

The Five Laws of Wealth Creation

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Successful people manage their finances in a specific way. We've analyzed and distilled that format to create five specific principles - better known as "The Five Laws of Wealth Creation."

Law #1 Set a Goal

Every successful business or individual is goal-oriented. Remember, if you don't know where you're going, any road will get you there. If you aim at nothing, you will hit it with amazing accuracy.

Law #2 Use Other People's Expertise

Every successful individual and business, recognizes the use of a "board of directors" to help attain wealth. Your board may consist of your personal financial advisor, accountant, lawyer, role model. It's up to you. Who's advising you on how to become financially independent in the future? Your rate of personal financial success is a function of the qualifications, and experience of your board members.

*Law #3 Use Other People's Money**

Every successful company and individual is well versed in the use of other people's money. Working with other people's money can provide you with phenomenal benefits and can reinvigorate your financial affairs - if done prudently. For many investors, the only way to maximize the amount of capital working for you is to borrow.

Law #4 Pay Yourself First

Creating wealth requires discipline and consistency. To be successful, remember that a part of what you earn is yours to keep. Don't forget to pay yourself first.

Law #5 Invest For the Long Term: Buy. Hold. And Prosper.™

True investors have three things in common. They all want to:

- Conserve their capital;
- Grow their principal at an above-average rate of return; and
- Minimize their taxes.

Many financially successful, people subscribe to one investment philosophy. It's ownership of high-quality assets that are held for the very long run. *Buy. Hold. And Prosper.*

*Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchases declines.