

# CREATING WEALTH

## AN INTRODUCTION



# COVER PHOTOS

**Sally Lapides** - founder and owner of the Rhode Island real estate company, Residential Properties. With over 150 full-time employees, Residential Properties has offices in Providence, Barrington, Cumberland, East Greenwich, and Narragansett. Sally embraces community and loves technology. She was one of the first in her state to understand the value of a good domain name and the importance of technology expertise. *“Real Estate is generally the most valuable asset in your financial portfolio,”* Sally says.

**Oprah Winfrey** - American talk show host, television producer, actress, author, and media proprietor. She was the richest African-American of the 20th century and was once the world’s only black billionaire. By 2007, she was often ranked as the most influential woman in the world. Oprah has a net worth (**wealth**) of **\$2.8 billion**

**Mark Cuban** - an American businessman, investor, film producer, and television personality. He is best known as the owner of the NBA team, the Dallas Mavericks. He is co-owner of 2929 Entertainment, and one of the main “sharks” on the ABC reality television series Shark Tank. Instead of attending high school for his senior year, he enrolled as a full-time student at the University of Pittsburgh. He transferred to Indiana University School of Business because it *“had the least expensive tuition of all the business schools on the top 10 list”*. He had various business ventures during college, including a bar, disco lessons, and a chain letter. I call Mr Cuban a ‘*serial entrepreneur*’. Mr Cuban has a net worth (**wealth**) of \$5.2 billion.

**Jamie Dimon** - is an American billionaire business executive and banker, who has been the chairman and chief executive officer of JPMorgan Chase bank since 2005. Dimon was included in Time magazine’s 2006, 2008, 2009, and 2011 lists of the world’s 100 most influential people. The business magazine Forbes estimated his net worth (**wealth**) at **\$1.6 billion** as of June 2023

**Jay-Z** - Shawn Corey Carter (born December 4, 1969), known professionally as Jay-Z, is an American rapper, record producer, and entrepreneur. Raised in New York City, Jay-Z began his musical career in the late 1980s; he co-founded the record label Roc-A-Fella Records in 1995. Jay-Z became the first hip-hop billionaire in 2019. In 1999, he founded Rocawear, a clothing retailer. In 2003, he founded 40/40 Club, a luxury bar chain. Both businesses grew to multi-million-dollar corporations, permitting him to launch Roc Nation in 2008. In 2015, he acquired the tech company Aspiro and led Tidal, the company’s media streaming service. In 2020, he launched Monogram, which sells a line of cannabis products. As of 2023, he is the wealthiest musical artist in the world with a net worth (**wealth**) of **\$2.5 billion**.

**Warren Buffet** - born August 30, 1930, Warren Buffet is an American wealthy businessman, investor, and philanthropist. He is currently the chairman and CEO of the holding company, *Berkshire Hathaway*. A holding company is a type of company that offer financial expertise to customers. A holding company owns interests (stocks, equities) in other companies, which are called subsidiaries. Buffet developed an interest in business and investing as a boy. Buffet’s investments include The **Coca-Cola** Company, **GEICO** insurance, **Apple**, **Diary Queen**, and many more successful companies. His annual salary is VERY LOW compared to other corporate leaders; his 2006 annual salary was only \$100,000. In 2008, Buffett became the richest person in the world with his wealth estimated to be worth (**wealth**) **\$62 billion**

**Ana Botin** - Ana is a Spanish banker who has served as the executive chairman of Santander Group since 2014. In 2017, 2019, and 2020, Forbes ranked her the 8th most powerful woman in the world. Botín was born in 1960 in Santander, Spain. She is the daughter of Spanish banker Emilio Botín, who was the executive chairman of Spain’s Grupo Santander, an international financial services company. She received her high school education at St Mary’s School, Ascot. She studied economics at Bryn Mawr College in Pennsylvania. Ms Botin has a net worth (**wealth**) of **\$800 million**.

**Anthony Wilds** - a senior at the MET High School in Providence, Rhode Island. Anthony is an entrepreneur and serves on the MET’s Entrepreneurship Board among many other things he does.

