

## How Mom and Pop Investors End Up RICH!

By Fixer Jay Decima

People invest in real estate for many different reasons, but most are in hopes of making a profit. When I say hope, it's because when you ask them how they intend to profit, a great majority can't tell you how. The biggest reason for this is because many folks, who honestly believe they are investing, are actually not. They're speculating instead, and there's a huge difference between the two!

Webster's Dictionary defines speculating as – *buying and selling with the expectation of profiting from market fluctuations – or assuming a business risk in hopes of a gain!* Folks – **let me be crystal clear about this...** speculating is not what I do – nor is it what I teach others to do! I am a pure investor, and as you shall learn, my profits have very little to do with market fluctuations, or as they're more often called, *real estate cycles*.

When you learn to invest my way, there's no need to hope for financial gain. It's almost certain. *Speculation*, on the other hand, is a lot like fishing from the river bank with your trusty casting rod hoping to land a big one. Investing my way is more akin to fishing inside a rain barrel with an AK-47. Can you picture the difference here? Obviously, being able to more or less predict your profits is a big part of that *huge difference* I mentioned above. Naturally, to invest the way I'm suggesting, you must begin the task by learning the right skills in order to become a pure real estate investor.

On a more positive note, nearly everyone has an equal opportunity to succeed with my kind of investing. Background and education have very little to do with "making it"! High School dropouts and Harvard law students are pretty much equal starting out. The reason for this is

because a great deal of your investment education will come from ***on-the-job training***. Obviously, you'll need what I call, "book learning" or formal training, *as in seminars* to help you learn the how-to-skills – and where to start. But by far your greatest educational advances will come from putting your book knowledge and classroom training into actual practice. Your on-the-job training or street education will shore up your confidence and provide proof-positive that you've finally arrived. There's no greater thrill for any real estate investor than to create a good deal – and watch it work!

As you read about my dollar numbers and the formulas in my books and courses, keep in mind that it's the **relationship** or **percentages** that are most important! The dollar numbers, and mortgage interest rates are always changing, but my techniques and strategies will always stay the same. They've already worked for 100 years (or so) – and I'll guarantee you, they'll keep working for another hundred if you need that much time!

Speaking of time, I have always been a stickler for quicker payment of my time – as in, ***how long before I'm gonna be rich?*** That's a fair question, I believe. Call me a bit selfish if you wish – but I don't get much satisfaction from scrimping and saving today, *during my present life* – working on some marginal plan that might make me rich long after I'm dead and gone! Obviously, age is always a factor, but my investment strategies are geared so most folks can see a pot of gold at the end of the rainbow much quicker. Waiting for 30 years for the mortgages to pay off is much too slow for me! After all, simply investing 10,000 dollars in a compound interest bearing account at 25% would make me a millionaire in less than 21 years.

Although my math works just fine, some might question just how in the world I'll earn 25% interest. As I'm writing today, 25% interest is about 5 times higher than most banks are willing to pay. Fair enough, I'll accept that – however, I wasn't thinking about earning interest from the bank! **Real estate profits** can far exceed 25% returns when you invest my way.

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For example; let's say my \$200,000 property appreciates just 10% during my first full year of ownership. I now have a property worth \$220,000 – but the return on my \$20,000 cash down payment has earned me 100%. Obviously, it gets increasingly difficult to repeat my first year performance – but by acquiring new properties, it's quite easy to maintain returns many times higher than bank rates. 40 to 60% annual returns are not the least bit uncommon once you learn the ropes. There is one catch – ***you must select the right kind of real estate in order to make this happen.***

I call it “hamburger helper”. It's the mixture of leverage and compounding. By combining these two magic ingredients, you can create extraordinary investment returns. As you read my educational materials and books, you will learn the secrets for yourself – **exactly how the big profits are made** – and of course, how long it takes to earn them. Most examples you will read about are my own personal transactions with only the street names changed to protect the innocent. Pay particular attention to the small down payments required in order to set up some “eye popping” returns. By learning how to synchronize leverage and compounding, you'll soon discover as I did – it's a lot like creating your own personal ATM machine!

My example above -- \$10,000 compounding at 25% interest, let's pretend that somehow we could wave a magic wand and change the percentage to 50%! Now, all it takes is just a smigin' over 11 years before your \$10,000 makes you a millionaire! Let's say you stay invested for another 9 years, you'll be needing a wheelbarrow to haul your earnings home. Obviously, your initial \$10,000 investment will still fit inside your billfold, but I will guarantee you your compound interest earnings of \$33,000,000 will not!

Hypothetical you say! Playing “what if” with dollar numbers seldom works the same way in real life. True enough, but it's not the mathematics you should blame. The fault more than likely lies with investors who fail to roll the dice to start the game! All the education in the

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world is worthless without action. You must find the right properties and create workable transactions. If you take my advice and become a specialist, acquiring the kind of properties I'm suggesting – it won't be long before you'll be better than all the local competition! That's when this stuff really gets fun. Regarding those 40-60% investment returns that seem nearly impossible right now, you'll discover in no time at all – I'm telling you the truth. Join me at Jane Garvey's CCIA meeting on July 20<sup>th</sup>, 2008 and I'll teach you why my way is the best game in town!