How To Survive Tough Times

(Part III-Creating Wealth)

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We have already talked a little bit about Basic Economics, How To Find Work when you desperately need it and how to Harvest Wealth from Natural Resources.

Now we will learn how to CREATE Wealth-seemingly out of thin air!

What do I mean by Creating Wealth?

Remember that you can Harvest Wealth from nature.

You can Create Wealth though the intelligent investment of your thoughts, time and effort.

Through the use of these seemingly intangible things, you can create wealth beyond your wildest dreams!
-if you spend the time and effort, you can learn a skill and be highly paid for it, if there is a demand
-if you spend the time and effort, you can invent, develop and market a needed product for others
-if you spend the time and effort, you can learn to paint and bring beauty to others and if there is a demand and proper marketing create great wealth
-if you spend the time and effort, you can do just about anything you can imagine within your physical and mental abilities

The problem that most of us have with investing time, effort and thinking is that we are lazy. We want something for nothing. We want life to be easy.

One thing that will help is to realize that time is relative - if you are currently working at a dead-end job and it will only take you 6 months to break into something new, go for it.

If you had this desire 6 months previously, look where your inaction has taken you.

If only! Time's a-wastin! Where will you be 6 months from now? 1 year? 10 years?

When we create wealth we are using our time, thoughts and effort to build something.

Whether we are building our skills, a house, a product. We are taking an idea or thought in our head and turning it into something others may want or need and in return getting paid for it.

What steps are necessary to create wealth?

Once again, it would be very nice to find out first if others would really give us some money or something else of value for this creation.

You may decide to build your skills and be the best buggy-whip maker the world has ever seen. But you may not make very much.

Or you may decide to build a half-million dollar private residence in the slum of a major city. But you may have a really hard time selling it.

Check your markets to see if people will really pay you for what you create, whether it is skills or an actual product.

Next you need to take this idea or thought you have in your head and make a plan on how it can be made into a real physical thing that others will pay you for.

Planning can be both an art and a science itself and there are many resources available which will help.

Basically, you need to ask yourself, what will it take me to make this idea real?

What are the orderly steps, I need to take to turn this dream into reality.

What resources will I need to make this happen? How much time will it take? Who will I sell this to? Will it be worth the investment of my time and effort in the long run?

After you have a plan you need to put in the actual effort-the work of which we are all so afraid of, to turn this idea into something real.

And as you are putting in the effort, you will be seeing your results in the real world. If for some reason it isn't taking you closer to your idea, you may need to readjust your plan.

And you finally trade this idea to someone else for a portion of their wealth.

You have just created something out of nothing! (or so it seems :)

So the basic steps in Creating Wealth are . . .

-Get an idea
-See if there is a market
-Make a plan
-Put your plan into action
-Use feedback to readjust your plan
-Market your idea
-Receive Wealth

Creating a marketable skill
(for both young readers and old)

The world needs all sorts of skills; everything literally from apple growers to zoo keepers. And it is guaranteed that there is a skill that is just right for you, though it may take much thinking and exploring to find it.

So the very first step is to decide on what skill you would like to develop-you need to get the thought or idea first before you can do anything else.

And I consider this to be a major fault in our current educational system. We don't teach kids early enough to decide on the one major skill that they are going to perform in this world.

We teach them the basics and we may ask them what they would like to be when they grow up, but any serious thinking and exploring is usually saved until they are Juniors or Seniors in High School, or worse yet in College. And then, many of them decide on doing whatever they think is going to bring the most money, what others want them to do or what is currently popular, without ever really thinking hard about it.

If we had a hard-hitting program that would spend a lot of time in skill exploration, we could actually tailor educational programs around each area of skills.

So you have finally decided upon a marketable skill you would like to build or create. You have spent exhaustive research and know that people will pay you for it, now and hopefully many years to come (though that is always a gamble, but you can increase your odds through research).

You know that this skill is something you want to do because you have tried it and been exposed to others doing it. You find it Exciting-Thrilling and know that it is exactly what you want to do with your life. The big thing is to make a decision and stick to it, even when things get rough, so take your time and choose wisely (not your whole life :)

It doesn't matter what the skill is, as long as people will pay you for it and there is a healthy demand. If it is something that you love to do, I guarantee you can make more money at it than even the highest payed professionals if you do it right.

Two of the very most important decisions you will ever make in this life is what skill you will perform for a living and whom you will marry. They are life-changers!

