that quote.

taotedude • 1 point • 26 December, 2019 10:44 PM

You haven't provided an example. I will show you how it's done: Here's a real quick prove-you-wrong on wealth and happiness data:

<https://www.marketwatch.com/story/the-dark-reasons-so-many-rich-people-are-miserable-human-beings-2018-02-22>

<https://blogs.wsj.com/wealth/2011/03/09/dont-envy-the-super-rich-they-are-miserable/>

I'm sure you can easily find a more tailored story unique to our conversation, but overall stats are easily found. Coincidentally I lived in Vail. What you meant to say was "Beaver Creek" which is the private resort next door to Vail where the real money plays. The ski-bum doesn't have a wife because he doesn't have money. If he can play music at the local bar, he can bang the richest wives without a dollar to his name while the millionaire fool pays for the drinks. I guaran-fuckin-tee it. When the ski-bum breaks his leg, it costs about \$5-\$10 as a co-pay with Medicaid. I know this for a fact. The millionaire pays up the butt to get a "top notch doc" on the job who up sells him on procedures and gets him addicted to pain-killers in process. You are misinterpreting the bible. My mom worked in churches growing up... I was much more involved beyond "bible studies". For starters, all Christian monks take a "vow of poverty" as one of the 3 essential steps to getting closer to God (celibacy, obedience, poverty).

ultrasuperthrowaway • 1 point • 26 December, 2019 10:48 PM

You are wrong. Not having money restricts our choices and wreaks emotional havoc on our psyche. Borrowing money to pay those bills leads to debt, which can lead to all sorts of problems that have nothing to do with accounting and everything to do with psychology.

Among the negative effects are low self-esteem and impaired cognitive functioning. That means you can't learn, remember, be attentive or solve problems as well when you're freaking out over your water bill.

And get this – debt can hurt. I mean, really hurt.

A study of 33,720 U.S. households published in the January 2016 edition of Psychology Science found that those with higher levels of unemployment were more likely to purchase over-the-counter pain killers.

<https://www.debt.org/advice/emotional-effects/>

taotedude • 1 point • 26 December, 2019 10:56 PM*

You are more wrong than before. You can keep telling yourself you're right but it simply won't work out in the long run. I don't have money and it's blissful. If you need money for self-esteem, you already have self-esteem issues. I choose this life because it brings me cognitive benefits. Solving issues without throwing money at them takes creative ingenuity. What water bill? Why do you have a water bill? I don't have a water bill. Are you smart enough to figure out how to live without a water bill? Not yet, apparently. Stop conflating low IQ with low income. Just because stupid people are often poor doesn't mean that all poor people are stupid. If you trust debt.org you're likely a wage slave. Now, work faster and harder until you figure out you're on a

treadmill and this life is temporary.

ultrasuperthrowaway • 1 point • 26 December, 2019 11:02 PM

The fact that you are trying to insult people with words like “wage slave” only prove that you aren’t enlightened and that you are jealous of my success. I would never insult you because I am truly happy with my life and don’t see the need to do that. What happened to your spirituality? I see that whatever you have going on isn’t actually working for you at all.

taotedude • 1 point • 26 December, 2019 11:04 PM

Sounds like a hit a nerve. Are you indeed a wage slave? It's not an insult if you're happy with your situation. Since you took it as an insult, there's likely some truth you're avoiding. I have made plenty of money... no need to be jealous. I just know it's not the answer and follow a different path now. It sounds like you think people are jealous of your money. Also, I am not enlightened and never claimed to be. That's the second time you've made something up to try and prove your case

taotedude • 1 point • 26 December, 2019 09:11 PM

Financial success is MATERIAL success. The word is rooted in MATERnal. If you're masculine, stop chasing the feminine. If you're a beta, chase MATTER. Chase "this world". Beyond that is a spiritual realm, and it is indeed masculine af

ultrasuperthrowaway • 1 point • 26 December, 2019 09:54 PM

The more successful I’ve become the more free time I’ve had with which to explore my spirituality. Someone who sets goals and accomplishes them is far more likely to achieve spiritual enlightenment than those who must worry about their lack of health care and having their physical needs met.

taotedude • 2 points • 26 December, 2019 10:47 PM

Healthcare is free if you're poor. So is dental. And food. Your "success" contradicts all ancient spiritual teachings, from Islam, to Tao, to Christianity etc. You MUST be poor, celibate, and obedient. I didn't make the rules. I just follow them. Maybe you'll someday find a new level of "success" that's more in tune with spirituality

ThinSpiritual • 41 points • 24 December, 2019 02:12 AM

Personal anecdote - Investing is a long & lonely road. Have patience.

I used to work on the buy-side and for years I bought stocks of blue-chip companies (ie. MSFT) and got unsatisfied with the single-digit to mid-teens returns.

Slowly started to trade options, which became popularized by Robinhood (no commission). I got lucky for 2 years prior to when the US-China trade war started (a few times I made 4-5x on my original investment), became greedy and impatient in the process.

Slowly, my portfolio changed from large-cap, cash-rich, blue-chip companies to a bunch of naked LEAP options. Trade war ensued in 2018, the market tanked, all of my calls became worthless and I lost everything I made in the 2 years prior plus more.

Back to square one.

So yeah, don't be like me ;)

ThatOneDrunkUncle • 2 points • 24 December, 2019 04:54 AM

What do you mean you worked on buy-side? MFs, PE, HFs? If you think working on the buy-side is managing your own portfolio, I have some great opportunities for you.

ThinSpiritual • 2 points • 24 December, 2019 04:56 AM

Yes, at a HF. I'm all ears uncle.

MAGA_IowaPede • 16 points • 24 December, 2019 01:58 AM

Just get started and keep investing long term in low cost index funds. Just doing the bare minimum in a Roth and 401k and you'll be way ahead of the pack. Stay away from financial advisors and their overpriced products and whole life insurance.

bsutansalt[S] • 7 points • 24 December, 2019 02:30 AM*

Roth IRA maxed out over 40 years at average rate of returns is over \$1M.

Furthermore, if you followed Warren Buffet's lead then you'd be sitting on over \$3.4M tax free and retired at 40 years old if you started maximizing that Roth IRA at 18.

Living on 4% a year that'd be \$138k a year *tax free* for the rest of your life.

INAPICTTAA • 3 points • 24 December, 2019 05:05 PM*

Way off. Assuming 8% annual returns, \$6,000 a year for 22 years compounded annually will be about \$368k at age 40. A 4% draw from this would be under \$15k annually.

Edit: How do you get from "40 years of IRA returns w/ max contributions gets you just over \$1m" in the first sentence to "22 years of IRA returns w/ max contributions starting at age 18 will get you \$3.4m?"

bsutansalt[S] • 1 point • 25 December, 2019 12:54 AM

I'm factoring in a much higher rate of return. Read below for more.

Virtusvitium • 1 point • 27 December, 2019 01:47 AM

You mean like Edward Jones?

MAGA_IowaPede • 2 points • 27 December, 2019 03:19 AM

Especially Edward Jones, they are notorious for screwing customers with fees.

Virtusvitium • 1 point • 27 December, 2019 03:28 AM

What would you recommend? Is there a way for me to transfer my funds into something cheaper but kinda automated?

MAGA_IowaPede • 2 points • 27 December, 2019 03:37 AM

TD ameritrade has 0 fees now. Just pick a target date fund or SP500 index fund. You can setup an auto draft then just buy your stock periodically.

