

*Steve
McKnight's*



MONEY MAGNET

HOW TO ATTRACT AND KEEP
A FORTUNE THAT COUNTS

WILEY

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**MONEY
MAGNET**

HOW TO ATTRACT AND KEEP
A FORTUNE THAT COUNTS

WILEY

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- My Lord and Saviour Jesus Christ — from whom I hope to hear the words ‘Well done, good and faithful servant’.

Faith

I drifted off the faith path in my adolescent years before returning to following Jesus as an adult after I became financially rich, but felt spiritually poor.

While that's a story for [chapter 24](#), my Christian faith adds an important context for the way I think and act around money and you'll note I make references to it and the Bible from time to time. While I do this unashamedly, I also respectfully acknowledge other beliefs, faiths and religions.

Royalties

One hundred per cent of the royalties received from this book will be applied to supporting environmental revegetation endeavours, including my carbon

sequestration project at Carriage Range in north-east Victoria where 300 000 trees have been planted to establish a new permanent native forest. To find out more please visit: www.TreeChange.com.

Steveisms

You'll note that each chapter begins with a quote. I had initially included a variety of sayings and phrases that I found interesting or pertinent, but due to copyright and permission issues it became too difficult to include them. So, although it might outwardly appear a little indulgent, I have instead self-quoted short comments and sayings that I'm renowned for and that others have affectionately coined 'Steveisms'. I hope you find them interesting and helpful.

ABOUT THE AUTHOR

Steve McKnight holds a Bachelor of Business (Accounting) from RMIT University and is a qualified Chartered Accountant. He also has a Diploma of Financial Services. After a decade-long career in accounting he became a professional investor where he used his accounting and investing knowledge to purchase 130 properties in 3.5 years. In 2012 he established a managed investment fund that went on to purchase more than \$100 million worth of commercial property. Through his books, training programs and websites McKnight has positively impacted the lives of millions of people. Steve recently turned his attention to land conservation and ecosystems management endeavours. He and his team have now planted more than 300 000 trees on previously cleared land with the goal of establishing a new permanent carbon sink native forest. Steve is married and when not in Melbourne can usually be found walking among nature at Bindi.

PREFACE

HOW THIS BOOK CAME TO BE

Dear Reader,

Something very strange happened on the 13th of July 2006 — something that hadn't happened before, and hasn't happened since: I woke up from a dream sobbing, with tears streaming down my face.

In that dream I believe I encountered God. There was no booming or thunderous voice; He did not speak in words, but rather in thought. There was no burning bush; rather God appeared as an intense, swirling cloud of light, with shining stars in it, and radiant colours of dark blue, and purple, with flecks of gold and silver.

Word-for-word, here's what I wrote in my journal on what I experienced:

I woke up in awe, overwhelmed and excited to the point of tears. I could not speak nor move. It was the most intense feeling I have ever felt. I had an incredible sense that God wanted me to run a learning based program teaching people how to use their money effectively. Three times did this thought come into my mind; each time stronger.

Which brings us to today: to the here, and to the now.

I've had an unpleasant encounter with skin cancer, and it's reminded me that time is finite and that I needed to get busy doing what God asked me to do — to write this book.

In it I've shared many important lessons and insights gleaned from the front line of personal wealth creation: from the things I've witnessed being a chartered

accountant and advising a variety of clients spanning mums and dads, to multi-millionaire business owners, to my personal experience building a family fortune buying and selling hundreds of properties, and even professional funds management where I've looked after more than \$100 000 000 of other people's money.

I don't know where you are on your faith journey, and I'm not sure how or why this book has crossed your path, but I do know this: *it's no fluke*. The same God that gave me that prophetic dream back in 2006 wants to use the knowledge and experience I have about how to make and attract a fortune that counts to reveal something deeply personal and important about the way you think, or act, around money.

What might that be? Let's find out.

Steve McKnight



PART ONE

INTRODUCTION

A better and brighter financial future is yours for the taking, and there's not a moment to lose!

By the time you've finished Part 1 you'll have cast a monetary vision for the rest of your life. All going well, that plan will empower you to live a life of financial freedom and a self-funded retirement where you won't have to rely on government handouts for survival.

As you work through the four options in [chapter 5](#), ask 'Is the model I'm following (perhaps even without knowing it) going to deliver a wealth-creation outcome I'm happy with, and if not, which model will?'

Make sure you attempt all the exercises as the answers you give and the insights you gain will provide an important platform upon which the rest of this book builds.

CHAPTER ONE

A SHORT INTRODUCTION TO WHAT'S AHEAD



**The more you do of what you've done,
the more you'll get of what you've got.**

It stands to reason that the more you do of what you've done, the more you'll get of what you've got.

That is, if you're flush with cash, are debt free, have investments that are performing and have a life rich in meaning, then well done and keep it up!

