



Book Rich Like Them

My Door-to-Door Search for the Secrets of Wealth in America's Richest Neighborhoods

Ryan D'Agostino
Little, Brown US, 2009

Recommendation

Journalist Ryan D'Agostino wore out his walking shoes compiling this breezy, unconventional look at how a random set of rich people became wealthy. He gathered his information by ringing 500 doorbells in some of the 100 wealthiest neighborhoods in the United States, and found 50 people who not only opened their doors, but also were willing to answer his questions about how they earned their money. D'Agostino asked what advice they would offer others who want to end up in similar neighborhoods. What he learned isn't particularly original, and it isn't a blueprint to certain wealth, but his approach is unusual enough to make his findings personable and valuable. Given that the book doesn't offer traditional tips for making money, it won't serve financial planners or money managers. Yet it successfully merges rich people's stories, ideas and suggestions in an easy, enjoyable read. Yes, it's pep-rally material for budding entrepreneurs or high rollers, but it's good pep-rally material. *BooksInShort* suggests this book to business students, young businesspeople, entrepreneurs, managers and worker bees hoping to get ahead. Way ahead.

Take-Aways

- By knocking on doors in rich neighborhoods, reporter Ryan D'Agostino garnered bountiful advice on how to get rich.
- His premise was "people who live in large, expensive houses must know something about making money."
- The rich people he met fit five categories: innovative "visionaries," diligent "lucky" people, industrious "worker bees," networking "connectors" and "renegade" risk takers.
- Those he met were almost universally humble and hard working.
- Rich people advise being observant and alert for new ideas. They say to gather information and connect with as many folks as possible.
- They don't believe in luck; they believe in hard work, practice, preparedness, passion and obsession.
- Taking wild gambles with little forethought rarely pays off well.
- Calculated, researched, thought-out "smart risks" most often reap rewards.
- Don't ever think you know everything. Don't ever stop working. Enjoy what you earn.
- No one has a guaranteed formula for making money – but you already know that.

Summary

Meet the Wealthy; Pick Their Brains

Investment strategies and savings plans serve a recognized role in becoming rich, but that's not the only path, according to people who earn enough to live in grand houses in expensive neighborhoods, as delineated by postal codes. Going door-to-door didn't produce textbook data about selecting mutual funds or arranging business financing, but it did deliver vivid stories from people who built wealth and were willing to discuss how they handled important decisions, recovered from mistakes, structured their daily lives, and decided what to save and what to spend.

"Most of the people who spoke to me seemed to have charged through life, operating on the theory that infinite possibility exists in the unknown. That's why they bothered to talk to me at all."

Knocking on 500 doors in some of the U.S.'s 100 wealthiest ZIP codes did, in fact, yield very personalized information. Of the people who opened those doors, 50 or

are more willing to talk about how they became wealthy. They shared insights and wisdom that might be instructive for anyone who hopes to get rich. Their lives and stories vary, of course, but one big similarity is that most participants worked hard to earn their fortunes. Almost all of them fell into five categories: 1) “The Visionary,” who came up with a new and fabulous idea; 2) “The ‘Lucky’ One,” who toiled for years before hitting it big; 3) “The Worker Bee,” who worked longer and harder than anyone else; 4) “The Connector,” who listened to every pitch because “you never know” what might come of it; and 5) “The Renegade,” the risk taker who forged an independent path.

Always Be Alert to the Possibilities

Imagining an innovative, new idea doesn’t come easily, but the ability to think creatively isn’t an arbitrary gift; it’s a skill. Coming up with a revolutionary idea, invention or business plan requires education, practice and attention. Some people might be better at this skill than others, but everyone can do it. Those who succeed at it always have their ultimate goal in mind, whether they’re working, relaxing or walking their dogs. The goal filters their reactions to everything they see, read and do, as well as how they perceive the people they meet and the conversations they share. They consider how every piece of information they encounter each day might fit into their goal. To do the same, keep pen and paper handy for gathering your impressions as they happen.

“There are many kinds of risks. Little risks, reckless risks, all-or-nothing risks, safe risks. All the risk takers I met...took smart risks.”

Notice openings the way Arthur Tauck did. He realized that Western Canada’s ski lodges and helicopters went unused all summer. He combined that insight with other innovations in retiree vacation packages to turn his small tourism agency into one of the world’s top luxury and adventure travel businesses. Ask yourself questions that might produce such results. Think about things you see and people you know, what they do, like and need. Listen for opportunities; they’re often avenues to good ideas. Consider Mark Banta of Austin, Texas, who realized that doctors needed a businessman’s help in opening offices outside hospitals. Once he saw the need, he created and provided the service.