So you know where you want to go.

Your next job is to find a way to get there. Your plan.

Many skills have formal education involved. You go through a course of study in our higher educational system or trade schools which will teach you these skills.

Others are not so simple; there may be no formal education around, but there are others who are currently performing them and may be willing to teach you. There may be books and other knowledge sources you can turn to.

95% of the time there are already others performing this skill and getting paid for it. Your job is to find out how they got there. How they learned this skill. Find out everything you need to do to learn this skill, whether it is through the people performing this skill, school counselors, etc. Step 1. Step 2. etc.

Now that you know what you must do to learn this skill, you need to get more personal and figure out how you personally can get there.

What will it take? Money? Time? If you really want to learn this skill badly enough you will use your imagination and other resources to overcome these obstacles. If not, go back to step one and choose a skill that is right for you and makes you truly Excited!

Write it all down on paper and make your plan detailed-the more detailed the better. Read and study it daily and mark off each step as it is completed.

Now that you have formulated a plan, it is time for action. If you formulated your plan correctly you know exactly what first step you need to take. If it seems too big, break it down into easier steps and take that step. Once you get started, your desire and momentum will carry you through and if your actions aren't taking you closer to your goal, then you need to re-adjust your plan.

After you have finally learned your skill it is time to market it or get others to pay you for performing it.

In many cases, this may be through an actual job where others pay you a wage or salary. In other cases, it may be by going it on your own or in the company of others as in a business.

If getting a job look into one of the many resources on how to do this from the location of potential employers, to the resume, to the final interview.

If you are starting a business, you will need to wear many hats and learn entirely new skills to help you along your path.

Now this may seem simplistic and most of us know all about this already, but I wanted to cover it for those who may not have thought about it before and as a background for what is coming next.

Skill Mastery

Most of us perform a skill of some sort to stay alive in this world. Whether it is as a semi-skilled worker digging ditches, a highly trained professional in the workforce or as a skilled harvester of natural resources.

The next step you must take to increase your wealth is skill mastery.

This is accomplished through both knowledge and experience.

Some skills may take years to master-the more you work at it the better you become.

And there is always something more you can learn about it-whether through formal education, trade journals or other sources.

Why are we stagnating, bored and complaining, when we could be learning more and improving our skill? Have we reached our comfort zone? Then don't complain about lack of wealth.

If you are at the semi-skilled level, you may need to choose a higher payed skill you love and then make a plan to get there. You may love digging ditches, but I guarantee there is always something more you can learn about it and ways to do it better.

In the ditch diggers case, you may want to learn more about the principles of leverage to make your work more efficient. You may want to learn to shovel with the other hand. You may want to learn about which type of bar or muck stick gives you the most results with the least amount of effort. You may want to learn how to operate a back-hoe so you can dig them faster. You may want to become a General Contractor and learn why you are digging ditches in the first place. You may want to go to Engineering School to find out more about the physical laws of dirt and other materials.

If you are a clerk in a convenience store you may want to learn more about the buying habits of your customers. Why are they buying one product and not another. How does the cleanliness of the store, your appearance, lighting, colors, promotions, what you say, your speed and efficiency, etc effect their decisions.

How can you cut down on shoplifting and employee/vendor theft. Are there certain products that sell and others that never do. If I was the owner, what could I do to create more profit and reduce losses. Is there a way we can turn all of our inventory in 30 days. How can I go about owning one of these stores. Where would I put it. What do I need to do it. Money. Credit. Contacts. Imagination. Whom would I hire. Where do they get their inventory. Are their any trade shows or journals for this industry. Which vendors would I have to talk to.

In other words Skill Mastery.

The better you are at doing something, the more Wealth you can Create.

And for most of us the only thing that is stopping us is laziness, no plan and lack of action.

Sit down and do it today!

Many people in skilled positions have some sort of investment plan. I'll put this much into my 401K, this much into my IRA and see my broker on Monday.

Well I'm here to tell you, that IMHO, you're investing in the wrong things. Yes, you need insurance. And yes, you have to worry about retirement and college educations.

But you're putting the cart before the horse.

Until you reach an income level that you are totally and completely satisfied with, you need to be investing in yourself, the tools and materials of your trade and future consumables. (though depending upon how much you earn and how soon you will need some things, you may have to strike a healthy balance-guns vs butter, etc).

What you really need to be looking at is the return on your investment.