On the other hand, you can't expect to change and yet stay the same.

If you're feeling financially overwhelmed, find yourself bogged down in debt, want a retirement that's not reliant on welfare, or have money but lack passion and purpose, then keep reading.

My hope in writing this book extends well beyond helping the wealthy get wealthier. The pursuit of more, when you already have more than enough, might feed your ego, but could come at the cost of a withered soul. What's the point of having a lot that only means a little? My goal is to help you make, manage and multiply your money to become financially empowered, and then to make your money count by using it to live a life rich in happiness.

Some people believe money is evil. It's not. As my good friend Brendan Nichols once told me, 'It's just a tool that can be used to *get a life* (let's call that *survival*) and to *give a life* (let's call that *significance*)'. That is, it is our attitude

towards money, rather than money itself, that will determine whether it's a blessing or a burden in our lives, and the lives of others.

Survival means 'making bank' — having enough income to pay for your desired lifestyle, plus stashing some extra aside for rainy-day reserves.

Significance refers to 'largesse' — the pursuit of using your money in an altruistic manner to give your life meaning, by using it to fund a legacy for which you'll be remembered long after you're gone. How you use your money is how you'll be known and remembered.



How you use your money is how you'll be known and remembered.

Will that be for the materialism you amassed, or your magnetism attracting admiration for the way you made your life and money count by touching, moving and inspiring others?

A common belief I've encountered is 'I'll start working on significance once I've got survival sorted'. Such thinking is flawed though, as survival and significance are not mutually exclusive, but rather complementary: one spurs the other on. If you want your money to multiply, invest in survival. If you want your money to count, invest in significance. Want both? Do both! It's more than possible ... it's recommended!

To be clear, don't work on survival *then* significance, work on survival *and* significance. What you do that matters will give meaning to your money and motivate you to keep making the sacrifices needed to attract and keep a fortune. This is critical because borrowing from tomorrow and spending it today is surely a recipe for a lifetime of

financial disempowerment. Friend, here's the principle: *if you want to attract more, **first** become more attractive.*



**If you want to attract more,
first become more attractive.**

I can't explain how it works, just that it does. When you invest a little from your survival into your significance, you become more 'magnetic', with your magnetism attracting more opportunity while also 'levelling up' the calibre of the people who are drawn into your sphere of influence. No, not in some modern-day ATM kind of way: you can't 'game' the principle of sowing and reaping. The law of attraction only works if you give from the heart (what's in it for others), rather than giving from the head (what's in it for me).

So, what's ahead in the book? Put simply, I'm going to do what I can to help you count your money, and to make your money count.

We're going to explore and unpack two concepts in detail: your Financial IQ and your Financial EQ. The former relates to how you think and act financially, and the latter to how you recognise, understand and manage your financial feelings and emotions.

As you'd expect, they're related, and if you want to become and remain wealthy, you need to master both. Thinking poor and acting rich will result in the appearance of wealth, but the substance of poverty: a flash-looking car with no engine. Thinking rich and acting poor will lead to great ideas, few of which will come to pass because you're not financially empowered to make them happen: a flash engine with no car.

The goal is to think rich, and act rich. But hang on and make no mistake! I am not talking about materialism here.

Materialism amounts to lots of toys and babies prone to tantrums: spoiled people spoiled by possessions without purpose.

A better interpretation of what I mean by 'rich' is 'empowered', so if there's something disempowering about the way you think or act financially then we need to find and fix it. Otherwise you'll be building wealth on shaky foundations, meaning any wealth you manage to attract might not stick.

Chapter highlights

- If you're happy with your current wealth situation, then you don't need to change. Keep doing what you're doing.
- It is not possible to change and stay the same. If you aspire to a better and brighter financial future, then you have to do something different, to get something different.
- For many, wealth creation is a struggle to meet and maintain their version of survival — having enough to keep the home fires burning, and ideally a little extra for emergencies. Beyond survival is significance, which is an awareness and desire to use your money to add meaning to your life by positively impacting others.
- Most people concentrate on survival *then* significance. The better approach is survival *and* significance.
- Materialism reflects the external appearance of wealth. Magnetism reflects the people and opportunities that are attracted to you. What good is it to be financially rich, but socially and spiritually poor with fake friends and a lonely soul?
- The law of sowing and reaping mandates that any investment you make in significance will increase your attractiveness. Being more attractive will help you to attract more opportunities and 'level up' the calibre of people drawn into your sphere of influence.
- No-one is born a money magnet. It is a learned skill that can be improved over time with effort and

diligence.

- If you want to make, manage and multiply more money, then you'll need to strengthen the way you think and act financially (your financial IQ) and also the way you feel financially (your financial EQ).