“Whatever your goal, only by keeping it at the forefront of your mind all the time will you develop the ability to connect dots that other people don’t.”

Like former actor Harvey Jason, invest a little time in the strangers you meet every day. You never know what might come of those relationships, which amount to “social capital.” Jason combined his Hollywood connections with his love of reading to create Mystery Pier Books, which specializes in first editions and in books that have become movies. Given his constant contact with new people, his Sunset Boulevard location and his network in Tinseltown, word spread quickly to actors, directors and the people who stage big productions, such as the Emmy and Oscar award shows. Soon Jason was selling first editions to major clients, including Robin Williams and Steven Spielberg. His shop once showcased a \$40,000 set of Harry Potter novels signed by author J. K. Rowling. Jason’s Hollywood career and his warm, optimistic personality fueled his success.

“Try writing a little note, like ‘the world will never run out of good ideas. What’s mine?’ and taping it to the bathroom mirror.”

Invest in good ideas and projects, but don’t risk everything you have. Put your profits in the bank and keep working. That’s advice from Roxy Stutzman of Las Vegas, whose husband worked in casinos and then real estate. Roxy, who advised her husband through the years, points out two basics of any success: the imagination to recognize a good possibility and the wisdom to save money in case it fails. Then, if you make connections and have the ideas, act on them.

Getting Lucky Takes Hard Work

New York Yankees baseball star Derek Jeter might appear to make lucky catches, but he trains and practices daily. Working hard produces opportunities that might look like luck if you don’t know about the years of diligent effort that came first. Consider Bob Grosnoff of Scottsdale, Arizona. A stockbroker in the 1969 down market, he came up with a good but unglamorous idea for lining up future clients who might turn to him when the market improved. He sold short-term government bonds – for very low commissions – to moneyed clients who had been buying lower-return certificates of deposit. Co-workers teased him about spending so much time to make so little money. That stopped once the market improved. Those wealthy clients thought of Grosnoff when they began to buy stocks again. They called him with their orders. And, then, his commissions weren’t so puny. The office jokes ceased when the owner of a coal mine phoned from his private plane with a large stock order.

“Squeezing a great idea out of your brain begins with getting a good angle on the moments that make up your life.”

An anonymous former CEO of several large companies now has a waterfront home worth at least \$9 million in Westport, Connecticut. His advice: Have patience, save money and don’t cash out too soon. He paid \$450,000 for the house in 1979. “It’s the miracle of compounding,” the man says. And don’t forget the value of happiness. He still owns the house because it’s a great investment, but also because he sees it as “a magical place.”

“All around us...are opportunities to make associations that others can’t see.”

Think twice or three times before spending your money. Mimi Johnson, also of Westport, remembers her father’s famous spending rule: “You’ve got to earn two or three dollars for every dollar you spend.” The single mom and interior decorator was born in this upscale neighborhood, but she doesn’t take it for granted, especially since her divorce. She says she never knows when she might need her money, so she guards it cautiously.

“There is great virtue in being young and clueless about the future, because you have no reference point [about] how much you can afford to slack off...so you don’t slack off at all.”

Stay focused and persevere, even through serious adversity. Consider Scott Zdanis, whose company processes credit-card transactions. Early on, his largest client backed out of a major deal, potentially sinking the young firm. Zdanis sued and won, but the client didn’t have the money to pay. Zdanis didn’t consider folding. He maintained his passionate devotion to his idea and his firm, first by adjusting to survive without the cancelled order. Then he hired “fantastic” lawyers to write solid contracts to protect him in the future. Zdanis, who turned his loss into a valuable lesson, says he’s a better businessman than he would have been without this experience.

“Humility makes it OK to roll up your sleeves, stay late when no one else does and make your own coffee...Humility makes you work harder.”

Business habits make a difference. Remember your purpose and your plan. Don't change your intent or abandon your mission without good reason. Know your field, pay people when you owe them, and run your business ethically and honestly.

Passion Isn't Enough; Get Obsessed

People often talk about the need to feel zealous about their work. But simple love for what you do probably won't propel you to wealth. Combine it with obsession, however, and you might have the recipe. That laser focus on the object of your passion drives you to work hard and pursue your goal on all levels. Such enthusiasm is a good start, because it makes obsession easier. Art Dwyer of Sandy Springs, Georgia, just outside Atlanta, speaks of finding this kind of drive so you can broaden and enrich your life. After all, who wants to work hard at a job they hate, or even dislike, just so they can buy things? Dwyer, who is a media planner, recommends joining a business where you can rise to the top. He took the gutsy step of leaving a comfortable job at a top company to start his own firm, work creatively, employ people he likes and tailor his work to his interests. Dwyer offers two tips for financial success: Become the best in your field or promote yourself so much that everyone thinks you're the best. Often, the two happen together.