# ABOUT THIS TEXT

**Wealth** and **financial security**. Two different concepts. For most of us, both terms mean having enough money to provide an acceptable quality of life for yourself and loved ones. **Financial Security provides** an ability to buy nutritious foods for a healthy lifestyle, a home providing more than the basic accommodations of heat, clean water, electricity, a roof that doesn't leak, and access to the Internet, a computer, mobile phone, possibly a few flowers or vegetables in a garden, all in a safe neighborhood with good schools and clean streets. **Wealth provides** a more affluent lifestyle, - a better home and possibly a second home, nicer car, expensive vacations, the fastest Internet access, fancy clothes, the **best** schools in the safest neighborhoods. And, if you're very wealthy, your own plane. As importantly, any modicum of wealth and financial security creates HOPE to preserve and possibly grow it .

THERE IS NO GUARANTEE one's wealth and financial security will last indefinitely. Just ask many once wealthy, financially secure people who lost their financial security and / or wealth after the stock market crash of **1929** or the financial crisis of **2008**.

In today's **highly competitive, dynamic** (ever changing), **technology centric, global** economy, there are fundamental life skills and financial knowledge necessary to not only **achieve** but also **maintain** wealth / financial security. **Life Skills AND financial knowledge - two complementary concepts** for your *lifetime success* and *financial security*.

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This class focuses on introducing and developing the **financial knowledge** and **complementary life skills** fundamental to **financial security** and potential **wealth**. *Specific life skills help people make the most of their financial knowledge to create opportunities for financial security and potential wealth.* The class will focus on:

1. **financial literacy** - knowledge about income, cash flow, balanced budgets, balancing a check book, borrowing and debt, credit ratings, savings, measured risk, insurance, and more, all to ensure you have enough money to cover 'needs' and some 'wants' while saving for the future, so you're prepared for unexpected expenses and can enjoy a comfortable life.
2. **wealth** - knowledge about investments - entrepreneurship, real estate, commodities, stocks, dividends, bonds, crypto, leverage, risk management, debt management, interest, etc all to ensure you have access to money or valuable assets, like properties or stocks, that are worth lots of money and can provide financial stability and opportunities for a VERY comfortable life.
3. **life skills** - knowing about the following and their impact on *personal brand, networking, time management, story telling, creative thinking, adaptability, collaboration, pushing out of one's comfort zone, curiosity, growth mindset*, and more facilitate your **financial stability** and your acquisition of **wealth**.

This will be a demanding class requiring **grit**, a commitment to **work hard**, fulfill **expectations**, push **out of your comfort zone to ask questions** and **meet and greet new, different, successful, influential people** who can **help you achieve the financial security and possibly wealth you aspire to**. I look forward to working with those of you who choose to accept these expectations. Our mission is to enable you to be **financially secure** and, for some who aspire to it, **wealth**.

## **GLOSSARY OF KEY TERMS:**

# PERSPECTIVE INTERPRETATION

*“This text is not fact, rather the view of one author; consequently, it should not be automatically accepted as ‘truth.’ Two time Pulitzer Prize winning historian and author, Barbara Tuchman, stated ‘there is no such thing as a neutral or purely objective historian.... without an opinion, a historian would simply be a ticking clock....’ Your mission should be to determine the ‘truth.’ Your challenge will be to explain why anyone should believe you.”*

# CREDIBILITY BELIEVABILITY

*“It’s not a given, we acquiesce too quickly. Be respectfully skeptical. Do your homework; check the record and the resume. Ask the question – ‘should I trust this person as a credible source for the truth?’ Make it a prerequisite before embracing the claims of anyone who professes to have the ‘answers.’”*

# Preface

After completing our text on BUDGETING, this lesson focuses on the fundamentals of SAVING and INVESTING to create **WEALTH** or some facsimile thereof.

