How to build wealth and is it worthwhile?

Before you think about how to get rich, consider why. Wealth enables you to experience almost everything (please be specific, eg: the best and rarest of products, travels, …..) and to be comfortable. Wealth is also a catalyst of your personality, whether you have good personality traits, or you have bad ones, those will be increased. Says who? Attaining wealth also requires commitment, putting in time which your peers may use differently, time which you will lose, and you can never have back. Time is something that wealth doesn’t buy, it might buy health, but it will not buy time. So, before reading on, decide for yourself: Is getting rich worth the effort?

In case you are still reading you have decided you want to know about attaining wealth. Well, first maybe we should differentiate between two kinds of wealth. I will define ‘well off’ as having enough money to comfortably live a life wherever you would like to with the ability to travel frequently and not having any debt. You could be well off by entering a field with high paying jobs. Say you become a lawyer or a doctor or even a software engineer at one of the bigger companies. You will earn a 6-figure salary and be able to afford a comfortable life. Maybe even a supercar or a yacht, maybe a summer residence.

Being rich I define as never having to worry about money again. If you can live in a mansion, charter a private jet and own a collection of exquisite and expensive items, you are rich. You may also rightly be categorized to be “rich” if your net worth exceeds 7 figures as some might remain relatively modest even after attaining massive amounts of wealth.

Being “well off” can be achieved by entering a high paying profession or excelling in any field of employment. Being rich can really only ever be achieved by having a unique idea, creating a business or winning the lottery. If you are looking to become rich as an entrepreneur this article might not be helpful as I will now provide some advice on how to manage money and accumulate wealth through compound interest and smart investing. This is by no means a “get rich quick” method, but will be beneficial in the long term.

Compound interest is one of the basic ways to make your monetary assets grow. Put them in a bank account to accumulate interest and put the interest back into the bank account in order to accumulate even more interest, and so on. Though this is a very slow process and you might actually end up losing money due to inflation, it is risk free and predictable. You should always aim for a fixed interest rate over multiple years.

Another way of increasing your wealth is investing in assets such as real estate. Real estate is quite versatile, but it is important to understand that real estate is only an asset as long as you lease it or somehow otherwise make money from it. As soon as you live in it, your piece of real estate becomes an expense, albeit a necessary one. Some of the most profitable ways of using your properties is to rent them out to customers from Airbnb or similar services, though maintenance and risk are higher with short term rental contracts.

Often overlooked is investing in yourself. You are one of the most profitable assets you can have. A college degree or a book which will broaden one’s horizon may provide value which stocks and estate are unable to.

To sum it up, in order to be “well off” in the future get a high paying job, avoid debt, invest in yourself and diversify investments in order to avoid financial downfall.

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