

# Millionaire **INSIDERS**

A stylized black silhouette of a city skyline with three buildings of varying heights, each with a grid of white squares representing windows.

Real Millionaires - Real Action

with Jaime Tardy, The Eventual Millionaire

J.D. Roth is a personal-finance expert. He started the award-winning website *Get Rich Slowly*, which Money Magazine named the Web's most inspiring personal-finance blog.

Over the past four years, Get Rich Slowly has grown into an active community of 500,000 readers each month.



## □ GROW THE GAP

*Profit* is the difference between how much you're **earning** and how much you're **spending**. The goal is to create (and increase!) the gap between the two.

03

### TAKE ACTION NOW:

While small expenses do count, big wins move you closer to financial independence much faster. The two largest budget drains are housing and transportation.

Could you downsize your living space?  
Move to a more affordable space?

Could you minimize your transportation use or only have 1 car in your household?

Brainstorm 5 ways you could cut back on your largest budget drains.

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## □ MAXIMIZING INCOME

Cutting costs is beneficial but the JD also advises the importance of maximizing your revenue.

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### **TAKE ACTION NOW:**

How can you increase your revenue over the next year? Brainstorm 5 ways that you could do that.

If you need inspiration, watch '*How to Double Your Revenue*' with Jason Cohen.

## □ CALCULATE YOUR FINANCIAL INDEPENDENCE

*Financial independence* is the state where you have enough money saved to live off of the proceeds of the interest or the investment returns or even just from drawing it down.

05

## TAKE ACTION NOW:

To determine what you need to become *financially independent* multiply your current annual expenses by 25. If you're spending \$40K a year, you would need \$1 million to become financially independent.

For more conservative calculations x30.

For more risk tolerant calculations x20.

Knowing this number gives you a target and way to calculate how long it will take for you to become financially independent!

# FINAL THOUGHT

It doesn't matter how much you make if you're spending all your profit. Making a million dollars a year is not what allows you to become a millionaire — it's the gap between your earning and your spending that does!

## LINKS:

Get Rich Slowly Guide  
[GetRichSlowly.org](http://GetRichSlowly.org)  
[JDRoth.com](http://JDRoth.com)

## **CONTINUE THE CONVERSATION...**

What is one creative way you have either cut costs or earned more in your business or personal life?