

The Power of Money And How 3Gs can set you up for success

“You better study hard so that when you grow up, you can get a good job and earn money to have a good future”

I looked at my teacher in silence. Everyone around me seemed to be studying really hard for this “good future”. I always wondered what this “good future” is.

I remembered my parents working long hours and coming home late for dinner. In my pyjamas, I always wondered where they had disappeared to. My parents studied hard. Where was the good future?

Soon, I realised that my parents are working for money. Money for me to attend school. Money for me to buy food. And most importantly, money for me to buy the Power Ranger that I always wanted. I learnt that to make money and buy the things I want, I have to work long hours for it. I had to generate money.

Generate
Work = Money





As I got older, I started to work part-time at factories, banquets tuition to earn money. I was studying in the university able to support myself through work. I always thought if you could generate money. Things will be fine.

“Can you lend me some money?”

This is a common phrase at the end of the EVERY month. In university, most of my friends were giving tuition and was generating a decent income. However, it occurred to me that their money always MAGICALLY disappears at the end of the month. They seem to have a hole in their pocket. How did that happen? I realised that they didn't have system to manage their money. When they just got their pay-check, it will be converted immediately into play-check leaving insufficient cash for meals, transportation and emergency.



“Have you heard Tom was hospitalised for cancer?”

Tom was one of the most hardworking people I knew. He was clocking almost 30 hours of tuition every week and was doing a double degree. He was all set for a good paying job with a good future when cancer strikes. He had it going when he was generating lots of money. However, he didn't protect his generating potential. When cancer strikes, he lost all his saving, his expected high paying job and his will to live.

Govern

Effective Budgeting + Insurance Planning



Life changed the most when I overheard a conversation at my school's canteen.

“I earn \$5000 by investing yesterday. Damn Shiok! I told you this stock sure go up! What you want to eat? Today my treat!”

I turned back and to find an ordinary bald guy wearing a red spectacle smirking. He was surrounded by 3 beautiful girls who was looking at him dreamily. Briefly distracted by the girls, I jolted my mind back. “\$5000 in one night? What is investing?” I had to work hard, sweating buckets at the banquets and vomiting blood during tuition for at least 6 months to get \$5000.

Putting on my thinking cap, I asked Google. Professor Google gave me 222million results. Oh god. This \$5000 isn't going to come easy. After reading more than 100 links, I realised all the website were all saying different things. “2009 is going to be great!” “Is 2009 going to be next Great Depression?” “Invest in Gold and Growth” “Gold is the new crow. Sell them now”. This was so confusing and contradicting. However, one advertisement on the top right hand corner on all the websites remains consistent. Thank god for internet marketing.

Create Passive Income in 49 Days! Make Money From Money!



(Look familiar?)

I took a deep breath and clicked on it. That gave me my first lesson to growing my money. I realised you can make money from the movement in the market. “If I buy a stock today at \$1, and it becomes \$2 tomorrow. I can sell it and earn \$1” This is so simple. I told my friend about it. After that I picked up my book to study for my final examinations.

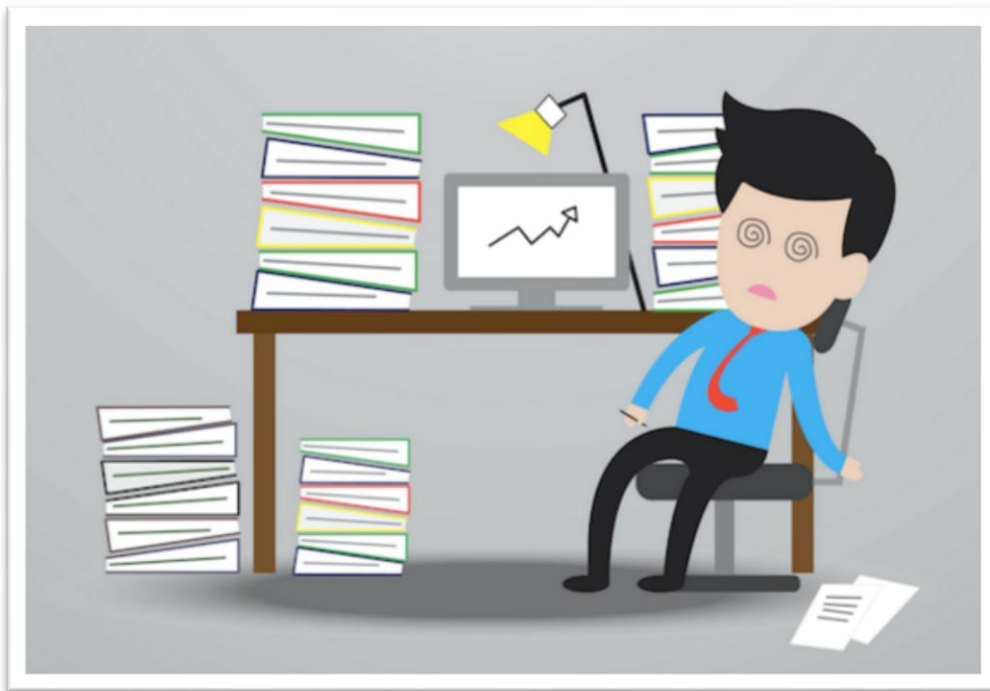
My friend however... lost USD\$10,000 that night.