## DEFINITION:

*“**Wealth** is a relative term; that is, ‘**wealth**’ means different things to different people in different places in the world. **For example**, the perception of ‘wealth’ in New York City is different from ‘wealth’ in the city of Port-au-Prince, the capital of Haiti. This city and country has been adversely affected by political instability, natural disasters, civil war, and extreme poverty. In general, ‘**wealth**’ means having a lot of money or valuable things. It’s like having a big treasure chest filled with gold coins, jewelry, and other valuable items. When people talk about being ‘**wealthy**’, they mean **having enough money and valuable possessions to live comfortably and afford the things they need and want.**” (ChatGPT)*

## HOW DOES A PERSON ACHIEVE ‘**WEALTH**’ or BECOME ‘**WEALTHY**’?

There are many paths to ‘wealth’, that is, many ways to become ‘wealthy’. Some plans for ‘wealth’ are improbable, some argue impossible, like buying a winning POWERBALL ticket. A more **realistic and proven way to ‘wealth’ starts with having a consistent source of income / money, typically from a fulfilling job, which allows someone to wisely SAVE and INVEST their income.**

To make sure a person SAVES and INVESTS their income wisely to ensure some level of ‘wealth’, many people hire a reputable, experienced **FINANCIAL ADVISOR** to help people manage (saving, invest) their money wisely to create a level of ‘wealth’ they hope for. Well respected, successful, investment companies include **FIDELITY INVESTMENTS, BERKSHIRE HATHAWAY, and THE BAUPOST GROUP** to name just a few.



**BERKSHIRE HATHAWAY INC.**

**THE  
BAUPOST  
GROUP**

## ACTIVITY ONE - *A FUTURE YOU HOPE FOR*

- Since most successful people frequently attempt to anticipate the future in order to create opportunities for wealth, please read '*THE FUTURE*' TEXTBOOK for ideas on what future challenges and opportunities await you in your pursuit for success and some form of wealth. (See [www.hopeliveskills.com](http://www.hopeliveskills.com) for a digital presentation of '*The Future*' book.) A classroom discussion will follow about your '*takeaways*' (questions, suggestions, challenges, etc) from reading "*The Future*" book. Students will be asked to post their questions and answers ANONYMOUSLY using our MENTIMETER APP during the class discussion.
- Prepare **ONE QUESTION** about anything you read in the FUTURE text. \_\_\_\_\_  
\_\_\_\_\_
- Please identify 2 **PRIMARY skills** AND **attitudes you believe you will need** to become the successful person you aspire to be within the next 20 years.

YOUR MOST IMPORTANT FUTURE SKILL \_\_\_\_\_

YOUR 2nd MOST IMPORTANT FUTURE SKILL \_\_\_\_\_

- Please identify 2 PRIMARY skills and attitudes **you believe YOU HAVE NOW.**

**Best skill you possess NOW** \_\_\_\_\_

**2nd Best skill you possess NOW** \_\_\_\_\_

- Identify ONE **CONCERN** you have about the FUTURE which could jeopardize your hopes for '*success*' and the FUTURE financial security, wealth, and personal fulfillment you hope for.

- YOUR **CONCERN** ABOUT THE FUTURE \_\_\_\_\_  
\_\_\_\_\_

- Identify ONE **OPPORTUNITY** you believe you could create to ensure YOUR FUTURE financial security, wealth, or lifestyle success.

- AN **OPPORTUNITY** YOU CAN CREATE or TAKE ADVANTAGE OF in your future: \_\_\_\_\_  
\_\_\_\_\_

- Identify **ONE PERSON** who, more than anyone else, could help you achieve the financial security, wealth, or financial success you hope to achieve in your FUTURE life. \_\_\_\_\_
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- Please reflect / think about on your future. Then, *write an essay describing what you will be doing 5 years from today AND what will cause / enable you to be this person 5 years from now.* Your essay should be *well written with good grammar and capitalization and NO SPELLING ERRORS.* **Be realistic in your 5 YEAR VISION.** Aspirations for the future must be accompanied by realistic plans which INCLUDE hard work, persistent networking, a strong brand, getting out of your comfort zone, good values like honesty and kindness as well as perseverance through failure which all people encounter in their journey through life. Without an action plan, our aspirations are nothing but fantasy which ultimately creates frustration and despair.