Virtusvitium • 2 points • 27 December, 2019 03:43 AM

Interesting, thanks for the help. I'll research more into and see if can learn a little more. The

last thing I want is to piss away my money on something dumb.

midgetpoooo • 24 points • 24 December, 2019 01:39 AM

Stock series - this is all you need <https://jcollinsnh.com/stock-series/>

DaftOdyssey • 1 point • 24 December, 2019 04:04 AM

Thanks for this, man!

Heybuddyyyyy • 27 points • 24 December, 2019 03:04 AM

Fast Lane Millionaire is better book than all these Getting rich at an old age is not the way to go

baron_vladimir • 10 points • 24 December, 2019 04:25 AM

Definitely. And the writer actually became a millionaire with a business, not by selling books.

I used to be a regular in his forums (thefastlanetomillions.com) back in 2007. He was really active and there were real millionaires there from different backgrounds who would chime in when someone posted asking for business advice.

BoobToArmRatio • 2 points • 24 December, 2019 02:42 PM

I had this exact argument with someone like 2 or 3 years ago lol. I think it boils down to the fact that not everyone can build a business but anyone can invest in a broad market portfolio. Yes, businesses that succeed will make you a lot of money at a young age. Also, for a non-insignificant number of young people going into business is probably a better idea than going to college. Ultimately it carries a lot of risk and may or may not work. For the average office worker Big 10-type graduate in the US pursuing FIRE is pretty much a guarantee to retiring comfortably in your 40s.

Of course this is coming from someone who has quite a few side hustles and makes okay money from them, but not enough to quit my day job.

Alphalizard1990 • 8 points • 24 December, 2019 11:35 AM

THIS getting rich young beats the snot out of being rich old.

bsutansalt[S] • 3 points • 24 December, 2019 12:58 PM

What do you see as "old"? As I stated up-thread, if you went hardcore and socked away \$500/mo into a Roth IRA from 18-40, then you'd be sitting on \$3.4M tax free and retired at 40 years old. Living on 4% a year that'd be \$138k a year tax free for life.

INAPICTTAA • 12 points • 24 December, 2019 05:04 PM

Way off. Assuming 8% annual returns, \$6,000 a year for 22 years compounded annually will be about \$368k at age 40. A 4% draw from this would be under \$15k annually.

Alphalizard1990 • 2 points • 24 December, 2019 01:25 PM

It works a bit different in America than where I'm from.

bsutansalt[S] • 2 points • 24 December, 2019 12:57 PM

The more I research the guy the more he sounds like a fraud as it's all self-referential citations and Woozle Effect.

pollodustino • 9 points • 24 December, 2019 05:10 AM

I would add *The Automatic Millionaire* to the list of recommended reading. It's the easiest, most unobtrusive way to save money hands down. After a month you don't even realize you're saving money.

Start with just a high interest savings account like Ally Bank. Even just \$25 or \$50 a week. Slowly build up your reserves. Check it in a year and see how you're doing. After that, start doing \$50 a week into an investment or retirement account. As you start making more money at jobs, increase the amount. It adds up real quick.

The security and confidence of having both an emergency fund and a retirement account is miles above almost everything else. Knowing you can weather three-to-twelve months of unemployment, depending on your savings, takes so much load off your mind you can actually start to relax and focus on other things. It took me a few years, but now I have enough in liquid cash that I could survive for a year if I ever became unemployed from both my main and side gigs. Longer if I dipped into retirement. That kind of security is only bought with saved money.

As a side bonus, the discipline you develop in getting your finances right bleeds into everything else. Once you get your money right, everything else starts to follow.

bsutansalt[S] • 7 points • 24 December, 2019 11:22 AM*

Good advice, I'm a huge fan of automating my savings/investments. Also...

Automate your credit payments!

There's no reason you all can't have 700+ credit scores inside a year, even with a bankruptcy under your belt. A first step in everyone's credit building process is automating your payments. If you don't qualify for credit cards, then you need to get a secured card and use that to make a very cheap purchase every month and make sure you pay it off on time.

My credit card is automated so I never forget to pay it and wind up with a ding to the credit report. In the past 5 months I've shot up from 600-691 after taking a giant hit because I closed a bunch of credit cards (\$17,000 in total available credit) before I understood how the credit system works. Boy was that a stupid mistake. I was under the impression not having credit would raise my score--**learn from my mistakes so you all don't repeat them.**

ExternalCake • 2 points • 26 December, 2019 09:21 PM

So what do you do if you have like 5 credit cards and you've paid them all off?

bsutansalt[S] • 1 point • 27 December, 2019 04:33 AM

Great question. I really don't have an answer for you.

GayLubeOil • 33 points • 24 December, 2019 02:36 AM

Leave the United States and claim foreign earned income exclusion. Go where your treated best. The United States government hates everyone here wants to take 30-40% of your money and spend it on 85 IQ proles and tranny inverted penis vagina operations.

Cost of living is much much lower in countries that don't spend a substantive portion on arming and then bombing sand people.

Property in America (like American women) is way over valued this isn't 1985. Use the all powerful dollar to make foreign investments before this dollar bubble bursts, and it will definitely burst in our lifetime.

random_echo • 5 points • 24 December, 2019 02:55 PM*

What, do you refer to universal health coverage ? I live in europe, no one pays for any kind of necessary medical expense (and that cover everything mandatory, emergencies, hospital, surgery, dentist, optics, drugs etc), I make really good money and I pay less than 20% in taxes

And you know what ? I am glad to pay taxes, it pays for roads, educations, justice, healthy population and minimal income etc .. . Because I can shake any man's hand without wondering if he might have rabbies, that I meet people who can think for themselves, I can use roads to go to work, be assured that most people are not so struggling that I'll get assaulted in every poor neighborhood I go

On top of that, I grew up poor, and I got PAID by the state funding to go to university. Now I make good money its only fair, plus all the benefits paid by taxes are invaluable.

Its not low incomes stealing your shit, you are just plain and simple getting ripped of if you pay so much taxes and getting nothing out of it.

YoungEscapist • 5 points • 24 December, 2019 06:41 PM*

Less than 20%, how? In almost every country in Europe you'd fall somewhere in between 40 - 60% income tax when you're in the highest income tier.

random_echo • 6 points • 25 December, 2019 12:30 AM*

I never claimed to be the highest income tier. I make good money to never check the price of stuff, buy my own house, 2 motorcycles, a car etc. I think its well enough to be called doing very well. At least I dont feel that more money would change anything in my life. But actually, you are right, I just checked and i am now a bit above 20%

But even there, the highest income tier doesnt actually pay 45%. Here is the grid. If you make 10k a year, only what you earn above each level get taxed, and so on for each level. Just because the last layer is 45% doesnt mean you pay 45% of your income. Only that income above that is at 45.

9 964 euros 0 %

9 964 à 27 519 euros 14 %

27 519 à 73 779 euros 30 %

73 779 à 156 244 euros 41 %

above 156 244 euros 45 %

Keep in mind cost of like is different (lower) from the US, (free education, 0 medical, etc), and the average income is 27k

An executive income in a mid sized company is arround 100K That means that with an income of 100k gets taxed : $10k * 0\% + 17k * 14\% + 46 * 30\% + 27 * 41\% = \text{so } \rightarrow 26.4k \implies 26\%$

Arround 50k, : $10k * 0\% + 17k * 14\% + 23 * 30\% = \text{so } \rightarrow 9.3 \text{ k} \implies 18\%$

160k income (highest tier) : $10k * 0\% + 17k * 14\% + 46 * 30\% + 8341\% + 445 = 56.4k \implies 35\%$

if you make 6 times the average income you are still paying 35% of your income in tax, so much far from that dreaded 50% income tax.

