How To Survive Tough Times
(Part IV-Acquiring Wealth)
By: Homesteader

What do I mean by acquiring wealth?

Sounds like a much easier way to get wealth than by creating it yourself (through harvesting natural resources, trading your time and skills, inventing, building, or actually making and selling a product or service).

By acquiring wealth I mean you are getting some form of wealth that has already been created by someone else through legal and moral means (not theft).

In other words, you are not the person doing the creation of the wealth-you are using something you have to get this wealth that has been or will be created by someone else.

Now why may this be a good thing?

It saves us some time and effort. The value is already in place when we acquire this wealth-we don't have to spend our time harvesting it, making it or even learning the skills that are necessary to create this wealth in one form or another. All we have to do is control this wealth.

What kind of things can we use to get this wealth?

-Money
-Credit or other promises we make
-Other forms of wealth (and remember in this series of articles when I talk about wealth, I am talking about Things)
-Non-material resources you may have at your disposal (time, energy, etc)
-Other peoples money, credit/promises, things or resources

Now there is a funny thing about wealth that we need to understand.

Whenever wealth is originally created and sold, it is normally sold at something called fair market value. Meaning at a price that people are able and willing to pay for that wealth in the free and open marketplace.

-When I go out and get my load of wood, I can come back to town and sell it for $120 a truckload.

-When I learn the skills needed to become a carpenter, I can sell them to someone else for $10

per hour.

-When I grow tomatoes, I can sell them for $20 per case.

If I try and sell them for too much, nobody will buy them - if I try and sell them for too little, too many people will buy them and I may run out. This is the free and open marketplace.

Now the funny thing is after that wealth is originally sold, it is possible for it to either increase or decrease in value in a short period of time, due to a variety of factors.

We have all heard the story that as soon as you drive a brand new car off the dealers lot, it loses value - or in other words if you were to turn around and try and sell it to someone else the next day, you wouldn't be able to get the price you just paid for it.

It has depreciated in value.

The reverse may also be true.

You may sell your skills as a carpenter for $10 per hour to a General Contractor who builds houses and he may in turn sell the home you just built and earn $20 per hour for his efforts.

The skills, time and energy you used in creating a product for someone else have appreciated in value for that person who controls your skills, time and energy.

And this wealth (or things) is now off of the open market and valued by the person who owns it at a certain price.

The person who just bought the new car may value it at exactly what they paid for it, but in reality if they were to try and sell it themselves, they may not be able to get the price they are asking.

It is now used and they may not have the experience and resources of the car dealer.

What does this mean for us?

It means that all wealth that has been created and then sold has a value that may be different than what it was originally sold for on the open marketplace.

The value the owner of this wealth places upon it may or may not be what they can sell the wealth for.

And we can take advantage of this fact when we consciously go about acquiring wealth.

(NOTE: and depending upon a variety of factors, even when the wealth is originally sold it may be worth more or less than its creation value, as in the case of sales, special offers, etc).

Enough theory-how can everyday people like you and me interested in surviving tough times take advantage of this fact?

In pursuing this means of wealth generation, we need to be spending our time and energy looking for things of Value.

Forms of wealth that we can acquire within our means that are worth more on the open market than people are willing to sell them for.

And once we acquire this wealth, we turn around and sell it for its fair market value.

We are deal hunters, taking cash (or other means), turning it into wealth and then turning this wealth back into cash (and then using this cash to buy the things we truly need).

Cash - - - > Wealth - - - > Cash

How can we find things of value that we can control or own and then turn back into cash?

First of all, we have to know the value of something on the open marketplace-we must know what we can actually sell it for.

And how do we do this?

By becoming an expert through research and experience.

Can we be an expert at everything?

No way, no how (and believe me, I've tried it and lost my shirt a few times :)

What forms of wealth should we become experts at?

Things that are readily available, within our means or ideas and that we can re-sell easily and still make enough profit to make it worth our time and effort.

Markets are constantly changing, supply of certain items increases or decreases and there are many factors which may effect our decision.

Here are a few examples of forms of wealth that you can become an expert at, buy for below their market value and resell at (or just below for a quick sale) market value.

-small appliances
-books
-large appliances
-furniture
-musical instruments

-antiques and collectibles
-used cars
-single family homes
-raw land
-patents
-licenses
-financial instruments (stocks, bonds, etc)
-chemical formulas
-software
-trademarks
-copyrights

And the list could go on and on and on.