- Please explain, in this well written essay, the following:

- **what you hope you will be doing in 5 years.**

- *If it's a job, describe the job and what part of the country or world the job is located. Please explain why this company hired you; what value did you convince the company you will bring to their company?*
- *If it's college, what part of the country the college is located and what you will be studying. Please explain why this college accepted you and what value you will add to this college community. Also indicate any extracurricular activities you will be involved in and explain the internship you have completed or planning to start.*

- Please **describe the LIFESTYLE** you GENUINELY hope you will be living within the next 20 years, i.e.
  - identify **your job** providing you the cash flow which provides your financial security, wealth, financial success you will possess.
  - whether you will be **working for someone** else **OR** owning and running **your own company** (if you are entrepreneurial, please describe your company);
  - where you will live (**state and country**);
  - will you **rent OR own** a home
  - either **own an automobile OR** use some **other** form of transportation; if you own an automobile, describe the auto you will drive;
  - identify what **part of your life** will be the **most satisfying** or fulfilling.

- Please explain **how** a person's **financial status**, i.e. the money they earn, the wealth they accumulate, **affects their LIFESTYLE (i.e. how they live their life)**
  - **YES OR NO** – will the PRIMARY skills and attitudes you previously identified enable you to achieve the lifestyle you have described?
  - **IF YES**, what is the MOST IMPORTANT PRIMARY SKILL AND THE MOST IMPORTANT ATTITUDE you will possess to achieve the success (i.e. financial security / wealth) you hope to have?
  - **IF NO**, YOU DON'T BELIEVE YOU WILL BE ABLE TO ACHIEVE THE LIFESTYLE YOU HOPE FOR in the next 20 years, please **identify the REASON(s)** WHY YOU THINK YOU WILL NOT ACHIEVE THE SUCCESS YOU HOPE TO HAVE. \_\_\_\_\_
  
- **If you believe you will be successful, EXPLAIN the *steps you plan to take* to make this vision of future success possible.**
  - *For example, explain your networking strategy (the type of people you plan to meet to add to your network and why you believe this person or type of people will be beneficial for making your 5 year plan a reality).*
  - *What steps will you take to make sure these people will want to be in your network?*
  - *what activities will you be doing outside of your comfort zone that will benefit your future success*
  - *if this vision is a future job, what training will you receive that will make you a credible candidate for this job?*
  
- describe any **challenging decisions** you will need to make to ensure the fulfillment of your 5 year plan for success
- describe how **your personal brand must be perceived in 5 years in order for you to become the successful person you aspire to be.**
- beyond this specific vision of a job or education, what, if anything, will you hope to do to **help less fortunate people** in 5 years.



## ACTIVITY TWO - FINANCIAL LITERACY:

Financial literacy is 'the knowledge to make informed, effective decisions about managing money and creating wealth.' Financial literacy, **combined with CRITICAL LIFE SKILLS**, ensure the financial well being / success of countries, states, cities, towns and the families and the individuals who reside there.

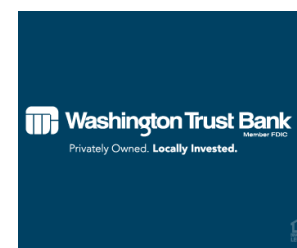
**Financial Literacy requires a lifelong commitment to stay abreast / be aware of changes in a global economy and evolving financial principles to create and exploit opportunities for your financial success.**

The basic fundamentals of financial literacy include:

- **Budgeting:**
  - Creating and managing a balanced budget to manage income and expenses like rent, groceries, savings, entertainment, etc.
  - Monitoring and adjusting your budget to manage changes in income, financial goals, the global and local economy, etc.
- **Saving:**
  - Setting financial goals and managing income, savings, and investments to fulfill them.
  - Understanding the power of compound interest and saving for retirement.
- **Investing:**
  - Learning about different investment options: stocks, bonds, real estate, crypto, commodities, etc. and the risk, return, and the value of each.
- **Debt:**
  - The **value / benefits**, AND the **risks** of **borrowing money / debt** (e.g., credit cards, checking accounts, loans, etc) and interest rates associated with each.
  - the **responsibilities** you must be aware of with debt
  - Developing **strategies to avoid unnecessary / excessive debt**.
  - Maintaining a **good credit score** by managing debt responsibly.
- **Financial Goals:**
  - Setting short-term and long-term financial goals (e.g., buying a home, paying for education, retirement)
  - Monitoring and measuring goal success; ROI (return on investment)
- **Taxes:**
  - **What** is a 'tax'; why countries, states, cities, and towns 'tax' and 'who' / 'what' is taxed
  - Different types of taxes: personal income, sales, capital gains, property, gasoline, etc
  - How to LEGALLY MINIMIZE tax liabilities



the Rhode Island Real Estate company,  
Residential Properties  
Providence Office -  
140 Wickenden Street, Providence, RI



