

Living Rich:

*My Personal Guide to Having a
Multi-Millionaire's Lifestyle on a
Normal Person's Budget*

You Can Live as Good as a Billionaire

When you think about the rich — the really rich — you may find yourself marveling at their ... well, their money. Take Bill Gates, the world's richest man. If you think \$10 million is a fortune, then consider this: He has 8,000 of them. If he put his money in \$1,000 bills, he'd have 80 million of them! His wealth is so great that the interest on it makes him \$60 million richer every month. Bill Gates makes more money every time he takes a nap than most Americans make in 10 years.

But how much better does he live? Sure, he's got a huge house. And a yacht. He's probably got a jet, too. But who needs all that? Really!

If you make at least \$150,000 a year, you can live as well as Bill Gates does — and I'll prove it to you. If you aren't yet making that much, you'll have to put this aside until you are. If you're following my advice in ETR, it shouldn't take you very long.

Let's start by identifying some of life's basic experiences:

- sleeping
- working
- dressing
- eating/drinking
- leisure

Now the purpose of becoming rich — you would think — would be to make each of these experiences as rewarding as possible. The more money you have, the more choices you have in terms of these experiences.

Take sleeping. What does a billionaire want out of his sleep time? I'd say the same thing you do: blissful, uninterrupted unconsciousness. And what will give you that (besides peace of mind, which you can't buy)?

Answer: a great mattress.

And how much does the world's best mattress cost? Maybe \$1,500. That means you can buy yourself a million-dollar sleep on a billion-dollar mattress for no more than \$1,500. If you are making \$150,000 a year, you can afford it.

So get rid of that lumpy thing you are sleeping on, and find yourself the absolute best mattress you have ever sat on. Buy it and go to sleep content that Bill Gates can have it no better.

Buying Yourself the Best:

How to live like a billionaire when you're not even a measly millionaire.

You can pay almost any price for any thing, but after a certain price point, you are no longer paying for quality, you are paying for prestige.

Take steak. Ask someone who knows about beef, and you will be told that the quality of steak is entirely a matter of the meat you buy. (Let's face it — there's no great skill in cooking a flank of beef.)

Buy a New York sirloin at Ruth's Chris and for around \$30, and you are eating the best steak money can buy. Eat the same piece of meat at Le Cirque, and you'll pay \$75. What's the difference?

Yes — just prestige.

The same thing is true when it comes to your clothing. Beautiful, comfortable clothes are not cheap, but they don't have to cost a fortune. You can buy the world's best pair of slacks for \$150, or you can spend 10 times that amount. The difference will be the label on the waistband.

Champagne, anyone? *Consumer Reports* had some wine experts test a variety of champagne and found that out of the five best, four were less than \$40. Dom Perignon, listed fifth, will set you back \$115. A better champagne can be had for only \$28.

And so it goes on. The point is this: The best material things in life are affordable. They are not cheap —

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quality never is — but if you buy them selectively and use them with care, you can enjoy a life as materially rich as Bill Gates on an income that wouldn't get him through lunch.

Here's how you can live rich, starting today:

Your dream house.

I have lived in a mud hut in Africa and a 5,000-square-foot mansion — and I can tell you this: The quality of a home has very little or nothing to do with how much it costs or how big it is.

Think about the houses you most admire. They are probably NOT huge and flashy. One of my current favorites is a modest, three-bedroom in Cleveland which has been transformed by the lady who owns it into a lush, luxurious museum of her love of travel, dance, and learning. Every room is a gem. I am completely comfortable and endlessly amused in this rich and interesting home.

It's value? As great as Bill Gates' 40,000-square-foot monstrosity in Seattle — yet this one has a market value of about \$150,000.

Your car.

I have a friend, a wealthy friend, who loves cars, especially sports cars. He drives a Camaro. Why would he? Because he says it is as good as a Corvette, a Porsche, or even a Ferrari. Instead of forking out \$150,000 plus ... he gets his thrills in a car that costs one-sixth that price.

What about prestige? Well, that's what you have to pay more for. But if you are willing to go the classic route and buy a car whose design doesn't change every year or so ... you can buy yourself prestige at affordable rates. For example, I drive a mint-condition NSX that you couldn't tell from a brand-new one. My car is worth about \$30,000. You'd have to pay almost three times that amount for a new one. The same holds true for older Mercedes and BMWs.

In fact, in terms of “living rich,” you should never buy a new car. You’ll save a bundle by purchasing a late-model vehicle with low mileage. If you shop around, you can find a five- or 10-year-old car that will cost 25% or 30% of the new car price and will be just as good.

Your wardrobe.

What does it cost to dress like the world’s richest? Much less than you think.

If you can forget about brand names and learn about quality, you will save thousands and look better. As with cars, you’ll do better by going after a classic look in clothing. That’s because you won’t have to discard perfectly good items simply because the lapel has changed.

The other big secret of dressing rich is this: Less is more.

Ralph Lauren — a guy who has the money and the access to dress as rich as can be — wears the same thing almost every day: classic cut jeans and a T-shirt. Pat Riley, one of the best-dressed men in America, wears nothing but Armani suits. He has a number of them ... but nowhere near the number you’d think to look at him.

You can dress beautifully in secondhand clothes. What could be more impressive than a vintage suit, properly tailored, impeccably clean?

There are books on this subject. They all say pretty much the same thing: A few really nice items are much better — more enjoyable for you, more impressive to others — than a huge wardrobe of trendy, stuff.

