



4 PROVEN ACTIONS TO  
DESIGN YOUR WEALTH  
WHILE YOU STILL CAN

# YOUNG MONEY

**DASARTE YARNWAY**

Foreword by Pete Najarian, Founder of Investitude  
and Contributor to CNBC's *Fast Money*

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# Young Money

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To Tinnizíee for giving me a seat at the table.

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# Foreword

Ever since I became an options trader back in 1992, I have seen the financial markets rise and fall dramatically, and with those movements the livelihoods and savings of people who knew some of the basics but none of the nuances and details of how markets work. However, I also noticed that a large segment of the population that had the most potential for profits and financial stability were also those who seemed least involved in investing: the younger generation.

There's perhaps good reason for this: The majority of the books and programming you see in the marketplace are geared toward older people with some assets and knowledge of the marketplace. It's easy to see why younger people would conclude that financial planning is just not for them. To someone just getting started in managing their

own money, seeing someone talk about dividends, stocks, options, and other such items is overwhelming, and probably makes them feel like they are not in the right income bracket for such an education.

That's why this book is important—very important.

The fact is that all of us, no matter what our income and bank balance, need money management skills and knowledge, and younger people need it more than anyone else. While the financial literacy and education provided to young people remains virtually nonexistent, the mistakes they make that result in debt, poor credit, etc., will impact them adversely for the rest of their lives. Conversely, as Dasarte shows in this book, a good financial mindset early on will have a positive impact for the rest of their lives. The better the start a person has, the more time he or she has to slowly build real wealth.

“Real wealth” is an important thing to define. Real wealth is for the long term and is what provides that which is most important: stability and security. Unfortunately, the current popular mindset focuses on short-term gains and mistakes having a hefty checking account balance for security. As opportunities and markets become more limited and competition more aggressive, it gets easier to mistake momentary security for long-term stability.

The point this book makes better than most is that time is the greatest asset of all for building wealth. With time, you can experiment, explore various options, learn from mistakes, bounce back from setbacks, steadily and consistently build up wealth at a sustainable pace, and accumulate more assets and hence achieve greater security.

And time is the one thing that the younger generations have that no one else outside that group has nor can buy at any price. It is, quite frankly, the best tool there is when it comes to building financial security.

You always hear that common lament of “If I knew then what I know now....” Well, now, with this book, there are no excuses. You will now know everything and have enough time to use it. Get to it!

— *Pete Najarian*





**INTRODUCTION**

**THE ULTIMATE  
ADVANTAGE**

**Time is your biggest asset—what you do with your time will determine how you leverage all the other assets in your life.**

# **Time: Your Most Valuable Asset**

The Roaring Twenties were a memorable time in the United States and in world history. In the United States, there was a desire for innovation, creation, and risk-taking. This decade brought America exponential economic growth, fostered revered art and artists, philosophers, and social movements, and was brimming with transformation that could be felt from coast to coast.

Like the period of the Roaring Twenties in American history, your early professional years (roughly ages twenty to forty) are the most vibrant in your life. You are encouraged to explore the country, the world around you, and every possibility. You will experience the extremes of good and bad, and are young and energetic enough to surge forward with hope into the future. At this stage, you are filling your wealth bucket drip by drip, and anything you can do

to shore up your financial situation will lead to exponentially greater assets down the line.

When it comes to designing your wealth, young people have the ultimate advantage: time. The time value of money principle suggests that a dollar today is worth more than a dollar tomorrow because of its appreciation potential and compounding of interest when invested. And the longer your money is put to work, the greater harvest you will reap. That is why time is the greatest asset you can possess. But it cannot be bought. You either have it or you don't, and if you're reading this book, you have it. Now here's how to make it work for you.

### **Four Simple Steps**

For years, we, the professionals of the financial services industry, have failed young people (and their more mature counterparts, for that matter). We've muddied the waters of fundamental investing with jargon and ego-boosting hypotheses on what the market will do next. We've focused on how much better we can sound than the next guy—instead of thinking about how much better we can serve our clients. Our most serious error is that we've complicated the process of designing your wealth.

It took over a thousand prospective client meetings for me to “get” all the things that we were doing wrong. People didn't care about my smooth talk, all the fancy terminology I used, or even the tailored suits that I wore. What they cared about was creating money management plans that made sense for them now and that could grow with them and change with their circumstances, plans that would

protect them from the blows life inevitably deals out and that would maximize their current and future fortunes. I realized that we had been wasting our time on the trivial things and not focusing on helping individuals really build out their unique visions of prosperity. And based on this realization, I developed a simple, four-step mastery approach to designing long-term wealth:

1. Master the Mindset.
2. Master the Plan.
3. Master Your Income.
4. Master Money Drains.

### **The Mastery Approach**

Anyone can be a Master Wealth-Builder, but becoming one first starts with a decision, a decision to want to be better. Master Wealth-Builders are not born, they are made. They are you and me. They are our mothers and fathers. They are our grandparents, our teachers, physicians, law enforcement, entertainment professionals, politicians, athletes, and religious leaders. They are normal people who have committed to building upon whatever foundation they have inherited. They believe that they can take their thoughts and plans and manifest them into realities.

Today, we see Master Wealth-Builders on the grand stage of the media, idolized for their financial achievements. We see the spotlights, the big businesses, the assets, and all the things that we're led to believe mark success. What we don't see is the challenges they faced,

the risks they took, and the mental fortitude they had to exhibit daily and relentlessly to get to that point.