“Patience is a hugely underrated ingredient in the building of wealth.”

The next tip is to do your best, as Roy Layton always did, according to his widow, Helen. Roy, who was a Delta Airlines pilot for 30 years, discovered his passion and never wavered in his quest to perform it to the ultimate of his ability. Obsess about your job, whatever it might be. For Charles Marsala of Atherton, California, that meant striving to reach the top at his less-than-thrilling job selling industrial furniture. When his company won a U.S. military contract, things got interesting – and lucrative. After a few years, he left the firm and bought other businesses, without giving up his obsessive attention to performance.

“Lucky people are patient, or maybe it's the other way around: patient people get lucky.”

Obsess about your business, but don't do it for the money. Enjoy making the deal, negotiating and doing the work itself – and the money will come. “All the people I know who have a lot of money are all still working,” says Dave Dollinger, a real estate mogul in California's Silicon Valley. Envisioning the life he wanted, instead of just focusing on a career, worked for Harland Young, who enlisted in the U.S. Army Air Corps to pay for his obsession: getting an art school education. That led to his flourishing career as an artist. Immerse yourself in whatever you do and do it as well as you can. Ophthalmologist Andy Schachat of Shaker Heights, Ohio, advanced in his field and is now an international expert in retinal disorders. He says his accomplishments come from enjoying what he does. He loves his medical practice and considers it fun, so he works harder and accomplishes more than most people.

Gambles Are Really Nothing More Than Calculated, Planned Risks

Take a lesson from venture capitalist Heidi Roizen, who eliminates as much doubt as possible before investing. She learns all she can about the field or product, studies the possible outcomes and then makes a decision. She doesn't blindly invest and get lucky. Jeff Weisfeld, a produce broker in Beverly Hills, works hard at his day job, but lives among the rich as part of his “hobby,” buying real estate. “I just saved all my money,” he says. Before he buys homes, he conducts thorough research. He pays a lot of cash up front, minimizing his risk by avoiding big mortgages.

“If you find something you love...in a field where there's money to be made, you will make it. But...the money can't be why you go into that field in the first place.” (Art Dwyer)

Leaving the corporate world often pays off, but analyze all your risks first, including your home and business risks. Just ask Ron Irvine of Lake Forest, Illinois. The young African-American already had two young children when he gave up a solid corporate job to start his own pharmaceutical consulting firm. When he weighed the risk, he found it bearable because he thought ahead. First, he figured out that the government would be hiring more minority-owned businesses in the upcoming years. He knew how to carry out – and sell – the work, and he already had clients in the wings. Four years later, his company made \$2.3 million in revenue.

“You never know. That...is one of the most important phrases for anyone wondering whether it's time to set out...to take a chance, to switch careers, to pursue a dream.”

Failing can teach you a great deal, but if you hate what you do, don't wait around to learn the lesson. Find a new career. Having tremendous faith in yourself will diminish your risk. Just saying no, staying put and turning down possibilities also can be risky, so don't let fear keep you frozen in place. Whatever your risks are, make them “smart risks,” based on solid know-how.

Modesty Helps You Make It

Each of these rich people had a surprisingly humble approach to business and life. While they appreciated their talents, promoted their skills and enjoyed their wealth, they didn't let money or success go to their heads. These folks continued to work hard and ask questions, while remembering that no one knows everything and not every venture turns to cash. Many of them still seem a little surprised by their surroundings: Palm Beach, Hollywood, Silicon Valley or Westport, Connecticut. That humility explains why they're still working hard. They aren't so comfortable or so naïve that they think their good fortune will last forever.

“We were an overnight success; it just took twelve years.” (Pete Francis)

These people keep excess pride at bay. As produce distributor Ted Kaplan of Los Angeles says, “I move \$80 million a year in produce, but you're only as good as your last load.” Even if all their current work is philanthropic, they still work hard. Successful men and women also seem to know their strengths, weaknesses and limits. They don't forget that they are not invincible. They try to improve themselves. They know that focusing on the next project probably will bring in more money than congratulating themselves on a job well done. As you know and as they will tell you, “There is no secret, fail-safe recipe for success.”

About the Author

Ryan D’Agostino is an editor at *Esquire* and a former senior editor at *Money*. His work has been published in *The New Yorker* and other major publications.