Want specifics? Get yourself two or three pairs of slacks (or skirts). One or two suits (or dresses). Two or three pairs of shoes. Buy only what you love.

Make sure your socks are cashmere (\$19.50 at Banana Republic) and that your T-shirts and underwear are the finest cotton (or silk). Use only one cologne or perfume but love it. Do the same with hair products

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and cosmetics. The rule is to have much less but love everything you have.

Buy classic. Insist on quality. Few are better than many. Simple is better than complex. Understated is better than flashy. Do this and you will have what Bill Gates can afford to have: a very pleasant feeling each time you pull on your shirt or buckle your belt.

Food and drink.

Want to have a billion-dollar meal? Take a good bottle of wine, a baguette of freshly baked bread, some cheese, ham, butter, and go to the nearest park with a friend or loved one. You need only a knife and a corkscrew — what you have in your kitchen is fine — to prepare and serve a truly memorable meal.

Le Cirque? Well, I told you my opinion about that. But if there's an expensive restaurant you are dying to try, go ahead and treat yourself. But not too often. As someone who has eaten countless expensive meals, I know how tiring rich food can be. More importantly, I can remember few expensive meals that surpassed the simple wine and cheese lunches my wife and I have enjoyed when we were lucky enough to have them.

Music, books, movies, etc.

With today's audio technology, even a \$300 boombox sounds great. Spend a grand. Don't even try to tell me you need to spend more than that. The secret is in the music you select. There is music that can make you feel like a billionaire.

The great thing about books: The best ones cost no more than the worst ones. Treat yourself richly — read only that which makes you feel richer afterward. The same is true of movies, theater, and just about any form of entertainment.

There is only one extravagance you can't buy reasonably: front-row tickets to professional basketball games.

I have made the mistake of becoming a Miami Heat fan. If you are smart, you will learn to love college ball.

Your office.

Warren Buffet, one of the world's richest (and smartest) men, keeps his office in a simple building. His walls are paneled plywood. His desk is a tabletop. He doesn't need the prestige of a cathedral-sized room and an altar-sized desk. He is not God. And he knows it.

But what he does have is a room that is uniquely his, with a comfortable chair and a place for everything he needs. On the surfaces and hanging from the walls are souvenirs to inspire him. Warren Buffet's office is his own. It looks like no one else's office and it works for him.

That's what you want in your office. The right amount of space. Good lighting. A very good chair. And toys that stimulate and inspire you.

Everything else is a distraction. And anything that is there simply to make you seem "important" will only turn off your guests and visitors.

I'm not saying your office should not be luxurious. I am saying it should be luxurious in a personal way. You will be spending most of your waking life there, so put as much thought and care into it as you do your home.

Silverware.

Shopping for a Christmas present for my wife, I wandered into an antique shop in town that specialized in silver. The proprietor, a genteel, 86-year-old lady from Georgia, showed me this and that. Then, when she sensed I was looking for something very special, she took me to the back room and showed me an absolutely beautiful collection of silverware by the Baltimore-based silversmiths Reed & Barton. It was the

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Francis I design — the finest they ever made. “If you were a millionaire,” she said in her seductive southern drawl, “you could not buy a finer set of silverware than this.”

It cost me \$4,500. Nothing to be sneezed at, but that was for a set of 14 place settings and a lot of serving utensils. A regular full service set might cost \$2,500. Now think of that. You can own the finest silverware that money can buy — and an antique at that — for \$2,500. Such a set of silverware could last you all your life, could give you pleasure and prestige, and make even your ordinary meals elegant. The Queen Mother herself couldn't do better.

I'm thinking about throwing away the rest of my silverware and using only this. That's how much I like it.

If you fill your life with all the best luxuries ... a great home, great clothes, delicious food ... but you are too busy running around to enjoy them, you've missed the boat.

Of all the things money can buy (it can't buy happiness ... I admit that), time and freedom are the most important.

Here's my prescription for buying time: Think about your schedule and pick yourself a half-hour a day to do nothing but luxuriate. (For some people, this is easy. For others, it's tough.) Tell yourself you'll work smarter this way. Take this half-hour and do something that a billionaire might do. Sip a cup of espresso. Smoke a cigar. Have a cognac. Contemplate how good life is. Thank the gods for your good fortune. Breathe deeply. Smile.

Now get back to work.

It's all entirely within your reach.

The way you dress, the way you eat and drink ... even the home you live in ... can be as good as any

billionaire's. Spend time shopping. Buy very selectively. Limit your possessions. And take a half-hour a day to really appreciate the good things you have. That's all there is to it. (Oh, yes. And don't scrimp on the mattress.)

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Action Plan: Don't Put It Off Any Longer

Enjoy life as well as any billionaire can.

- ▶ Get rid of most of your clothes. Keep and wear only what really pleases you.
- ▶ Start drinking good wine. Spend what you can easily afford. \$10 can buy a great bottle.
- ▶ Redecorate your office. Make it your personal corner of heaven.
- ▶ Throw away or sell all your junky wall decorations. Keep or buy only images that inspire you. Place them in a way that reflects their importance.
- ▶ Get rid of your television set.
- ▶ Find time every day to luxuriate. At least a half-hour.
- ▶ If you don't love your home, make it lovable — or find a new one.
- ▶ Same for your car.

The rule is simple.

Have fewer things in your life so you can pay more attention to them. But make sure the things you possess have quality — for only quality things can sustain your attention over time.

