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GET RICH SLOWLY

Whether you think the economy is great, getting better, not great, or near disaster, you can get rich slowly over time!

The first step is a life long commitment to living below your means which allows you to save a 3-6 month emergency cushion as well as capital to invest.

Once you have saved capital to invest the second step is to decide whether you want to hire an investment advisor or do it yourself [DIY]. Many people do not want to design and implement their own investment strategy — preferring to hire an investment advisor. For the DIY investor and those who want to learn about the markets and investing, here are some suggested resources:

The American Association of Individual Investors. For a very modest fee you gain access to a wealth of information about investing. Check them out at: www.aaii.com

The American Institute for Economic Research. You can find them on the web at: www.aier.org

Ric Edelman's radio program, books, free e-newsletter and website provide a wealth of financial news and information. His website is: www.ricedelman.com

The third step after saving capital to invest and educating yourself about economics and markets, is to avoid a list of sure fire money losing strategies. The list below comes from a recent column by Barry Ritholtz with a few additions by me. Ritholtz's column runs in the Sunday Washington Post Business Section.

> Taking on more risk than is prudent [for your age and financial situation].
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> Buying the hot new thing.
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> Participating in an expensive, underperforming private investment (e.g. hedge funds, and venture capital) and I would also add non-liquid investments like Master Limited Partnerships and Real Estate Investment Trusts (REIT) if you think you may need to liquidate the asset in the near term.
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> Using excessive leverage.
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> Following the advice of media pundits or talking heads.

Over-trading your account.

Pursuing the latest media fixation.

Speculating in commodities.

Allowing emotions to steer your investments.

Buying low-quality, high yield “junk” fixed income paper. Remember non-investment grade investments are given this designation for a reason.

Trying to time the market.

Buying IPO’s [Initial Public Offerings].

Cherry-picking portfolio allocations.

And my personal favorite - putting all of your money into one investment or asset class instead of diversifying your investments across many companies and asset classes. Think back to the episode of Downton Abbey in which Lord Grantham invests all of Cora’s money in a Canadian Rail Road stock that can’t lose but does!