OofxYikes • 1 point • 25 December, 2019 06:17 AM

Check out my rebuttal on his other point. He fell for the word-games his government plays on him. So much for redpills.

GayLubeOil • 10 points • 24 December, 2019 03:20 PM

The richest people in the US pay next to no tax. The middle class pays very high tax and subsidizes the peepee poopoo proles who then vote to keep the system in place.

[deleted] 25 December, 2019 05:00 AM*

[deleted]

random_echo • 2 points • 24 December, 2019 03:57 PM

Now that I totally agree with.

[deleted] 24 December, 2019 07:44 PM*

[deleted]

BoobToArmRatio • 4 points • 24 December, 2019 08:06 PM

Medicaid and ACA subsidies are a pretty big chunk of the federal budget. There's "universal healthcare" in the US as long as you are poor and/or unemployed.

OofxYikes • 0 points • 24 December, 2019 08:38 PM

How is it that you come to a place called "the red pill" and decide you can get away with lying? Post your country and your income, and anyone will be able to instantly determine how much it is you actually pay in taxes.

random_echo • 2 points • 25 December, 2019 12:24 AM*

How is it that you take your own truth for granted ? You wanna play this game, here is YOUR uncomfortable truth

Well its not a secret, you can check my reddit history, I live in france, am an engineer with 10+y xp in my field, am not going to post my income sheet, but you can get a good average of income with that. Actually I checked an am now a bit above 20%, but still faaaar from 50%.

Here is the grid. Keep in mind that if you make 10k a year, only what you earn above each level get taxed, and so on for each level. Just because the last layer is 45% doesnt mean you pay 45% of your income.

9 964 euros 0 % /// 9 964 à 27 519 euros 14 % /// 27 519 à 73 779 euros 30 % /// 73 779 à 156 244 euros 41 % /// above 156 244 euros 45 %

Keep in mind cost of life is different (lower) from the US, (free education, 0 medical, etc), and the average income is 27k

An executive income in a mid sized company is arround 100K That means that with an income of 100k gets taxed : $10k \cdot 0\% + 17k \cdot 14\% + 46 \cdot 30\% + 27 \cdot 41\% = \text{so } \rightarrow 26.4k \Rightarrow 26\%$

Arround 50k (almost twice the average income!) : $10k \cdot 0\% + 17k \cdot 14\% + 23 \cdot 30\% = \text{so } \rightarrow 9.3 \text{ k} \Rightarrow 18\%$

160k income (highest tier) : $10k \cdot 0\% + 17k \cdot 14\% + 46 \cdot 30\% + 8341\% + 445 = 56.4k \Rightarrow 35\%$

All those income are more than enough to live very well, (no medical, free education, retirement money included) Even if you make 6 times the average income you are still at 35%, so much far from that dreaded 50% income tax.

OofxYikes • 2 points • 25 December, 2019 06:07 AM*

So what you are doing is called Kettle Logic, where you use multiple arguments to defend your point, but they are internally inconsistent. We don't pay high taxes in France! And I don't mind paying high taxes, they get used so effectively for so much! Here's the redpill, bucko: your government is playing games to obscure how much money they are taking from you, the ostensibly productive segment of society. Up until 2013, France had the highest tax rate, and hundreds of millionaires fled Paris. They changed that in 2014 ... but then your VAT tax (use tax) shot up. Ouch. And sit down for this next part: near-zero interest rates are essentially a gas-pedal for inflation, which is a tax on your savings.

Because I can shake any man's hand without wondering if he might have rabbies

Is this supposed to be a strawman against Americans, or Bulgarians? I am not familiar with the specifics of continental prejudices. Regardless, one single ride through the Paris metro puts you in close contact with people you do not want to be within 3.048 meters of.

Or I'm wrong and all those pesky yellow shirts were protesting Macaroni and blocking traffic for nothing.

EDIT: Did a quick google search which shows I'm right.

EDIT2: Also, it appears that "social deductions" aka welfare are not treated as a tax in your reporting. Again, fun post-modern word games your government is playing on you.

"Most of the taxes are collected by the government and the local collectivities, while the social deductions are collected by the Social Security"

random_echo • 1 point • 26 December, 2019 09:31 PM

The claim was that we pay 40 to 50 % of income tax. I just demonstrated that with 6 times the average income it was still only 35%. How is that kettle logic ?

Btw yellow shirts are protesting for the raise of income and living conditions for the lowest incomes, which pay close to 0 income tax.

You just missing the whole point by bundling a bunch of unrelated stuff, income tax is not 40 %. Yes french gov is fucking us, thats what gov do, everywhere

OofxYikes • 1 point • 27 December, 2019 02:58 AM

I've already explained the kettle-logic. You first argued that you don't pay high taxes. Then you said it's okay you pay high taxes, since you get so much in return. Kettle-logic is one form of cognitive dissonance aka self-lies. We are at TRP, where the goal is to smother your face in your own lies until you can see reality for what it is. In case you change your original post, YOUR FUCKING CLAIM WAS:

I make really good money and I pay less than 20% in taxes

And I just showed you easily pay much more. You are the one qualifying it after the fact as "income tax".

Since you've stated that you understand that your government is out to get you, I will respectfully concede that we are on the same page, despite an apparent communication barrier and stubbornness on both sides.

ledsdeadbaby • 2 points • 24 December, 2019 07:23 PM

The dollar bubble is going bust next decade. I would guess within the first quarter of it.

MAGA_IowaPede • 1 point • 24 December, 2019 02:47 PM

I'm pretty sure you have to renounce your citizenship to avoid taxes in the US even when you earn it abroad.

GayLubeOil • 7 points • 24 December, 2019 03:18 PM

here's how it works

gengar924 • 17 points • 23 December, 2019 11:05 PM

Amazing. Thank you for this post!

Oscar_Cc • 8 points • 24 December, 2019 08:25 AM

Kudos to OP for the effort and how neatly it is summarized. Saving this.

Sadly I am not in America so this catches me a bit off ground. From what I read on the Internet the US is full of opportunity, yet sometimes I also read about the middle class there been squeezed. Maybe some natives can chime in and give me their personal take on whether making sizeable money is relatively easy (with hard work of course) or not.

Just for context, where I live (Spain), people with degrees are making \$1500-2000 a month, often even less, and unemployment is 15% (was 24% during the last recession). Median salary is just \$17000. So it is quite different, and not for good.

HODL_monk • 8 points • 24 December, 2019 04:37 PM

People here like to complain, but the average salary is much higher, even if you do menial work. People can blow any amount of money, if they don't have discipline, which is why you hear the complaints about the middle class. Most of those complaints are that easy and good jobs are hard to find, and that is the case. Making sizeable money isn't easy, but its possible, lots of looking and trying different things is required to get that higher pay, its a lot like PUA, you gotta approach a lot of employers, be able to do what is needed, and just get lucky to break through to the good jobs.

