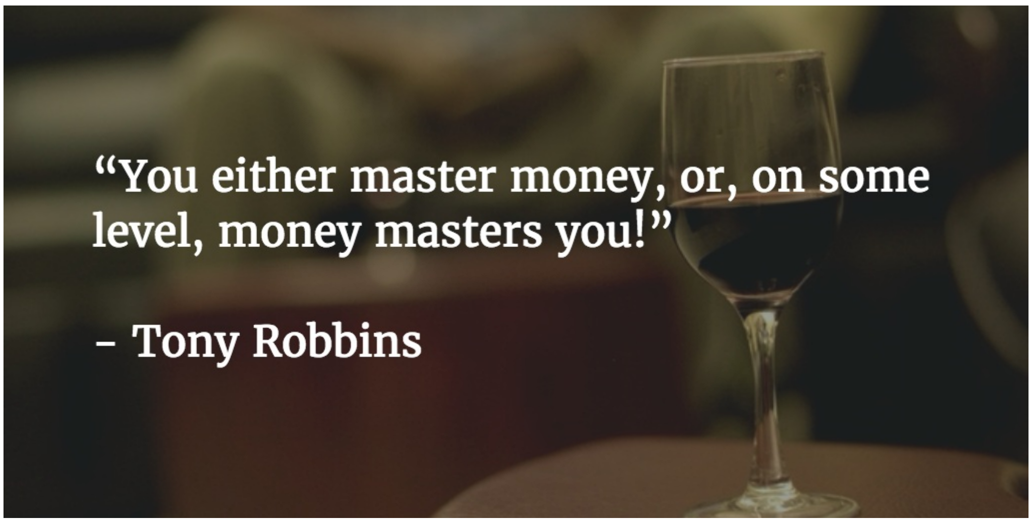
1-Sentence-Summary: *Money: Master The Game holds 7 simple steps to financial freedom, based on the advice of the world's best billionaire investors, interviewed by Tony Robbins.*

Read in: 4 minutes

Favorite quote from the author:



This book was given to me as a Christmas gift in 2014, right alongside *I Will Teach You To Be Rich*. Tony Robbins didn't think he'd write another book after publishing Awaken The Giant Within in 1991. And for over 20 years, he didn't.

But he felt heartbroken by the losses and suffering that resulted from the financial crisis in 2008 and knew he had to use his gift, his access to the top 1% of people in the financial industry, to help people manage their finances better.

After 4 years of research and interviews, he distilled the very best information he could find into nearly 700 pages of paper. The result? *Money: Master The Game*, a New York Times bestseller, which sold 1 million copies in its first year.

Here are the 3 biggest things you should remember to get started:

1. Never underestimate the exponential power of compounding interest.
2. Pick one of five financial goals to show yourself that financial freedom is within reach.
3. Diversify your investments by using a 3-bucket system.

Ready to get the financial education no one gave you in school? Let's roll!

Lesson 1: Never underestimate the exponential power of compounding interest.

If you've read more summaries on here from the personal finance category you might think I'm preaching to the choir, but people really don't understand this.

This book makes another great example of this.

When Benjamin Franklin died in 1790, he left $1,000 for both the cities of Boston and Philadelphia, but only after investing it and not touching it for 100 years. Then they could withdraw a portion of it and had to let it sit for another 100 years.

Boston did an even better job at investing and **has turned $1,000 into a glorious $4.5 million**.

Insane?

Yes! So please, please NEVER underestimate the power of compounding interest.

Lesson 2: Show yourself you can reach financial freedom by picking one of five goals.

If I asked you what the perfect amount of money is for you to make, 9 out of 10 of you would reply with: a million dollars.

Why a million dollars?

We are drawn to this figure like flies to the light. But it's just an arbitrary number.

Here's one that's much more important: $51,000.

Why?

Because it's the average annual spending of an American adult.

If you can make $51,000 from investments, **you never have to work again.** That's all it takes. A million is 20 times as much.

Doesn't that make you feel at ease?

This makes it a lot easier to reach your financial goals.

How far you want to go is up to you, and setting specific goals will help you be realistic about what you can achieve in which period of time.

Here are 3 of the goals Tony suggests:

1. Make enough money from investments to pay for basic living costs: rent, food, utilities, a potential mortgage, and transport.
2. Make enough money from investments to pay for basic living costs plus fun, like travel, going to the movies, buying new clothes regularly, etc.
3. Make enough money from investments to be financially independent and never

have to work again, i.e. $51,000 per year.

For number 3 you need $640,000 invested so that you'll get 8% annual return – which is just a little more than the average return of the stock market in any given year.

You can never make a million dollars in your entire life, but still reach a point where you never have to work again.

Lesson 3: Use Tony's 3-bucket system to diversify your investments.

Here's a very simple way to allocate all of your investment money (10% of your income is a good portion and will get you quite far, quite fast, without hurting your spending too much).

Tony suggests having 3 buckets.

1. **A security bucket.**
2. **A growth bucket.**
3. **A dream bucket.**

The security bucket contains safe investments, like bonds, which won't yield a lot of return, but are very unlikely to make you lose money.

The growth bucket is for riskier investments, like stocks, which often beat average returns in the long run, but are highly volatile in the short run, and might take you a while to pan out.

The dream bucket gets some of the profits you make from the other two buckets, for example, 10% of your portfolio value at the end of every year.

Making a lot of money is only meaningful when you actually use the money to live the life you want – so without a dream bucket, what good are the other two?

Money: Master The Game Review

I Will Teach You To Be Rich is for people who aren't ready to start saving but still want to start investing. *Rich Dad Poor Dad* is for those who have saved already but haven't started investing. *Money: Master The Game* is for both the above, plus those who are already saving, already investing, but might not see the returns they hoped for.

There is something to learn from this book for everyone, from first graders to portfolio managers. You can read it cover to cover, or just pick out the sections which are relevant to you. You'll learn the exact portfolio allocations of some of the world's greatest investors, like Ray Dalio or David Swensen. The interviews with the 12 greatest investors of our time alone are worth 10x the price of the book.

The blinks are good to get the basic ideas of investing, but if you're not willing to spend $20 on this caliber of a book, then you probably don't deserve to get rich in the first place. Get it!

What else can you learn from the blinks?

- Why you have to put money into your investments every single month, even if it's just a few bucks
- The difference between a fiduciary and a financial advisor and why one is better than the other
- Two more financial goals you could reach for
- When to invest in the first place
- How to speed up the process
- Why you need patience to win the game of money
- Ray Dalio's "All Seasons" portfolio allocation
- How to insure yourself against losses

Who would I recommend the Money Master The Game summary to?

The 9 year old, who just got her first allowance, and has just started learning about the concept of money, the 20 year old, who still has a chance to start early and reap massive rewards 10 years later, and anyone who still lives paycheck to paycheck.

Learn more about the author

Read the full book summary on Blinkist

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