Nothing Will Enrich Your Life as Much as the Appreciation of Art

When I talk about “art,” I mean not only the fine arts — painting, sculpture, and all that — but also the crafts (woodworking, needlepoint, masonry, etc.). And sports.

If you want to Live Rich, you have to — absolutely have to — include art in your life. There. I’ve made it a mandate. (I say it only because it’s true.)

So, let’s talk about how you can become a lover of fine art by visiting art museums.

If you don’t like art museums, it may be because you’ve gone about experiencing them in the wrong way.

Most people approach museums in the worst way: trying to do too much. (See too much. Learn too much. Spend too much time.)

It doesn’t matter how long you plan to be in town or how much extra time you have on your hands ... marching for hours through an art museum is the least effective way to learn anything and/or have fun. My advice is to see only one exhibit, one section, or even one room. Spend no more than two hours in all. But do it right.

To do it right:

1. Understand, before you begin, what you are about to look at. You can do that by reading about the exhibit in a brochure, reading the copy on the wall at the entrance to the exhibit, and/or speaking to someone at the information desk.

If you are seeing a show on Andy Warhol, for example, you need to know the basics. (That he is considered one of America’s most important “pop” artists, that he promoted his own celebrity, and

that some critics think he had little talent and was more a promoter than anything else.)

2. Study the paintings that you like. The easiest way to do this is to walk through the show and read the wall/catalog descriptions that apply. If you prefer to take the audio guides, make sure you know how to fast-forward so you can listen to only what intrigues you.
3. After you've completed the "study" part of your tour, walk through the exhibit again, more quickly this time, looking again at the pieces you studied before. See if you can remember the artist, the title, and any interesting facts. Ask yourself if, on this second go-around, you like the painting as much as you did on your first pass.

This three-step process is fast, fun, and effective in terms of learning.

If you have only 90 minutes to spend at an exhibit ...

Spend the first 15 minutes trying to understand the fundamental questions (What kind of art is this? Why is it supposed to be important? What is the educated word on it?), the next hour "studying" the artwork, and the final 15 minutes reviewing what you have seen.

You don't want to make sweeping generalizations such as "Picasso is boring" or "Edouard Vuillard couldn't draw very well" after only a single visit, because you may discover later that Picasso was indeed a great genius and Vuillard an accomplished technician. However, if you want to develop good judgment about art (and you should), you need to form tentative opinions from the get-go (e.g., "I prefer Monet to Matisse"). But don't let those early opinions become permanent. They will change over time as you spend more time and develop — quite naturally — a more sophisticated eye.

**It shouldn't have to be said, but your purpose
should never be to learn the conventional wisdom.**

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The only interesting opinions about art (as well as politics, literature, and film for that matter) are those that are not conventional ... that spring from a very particular and personal experience.

When it comes to touring art museums, the best strategy is to look at fewer paintings but to look at each one seriously. Weeks, months, and even years after your walk-through, you'll still have strong visual memories and something intelligent that you can say about what you saw.

Advice for Museum-Goers from Thomas Hoving

Former Met director Thomas Hoving had this advice for museum-goers in an interview in the U.S. Airways magazine *Attache*:

- If you want the highlights, visit the bookstore first. (They sell posters of the most famous stuff.)
- Trust your eyes. The culture police won't arrest you if you prefer an "unimportant" painting and ignore a must-see piece.
- Don't feel you have to "get it." Modern and contemporary art, in particular, isn't supposed to be an intelligence test. A Morris Louis is beautiful colors coming together. It doesn't mean anything. It's not supposed to.

Serve Claret at Your Next Dinner Party

I hope you drink wine every day. It keeps you healthy and enriches your life.

One type of wine you'll learn to love, if you don't already, is Claret. Claret is red Bordeaux from the famous region in southwestern France. If you've been there, you know the country is littered with old

manor houses — little castles, if you will. The Clarets that are grown and bottled on these estates are classified as Chateaux.

There are basically four major areas where Clarets are grown: Medoc, Graves, Pomerol, and St. Emilion. The area is usually indicated on the label, either as part of the primary name of the wine or somewhere else. There is, for example, a number of very nice Chateau St. Emilions you should try if you like a full, robust taste. Or you might choose a Chateau St. Julien (which is a Medoc).

You Don't Have to Spend a Fortune to Enjoy a Good Bordeaux

You like red wine? Then you probably like French Bordeaux. You could spend hundreds or thousands for a great bottle of Bordeaux. If, however, you are frugal, you'll spend \$18.99 for a Chateau Caronne St. Gemme '96. Or \$7.99 for a 375 ml bottle of Chateau Charmail '96 ... or a Chateau Clos du Marquis '96 ... or a Chateau Haut Beausejour '95, to name a few.

All these Bordeaux are highly rated by the experts. That means even your wine-snob friends should rave about them. (If they don't, you will know they don't know what they're talking about.)

Where Should You Live and Work?

It's been said that there are three critical choices in life: what you do, with whom you do it, and where you do it. The choices you make in these three areas determine the quality of your life.

If you have considered what you most want in life and how you want to be remembered, you are, indeed, doing what you want to do.

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Three Great Wines You Can Buy for Less than \$20

As part of my ongoing effort to help you live as well as (or better than) Bill Gates, here are three truly great wines you can buy for less than \$20:

► **Barossa Shiraz 1997 (\$11.99)**

Australia is known for its Shiraz, Barossa is Australia's best Shiraz district, and Peter Lehman is considered one of the most reliable producers in Barossa. This full, round, velvety red is great with meat dishes or cheddar cheese. It will continue to improve in the bottle and can be cellared with confidence for 5-plus years.