Oscar_Cc • 1 point • 24 December, 2019 07:33 PM

I see, thanks for the answer.

Jizzcuits • 4 points • 25 December, 2019 02:49 PM

It has plenty of opportunities but cost of living is fucked. Housing in major cities is ridiculous, but unfortunately that is where the opportunity is. You can either pay \$1200/month (low end) on a studio or live in a gang-infested gun range.

The rich use numerous loopholes in the tax system to pay little to nothing in taxes. The middle class can't use these same loopholes as effectively or at all, and end up shouldering most of the burden.

Also major duopolies or triopolies reside over most industries, killing competition, and our politicians are too busy getting campaign donations from these companies to use anti-trust laws.

Our healthcare system also favors corporations in the job market and works against small business and entrepreneurs. This is because insurance premiums are so ridiculously high that large corps hold a competitive advantage in hiring by subsidizing 60-80% of the premium costs. Small businesses struggle to compete for talent and entrepreneurs have to account for massive health costs, either in large premiums or risk bankruptcy from medical bills.

So between these things the middle class worker/business owner is getting squeezed. The opportunity is still there but with big risks. It is still the most prosperous country in the world but the foundations are rotting.

None of this even factors in bad monetary policy and the national debt of \$22 trillion.

Oscar_Cc • 1 point • 25 December, 2019 06:08 PM

Good summary. What you say checks with the stuff I have read. I think the fact that the US is a huge country with a shared language allows for some important economies of scale and labor movement that are impossible in Europe but it also is very hard to rule sometimes.

ledsdeadbaby • 15 points • 24 December, 2019 03:35 AM

I would like to add if you are single, young, and debt-free that would be the time to take some chances with your money to make it big. Actually give yourself a chance at FUCK YOU MONEY.

hoopingblob • 7 points • 24 December, 2019 08:44 AM

This is good but does it also apply for European countries? For example in Germany we all get the same amount of rent after we reach 70. It's a different system. The old generation depends on the young generation to get their rent. All of our taxes are forced insurances which makes it hard to save money

randarrow • 3 points • 24 December, 2019 03:28 PM

Stop voting for globalist socialists.

More seriously though, there are multiple sub-reddits dedicated to European investing: EuropeFire, eupersonalfinance,

Tacale • 5 points • 25 December, 2019 04:37 AM

Thank you for the information about those sub reddit.

A lot of the advice about investing on the internet talks heavily about Roth IRA. In Europe we have no such thing and not being able to benefit from one of key first steps often puts me off - that the advice won't be relevant here.

MajesticPresentation • 2 points • 24 December, 2019 11:19 AM

I was thinking something similar about Ireland. Not sure exactly how it works admittedly, but part of the reason the income tax and other taxes come out of gross pay automatically is for the same stuff you said.

I guess you can still focus on having an emergency fund, any other non-governmental investment options, building income streams etc.

hoopingblob • 1 point • 24 December, 2019 11:20 AM

Yeah that's possible. I always save up money.

Wrightsborough • 12 points • 24 December, 2019 08:33 AM

I disagree with the conventional Redditeer emphasis on FIRE. To quote a good book:

"Retirement as a goal or final redemption is flawed for at least three solid reasons:

It is predicated on the assumption that you dislike what you are doing during the most physically capable years of your life. this is a nonstarter—nothing can justify that sacrifice.

Most people will never be able to retire and maintain even a hotdogs-for-dinner standard of living. Even one million is chump change in a world where traditional retirement could span 30 years and inflation lowers your purchasing power 2-4% per year. The math doesn't work. The golden years become lower-middle-class life revisited. That's a bittersweet ending.

If the math does work, it means that you are one ambitious, hardworking machine. If that's the case, guess what? One week into retirement, you'll be so damn bored that you'll want to stick bicycle spokes in your eyes. You'll probably opt to look for a new job or start another company. Kinda defeats the purpose of waiting, doesn't it?" 4 Hour Work Week

bsutansalt[S] • 3 points • 24 December, 2019 11:42 AM*

I disagree with the conventional Redditeer emphasis on FIRE.

Juxtapose that with the average millennial's amount of savings, which is a mere \$10,400. Shooting for the stars (FIRE) and only making it to the moon (retiring like normal) is still a good methodology for many.

Even one million is chump change in a world where traditional retirement could span 30 years and inflation lowers your purchasing power 2-4% per year. The math doesn't work.

Oh I'm fully aware. It's doable for folks that intend to live in say, Thailand or someplace else equally cheap, but then you've got guys like one who was made fun of in another sub that tried to retire early in San Francisco of all places and bitched and moaned about how he ended up having to go back to work (because he refused to move to someplace with a cheaper cost of living).

One week into retirement, you'll be so damn bored

This is very true if you're not traveling to conserve capital. I was out of work for 6 months or so when I did a mini-retirement a la Tim Ferriss/4 Hour Workweek several years ago, but I was bored as hell after about a week or 2. All my friends still worked and I had nothing to do all day but sit around and watch tv. Going out on my own every night was okay, but it's not the same flying solo ALL the time and got old quick.

Wrightsborough • 1 point • 24 December, 2019 04:04 PM

You're right, but for me the goal isn't retirement or a life of total leisure, but *creating* something, with a healthy dose of pleasure on the side.

Korrangar • 1 point • 24 December, 2019 08:46 AM

I agree, i don't want to retire early, if I did that just means i need to change job. Your work is what you bring to the group. It's your main social characteristic in any society.

BoobToArmRatio • 1 point • 24 December, 2019 02:23 PM

That's when you migrate to fatFIRE.

ramjaz • 7 points • 24 December, 2019 03:01 AM

As an aspiring Financial Advisor, I thank you for creating this guide. It is a simple roadmap that includes the essentials needed to accumulate more wealth. Well done focusing on the financial side of TRP.

timplamer • 2 points • 24 December, 2019 12:41 PM

any advice for making money on the side? I'm studying full time but want to improve my financial situation. As well as working a couple shifts in a kitchen, I'm looking at things like Swagbucks & Amazon Mechanical Turk to add some extra cash. Any help appreciated.

ramjaz • 3 points • 24 December, 2019 12:56 PM

As a full-time student and part-time worker myself, I'm in the same situation as you. We only have a limited amount of time per week, and the way I utilize it is work, school, work, school, and so on, while

working out on school days.

The reason why I discuss the time we have is because that's the essential wealth building tool we use to earn income. Most people trade their time for money, and that's perfectly fine. However, I can tell you right now that Swagbucks is not the way to go to sacrifice your time for the amount of money you'll get.

If you do have extra time left over in your schedule, try creating a small business or doing something that won't necessarily sacrifice more time for money. Instead, you should focus more on continuous, passive income. This can come from regularly investing in dividend stocks (although your portfolio would have to be more than 200K to even remotely see any actual extra income), or it could simply be creating a YouTube channel revolving around your hobbies and see if it takes off. YouTube will take a lot of upfront work and time in the beginning, but if you're good and remain consistent, your income earning potential for a side hustle will essentially become exponential because of the back logs of videos you'd create before your channel takes off. You could also try to flip things.

I've tried all three, and my favorite would definitely be to create a YouTube channel as it is the most fun and rewarding. Flipping requires some time out of your Saturday's/Sunday's to visit garage sales at 7-8 AM as well as researching antique/expensive items that people don't know how expensive they are. Dividend investing requires the least amount of time, but it does take time to research a company thoroughly in order to confidently invest in them.