I swore never to touch the stock market again. I wanted my “good future”. If I needed any money, I would need to work hard and really hard!



Massively Generate

**Extremely Tremulously Exceptionally Hard
Hard Hard Work = Money**



I became really tired at one stage.

I was at a Toastmasters contest when I met Sean. He introduced himself to be a value investor and was investing in the stock market using value investing. The stock market again. Unlike my friend, he looked jovial and happy, jumping up and down during his speech. Either he doesn't mind losing \$10,000 or he had a secret to investing in the stock market.

After speaking to him, my mind was thinking. "Like that also can meh? Sure or not?" I decided to apply basic investing techniques in the stock market. I earned USD\$70 for my first VIOS trade (that is about 4% returns on my money) and many other months after that as well. I realised this works. Common sense wasn't really common after all.

Grow

Getting Educated in investing = Money



There are many ways of growing your money. One good way is called value investing. All they do is to buy good businesses.

There you go. Investing is simple. “Like that also can meh?” YES! We should be buying the stock of good business. These are the business that sticks around during economic downturns. These are the business that grows during economic booms. These are the business that grows your money because they grow too! They will reward you either by giving dividends or appreciating in the stock value.

Do you want to know another secret?

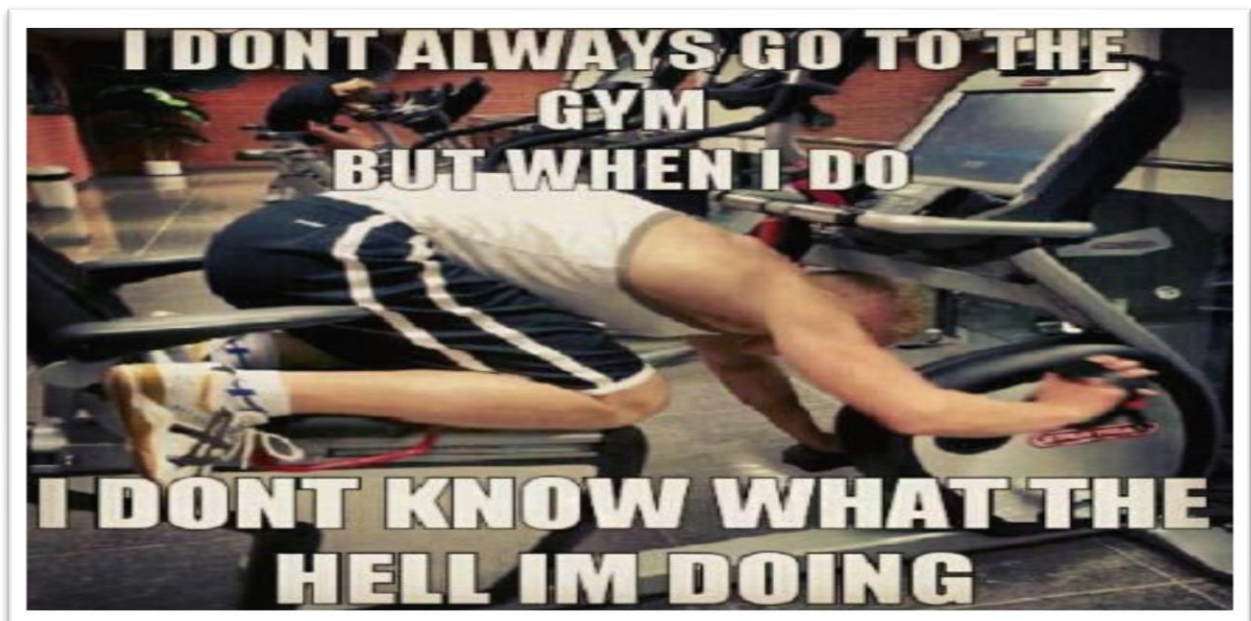
Buy Good Businesses at sensible price!

Let’s say you want to really want a bag and it cost \$100. You have been looking at it for ages, spending your lunch hour walking pass the shop just to see if it is still there. If I were to give you a 50% discount on that bag, would you buy it?

Of course you would! Just like good businesses, if they were selling at “normal” prices, you probably will “walk pass” it. What if they come with a 50% discount?

“Risk comes from not knowing what you are doing”

This quote is by Warren Buffett. The opportunity to earn big or lose big comes from knowing what you are doing.





You might or might not get injured if you use your hands on a cycling machine. But, I bet that it is going to be a hell of a ride.

Like managing your money, you might or might not have a good paying job. You might or might not have money disappearing magically. You might or might not be critically ill. You might or might not have already lost significant amount of money. But, I bet that it is going to be a hell of a ride.

Get educated. Get informed. Get rich.

To your success,

Oh Cheng Kok

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