So if you are interested in Acquiring some Wealth, look around you and find something you like, think you can afford to buy and then re-sell for a higher price.

All it really takes to get started is some cash or some ideas and a little bit of time and effort on your part.

Now once you have studied, gained some experience and become knowledgeable about the source of Wealth you plan on acquiring you need to locate it.

While doing your research, you probably came across some sources already.

Here are a few starting places . . .

-classified ads
-yard sales
-auctions
-government sales
-storage locker sales
-contacts in the industry
-contacts in related industries
-news sources and related industry knowledge banks
-your own ads or letters

The next step you need to take, is to determine the value of the wealth you have found.

Value can be determined by . . .

-condition
-price being sold for
-price you can re-sell it for
-terms being sold for
-other factors, such as location, liquidity, etc

Once you have found something you believe you can resell, it is time to either control or acquire it.

-learn how to negotiate for a good price and/or terms
-if you don't have the cash, control it through non-financial resources, promises or others resources/things

And once you either own or control it, you need to re-sell it in the quickest time possible to turn your wealth back into cash.

-getting wealth ready to sell (repairs, etc)
-good marketing and sales techniques

And then once you have the cash from the sale, it is a must to keep some of your profit for re-investment.

So the basic steps in Acquiring Wealth are . . .

1. Become an expert at a form of wealth that is readily available and you can resell easily
2. Locate that wealth
3. Control or own the wealth
4. Get the wealth ready for resale
5. Re-invest some of your profits

All of these articles have been kind of hard to write for me since I am trying to distill what little experience I have into the very basics. Something that anyone can read without too many technical details and then hopefully go out and apply.

And I know I ramble a little bit (or a lot at times), but each article does contain what I consider Laws of Wealth hidden within.

To make it a little bit more down to earth, here are some things that we have actually done in acquiring wealth.

Bought and re-sold personal property, antiques and collectibles

-Became good at evaluating different things like small appliances, tools, furniture, large appliances, books, pottery and glassware, sterling, coins, stamps, antiques, etc.

-Places we located these items

yard sales

classifieds
storage locker sales
personal estate auctions
library sales
our own ads
a junk hauling service (cleaning out peoples garages for them, etc)
pawn and thrift shops
consignment sales
overstocked merchandise
sales at retail establishments

-How we usually acquired these items

cash
credit cards
work

-How we got these items ready for resale

repair
cleaning

-How we sold them

classified ads
yard sales
pawn shops
dealers and retail establishments
consignments
flea markets
eBay

Used Cars

-places we located cars

classifieds
dealer auctions
wholesale from dealers lots
driving around and looking
government auctions

-How we acquired them

cash
credit

personal notes
trading other cars
trading personal property

-How we got them ready for resale

mechanical and cosmetic repairs

-How we resold them

classifieds
dealers
consignment
display of car in prominent locations
auctions
eBay
personal notes

Single Family Homes

-Places we located them

real estate agents
multiple listing service
classifieds and legal notices
driving around looking for them
auctions and foreclosures
ads and letters to out-of-state owners

-How we acquired them

cash
credit
notes
personal property
other peoples resources
trading work for equity

-How we got them ready for resale

repairs and cleaning

-How we sold them

classifieds
real estate agents

eBay

Chemical Formulas

-How we located them

industry journals
letters to chemical companies
inventor resources
back magazine issues

-How we acquired them

cash
credit
other peoples resources
agreements

-How we re-sold them

licensing to chemical companies

Now this article is getting pretty long and I have only touched on the very basics of acquiring wealth. The main thing is to find something that you can re-sell and then either own or control it, by using either cash or ideas.

Pick one item you like and can afford and try it out. Use the cash you make off this one area, to expand your buying and re-selling. Make contacts. Know where you can immediately re-sell that item for a profit.

I bought a Chevy wholesale from a Ford Dealer once because he didn't like Chevies on his lot. Drove to the Chevy Dealer and resold it for $150 profit. They gave me a ride back to the Ford place. Took me about half and hour.

When you buy, buy to re-sell. Keep your headaches to a minimum. Look for things that only need a little cleaning or cosmetic repairs to sell and the sellers don't want them for one reason or another. Look for items that are easy to transport-ideas, copyrights, patents, etc are the easiest.

Be aware that some items may require special permits to re-sell, or there may be rules and regulations governing their sale-do your research.

And if possible, learn to acquire wealth which will bring in income for many years to come, whether you work or not.

Which leads us into part V-Generating Capital and Cash-Flow.