Regardless, you just have to find how you like to make money on the side and double down on it. With my busy schedule, it's hard to remain consistent on my YouTube channel, and with the way I want to take it, I'd rather finish my Bachelor's so I have much more free time to focus on that. Don't go overboard, minimize your expenses, fine your side hustle, and you're golden.

timplamer • 3 points • 24 December, 2019 04:05 PM

I've been researching Swagbucks today and that was my suspicion. I've heard of people making some money from doing surveys online but it looks like a little bit of a mug's game (e.g. lots of complaints from people spending half an hour on a survey, then at the end being told they aren't eligible and not getting any credit)

Thanks for your reply, plenty to think about. I like the mid-longterm idea of a Youtube channel idea or maybe a blog/website that gets traffic. Out of interest, is your channel monetised & how long did it take to get to that stage?

WhiteGhosts • 11 points • 24 December, 2019 06:18 AM

Step 6: NEVER VISIT.WALLSTREETBETS

Theowawayjustforu • 8 points • 24 December, 2019 06:53 AM

Step 5. Puts on SPY Step 5.5 retire

WhiteGhosts • 5 points • 24 December, 2019 08:29 AM

spy

Wuts that

bsutansalt[S] • 9 points • 24 December, 2019 01:04 PM

SPY is stock market ticker of a popular SPDR S&P 500 Electronically Traded Fund (ETF). It is effectively the defacto S&P 500 ETF everyone buys if they want their portfolio to mirror the stock market. VOO is the Vanguard equivalent. Vanguard also has VTI, which is a total stock market ETF

that tracks to the market as a whole rather than just the S&P 500.

electricshuffle1 • 8 points • 24 December, 2019 07:08 PM

Too late, I'm now an autistic degenerate who YOLOs his life savings and whatever he can get on a HELOC

PosnerRocks • 2 points • 24 December, 2019 08:12 PM

I buy spy calls because I love America and none of you commies can stop me!

uwey • 6 points • 24 December, 2019 04:48 PM

Not everyone get it. That is the fact. There is a lot of way achieving FIRE but per current US market and work environment, a single person can't make it unless he is literally top % of the national average, I mean it. A average 70-90k income joe can make a million and be comfortable but he is in brink of disaster. A DUI, a emergency hospital bill, a rape accusation, and he will be ruin. 90k in Georgia is good ROI, meanwhile in 90k in Wakiki is definitely poor as fuck.

To surely achieve FIRE as single person, a 180-200k is a must, since tax is so bad in 50-90k income bracket, people don't realize 160k get 40%, and rest of the income after 160k only get tax 15%.

Be rich is much cheaper to be poor, that is the truth. It is too expensive to be poor in the US. Tax is the biggest demon in most case, and make sure have a good tax shelter device when you hit 40 with 200k+ income so your lawyer will already work with your accountant to put together a trust or shelter for you....

The destruction of comfort is the destruction of the labor. Your hard work can means totally nothing, but in order to have a fighting chance, one must able to recognize the risk and not overly optimistic.

Be optimistic when face a challenge, but be overly careful and plan accordingly is the virtue of survivalist.

You either be dirt poor (20k under) and work under table or run a 6 figure income small business. A middle class life is so hard that it will crush you.

[deleted] 23 December, 2019 11:16 PM

[deleted]

SalporinRP • 12 points • 23 December, 2019 11:51 PM

That's why he recommended Bachelor Pad Economics as a good starting point.

This post has information for people in all stages.

randarrow • 3 points • 24 December, 2019 03:25 PM

OP is describing value investing as a financial procedure. Three fund portfolios is something else. Normally I tell beginners to select their financial procedure as step three or four. Lots of options like:

Value investing

Three fund portfolios

Asset allocations

Drip accounts

Bonds

Options

Flipping real estate

Land lording

Commodities....

Pick one and master it but don't dabble. Study Study Study.

OP tried to simplify on one proc (probably one of the most complicated). But a good one. Listing others, other than in passing, would have muddled the post.

[deleted] • 3 points • 24 December, 2019 09:03 AM*

Don't forget, you might want to allocate a little to gold and bitcoin. The small amount you can dedicate to more risk. Gold is probably the less risky/less reward potential of the two. They're also fairly easy to get compared to some riskier investments, for the non accredited.

bsutansalt[S] • 3 points • 24 December, 2019 11:19 AM

Not a fan of bitcoin, but I fully agree about gold/silver. I have 1% of my total portfolio in gold and gold mining companies, as well as another 1-2% in bonds. Diversification is only worthwhile if you have uncorrelated assets. h/t Ray Dalio

For the most part I'm of the Warren Buffett and Charlie Munger view on diversification in that it's just a hedge against your own ignorance. If you know what you're doing, then you don't need 20-60 stocks or index funds. 5 good investments can serve you extremely well. Case in point, Munger's family's entire net worth is tied up in just 3 investments.

[deleted] • 1 point • 25 December, 2019 03:47 PM

Totally agree. Main reason I bring up crypto is that it's one of the few things anybody can dip their toes in with as much/ little money as they have to spare. You can literally just buy 25 bucks worth of bitcoin or any alt coin for that matter. Figure it doesn't hurt to have a little, since no one knows what it will do in the future, and it might explode again. More upside potential than gold in the short term, but yeah definitely riskier. And lower spread than silver. But silver is also easy to buy in small amounts, and pretty low price compared to what it "should" be right now

BitcoinFan7 • 1 point • 31 January, 2020 12:59 PM

Don't be so quick to write off bitcoin, just a 1% bitcoin allocation beat the S&P

<https://twitter.com/100trillionUSD/status/1221114618925527040?s=20>

<https://twitter.com/100trillionUSD/status/1207346825155534849?s=20>

<https://medium.com/@100trillionUSD/modeling-bitcoins-value-with-scarcity-91fa0fc03e25>

RoadkillPharaoh • 3 points • 24 December, 2019 04:32 PM

I missed the bitcoin hype back in fucking 2014...could have cashed out big time. I regret that shit every time that I see something bitcoin related.

[deleted] • 3 points • 25 December, 2019 03:17 PM

No time like the present. It's still around. That's not the first wave of hype or probably the last

[deleted] • 3 points • 28 December, 2019 07:30 PM

Might be saying the same thing in 4 years, wishing on everything that you'd bought some now. No time like the present. When everyone is over it and the price has fallen, that's the time to buy

BitcoinFan7 • 1 point • 31 January, 2020 12:59 PM

<https://twitter.com/100trillionUSD/status/1221114618925527040?s=20>

<https://twitter.com/100trillionUSD/status/1207346825155534849?s=20>

<https://medium.com/@100trillionUSD/modeling-bitcoins-value-with-scarcity-91fa0fc03e25>

ledsdeadbaby • 1 point • 24 December, 2019 07:28 PM

XRP baby but the Grayscale Trusts are solid ways to get access to the top MC crypto's without having to use actual crypto exchanges.