► **Stella Merlot 1998 Umbria (\$5.99)**

When it comes to Merlot, you won't get a better value than this. Here is a wine you can really stock up on and enjoy every night. Riccardo Cotarella is considered a "Merlot master" by those who know. Here he has produced a light, fruity red — great for parties.

► **Chateau Charmail Haut Medoc 1997 (\$16.99)**

Recommended for three years in a row by California's Wine Club newsletter, this is a "terrific" Cru Bourgeois, proudly produced by Olivier Seze who has dedicated himself to producing fine wines from his 56-acre property in northern Medoc. According to the experts, Chateau Charmail is one of the finest values you can find in the Medoc. A blend of 50% Merlot, 30% Cabernet Sauvignon, 18% Cabernet Franc, and 2% Petit Verdot, this wine is very dark in color, and has a rich bouquet and a full-bodied taste. Will age well for 3 to 5 years.

Shop for Special Things that Make Your Home Special

An article in *USA Today* by Maria Montoya extols the benefits of furnishing your home or office online. You can get started the moment you feel the inspiration — and shop 24/7 till you're done. You can buy everything from furniture (www.designviews.com) and (www.furniture.com) to hand-made accessories (www.guild.com) to art (www.art.com) and (www.barewalls.com).

As far as I'm concerned, Internet decorating may be OK for the basic stuff ... but if you want your place to feel rich, it needs to contain at least a reasonable number of really great, one-of-a-kind pieces. And you won't get those surfing the Net. Shopping for special things that make your home special is something you have to do if you want to Live Rich. It may not be something you have a talent for, but if you do it with care you may come to enjoy it — and develop a flair for it.

Who are you doing it with? Hmm. Does that refer to your business partner or your spouse? I confess, I don't know. But it should probably apply to both. In terms of the overall quality of your life, the two people you spend the most time with should both qualify.

But we won't talk about that now. Let's talk about something easier — where you live and work.

Location, location, and location

In terms of lifestyle, peace of mind, and even accumulation of wealth, the “where” of your life is a very, very important decision.

In our very modern age, we have a much greater choice of where to live than ever before. For the past

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10 years, thousands of large- and medium-sized businesses have fled the cold, northern cities for warmer, cheaper environments.

With the Internet revolution, this trend will only increase. Businesses that were once tied to large cities, ports, or the countryside will pop up pretty much anywhere the owner wants. There are still some significant restrictions — the quality of labor is one of them. If your business needs a large pool of bright, educated people, you may not be able to put your business in the middle of nowhere. At least not the part that employs those bright young people. Increasingly, businesses are fragmenting — again aided by computers and the Internet — which provides opportunities for individuals to live and work away from their home base.

Of the businesses I own and work with, most have employees who work from home and many have branch offices far from headquarters. Most of these spin-offs came about because people asked for them.

A great example is a publisher who runs his Baltimore-based international business from an office in Paris. (Judging from his e-mail messages, I get the impression that much of his work is done at cafés and bistros!)

Here's my advice ...

What I've found is this: If you can, you should (1) live in a physical environment that inspires you, and (2) locate your workplace within walking distance of your home.

These two factors have a huge impact on the day-to-day quality of your life. They affect, for example, how you feel when you get in the office, what you do on your lunch breaks, and how much time you spend and waste.

An ideal day for me goes something like this:

I wake up to the sunrise, feed the fish in my pond, and walk the dogs. Then I bike, run, or walk to

work. It's about a mile and a half. I'm at my desk from 7:30 till 11:30 A.M., at which time I pack up all my "read today" materials and bike home, slip into my sunglasses, and read by the pool. An hour later, I cross the street and walk onto the beach for 10 minutes of stretching. Then I jump into the ocean and swim out about a quarter of a mile, turn around and look at my house. Fifteen minutes later, I'm back at the office. What could be better than that?

I love cities, mountains, and the country, but my favorite place to live is within sprinting distance of the surf. You may be most inspired by the mountains. Or maybe you're a big-city person. Or a laid-back country type.

If you are living in the wastelands ... get out now!

The suburbs? Sorry. Suburban living, like modern architecture, is a big, bad idea. There is no excuse for it. If you find yourself living in a community of tract homes, an hour's commute from a city ... well, you are struggling for inspiration in an emotional swamp.

Start dreaming.

The first thing I'd like you to do is figure out what kind of physical environment makes you feel best. Not just every once in a while, but day in and day out. Once you know that, you need to consider, realistically, if you can run your dream business (or enjoy your dream profession) there.

I believe the answer is probably going to be "yes."

There is a lot of portability these days. Advances in transportation and communication make it possible to live almost anywhere. Of course, you'll have to deal with the quirks of your chosen environment that might affect your business. If you set up shop in a rural area, for example, you'll have a tough time finding

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a lot of highly educated talent. That doesn't mean you can't get them. It just means they won't come knocking on your door. Likewise, if you want to go into the telemarketing business, you are going to pull your hair out trying to find salespeople with pleasing neutral accents.

There are limitations and complications, but you can deal with them. Start your business in a place that inspires you. Surround yourself with great people. And count yourself lucky.

