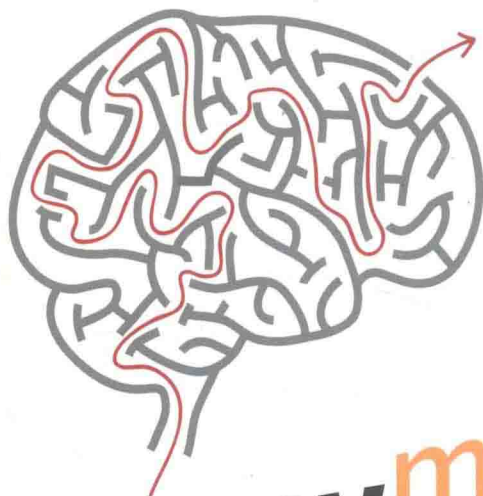


Foreword by **DOUG COTÉ**,  
Chief Market Strategist for Voya Investment Management

Formulating a  
**Wealth**  
**Strategy**  
in the  
21st Century



# money **mindset**

**JACOB GOLD**

**WILEY**

# Money Mindset

*Formulating a Wealth  
Strategy in the  
21st Century*

Jacob Gold

WILEY

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# Foreword

**T**he everyday investor was not prepared for the Great Recession that shook the world in 2008. And too many have found themselves repeatedly wrong-footed by the markets in the eventful years that have followed; the excessive risk-taking that characterized the precrisis zeitgeist gave way to the hunker-down mentality of the postcrisis period, leaving behind a wide swath of investors whose extreme risk aversion prevented them from participating in the fourth-longest bull market in history.

And while the relentless advance of markets off their 2009 troughs has made it look easy for those with the fortitude to remain fully invested, in truth the world—and the investment environment—has grown more complex, not less. The crisis-entrenched Euro Zone, a doubling down on unconventional monetary policy by global central banks, and ever-evolving

geopolitical risks are but a few of the factors giving investors inclined toward skittishness ample justification for their fears.

Fortunately, we have Jacob Gold to help make sense of it all. I've had the pleasure of working closely with Jacob in my capacity as spokesperson for the Voya Global Perspectives program and find myself consistently impressed with his planning and investing acumen. As he did with his 2009 release *Financial Intelligence: Getting Back to Basics after an Economic Meltdown*, Jacob in his new book delivers practical, real-world advice for investors in search of a comprehensive plan for their assets. *Money Mindset: Formulating a Wealth Strategy in the 21st Century* seeks to shape the financial mindset for this young century by drawing a parallel between our nation's rapid ascent toward energy independence and the individual investor's quest for financial independence.

*Money Mindset* shows readers how to create a plan to grow wealth, protect it, and transfer it to future generations. Jacob advises thinking of the many areas that contribute to a successful retirement—from the various funding sources like pensions, insurance, social security, and retirement savings vehicles to the shifting asset allocation over time—holistically and always in the context of an investor's end game. This latter factor is key and demands of investors an honest, forthright, and realistic assessment of their wants, needs, and objectives, both now and in retirement.

Knowing the risks to accept and manage versus those to transfer can mean the difference between a successful financial plan and one that falls short. Throughout *Money Mindset*, Jacob offers diversification techniques that can help mitigate a portfolio's vulnerability to fickle global markets, while also highlighting the disparate opportunities energy independence may present for a number of sectors, industries, and consumers that maybe don't immediately come to mind.

Jacob's insights and experience make this an important book not only for the general public but for financial professionals as

well. As a third-generation wealth manager, planning and investing is, as Jacob says, “somehow embedded in my DNA.” A close read of *Money Mindset* will serve anyone without this expertise imprinted in their genetic code.

—**Douglas Côté, CFA**  
Chief Market Strategist  
Voya Investment Management  
New York, NY

# Preface

**T**he beginning of the 21st century in the United States has been economically volatile and quite unpredictable. Crises resulting from the dot-com boom and bust to the real estate bubble and bank crises that fueled the Great Recession to the ever-changing geopolitical environment have led people to expect the unexpected and to fear the ways it might affect their financial future.

Many hope that the dust will begin to settle and things will return to a certain level of normalcy. However, what is important to remember is that the only thing that is certain about the world in which we live is its uncertainty. The world is becoming smaller through the advancements of telecommunications, so much so that it can become confusing and convoluted. The world will only continue to become more complicated and interconnected. This may have the adverse

effect of leaving people in a state of information overload and wondering where is the right path for them to become financially secure.