When you're young, mastering wealth is primarily about mastering time—making each day that you have (and that you won't have tomorrow) work at maximum efficiency for you. Because mastery is built by repetition. You set up a plan, and then you work that plan to exhaustion until you've internalized your mission and every action you take is in service of it. You work diligently every single day to reach your ultimate goal. Mastery is synonymous with action, and action is the only thing that yields results. This is what it takes to build your wealth over the course of a lifetime (and beyond).

Being young is the ultimate advantage when it comes to mastering wealth, but this is not just a feel-good book about how you can leverage your youth to attain long-term financial success. It is an instruction guide to help you improve the everyday qualitative and quantitative metrics that will guide your wealth-generation journey beginning today and continuing on for the rest of your life.

### **But Wait, There's One More Thing**

Why should you listen to me? It's not only because I run a growing wealth management firm and serve clients who have the same concerns as you. It is not only because I watched my parents master these four steps upon their arrival from war-torn Liberia to lay a foundation for my siblings and myself. It is certainly not the fact that I have failed repeatedly in my own attempts to build wealth (and picked myself back up every single time).

If there is one reason why you should take my advice, it is because I am right here on the journey with you. I am the living embodiment of this book, my own case study. And it is working for me.

So if you are ready to go on this journey with me, let's begin. The road to wealth awaits us.





**STEP 1**

**MASTER  
THE MINDSET**

Set your mind on a  
definite goal  
and observe how  
quickly the world  
stands aside to  
let you pass.

— Napoleon Hill,  
*Think and Grow Rich*

# When Cars Fly

As I walked into the investment firm in San Mateo, California, for my first official day of work after college, I was certain I would change the world. Instead, the experience working at that firm changed me.

It was a typical overcast morning in the Bay Area, and all the new recruits gathered in the firm's lobby to take a tour of the premises. "Welcome to your new home!" said the assistant as we prepared to circle the research floor. There were glass windows that enclosed equity traders and research analysts as they processed buy-and-sell orders for clients and the firm's various portfolio strategies. People were glued to their seats, attention split between four computer screens each that displayed graphs that looked as if they had no correlation or trend. I made it a point to look at all the other members of my cohort. Their faces

couldn't hide their excitement at the amazing opportunity to work at this firm. And I thought to myself, "I don't know anything about this stuff."

Yes, I knew nothing about finance and investing. I had played football in college and was on the trajectory to be an NFL draft pick when I tore my ACL. Realizing that I needed a new career path (and fast!), I looked around to see what else I could excel at. With nothing but ambition in my tank, I had interviewed at the investment firm and been hired as an investment associate.

As the week proceeded, I absorbed all that I could about the stock market and financial planning. Basic things like the definition of a stock, how markets work, and the average returns of specific investments were routinely typed in my search engine. But although I was accumulating fundamental knowledge of the industry, I still lacked the tools that would enable me to apply it. I could not pinpoint why investors chose to invest in certain companies over others.

And more importantly, I could not explain how these decisions could help a person build the wealth that I too yearned to build. From my naïve perspective, the stock market was a gamble that involved taking high risks on your principal to receive a reward that may or may not be realized at an undisclosed future date. Part of me was asking myself, "Why take the risk?" But the other, more ambitious part of me refused to let the opportunity to learn pass me by. Besides, I was a first-generation American born in an impoverished neighborhood—I did not have much to lose. And so I rolled the dice.

Every month after my arrival, a new cohort arrived and toured the premises just as I had. About four months in, with only a slightly better understanding of wealth-building, I was joined by a new employee with a knack for investing. Let's call him John. I observed John closely as he started his computer and organized his desk. His face was as tired as if he had been working for thirty years. He dressed conservatively, even more so than the standard for the financial services industry. He read voraciously and had a laser focus when it came to completing tasks.

When the day came for our first Q&A session with the firm's chief executive officer and billionaire investor, John proceeded to ask questions that many of us new hires could not even comprehend. The topic of the meeting centered on the correlation between investing and wealth-building, and my head was swimming with fundamental questions about how I, a kid from the inner city, could make my money work for me and build wealth. As the presentation progressed, many of the company's strategies and ways of analysis were explained. And although most of my cohorts were wide-eyed and clueless, there was one person who wasn't.

From the accumulation of wealth to the compound interest of dividends to the analysis of a company's financial position before investing in it, it seemed as if there was nothing that John did not know. He even hurled back tough questions at our billionaire CEO until the leader asked to see him after the meeting. I was thoroughly impressed and felt the need to follow up with John. I machine-gunned a million questions at him about wealth-building, stocks,

and analysis. But my simplest question is the one that yielded the most important answer. I asked, “How do you know what to invest in?”

He turned slowly, looked at me dead in the eye, and replied, “I’m investing for the day when cars fly.”

### **Wealth-Building Is a Marathon**

There is an old adage that reminds us, “Life is a marathon and not a sprint.” In a sprint, the runner sets her sights on a destination that is close in distance with a foreseeable end. When the starting gun is shot, the sprinter is eager to reach her top speed as soon as possible so that she can win the race. She exerts all her energy early because of the short-term nature of the competition.

But if, like John, your eyes are set far into the future to the day when cars fly, the race is anything but short-term. It is most certainly a marathon. In a marathon, a number of factors contribute to the success of the runner. The runner must breathe properly and keep her composure. She must assess the distance between her current position and her goal, but also be aware of the other competitors and of other risks, all while being disciplined enough to know when to kick it up a notch and make a pass. The marathon runner’s mindset is one of consistency. It is the mindset that is routinely present in Master Wealth-Builders everywhere.

It is the mental shift from sprint to marathon that allows Master Wealth-Builders to stay committed to their goals. They know the road will be long and arduous, that many parts of the race must simply be endured, and that noth-

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