CHAPTER TWO NOW AND THEN



**Start with the end
and end with the start.**

Is it possible to get rich, quick? Some say no, but I say yes, depending on your definition of *rich* and *quick*, of course!

Take, for example, people who win the lotto jackpot and become instant multi-millionaires, or the enterprising folks who sell their businesses for billions in their twenties or thirties. In my case, I achieved financial freedom — no longer having to swap my time for money — in less than five years. Compared to working 50 years, that was quick! Don't be mistaken though, I've never owned a boat, nor a Ferrari; I define rich in terms of minutes (i.e. time), not materialism. More on that later.

Time for another question. 'Can *you* get rich, quick?'

That depends on whether you're inclined to try, and whether you're willing and able to pay the price.

Inclined to try



Out of 10, with 1 being the least important, and 10 being the most important, how big a priority is it for you to start working on securing a better and brighter financial future? Don't just think it, write your answer in the box, and note the date under it.

If you answered, say, 5 or below, then you're probably facing bigger challenges, perhaps struggling with the hustle and bustle of life and making ends meet.

Alternatively, you may be young and believe you have time on your side to sort out your finances in the years to come.

If you answered 6 or above, then you're probably thinking it's time to make your financial future a bigger priority. Hmmmm ... what to do, though? Pump some more money into superannuation? Dabble in the stockmarket, or maybe try your hand at real estate? Perhaps crypto? Buy a franchise or start a business?

There are lots of options, but instead of making the common mistake of letting the strategy determine the outcome, you'd be much better off starting with the end, and ending with the start. Or, in other words, don't let any available shoe determine your foot size — have the financial strategy fit you, not the other way around. That is, cast a vision for your financial future, make a plan and then work with the strategies that will see you make the most money,

in the quickest time, for the least risk and lowest aggravation.

Paying the price

Financial freedom: the name is certainly deceptive, because there's nothing free about financial freedom. It's bloody hard work, unless you want to cheat.



**There's nothing free
about financial freedom.**

'Cheat! Cheat?' I hear you ask. 'How do people cheat?' By trying to get-rich-instant or get-rich-easy and hacking an outcome without putting in the work.

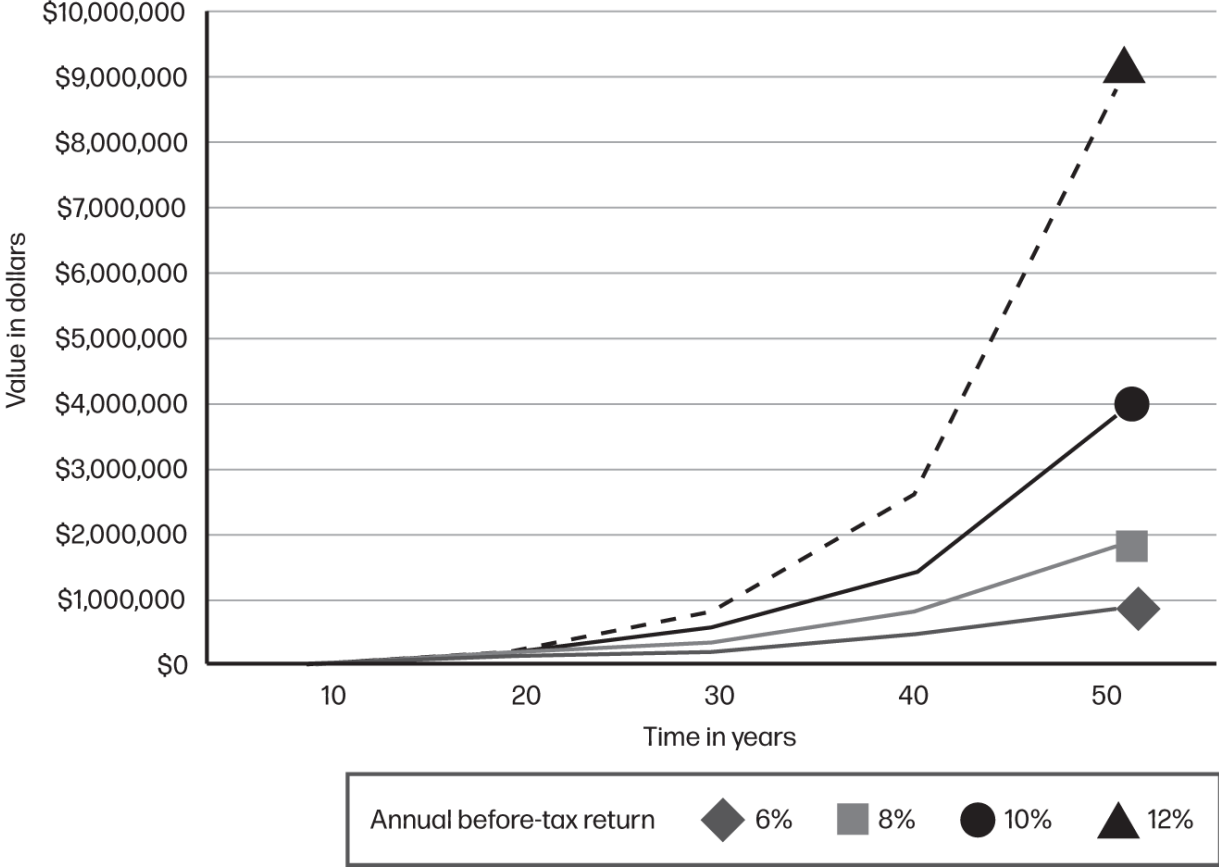
Take lotto, for instance. According to Oz Lotteries (2021), 76 per cent of Aussies like to go out on a date with lady luck, but it's not easy to win her favour. You're 3750 times more likely to be hit by lightning than win the Oz Lotto jackpot¹. A more-proven and less-risky (that's a good combination, by the way!) idea would be to take the \$50 per week spent buying lotto tickets and invest it. The following table gives you an idea of what the balance of doing this would be, depending on the return achieved and the period of time.