Work Stolen Moments of Pleasure into Your Busy Schedule

I have a lunch appointment in Baltimore. I take an early flight to D.C. — partly because I can upgrade to first-class but mostly because it gets me into one of America's great cities three hours before my appointment. I go directly to the National Gallery of Art to see an advertised exhibit of 60 paintings by Martin Johnson Head.

Just before I enter the exhibition gallery, I see a room full of George Bellows' work. I love George Bellows. In the center of the room is a comfortable couch. I sit in front of "New York," a big, energetic painting of what looks like downtown on a gray day in 1911. In the foreground, a throng of pedestrians, walking in that bent-forward way New Yorkers have. In the center, trucks and horse-drawn wagons and buses and cars. In the background, a park — and then those tall, tired buildings.

I sit here very happily for 20 minutes. In a little while, I'll be on the train heading north to my meeting. For the moment, I'm richer than Bill Gates.

Read Great Books

Jane Austin's *Pride and Prejudice* may be the best-loved novel of all time. Yet, when I first read it — in my late teens — I found it both formidable and inconsequential. Its language — the diction and the syntax — was too antiquated for me then. And the content — the politics of love and family — was nothing I cared about. I was told by my betters that it was a great book, but I liked disliking it (I've always enjoyed being contrary) and would have never given it a second chance except for a decision I made recently.

I finally decided I was too old to bluff my way through conversations about “the great books.”

In conversations that touched on *A Tale of Two Cities* or *A Farewell to Arms*, I was not comfortable basing my comments on essays I had read about these books or, worse, movies derived from them. So I found somebody's list of “The 100 Best Novels of All Time” and have started going through them. Most recently, I read Jane Austin's *Pride and Prejudice*. And I'm glad I did.

Pride and Prejudice is not only a lovely story (of which there are too few being produced these days), it is also a masterpiece of good writing. The way Jane Austin presents her characters — lovingly, ironically, lucidly — provides as much gratification to the reader as the drama itself. Her art reminds me, in particular, of Chaucer's *Canterbury Tales*. And that is just the beginning of the fun. *Pride and Prejudice* is also a wonderful inside look at 18th century English gentry, a culture that is gone, but not completely. I read the second half of the book in Vienna, while I was learning about Mozart and the Hapsburg dynasty. There are remarkable connections.

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But this isn't a book review. I'm trying to persuade you to try some of the great books you've never read before.

I recommend that you get hold of a list of “best books” (there are several available online), then go to a bookstore and take a look at a few of them. If you peruse a half dozen, you will find at least one that will suit your mood. Buy it and read it.

Great books are like complex carbohydrates.

As an accomplishing person, you have only a limited amount of time for leisure, so you need to get the most from it. That means you must be selective. You must choose activities that are likely to give you rich and long-lasting pleasure.

Like carbohydrates, pleasure comes in two varieties: simple and complex. Simple pleasures, like simple carbs, are easy to enjoy, give you quick enjoyment, and tend to be addictive. In the long run, alas, simple pleasures are not good for you. Simple carbohydrates include sugars and starches. Simple pleasures range from eating simple carbs (chocolate chip cookies) to watching TV to having slam-bang sex. Simple pleasures are easy to like, hard to stop, and, if done excessively over long periods, destructive.

Complex pleasures, like complex carbohydrates, are not immediately and easily pleasing.

You usually have to learn how to like complex pleasures. Because they take effort, many people never even bother to try them. And since they don't please those who haven't learned how to enjoy them, they are often dismissed as “hoity-toity.” Complex carbohydrates include broccoli, squash, and Brussels sprouts. Complex pleasures range from drinking fine wine to reading good books to appreciating opera.

There are, of course, many degrees in-between. Reading is more complex than watching TV, and certain kinds of reading are more complex than others. It is easier to read a John Grisham novel than one by Jane Austin. It is easier to read DC Comics than Elizabethan sonnets.

Easier doesn't mean better.

I'm arguing that what comes easy goes easy. It's true of business. And it's true of pleasure, too.

I don't want you to take my word for it. All I want you to do is this: Take some time to read a really good book. Not a book that your best friend tells you to read. And not an Oprah best seller (though some of those are good). Find yourself one of the great books that has passed the test of time — one that has been judged “great” by critics for decades or even generations.

You are not going to love every great book you dig up, but I am sure that if you find even one that you like, you will have a reading experience that will be deeper, stronger, and more lasting than you have ever had with the quick-and-easy stuff.

If you are willing to give it a shot, I recommend that you start with the following five great books:

1. *Pride and Prejudice*, by Jane Austin
2. *Huckleberry Finn*, by Mark Twain
3. *Moby Dick*, by Herman Melville
4. *The Great Gatsby*, by F. Scott Fitzgerald
5. *The Sun Also Rises*, by Ernest Hemingway

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I know. These are so predictable. They are on everybody's "100 best" list. But that's the point. They are there for a reason. A good reason. Start reading today!

Watch Great Movies

I just tried to talk you into reading a really great book. I argued that since you probably have very little time to devote to pleasurable reading, the books you read should be the kind that will give you the most pleasure.

There is an old saying that goes something like this: "If you want to take pearls from Arabia, you have to bring pearls in." I never understood what it meant before, but now I think I do. I believe it applies to this phenomenon: Like it or not, life gives us a just return on our investments. Cheap thrills come fast, but they go fast, too. The pleasures that last come out of energy and effort.

This applies to movies as well as books. That's why I hope you take me up on this next suggestion.

