

MILLIONAIRE HABITS

How to Achieve Financial Independence,
Retire Early, and Make a Difference by Focusing
on Yourself First

STEVE ADCOCK

WILEY

Millionaire Habits

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*How to Achieve Financial
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Introduction

Nobody ever got rich by making excuses. Not me. Not you. Nobody. Excuses don't build wealth. If they did, everyone would be rich, wouldn't they?

There is no shortage of excuses.

"I don't have time!"

"I'm not smart enough!"

"I didn't grow up rich!"

Listen up, buttercup: I'm not here to tell you everything is going to be okay and that if you believe in yourself and sing kumbaya around a campfire, great things will happen.

That's not how life works. Yes, believing in yourself is great, but **putting actions behind that belief** is how we achieve amazing things, such as becoming a millionaire. A hope without action is nothing but a wish. Millionaires don't get rich by wishing.

Throughout this book, I will respond to those three excuses with simple answers:

“Yes, you do!”

“Yes, you are!”

“Who cares?”

We all have the same 24 hours in a day. The problem isn't having enough time, being smart enough, or growing up with rich parents. Those are excuses. Thousands become millionaires without inheritances, having rich parents, and getting straight As in school. There is no reason why you can't become one of them.

Growing up, I suffered from a learning disability. My school district forced me to take a “Basic Skills” class through middle school because I didn't learn as fast as my classmates, affectionately referring to me as “learning disabled.” The Basic Skills class gave me extra time and help to get my homework done during the school day instead of taking another “real” class. Basic Skills was where they put all the “disabled” kids.

Apparently, I had a disability because my learning style was different. It took me more time to grasp concepts, especially in math. I struggled to understand ideas that other kids seemed to pick up on the first try. And let's just say that I wasn't exactly a straight-A student, either. I excelled in science classes, but in every other class, I was happy with a B. By the end of high school, I graduated with a solid 2.7 GPA.

But you know what? It didn't matter. My wife Courtney and I still became millionaires in our early 30s without graduating at the top of my class and attending a prestigious college. I never got an inheritance. I didn't even start my own business. We worked regular nine-to-five jobs, saved and invested our money, and it grew.

In other words, I'm telling you that I wasn't a gifted student. For most of my young life, I didn't consider myself smart. But I still managed to achieve a life I never thought possible. I'm here to tell you that you can, too. If you live in the industrialized world, almost anything is possible.

There's no magic in our story. No get-rich-quick hacks. Everything I did to build wealth anyone can do. It starts with developing repeatable habits that attract money and success. That's right, most millionaires don't chase money.

They attract it.

Earning a high salary enabled us to retire in our 30s; not everyone can do that. Don't compare our retirement age with yours because that's not the point.

Instead, take the concepts from this book, implement them in your lives, and retire on your own terms. If that means quitting work at 55, that's fine. I've spoken with many people who never want to retire because they love their jobs. And heck, that's great too! Your goals are just that—yours.

This book is all about millionaire habits. Throughout these chapters, we will discuss what millionaire habits are, how they work, and ways you can use them in your life. The end of each chapter in Part 1 contains specific action steps for you to take to implement that chapter's habit. Don't skip that section. It's the most important part!

Best of all, you don't need to earn lots of money to make these habits work. All you need is the motivation and desire to become your family's first millionaire.

But I'll warn you right now: You can't be afraid of being selfish. Millionaires are selfish people, but not in the way you're probably thinking. Millionaires understand that nobody is responsible for providing for their families but themselves. And you need to understand that, too. It's okay to put yourself first. That's exactly what you should do.

If you're confused by how selfishness can be a good thing, don't worry. We talk about healthy selfishness and why it's a key component of building huge amounts of wealth later in Habit #2. For now, understand that selfishness is key to building a financially secure future for you and your family.

We Retired in Our 30s in an Airstream RV

Our story is a bit. . .unique. From the moment I set foot in an office for the first time, I knew this “working full-time” stuff wasn’t for me. I didn’t have everything figured out yet (far from it!), but I knew a 45-year career wasn’t for me.

Throughout this book, I’ll discuss details about how we managed to retire in our 30s. For now, just understand that my wife and I sold our homes, bought an Airstream RV, and set sail around the country full-time. For three years, that 200 sq ft trailer was our only home. And if that sounds small, that’s because it was. Now add two dogs, and you have a good idea of how our post-work lifestyle went.

At least for three years.

It was fun as hell. We saw so many amazing areas of the United States. We spent our days hiking through forests, seeing national parks (ever been to Utah?), and adventuring to different wineries and breweries. It was a lot of fun, but after three years, we were ready to settle down onto our own little plot of land.