Given this new economic environment, the first step in knowing what to do is to understand the fundamentals of today's economy and how to invest wisely given that context.

As a third-generation financial planner and a professor of finance at W.P. Carey School of Business at Arizona State University, my understanding of financial planning and investing seems to be embedded in my DNA. I was mentored by some of the early pioneers of the financial planning industry: my grandfather and father. At the young age of 10, I began as my father's apprentice, learning about the flow of money, the management of money, and the important psychology that goes with it.

I wrote this book to help you, the reader, understand that managing money and creating wealth isn't rocket science but it does take some insight, tenacity, and skill, which is why many rely on professionals like myself to help them. Unfortunately, with the abundance of financial information aimed at us (some of it is actually incomplete or wrong); most of it becomes noise. Ultimately, some of the noise works: it gets eyeballs on TV screens, clicks on websites, and sales at the newsstands—but, in reality, the deluge of information just confuses and frightens people. I hope to introduce you to a financial mindset that takes into consideration many of the risks and rewards that exist in the 21st century.

This book contains many concepts that can help you take full ownership of your own financial situation. I will show you how to create and stick with a plan so you can grow, protect, and transfer your wealth to future generations.

I don't want to perpetuate misconceptions about investing or financial planning, that is, the delusion that a successful plan can be created overnight through market timing and hot stock tips. Instead, I want to help you to take a step back, looking



toward the long term and recognizing what you need, want, and wish for from money. After such a reflection, designing a financial plan that accurately portrays what you want from life, and abiding by that plan long term, can be far easier to accomplish. Throughout the process, you will also learn ways to diversify your portfolio to help protect it from exposure to the forces of the markets.

My overall goal for this book is to positively influence you to take more control over your financial life and move forward financially . . . armed with a new *Money Mindset*.

## **Who This Book Is For**

My intention was to write a book that benefits the general public. People of all ages, income levels, and financial experience can enjoy this quick, easy read. With that being said, the demographics that can benefit the most from *Money Mindset* are Gen-Xers and Millennials, some of whom are students of mine at Arizona State University. They have time on their side to be able to incorporate these concepts and have them work to their advantage.

Our society lacks the proper financial education and urgency to plan and save to be able to utilize money as a tool and focus on long-term financial wellness. Here, I lay out the framework that can help get you started on the right path.

# Acknowledgments

Writing a book has many layers with the hope that each layer adds clarification and depth to the project. No layer can be rushed; it takes time to write meaningful and easy-to-read content.

*Money Mindset* is what it is today because of countless people who committed their time and energy to bring this book into reality. I could not have done it alone. I have great appreciation to all those who contributed to this enormous project. Thank you so very much to everyone who listened to my early vision of *Money Mindset* and believed in the project.

Of all the people in the world, no one has believed in me or supported me more than my high school sweetheart, and now wife, Sara Gold. Her neverending source of joy, love, and happiness is the fountain from which I get strength. Sara has given me countless gifts, but none greater than our three healthy children.

I dedicate this book to my children Kelvin, Savanna, and Bella so they can take the wisdom contained in the book and apply it to their lives. Money does not bring happiness; you must find it within yourselves. Having financial *wisdom*, though, will help provide a financial game plan that can create financial stability so you can focus your attention on aspects of your life that are most important to you. I once heard that all we are to our children are memories. My hope is that your memories of me are filled with love, devotion, and valuable life lessons.

To my parents, Bill and Sharon Gold, thank you for giving me life and for supporting me unconditionally. I often tell people that my mother taught me to love and my father taught me how to work and manage money. Thank you for giving me all the tools I have needed to reach my dreams. I am proud of our heritage and grateful to be your son. I love you both very much.

Life has thrown my family many unexpected challenges, none greater than the loss of my big brother, Kelvin William Gold II. He will forever be remembered in my heart and I will forever look after and love his wife, Jill, and son, Wyatt.

To Jill Gold: Your strength, devotion and love for Wyatt has inspired me to become a better person. I admire everything about you and cherish our relationship. I love you JMOG.

To Wyatt Gold: Words can't express how proud I am of you. Everytime I see you, you remind me more and more of your father. Your father always has and always will be my personal hero. You possess all of his outstanding qualities, and then some. I've enjoyed watching you grow up and can't wait to be a continued part of your life. You can always count on me. I love you buddy.

To Dr. Lisa Gold: Thank you for helping me understand the psychological aspects of decision making and how it can impact one's life. You are the best big sister I could have ever asked for and I will always cherish the memories of our youth, especially "baby bird." I love you.