Locate several "Best Movies" lists. Scan a few of them and select a movie that is highly rated. If possible, choose one that is highly rated by more than one expert.

Rent the movie and watch it. What I hope you will discover is this: There is a reason why some movies are consistently rated "great."

Great movies, like great books, are sometimes a little difficult to get into.

Great movies tend to be a bit more complicated or a bit more austere. They require more of your mental energy — more participation from you. But the rewards are much greater, too.

A good movie will give you thoughts and feelings you've never before experienced in that particular way. And its images will stay with you for weeks, months, and even years.

Great movies, like great books, provide complex pleasures. They manipulate your emotions in a gratifying way. They stimulate your thinking so that some ideas just won't leave you. And they stun your aesthetic sensibility, even if you never thought you had one.

If you want to get started immediately — before you have time to do your own research — here is a list of five great movies that I can't imagine you wouldn't love:

1. *Mutiny on the Bounty* (the old MGM version starring Clark Gable and Charles Laughton)
2. *It Happened One Night*
3. *The Graduate*
4. *Five Easy Pieces*
5. *The Godfather*

I'll make a special plea here for the older movies, the black-and-whites in particular. Like black-and-white photography, they take a little more work on your part before they sink in, but if you let them, they will stay with you a lot longer.

Simplify Your Life

One of the themes of “Living Rich” involves simplification: buying fewer but better things. I've just read a book on simplification (*Simplify Your Life*, by Elaine St. James) that suggests all kinds of “living poor” ideas like buying patterned carpet to hide the stains, wearing wash-and-wear clothing, and shopping wholesale warehouses. The book also has a few good ideas for those of us who want to live like billionaires without spending the way they do.

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Here are three of them:

1. Drop call waiting. (Billionaires wouldn't embarrass themselves with this foolish device. It belittles the conversation you are currently having. It is frantic and undignified.)
2. Live near where you work. As I've already said, nothing will give your life more luxury than being able to walk to work. If your current job doesn't allow you to do so, keep working on developing a financially valuable skill that will let you live where you want.
3. Pay off your mortgage. It won't make your life nearly as inexpensive as you would think, but it will allow you to say, "I have no personal debt," which usually only billionaires get to say.

How to Work Anywhere in the World

You may have considered the possibility of working — at least for part of the year — in a place you'd normally go only for vacation. Thinking that if you played it right, you could have your cake and eat it too — live in a paradise and earn good money doing so.

It's very simple. Here's how to do it ...

The first thing you need to do is to shape your job into something that is critical to your business.

All work is important, but there are usually only three types of work that are critical. These are sales/marketing, product/idea development, and profit management/pushing.

If you are doing the first two of these, you are in luck. What you have to do next is develop your skills to such a point that your employer will think of you as invaluable. Once you are seen as invaluable, it will be relatively easy for you to get your boss/company to agree to a relocation.

He/they would be crazy to refuse you. Most of what you do — when you do these things — can be done on your own and from anywhere. And if you do them really well, they won't risk losing you simply because you want to spend part of your time doing them from a remote location.

The wonderful thing about taking this track — becoming a superstar marketer/seller or product/idea developer — is that you will make more money and gain more power as you develop your skills.

The better you get, the more you'll make, the greater your say-so, and the more likely you'll be able to work from Rome.

So if you are working toward becoming a topnotch marketer/salesperson or product/idea developer, get to work on that and your relocation dreams will be a cakewalk when you are ready.

If you have the kind of job that allows you to do most of it from home, it's not that difficult to convince your boss to let you spend some extra time every year doing it from somewhere else. The tougher part will be convincing yourself to do as good or a better job when you're relaxed and happy in paradise.

What do you do if you aren't in such a position?

Is it possible to replant your job if you are not a seller/marketer or product/idea developer?

Yes, but it will take more work.

If you are a profit-center manager, you can relocate your business — sometimes — by picking up your entire department and moving it with you. That may turn out to be a tall order. First, you have to convince your boss that the business will benefit from such a move. Then, you'll have to convince your good employees to go with you. And finally, you'll have to make it work.

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It's tough but not impossible. I've seen it done many times. A customer service manager who worked for me years ago moved her division when she moved her home. She promised us the same performance she had been giving us before at the same prices. We liked the idea of having fewer employees and allowed her to do it on a provisional basis. It worked out perfectly.

One of our fulfillment managers took about 15 employees with him when he moved from Boca Raton to Miami and converted his operation from a centralized one to a freelance, piecemeal one. The results were great: better service and lower costs. Plus, the people who worked for him made more money.

TS took his lettershop operation to his corner of paradise, bringing practically nothing but his credibility as a get-it-done guy. He rented new machines and hired new employees. Before we knew it, he was doing more of our work, and more quickly, than he had ever done before. Today, he has a substantial business that supports him very well.

The bottom line is this: If you are self-employed or if you are a fast-track employee (seller/marketer, idea/product developer or profit-center manager), you should be able to find a way to spend at least some time every year working from paradise.

It's not something you need to do and certainly not something you need to do right away. (I worked for 30 years before I tried it.) But it is something you may want to think about.

Become a Regular at Your Local Restaurant

It's much better to eat only an appetizer at a good restaurant that you really enjoy than a big meal at an ordinary eatery. It is better for your soul and your health.

For business lunches especially, identify the very best place in town and become a regular customer. Learn the owner's name. Become friendly with the staff. You'll be treated like a VIP even if all you ever order is the chopped salad.