In 2019 we bought seven acres of land in the southern Arizona desert. Our home is completely off-grid. I affectionately dubbed our home the “off-grid recession-proof house”, an accurate phrase considering the economy in 2023!

That’s enough about me for now. Let’s get into how this book is going to change your life so you can follow your dreams like we did, whatever they are.

How To Use This Book

This book is divided into two parts. I highly suggest you read them in order.

Part 1 discusses each of the ten millionaire habits and the millionaire wealth-building timeline. These habits are the building blocks for everything you do inside and outside your workplace. Millionaires use these habits to build money-making careers and live a life that's so satisfying that they can't wait to get up in the morning and start their day.

Part 2 dives into FIRE, or Financial Independence Retire Early. Younger people use these millionaire habits to work hard for several years and then quit their jobs in their 30s or 40s (hint: this was us). FIRE won't be for everyone, but its tactics can still make you very, very rich throughout your life. If you don't want to retire early, that's okay! But don't skip this part of the book. Achieving financial freedom is still the goal, and you might be surprised at the lifestyle options that open up to you once you're there.

If you are ready to put your old habits aside and start doing the things that attract wealth without thinking about it, continue reading.

You're in the right place.

Part 1

The 10 Habits of Millionaires

The Wealth-building Time Line

Like Rome, wealth wasn't built in a day.

Before diving into the nuts and bolts of millionaire habits, let's discuss the process virtually everyone goes through to build wealth. All millionaires go through this exact process, including me. The speed at which we go through each stage can differ from person to person, but it's almost impossible to skip any of these basic steps.

Sadly, some people work their entire lives and never get to the last stage, but this book will ensure you aren't one of those people.

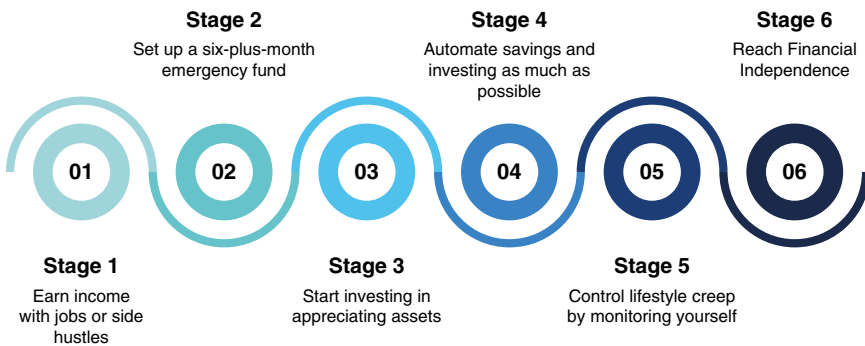
I like to call this process the Wealth-building Time Line. It begins with earning income through jobs and side hustles and ends with

reaching financial freedom, which means no longer having to work a day for the rest of your life (though you might still choose to).

Imagine getting up each morning without the horrifying beep of an alarm clock and deciding what to do with your day *right then and there*. This is what achieving financial freedom is all about. It gives you options. You can take full control of your life.

For some of us, this process might take several decades. For others, maybe just four or five years. But with few exceptions, this is the accumulation process we all go through.

The six-step wealth-building time line looks like this:



Let's discuss what happens in each stage of the time line.

Stage 1: Earn income with jobs and side hustles. This is where the magic begins. The accumulation of wealth begins with earning an income. Building wealth without earning an income is impossible unless you're the fortunate beneficiary of a large inheritance (this is rarer than many people believe). The larger the income, the more growth potential (but also the easier it becomes to spend money, which we will discuss later in this book).

Most of us will earn our income by working a full-time job. However, starting a business while working full-time (often called a "side hustle") can accelerate our income accumulation. For instance, you might design websites, walk dogs, or offer weekend landscaping services to make a little extra money. Interested? Ideas to maximize your income are in Habit #3. Every dollar you earn

gets you one step closer to financial independence, regardless of where it comes from.

While earning a big salary is great, you don't need six figures to achieve financial freedom. Bigger salaries only shorten the time it takes to reach Stage 6.

Never forget that this is a process, not a race.

Stage 2: A three- to six-month emergency fund. Putting a little money aside for unexpected expenses is your emergency fund, and it should come before investing—and definitely before spending on nonessential items.

An emergency fund of at least three months of living expenses means you can endure most financial emergencies, sudden job losses, a leaky roof, or anything else that requires cash. While most financial “experts” recommend three months, I like six months to be extra safe. Whether you choose three months or six months will come down to your risk tolerance and whether you are a dual-income household. We will discuss how much to save in your emergency fund in more detail in Habit #7.