Future values of \$50 per week, invested for different time periods and annual before-tax returns

Time	6%	8%	10%	12%
10 years	\$31,954	\$39,786	\$44,607	\$50,170
20 years	\$79,616	\$128,276	\$165,747	\$216,509
30 years	\$150,708	\$325,093	\$494,722	\$768,013
40 years	\$256,749	\$762,849	\$1,388,110	\$2,596,540
50 years	\$414,920	\$1,736,494	\$3,814,259	\$8,659,077

If you don't think in numbers, the following graph reveals that the combination of return and time are certain to make you wealthy. Why rely on luck, when you can depend on skill?

Future value of a \$50 per week payment



You don't have to invest in hare-brained schemes either. For reference, according to Vanguard (2021), the 30-year return for listed Australian shares is 9.7 per cent per annum. That's pretty close to the 10 per cent column in the table above, which has a 50-year 'jackpot' of \$3 814 259.

It's your choice: rely on a 1 in 45 million chance (by the way, you're eight times more likely to be killed by an elephant in captivity²) or the 100 per cent mathematically proven millionaire method?

But hang on a moment, 30+ years doesn't sound quick, does it? Well, that's the get-rich-slow option. If you want to speed things up, then there's a price you have to pay. Not a physical price such as buying a litre of milk, but more so an ongoing combination of sacrifice (choosing not to have something ever) and delayed gratification (choosing not to have something now).

For instance, rather than indulging and living above your means, resulting in stuff and debt, the price of a better and brighter financial future is living below your means to accumulate savings, which you can use to purchase investments.

Or, as I like to put it, work now so you don't have to work later.

Sounds simple enough, right? It's definitely not. The combination of powerful materialistic marketing messages, coupled with easy-to-access debt, means you have to fight against so-called 'normal' all the way.

True financial empowerment means not being casual with your money, lest you become a financial casualty. It's having the capacity, but electing not to purchase something because you don't want to be defined by your material possessions. This is not to say you need to live in a sackcloth, but rather that you spend from what you have (rather than what you don't have), and what you can afford.



True financial empowerment means not being casual with your money, lest you become a financial casualty.

There are two ways you can approach your financial future: chance or choice.

If you're happy to rely on chance, then you don't need a plan because you don't have a destination. You'll get what

you get, and you don't get upset.

If you want to rely on choice, then you need to decide between slow and steady — where you let time and trend be your friend — or fast and furious — where you put on the afterburners and accelerate your wealth building. Or maybe a combination of the two.

Whatever you do, stay away from get-rich-instant or get-rich-easy, where the odds of failure are astronomically high. Just ask any elephant.

Chapter highlights

- It's possible to get rich—quick or slow. It's just not realistic to get rich instantly or easily, because schemes that promise maximum returns for minimum effort are almost certainly too good to be true.
- There is nothing free about financial freedom. It takes considerable effort and comes at the cost of sacrifice and delayed gratification.
- Beware trying to find an easy solution to a complicated problem, like trying to overcome a financial problem that has taken years to eventuate by using quick-fix or hare-brained schemes that rely heavily on luck or good fortune.
- Winning lotto really is a dream that will statistically almost never come true.
- Don't rely on chance when you can depend on maths. A small amount regularly saved and invested at a reasonable return over a long period of time is a sure bet.
- No-one will care more about your money than you will (or should). If you're casual with your finances, then you run the risk of being a financial casualty.

Notes

- 1 The chances of winning OzLotto are about 1 in 45 000 000 compared to a 1 in 12 000 chance of being hit by lightning in Australia.