Buying Appliances

The fastest way for a manufacturer to gain market share is to sell a popular product at a below-market price. But it's a tough game to play. They need the financial resources to pull it off and the operational wherewithal to grow quickly.

Another way they break into a new market is by taking the high road: Producing a credibly better version of something popular and selling it for a significantly higher price.

That's what Sub Zero did in the 1980s with refrigerators. While the rest of the market was competing in the less-than-\$1,000 range, Sub Zero introduced the first \$2,500 refrigerator. It was larger, a bit colder, and had one drawback (tough to open) that was sold as a benefit (vacuum-sealed). The company's success was astounding. Today, the typical Sub Zero will set you back \$5,000.

The same thing happened with stoves. In 1984, the Viking range was created in Mississippi to supply affluent baby boomers with industrial-type gas burners. Sales soared. Today, the average Viking will set you back \$8,500.

Both companies have sales of about \$200 million and are very profitable, as businesses at the top end usually are.

For marketers, the great thing about the up-market is that they can charge a whole lot more for just a little bit of better. That's because affluent consumers are willing to spend more — sometimes a lot more — to own the best. This is not because they need the quality. (Most of those fancy Viking ranges are hardly ever used.) It's because they need the prestige that comes with owning the best.

Most buyers of Sub Zero refrigerators and Viking ranges probably don't spend enough time in the

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kitchen to justify the extra cost. That's certainly true of the people I know who own these things.

Since you are not interested in prestige, you can do a lot better by being more careful in your selection of appliances.

Buy something you like and then tell your friends why you like it. That means as much or more than price.

Enjoy Good Cigars: the Skinny on Cubans

Everyone should smoke cigars. Men, women, and children. Americans, French, Arabs, Israelis, Catholics, Protestants, Hindus, and Jews.

You should smoke at least one cigar a month. Don't tell me all the reasons you don't want to. Just do it.

Now here's what you need to know about Cuban cigars:

Cuban cigars are amazingly expensive. Typically, they range from \$12 to \$25 apiece. Magazines like *Cigar Aficionado* have perpetuated the myth that Cuban cigars are the best in the world. A lot of foolish people believe them.

The truth is that Cuban cigars are highly overrated.

I've bought plenty of Cuban cigars — several thousand — and I can tell you from experience that at least 20% to 30% of them don't draw well. When a cigar doesn't draw well, it's worth nothing.

Sometimes, they draw well but burn unevenly. When a cigar burns irregularly, it's a royal pain to keep it going. What should be a wonderful pleasure becomes a chore.

Cuban cigars are crappily made because they are made in a Communist country. They still have great soil and sunshine in Cuba, but the workers don't roll cigars well because they work for the state.

The best cigars in the world are made in Nicaragua, Costa Rica, and the Dominican Republic. They are almost all made by former Cuban cigar makers who fled the country when Castro took over. They took their best Cuban seeds with them and replanted them in similar climates.

You should never spend more than \$6 for a cigar. You simply don't have to. There are so many excellent cigars you can buy at \$6 or less that only a numbskull would pay more.

Secret #1 of “Living Rich” When You Retire: Figure Out How to Get Paid for Doing Work You Would Gladly Do for Free — and Do that Work When and Where You Want to

I had a lunch meeting in a casual seafood restaurant overlooking the ocean. Caribbean music played quietly in the background. A soft breeze came through the open terrace where we were seated. Somehow, the conversation drifted to retirement.

It is amazing how many people share a single vision of the perfect post-career lifestyle: waking up late, playing golf or tennis, enjoying a nice lunch, and spending the afternoon in much the same way.

But even if you do make and save enough money to afford it (and you will if you stick with ETR), I'm going to argue that you should change the way you think about retirement.

You will almost certainly be bored by leisure.

Maybe you will be the exception. Maybe you can walk away from a lifetime of creative, challenging work and be happy to idle away the rest of your life. But I can show you plenty of evidence to the contrary. Testimonials by dozens of businessmen I've known who retired, found themselves bored, and went back to work.

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I retired when I was 39. I had just sold a \$135 million business, and I spent a year and a half “kicking back.” But my version of kicking back required a full-time executive assistant and a large personal office. I was just as busy as ever — had just as many challenges, frustrations, rewards, and disappointments. The big difference was I wasn’t getting paid for it!

**To understand what I’m about to say, you have to understand this:
Happiness in life comes not from idleness but from working.
Not working at a job you hate, but working at a task you love.**

Happiness comes when you are busy doing something you care about ... such as teaching, taking care of your children, painting, fixing a faulty switch, or writing a helpful memo. When you are doing something you care about, and paying attention to it (not you), happiness surprises you.

Name your dream.

Maybe you want to be a writer. Maybe your secret passion is food. Maybe you’ve always wanted to get back into astronomy or archeology or gardening.

Somewhere in your past is a buried profession — something you’ve long ago given up on. What if you could reprise that dream?

I know a man whose dream was to be a professional pilot. After working 30 years in a wallpaper business, he took my advice and got himself a job flying part time for a small airline. A few years later, he became a part owner. He’s making more money now doing what he loves than he ever made selling wallpaper. And he only “works” 20 hours a week.

My dad gave up a promising career in show business to become a teacher. Fifty years later, he went

back into the acting business and became a professional actor. He did all kinds of commercials and soap operas, had small, talking spots in some big movies, and did some big spots in some off-Broadway plays. He did it for 10 years, made some money, and had a great time.