Your living expenses include everything that you spend money on month-to-month, including

- Rent or mortgage payments;
- Utilities (electricity, water, etc.);
- Food and groceries;
- Insurance (health, car);
- Cell phone bills;
- Household maintenance items such as cleaners.

Everything you spend during the month is a part of your living expenses.

For instance, if you spend \$5,000 a month, saving three to six months' worth of living expenses adds up to \$15,000 to \$30,000.

“But Steve,” you might say, “that's a lot of money to save! I don't have anywhere near that!”

That's okay. Three to six months is the goal, which takes time to reach. Later in this book, I will teach you exactly how to build

your first emergency fund (or, if you already have one, to expand it) using automated techniques that will make this super easy. Believe me, it's much simpler than you probably think.

We will talk more about emergency funds and how to set your first one up in Habit #7.

Stage 3: Invest in appreciating assets. Nobody ever got rich by saving money alone. Instead, investments are what build wealth. There is always risk associated with investments, but investing in appreciating assets over the long term is how most people build enough wealth to achieve financial freedom.

Examples of long-term investing include:

- Stocks;
- Traditional 401(k)s and Roth IRAs;
- Real estate (properties and homes);
- Index funds, mutual funds, and ETFs;
- Gold, silver, and other precious metals;
- Collectibles such as art, antiques, and rare coins.

The stock market is one of the most common tools that millionaires use to build wealth over time. Most millionaires devote a portion of every paycheck to investing in the stock market, and many are rewarded with consistent growth over the course of 20, 30, or more years. This is called dollar-cost averaging. More on this in Habit #6.

Stage 4: Automate savings and investing as much as possible. Automation is the secret that millionaires use to take the discipline and guesswork out of accumulating wealth. It's the difference between humans tightening every screw on a new car and an assembly line of machines doing it instead. It's easy, repeatable, and consistent.

Automation refers to using computing routines to take action on our behalf at set intervals. Once we set these routines up, they work on their own without our involvement. We don't have to lift a finger! Automation helps us make Stages 1 through 3 easier because we no longer have to remember to save, invest, and transfer money between bank accounts. It just happens.

A few examples of automation include:

- Your employer's payroll system that automatically contributes a percentage of your paycheck to your 401(k) or Roth IRA;
- Bill pay systems that pay relatively consistent monthly bills such as your cell phone, television, streaming services, and utilities;
- Budgeting apps that help you save by transferring money from your checking account to a separate savings account every month.

I will show you how easy financial automation is to set up in Habit #6.

Stage 5: Control lifestyle creep. This stage sounds simple, but it's one of the most difficult steps for many people. Lifestyle creep happens when we inflate our lifestyle by spending more money as we earn more. It's also called lifestyle inflation, which plagues so many people. I was guilty of lifestyle creep when I was in my 20s, big time.

Here's the problem: when our lifestyle inflates alongside our income, we make it more difficult to build wealth because we keep spending more money. As I like to say, it's impossible to outearn bad spending habits.

Sure, we see high-income earners driving around in fancy cars, living in big homes, and wearing expensive jewelry and suits, but that doesn't tell the whole story. So many of these "millionaires" are actually in debt. Even with a high income, they've chosen to spend so much money that they aren't building wealth.

And here is why this stage is more difficult than it may sound. We work hard for our money. When that much-deserved raise finally comes around, we want to reward ourselves by spending a little of it to celebrate. All that overtime should count for something, right? After all, it's no fun to just save and not enjoy all that extra cash, right?

Actually, that's right. It is no fun.

This stage isn't about sacrificing your happiness by penny-pinching. It is okay to spend money to reward yourself for working hard and being successful. However, it's not okay to turn those

celebration expenses into a regular part of your lifestyle—if you want to become a millionaire, that is. Spending all of your raises won't get you rich.

It will, however, increase the stuff you have lying around your house.

Controlling your expenses is an uncomfortable part of building wealth that many millionaires don't discuss. But I will show you exactly how to balance your life so you and your family can enjoy yourselves and build wealth simultaneously in Habit #9.

Stage 6: Financial independence. Congrats, you're there! This is what you've been working so hard to achieve. You're finally at the point where you have accumulated enough wealth to never have to work again, though you may still choose to work.

But don't be deceived! Never let your guard down. It's possible to lose financial independence if our spending gets too extravagant.

How do you know when you've reached financial independence?

I discuss the simple formula many millionaires use to calculate when they've reached financial independence (or how much they need to achieve it) in Part 2 of this book. The math is simpler than you probably think.

The wealth-building equation controls our journey to a million. The better you understand it, the faster the journey will be.

For the rest of Part 1, we will dive into 10 millionaire habits that will help you breeze through each phase of this process as quickly as possible, without sacrificing the things that make you happy.

Are you ready?