[deleted] • 2 points • 25 December, 2019 03:19 PM

Lol im a hex man myself. That's cool, seems like a good thing for those who don't know how/ don't want to learn about addresses, etc

ledsdeadbaby • 1 point • 25 December, 2019 03:49 PM

I hadn't heard of hex but just saw it's a CD on the blockchain which is pretty cool. I'm interested in the collateralized debt positions that Kava Labs is going to be offering via XRP in 2020. Definitely an interesting project for DeFi if you like learning about the financial future via digital assets.

nosecandy • 4 points • 24 December, 2019 05:11 PM

these tips dont work in eastern european countries that much (or i doubt in pretty much most parts of the world)

InteliFox • 1 point • 24 December, 2019 09:08 PM

Exactly. I got a ban for stating that.

Truedemocracy5 • 10 points • 24 December, 2019 01:06 AM

Love investing in companies like chipotle going through a scandal that doesn't impact their long term business strategy

Peloton very recently with that ad was similar. Took a stock hit, bounced back up very quickly

SidMRP • 3 points • 24 December, 2019 09:39 AM

Any advice for married with 4 kids, work my ass off self employed tiler but never have any money

bsutansalt[S] • 1 point • 24 December, 2019 11:16 AM

Start trimming the fat of your monthly expenses. There's probably a lot of places you could save that you're not seeing, especially if you don't have a budget in place. One of your monthly line items needs to be 10-15% off the top right into savings/investments. This is called "paying yourself first".

Alphalizard1990 • 1 point • 24 December, 2019 11:39 AM

Paying yourself first is fundamentally impossible if you hold a job. The man always gets paid first before you unless you own a business.

bsutansalt[S] • 5 points • 24 December, 2019 11:50 AM

Semantics. Tax man gets his pound of flesh, but you still need to sock away that cash, otherwise you'll never have financial freedom. And being a business owner isn't all it's cracked up to be. If you think taxes are bad as an employee, lol, you haven't seen anything yet. Business owners and 1099 folks have the highest tax rates in the country!

I highly recommend you look up the Rich Dad Poor Dad/Robert Kiyosaki quadrants information. Pay special attention to the tax treatments each one gets hit with.

Alphalizard1990 • 1 point • 24 December, 2019 12:35 PM

Thats true.

At any income level if consumption outpaces whatever you save you'll always be poor.

I'll have a look at rich dad poor dad at some point.

Being a business owner can be way worse than holding a job, but that depends how the business is set up.

Most businesses are just jobs in disguise and dealing with shitty variables than won't catapult your net worth and are lunched to your time. Again all depends how you do it.

My side hustle is going nicely, not enough to quit my job yet but it's how I'm earning the money, due to how I've set it up it's trickling in with little to no effort on my part.

Obviously to even get to this point it took a significant time investment on my part, any sort of passive income doesn't fall out of the fucking sky, and I'll need to bust ass the next 6 months to get to the next level.

Thanks for the recommendation, smashing books down this year, I've heard good things about it, your not the first to recommend it to me.

Cheers mate!

SwoleBenji • 3 points • 24 December, 2019 10:12 AM

Redpill finance experts, what would you recommend someone do who is great at saving cash working shit dead-end jobs but has low IQ and therefore no capacity for education?

Example is having \$50k in the bank, no debts, a beater car, lives in a van to save rent costs, eats on the turbo cheap, has a side hustle of youtube, but lacks capacity for math education and therefore cannot get a GED / graduate / get a college anything. You know those retards in school that just couldn't read ever? Take that, but apply it to middle school levels of math.

What would be a great way for said person to "make it" financially? This is assuming their overall health due to failing kidneys won't allow them to live into their 60's so Roth IRA investment strategy is out the window.

bsutansalt[S] • 3 points • 24 December, 2019 11:14 AM

First thing you need to do is get that money into a high interest savings account. Anything 1.5% or better is a good place to sock it away.

Next thing you need to do is start going through the financial order of operations. Once those deductibles and your 3-6 months of expenses are covered, take the difference and start investing.

If you don't know what to invest in, you can't go wrong with Vanguard Index Electronically Traded Funds (ETFs) like VTI, VOO, VGU, and VGT. They have famously low fees and are great places to start.

SwoleBenji • 3 points • 24 December, 2019 11:55 AM

Yeah but index funds pay so little that by the time I die from kidney failure I won't even have made my initial investment back.

coopdawgX • 3 points • 24 December, 2019 11:27 AM

While I am a fan of Dave Ramsey and listen to his show quite frequently, some of the advice he gives is extremely outdated - i.e. namely his stance on never using credit cards.

He grew up in a time where this was feasible. It's now almost 2020, and most people are better off trying to

rebuild their credit than cutting their cards up, as he suggests, and leaving it at the shit score that it is.

Like anything else, when used responsibly, they can be a really great tool.

bsutansalt[S] • 4 points • 24 December, 2019 11:40 AM

I'm aware. I'm also not a fan of his preachiness and advocating of mutual funds in an age of far cheaper ETFs that perform just as good, if not better. To each their own.

He is wise in telling people to avoid credit cards as a lot of people simply aren't disciplined enough to use them responsibly. There's a reason why **the average American household has \$8000 in credit card debt!**

IF you are disciplined and are paying those fuckers off on time each and every month, then I say go for it. You could also look to Graham Stephan for his advice on credit card churning, although that's something I'm still wary of personally.

BoobToArmRatio • 2 points • 24 December, 2019 02:28 PM

If you have enough expenditures (and esp with a side biz) some light churning is a pretty good return for the amount of effort. Of course it won't work if your expenditures are too low to meet spend requirements. The benefit is the best if you use it for international travel. I apply and cancel about 4 cards every year and it covers most of my leisure travel. My FICO scores are all over 800 as well, so there is no long term impact.

Jackass506 • 2 points • 24 December, 2019 02:43 AM

Can you explain the match from employer and how you got \$7900

bsutansalt[S] • 2 points • 24 December, 2019 01:13 PM

Companies started offering an investment vehicle when pensions went away. The govt worked with corporate America in this endeavor and came up with the 401k, which is a tax sheltered account that you can invest money inside up to a set amount every year. What you put into the account is deducted from your taxes if you go the traditional route, or is tax free when you withdraw from it if you get the Roth version.

Employers often offer a percentage match of your income. For example, say you make \$100,000. If the employer offers a 5% match, then if you put in \$5000 for the year they'll match that amount so you wind up with \$10,000 in the account at the end of the year. If you make \$150,000 and the employer only matches 3%, then so long as you're putting in your 3%, which is \$4500, then the employer is going to match that amount also putting in \$4500, which gives you \$9000 at the end of the year.

I should clear right around \$158K this year, so I'm looking at ~\$7900 for the 5% company match.

[deleted] 24 December, 2019 08:26 AM*

[removed]

bsutansalt[S] • 1 point • 24 December, 2019 01:08 PM

Removed as it has presumably your name on it. If you're cool with that, then let me know and I'll put the post back.

[deleted] • 2 points • 24 December, 2019 09:00 AM

I would also highly recommend "your money or your life" for anyone who needs to really start from the ground up on getting their personal finances under control.

[deleted] 24 December, 2019 05:19 PM*

[deleted]

ledsdeadbaby • 1 point • 24 December, 2019 07:32 PM

For real. I don't know if anyone can be prepared for what is coming unless you have been hoarding physical gold and silver along with water, food, and ammo. If you haven't done this, then choosing the right crypto's at this point seems like the only hedge you can have.

bsutansalt[S] • 1 point • 25 December, 2019 12:52 AM

Dips in gold, bonds, and a nice chunk of cash in a high interest account.

monsieurhire2 • 2 points • 24 December, 2019 06:29 PM

The women are attracted to the freedom that money buys. Actual attraction to a wealthy man is a separate thing.

alleyteris • 2 points • 24 December, 2019 10:18 PM

Maybe we could do a post where people tell about their jobs /income streams and how implementing the red pill thinking helped them in their jobs.