To Mike Gold, founder of Gold Law Partners, LLP: Thank you for counseling me on the best ways to communicate the importance of estate planning. Taking a complicated topic and breaking it down in an easy-to-follow format is a testament to your knowledge of your field. Thank you also for being my big brother and always looking out for me. Even though we live on opposite ends of the country, I cherish every opportunity to see you. Our moments together always take me back to the wonderful adventures we had as boys. Love you, big bro.

Thanks, love, and gratitude go to my in-laws, John and Sandy Whaley. Thank you for creating and raising your dear daughter, Sara. I never take her for granted and will always devote my life to her happiness.

To my team at Jacob Gold & Associates, Inc., that supports me in providing investment strategies and financial guidance to all of my clients: Thank you to Sherry Kowitz, who has been with me since 2003, for devoting your professional life to my well-being. Your willingness to support the firm in any way needed has helped build the firm to what it is today. To Ida Chaidez, I could not imagine a sweeter person to greet all my clients as they call or visit the office. To Michael Cochell, it's remarkable how similar we are. I have enjoyed working together and enjoy our deep philosophical discussions early in the morning before the rest of the team arrives. Your insights and opinions were carefully crafted into the message of *Money Mindset*. To Dave Scheur, you are a valuable business partner and a wonderful single father. Thank you for believing in me and the vision I have for the firm. Together we will accomplish great things. Your talent for breaking down processes to improve efficiencies has benefited this book and the firm.

To my clients: Thank you for entrusting me to be your financial planner; it is a responsibility that I take very seriously. My hope is that you feel special and cared for every time we communicate. It is an honor getting to know your story and

helping you accomplish your financial goals. Please know that my team and I will always put our best foot forward to help you in any way we can.

To Maggie Dietrich at Voya Financial: Several years ago, I was approached to join a team of four independent financial planners who would be later named Voya Retirement Coaches. The team would be the voice of the independent financial planner for the Voya Financial Advisors broker dealer. I am proud to be associated with that team, with you as our leader. Thank you for believing in *Money Mindset* and for helping me find my inner voice. As editor of *Money Mindset*, you have polished my writing and have helped appropriately frame my ideology. Your insights, creativity, loyalty, and devotion are extremely inspiring.

To Sydney LeBlanc, my writing coach and collaborator: Without you this project would have never gotten to paper, it would still be floating around in my head. Thank you for your patience with me as I was figuring out my message. When we first met, I felt that you were a special soul and that we would work well together. Fast-forward to present day, and I am glad that I trusted my intuition: You are everything I hoped and more. Thank you, Syd!

To Doug Coté, Chief Market Strategist at Voya Investment Management: Thank you for agreeing to write such an impactful foreword to *Money Mindset*. I have found your economic forecasts to be accurate and very insightful. Your perspective on tectonic shifts within the energy field was extremely helpful as I was researching the economic impact of North America becoming energy independent. Thank you showing interest in my literary works and wanting to contribute your insights.

To Neal Thompson, President of Thompson Wealth Management, thank you for contributing your energy to this project. Ever since we first met at Horizon High School, I knew you were a person who was going places. You and I both were trained and taught by one of the best in our industry—my father. Keep up the great work, buddy!

To Joe O'Boyle, thank you for taking a personal interest in my book and me. After reading the first three chapters of *Money Mindset*, your comments reshaped the way I looked at the message I was trying to portray. Your keen insights clearly showed me that you live your life by design, not by default. I respect that and look forward to finding ways to work together more in the future.

To Larry Divers of Cannon Financial Institute, you are an inspiration. Your insight and knowledge of the financial industry are woven into *Money Mindset*. Our conversations throughout the years inspired me to relook at some financial concepts that I had taken for granted long ago. You revived me and inspired me to create something that will have lasting impact for future generations.

To Larry Winget, The Pitbull of Personal Development®: Meeting you while appearing in studio for FOX Business was a momentous occasion in my overall career. Since then, you have taken me under your wing to coach and guide me in promoting my brand and literary works. Thank you Larry.

Richard Earle: Back in 2013, as we were diving into our usual philosophical conversations, you planted a seed for the original concept of *Money Mindset*. It was in that moment, you shared with me the notion of looking at money as an energy source. Thank you, my friend, for expanding my universe of thinking.

To Creighton Barker: Thank you for an ever-evolving friendship that I respect and cherish. As boys we played together and thought about our future. Today, we still play but we now talk of our kids' future. You should be proud of the man you are and for the family you are raising. Thank you for letting me be a part of your life and for keeping me out of trouble when we were boys.

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