If I am getting a healthy 10% per year from my investments by investing $5,000, but I could have also spent that $5,000 on more education which will bring me a 10-fold increase in salary, which would be better long-term?

A question you will have to calculate for yourself.

Something you absolutely must understand is . . .

When you master your skills, your rate of production rises.

When your rate of production rises, you create more wealth.

When you invest in paper profits, you aren't investing in real wealth and therefore become prey to market cycles, thieves and other forms of loss.

How about if I spent that $5,000 on the tools of my trade that will only increase in cost in the future and allow me to finally strike out on my own?

Or how about spending that $5,000 for that plastic I know is going to increase in cost that is used in my plant?

Or how about spending that $5,000 on an emergency food supply or other items which I know I will need for everyday life in the future?

When you invest in this fashion, you are protecting your wealth (as long as you take proper storage and security measures).

You earn cash - you buy things (wealth)

Most wealth we harvest, create or acquire in present-day society is in the form of cash-paper, which we then exchange for real things we need for living.

When you invest in real wealth (which I keep telling you isn't money or paper~It is 'things') you are accomplishing a couple of things . . .

1. If it is buying items for future use, like food, tools, materials, etc you are totally and permanently insulating yourself from inflation. This is a total and complete hedge against inflation. Forget what your investment counselor is telling you about this or that. No matter how much these products increase in price in the future, if you have a proper storage and use plan, you are protected. (if for some reason there is deflation, your income usually decreases also).

2. You are avoiding paying any extra tax on inflationary increases to these items.

3. You are avoiding any and all risks that always accompany paper. If the dollar drops in value, so what. You already have the real wealth.

4. When you invest in real wealth, you are becoming more self-sufficient.

5. You are cutting off the source of funding which is used by the many thieves in our society.

Now I'm not trying to discourage anyone from investing-it is a great thing and we will cover it in a future article, but what I am saying is to invest your money in real wealth/goods until you feel that you are at the point that you can play.

Now this article is getting pretty dang long already, but I do want to briefly cover a few other ideas about creating wealth, for it is really a lot more than just building your skills so you can get a J.O.B.

Remember the steps needed in creating wealth are to . . . -Get an idea
-See if there is a market
-Make a plan
-Put your plan into action
-Use feedback to readjust your plan
-Market your idea
-Receive Wealth

Besides developing a set of skills you can trade to others, there are also many other levels in the Creation of Wealth.

On the most basic level, you get an idea to either do something for someone or make something for someone and then you turn it into reality and receive wealth in one form or another in return.

You need to ask yourself why do people really want things and are willing to pay for them?

What it comes down to is pretty much because we need these things in order to survive or for gratification of a desire.

We can create or build all sorts of things to fill these needs-the sky is the limit.

Look around you right now and see all of the many items you have bought. Why in the world did you buy it? To fill a need or satisfy a desire.

Now ask yourself how did they come into being? What made them real?

They were all an idea in someone's mind that they thought someone would buy and they formulated a plan and took action to make it real.

Now here are few examples of what I mean about levels in the Wealth Creation process. . .

-A guy gets an idea to build a birdhouse and sell it to someone; he buy materials, plans and builds some and sets up operations on a street corner or eBay.

He takes this idea and moves through each step of the creation process himself.

-Someone else gets an idea to build a birdhouse and sell it to someone. They form a company, hire someone to develop plans, hire a team of carpenters, design their own plant and sell it in their national chain of 'Birdhouses Are Us.'

They are using other people's time and effort to make their idea a reality, although at a price.

-Someone else gets an idea to build a birdhouse and sell it to someone. He patents his idea and then either licenses it or sells it to someone else who produces, markets and distributes them, while receiving a portion of the wealth for each one sold.

These are what I like to call Levels in the Wealth Creation Process.

At the lowest level you either produce and market the idea yourself or perform a skill for someone else who does it and get paid for it - Whether it be flipping burgers or as a Trial Lawyer in a large corporate firm.

Look at what you are currently doing right now to create wealth. If you go high enough up the food chain, so to speak, you will find the person who originally had the idea and is truly profiting from it.

And if you notice, the further away you are from actually touching this final form of the idea, the easier it is for you and generally the more Wealth you can Create.

And the beauty of this is that you don't even have to have the idea or produce the product/perform the work.

All you really have to do is control it which we will learn about more in the next article . . .

Acquiring Wealth!