There was a similar post about it on the finance flair some years ago that did just that .

Now that we have way more new members here it would be interesting to know.

OP care to start a post of this kind? I would start one but I don't know if it's against the rules so it's for you to decide

EdmondDaunts • 2 points • 25 December, 2019 07:41 AM

Building wealth is building contingency which allows you to get away with fucking up.

I find it interesting though that there is criticism of rich 'betas'. This misses the point. Bezos has enough money to fuck up. Alpha and beta traits are not relevant.

A blue pill beta with contingency will always be more successful than a red pill purist with none.

Defining success just in red pill terms is the problem. It's just formism like making fun of someone who deadlifts like a cat but not seeing how much they lift and how long they have been lifting.

Non optimal still gets results. Obviously TRP principles will reduce the damage along the way but they aren't the be all end all.

Look at our Tech Lead friend who was analysed to be a beta by Rollo. Yes he fucked up a lot but yet it appears (if it's not just a fake channel) that he is wealthy and surviving comfortably.

He probably has more money than Rollo so who is the beta in terms of success???

The best way to look at finance is the Black Swan way: Build contingency for the things you don't know are coming so that you can still survive.

You can also be very good at investing and building wealth but be awful with women.

Hieshem • 2 points • 6 January, 2020 05:27 PM

Commenting here to follow this post only Thanks author

bsutansalt[S] • 2 points • 6 January, 2020 06:22 PM

Our actual finance guy is /u/theredpillfinance. Go follow him and give him your support. What I wrote came from him and a couple of others.

AutoModerator[M] • 3 points • 23 December, 2019 10:55 PM

Why are we quarantined? The admin don't want you to know.

Register on our backup site: <https://www.trp.red> and reserve your reddit name today.

I am a bot, and this action was performed automatically. Please contact the moderators of this subreddit if you have any questions or concerns.

phracea • 2 points • 24 December, 2019 01:14 AM

RobinHood works for me. Thanks for this.

z2a1-9 • 1 point • 24 December, 2019 06:47 AM

This is good information and will be used accordingly!

BlindingTwilight • 1 point • 24 December, 2019 07:22 AM

Do you have a high nett worth?

bsutansalt[S] • 1 point • 24 December, 2019 11:21 AM

Define "high net worth". That's a pretty subjective thing. To me that'd be 8 figures. To you that could be 6 figures. It's all relative.

BlindingTwilight • 1 point • 24 December, 2019 11:59 AM

The most accepted definition would be: "individuals are defined as holding financial assets (excluding their primary residence) with a value greater than US\$1 million."

bsutansalt[S] • 1 point • 24 December, 2019 01:23 PM

As of today I'm about 8 years away from cracking 7 figures and 13 years away from becoming a multimillionaire and in 17 years nearing \$4M. This is based on today's income, which will go up over time and cause those time horizons to likely shorten.

BlindingTwilight • 1 point • 24 December, 2019 11:49 PM

It is good to see financial advice here. You are correct, once you get older your access to stunning women is almost exclusively dependent on your status/ money. I recommend people try and become employers rather than employees. Employing people is a great path to wealth

__TheKing__ • 1 point • 24 December, 2019 09:54 AM

Thank you for this OP ☐

theconcentrated • 1 point • 24 December, 2019 10:29 AM

Need one for India. Or I'll prolly make it.

[deleted] • 1 point • 24 December, 2019 11:06 AM

Definetely saving this, thank you OP

anon39316 • 1 point • 24 December, 2019 03:49 PM

YouTube: Peter Schiff was Right

McDrMuffinMan • 1 point • 24 December, 2019 07:16 PM

This looks to be a good post so I archived it in case something happens

<http://archive.is/Hzuhp>

InteliFox • 1 point • 24 December, 2019 09:00 PM

Sadly, this only works for the US.

[deleted] 24 December, 2019 09:17 PM*

[removed]

bsutansalt[S] • 2 points • 25 December, 2019 12:39 AM

Why have debt/pay interest at all? That's money out of your pocket.

[deleted] 25 December, 2019 12:50 AM*

[removed]

bsutansalt[S] • 1 point • 25 December, 2019 01:08 AM

Ooooh. I wasn't paying attention earlier, but I got ya now. Yeah, leverage is worth it... if you're using it the right way to build wealth/assets.

slappysq • 1 point • 25 December, 2019 05:57 PM

Even though Kiyosaki admitted he basically made up the characters in Rich Dad Poor Dad the ideas in the book aren't shit.

hazaraMoghul • 1 point • 26 December, 2019 05:06 AM

The ultimate red-pill alpha frame hierarchy is

1. Money
2. Fitness
3. Mentality (alpha, manly, goal focused men)

"The STATE of you WALLET determines the STATE OF YOUR MIND". Now if you truly build your wealth, and LIFT at the gym. The state of your mind AUTOMATICALLY becomes alpha. It is so easy to achieve red-pill life. MONEY+FITNESS is redpill. Alpha mentality, girls, cars are by-product of red-pill life (SUCESS).

I would strongly suggest to read the books mentioned in this post.

sogardnitsoc • 1 point • 26 December, 2019 07:38 AM

just started reading bachelor pad economics and that book is full of red pills. thank you

HumanSockPuppet • 1 point • 26 December, 2019 07:38 PM

To the above list I would add Mr. Money Mustache and the Mad Fientist. Both have very simple, clear articles outlining strategies for achieving financial independence. Just ignore MMM's crybaby whining about your responsibility to the planet and focus on his observations on hedonic adaptation and you'll be set.

Virtusvitium • 1 point • 27 December, 2019 01:45 AM

OP I have all this shit done in some way or another. I just need to know how to push my money even further, but smartly. My main goal is owning a house (fully paid off). Doesn't have to be the greatest thing ever, but

something small and decent.

Nikelu • 1 point • 29 December, 2019 10:31 PM

Finally. A good fucking post. I have to admit I found trp after reading the game and the pua scene but realized that self improvement and becoming successful and content is so much more important than getting it wet.

anon2414691 • 1 point • 30 December, 2019 05:51 PM

I don't see anything on here about the difference between sound and unsound money. Fiat vs commodity money. Bitcoin.

If the roots are dead and rotting, doesn't matter how tall the tree is, eventually it will fall.

AutoModerator[M] • 1 point • 3 January, 2020 04:42 AM

Why are we quarantined? The admin don't want you to know.

Register on our backup site: <https://www.trp.red> and reserve your reddit name today.

I am a bot, and this action was performed automatically. Please contact the moderators of this subreddit if you have any questions or concerns.

Ch1pp • 0 points • 24 December, 2019 11:08 AM

Meh. This is fairly basic stuff. Not sure why you bothered typing all that out.

timplamer • 2 points • 24 December, 2019 12:44 PM

I found it useful / interesting. Seems like quite a few did too.

RoadkillPharaoh • 0 points • 24 December, 2019 04:48 PM

As a 20 year old with no income, it's too late for me, dude. I'm barely starting and I have like 120 bucks to my name, but damn, this ain't looking good at all.