The Internet has opened up a world of possibilities for “retirees.”

I met a guy who trades cigarette lighters online. This happens to be something he always wanted to do and planned to do once he stopped working. But by taking advantage of eBay and all the other Internet auction sites, he is already making more than \$30,000 a year doing it just on weekends. Trading cigarette lighters!

There are plenty of other examples. You can become an Internet copywriter, an Internet editor, an Internet travel agent, or an Internet teacher, for example. You can make money giving marriage or dating advice on the Internet, or even selling rubber underwear. You can use the Internet to make a living from your interest in wild roses, say, or your up-until-now useless knowledge of 19th century swords.

Start your retirement planning right now. Ask yourself the 3 Big Questions:

- What work would I really enjoy doing?
- Who would be the best person to do it with?
- Where would I most want to do it?

You may not be able to find a partner or relocate right away, but you can definitely start working on your new line of work.

And don't tell yourself you're too old to make a big change now. Henry Flagler was 70 when he fell in love with Florida. In the 15-year period of his retirement there, he built a railroad from Jacksonville to

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Key West, created three major cities, founded universities, and built world-class hotels.

Do I need to go on?

Secret #2 of “Living Rich” When You Retire: Find a Retirement Paradise Where You Can Enjoy Your Dream Lifestyle for a Lot Less Money

The idea of retirement is a recent one. It was invented after WWII to keep the Silent Generation working away in the factories, warehouses, steel mills, and automobile plants. The promise was basically this: Work hard now, save your pennies, and retire in Florida.

It worked for some. The few who made a lot of money and saved are now enjoying leisurely, non-working retirements in special communities all over the country. For most, however, retirement proved to be a cruel joke. Most “retired” people live a very meager life — old home, old clothes, crummy food, and endless TV.

If the world were right, retirement could work.

You would be part of an extended family. When you got old and wanted to stop working, you could do so. Your children would be running the family business. You would be consulted from time to time when important decisions had to be made. Your wisdom would be appreciated. Your instincts revered. You would be surrounded by your loved ones, enjoying the fruits of your combined labor. Everything would be lovely.

But that’s not the world we live in today.

In the fractionalized world we live in, most people need money to retire well.

Living the fantasy lifestyle is expensive.

Even if you find a relatively cheap place to do it in, playing golf or tennis all day and dining at fine restaurants costs a lot of money. And the mandatory first-class travel? As they say in Little Italy, “Fahgedaboutit.”

That kind of living will cost you approximately a quarter million dollars a year.

What would it take to have that kind of money?

Let’s see what kind of retirement nest egg you will need to fund a quarter-million-dollar retirement lifestyle.

Assuming your retirement fund can earn 9% a year (which is about equal to the long-term stock market return), you’d need \$2.8 million.

If you go for a safer yield, let’s say U.S. Treasuries, your retirement fund would have to be about \$4.2 million.

And that’s liquid. I’m not counting the value of your house, your furniture, your collectibles, etc. Since you can’t earn income from those “illiquid” investments, you can’t really count on them for your retirement planning.

To have \$2.8 million to \$4.2 million liquid, you would probably need to acquire a net worth of about twice that — all other things being equal.

Not too many people are worth between \$5 million and \$10 million when they retire. Yet many, many fantasize about a retirement lifestyle that requires that kind of net worth.

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If your current financial situation is meager, don't despair.

Accumulating wealth is just another goal ... like learning to ski or play the piano. It will take you time, but you will definitely do it.

In the meantime, there are ways to bring the target a little closer. The best way — by far — is to find a retirement paradise that is less expensive than the USA. If you can enjoy living in some other part of the world, you can definitely get that great retirement lifestyle for a lot less money.

The good news is this: There are places where living well doesn't cost as much money.

My own retirement Eden is a beautiful hillside property overlooking the Pacific Ocean in Nicaragua.

Don't shake your head at Nicaragua. It's a great country, beautiful and full of potential. The "instability" that existed 10 and 20 years ago is gone. It is a little-known gem ... and that is why I like it.

I am about to start construction on a retirement casa there ... on top of a hill above a dramatic, pink beach along the Pacific Ocean.

The community is private. My ownership entitles me to the beach club and many other amenities. It's a short drive to Granada, a very old and very charming city where I can dine at nice restaurants, dance in the town square, and visit local art galleries.

I plan to spend long weekends there, sitting on my porch, the Pacific Ocean stretched out below me, finishing my latest (massively successful) Hollywood screenplay.

My cost? For the land, I paid \$22,000. I'm going to pay another \$48,000 to build a two-bedroom home, complete with a huge open-air living room and a built-in pool.

Water and food are dirt-cheap, and I can hire a housekeeper for \$5 a day. A gardener and a handyman are equally inexpensive.

This property is a 20-minute copter ride from the capital city, which is a two-hour hop from Miami. It is available via a highway (now being rebuilt) and is considered right in the middle of the country's next real-estate market.

I may finance the house over five or 10 years. Done that way, it will cost me about the same as a car lease. Or I may pay cash as I go. It's that reasonable.

Whether I sell it for a profit in five years or hold on to it and move there some day, I can't say. But it's nice to know that it's there for me ... now and when I really want to escape.

(By the way, if you are interested in becoming my neighbor in Nicaragua, take a look at **www.ranchosantana.com** or call Barbara Perriello at 1-800-926-6575 to arrange a tour of the area.)