BoobToArmRatio • 2 points • 24 December, 2019 08:11 PM

Age is the biggest advantage you have. Being aware that you need to get started is more than most people know at age 20. Finish school if that's a good option for you, or go into a field that doesn't require a degree, but just knowing that you have to get started and to focus on building your net worth is the first step to being able to do it.

[deleted] 24 December, 2019 04:36 AM*

[deleted]

bsutansalt[S] • 1 point • 24 December, 2019 11:30 AM

I agree with not retiring to a state with a state income tax. Texas and Florida are both solid options in that regard. However, you're going to eat federal taxes at income tax rates if you use a Traditional IRA/401K when you start taking distributions. Ideally you'll have a HIGHER income than you do now, otherwise you're not actually building WEALTH. If you do, then you'll be looking at eating a shitload of taxes going the traditional route. Roth protects you from that.

An HSA account is great, but only insofar as covering your healthcare expenses long-term. Yes you could eventually draw distributions from it that aren't healthcare related (once you hit a certain age that I'm

brainfarting on at the moment), but that's outside the scope of this thread and is a more advanced topic.

BoobToArmRatio • 1 point • 24 December, 2019 02:34 PM

As much as the government likes screwing over the middle class, I think they would attack the traditional 401k first as those are the biggest accounts. Politically it's a lot easier to get away with adding capital gains tax on amounts over \$1 million in 401k accounts than to double tax Roth IRAs. Also, most people believe that high income folks can't contribute to IRAs lol, so there's an added layer of secrecy there. Honestly they'd get rid of the backdoor before making it taxable, given that the money will be back in circulation eventually with RMD.

HODL_monk • 1 point • 24 December, 2019 04:40 PM

Wealth tax proposals already includes Roth IRA's, so Mitt Romney better get his butt hole lubed up with the 200 mil Roth he's got...

Dls95405 • -16 points • 24 December, 2019 12:24 AM

Money is way over-rated. It's often been studied, there is no correlation between having money and being happy, once your income provides for your basic needs.

A guy living on his own can live on a fraction of what people think they need and have tons of free time to pursue interests.

ProudFeministMom • 12 points • 24 December, 2019 01:12 AM

Money is a form of power. When you're younger it's easy to maintain a more transient lifestyle, but most of us eventually find ourselves in a place where we're consciously having to limit our lifestyles to avoid going broke and become a slave to it.

Having FU money saved up is the difference between being in fear of losing your job and the lifestyle collapse it will bring VS having the confidence to know that if your boss demands too much you can tell them where to shove it.

But the biggest benefit of having money, as silly as this sounds, is simply not having to worry about all the problems that come with not having enough money.

Dls95405 • 0 points • 24 December, 2019 03:17 AM*

Yes, that's why the threshold is 50k to 75k in all these studies. Beyond that, there is no measurable increase in happiness. For every person with FU money I have known who seemed content in this world I have known a dozen whose lives were clearly awful with stress and debt.

BoobToArmRatio • 1 point • 24 December, 2019 02:20 PM

All the studies on this matter show that making additional money over a certain threshold does not increase day-to-day happiness. They also show that making more money does increase overall satisfaction with life, which is a different form of happiness. Also while you can't buy happiness, you can use money to alleviate a lot of the things that might make you unhappy.

Dls95405 • 1 point • 24 December, 2019 03:00 PM*

We're taught from infancy by Wall St that consumerism is tantamount to success and living the good life. IMO, most people trying to become successful are living hideously stressful and unpleasant lives and most of them obviously never succeed. The middle class is evaporating, and it's not because they're becoming multi-millionaires.

BoobToArmRatio • 1 point • 24 December, 2019 07:59 PM

I think you are misunderstanding the point here because I don't disagree with you. When the other posters are talking of FU money, it's referring to FIRE. You are referring to people having FU money as having stress and debt, by which definition means they don't actually have FU money. Having FU money/being FIRE means you don't need to work for a living, so if they have stress, it doesn't have anything to do with money.

The end goal of FIRE is to have enough money to retire early with a modest lifestyle, ending the need to trade your time for money. Retiring with 50k-75k passive income is probably the goal for most people in the FIRE movement. We both agree that time is better than money, so I don't see what you are arguing against? No one is saying that rampant consumerism is the key to happiness here.

Dls95405 • 2 points • 24 December, 2019 11:58 PM

Thanks, I did misunderstand. What you describe seems a noble, achievable goal.

[deleted] • 12 points • 24 December, 2019 12:40 AM

I remember i used to be like you. Young, naive, and idealistic. Sure there are diminishing returns on happiness when you make an income that exceeds your basic needs and leisure expenditures.

But money is not overrated. Maybe having tons of money and being famous rich is. But money buys freedom and having purchasing power is a great liberating feeling that is hard to find.

Dls95405 • 0 points • 24 December, 2019 12:45 AM*

You can't deny the science. People are not happier because they have the 'security' of money. There is no correlation. It is a persistent illusion promised by a billion advertisements you've seen since infancy. And btw, I'm 67.

This Harvard Study Says The Happiest People Have More Time And Less Money

<https://www.forbes.com/sites/briannawiest/2019/02/13/this-harvard-study-says-the-happiest-people-have-more-time-and-less-money/#72efc22a2ca8>

[deleted] • 4 points • 24 December, 2019 12:54 AM

This isn't science.

This is a biased researcher who chose to interview people who were lying. Beware of thought experiments like this. They usually have an agenda behind them to confirm what they are looking for.

also kudos for excellent health and no debt. ur doing life right.

Dls95405 • -1 points • 24 December, 2019 01:00 AM*

There are many other studies that show the same thing. That was simply the first in a google search. Try it, you might learn something new.. Search these terms;<https://www.google.com/search?client=firefox-b-l-d&q=study+money+doesn%27t+make+you+happy>

drcube2000 • 1 point • 24 December, 2019 01:35 AM

And here's a Harvard study that says that money can buy happiness:

<https://mavenroundtable.io/theintellectualist/news/harvard-study-money-can-buy-you-happiness-rdM>

aF006Z0mqv94rm-EznA

bsutansalt[S] • 1 point • 24 December, 2019 01:19 PM

I'd rather have more time AND more money. Retiring early as a multimillionaire is the name of the game.

Dls95405 • 1 point • 24 December, 2019 01:49 PM

Of course, but that's obviously not possible for most people who try. And fewer all the time now.

[deleted] • 4 points • 24 December, 2019 01:11 AM

TRP is about taking responsibility. This thread specifically addresses a chunk of that. No one ever mentioned happiness.

A 67 y-o guy who's tries to maintain health and stay socially active won't share our concerns. Financial freedom is desirable for as long as we aren't fossils.

HODL_monk • 1 point • 24 December, 2019 04:47 PM

Money gives freedom to do whatever you want, not happiness. You don't save to have a pile of money, you save to have your money earn a paycheck for you, so you are not stressed about earning it, and can handle bad things happening to you, because they are always a possibility.

Dls95405 • 1 point • 25 December, 2019 12:02 AM*

I understand. And many people will be quite happy to have the freedom to do whatever they want, as you say, but many won't. We see them everywhere. Often with plenty of money.

Ideally, making more money would be a freeing experience, and it is for some, but that's obviously not the case for millions of perpetually dissatisfied Americans. My only advice is to try to find work that feels satisfying and rewarding, then we're much more likely to enjoy the success that often follows.