- ♦ **Insurance:**
  - ♦ Reasons for insurance
  - ♦ Different types & costs of insurance: health, auto, life, home; types of coverage available
- ♦ **Consumer Awareness:**
  - ♦ Steps to take to avoid scams and fraudulent schemes; reasons for protecting personal data

**ASSIGNMENT THREE: -**

- ♦ Read the “*EMPIRES*” text book
- ♦ Using MENTIMETER APP share student ANONYMOUS reactions / questions from the partisan “*EMPIRES*” text.
- ♦ Complete the STUDENT SURVEY on page 11 and 12 in the “*EMPIRES*” text and turn in to the teacher. Discussion to follow.
- ♦ Student BALANCED BUDGET
  - ♦ Each student will create and present a balanced budget

# Empires



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**ASSIGNMENT FOUR: FINANCIAL ADVISOR GUEST APPEARANCE –**

- ♦ Date
- ♦ Host (student)
- ♦ Name of the guest - class preparation for this event
- ♦ GOALS for this event - solicit student goal(s);

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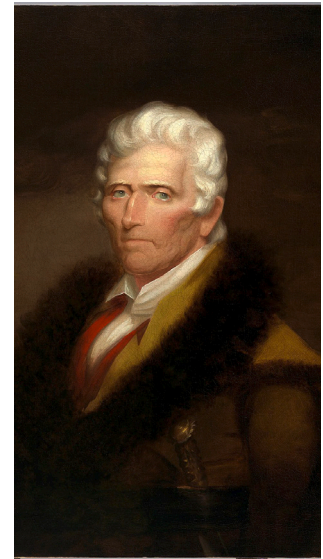
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## ASSIGNMENT FIVE: CASE STUDY - WEALTH GAINED *and* WEALTH LOST

- **ASSIGNMENT** - all students PLEASE **READ** pages 233 to page 245 in the textbook entitled “A LEADERSHIP PERSPECTIVE: THE ELECTION OF 1789” available on our class web site - [www.hopeliveskills.com](http://www.hopeliveskills.com).
- **ACTIVITY** (for the next class) - teacher will prepare class by introducing the concept of **COLLABORATION**. **THEN**, 3 STUDENTS IN THIS CLASS are chosen TO COLLABORATE TO DO THE FOLLOWING:
  - 1 STUDENT in the group will **tell the story of Nathanael Boone** to the class who presumably know little about this man. Please include in the BOONE story the following:
    - **your perception** of the DANIEL BOONE BRAND \_\_
    - include **dates** and **geographic locations** relevant to Daniel Boone’s life
    - include the names of **people and events** that **shaped Boone’s** personality, jobs, decisions, and attitudes about life
    - identify **BOONE’s successes and failures**.
    - Please include in your BOONE story the **CAUSES** for the **animosity** between the **American Indian tribes** of the area of America where BOONE lived (Shawnee, Cherokee, Catawba, Miami, Creek, Mingo, etc) in the American western frontier of the 18th century (1700s) **AND** the white **settlers in the colonial territories** of North Carolina, Virginia, etc moving into the longstanding Indian tribal homelands west of the Appalachian mountains.
  - **ANOTHER STUDENT**, a different student from the student who told the previous Boone story, will identify **RELEVANT lessons from Daniel Boone’s life** which COULD **HELP EACH STUDENT** achieve the success they aspire to. This student will identify **RELEVANT lessons** from Daniel Boone’s life which COULD HELP EACH STUDENT achieve the success they aspire to. This student should address - **WHY** did Daniel Boone, who became, according to early Boone biographer John Filson, a “*prototype for an American national hero*”. Why did Boone not feel successful, so much so, he left the United States territory in frustration in 1799 to find a new home and life for his family outside of the United States. PLEASE LIST IN ORDER OF IMPORTANCE **what Daniel Boone COULD HAVE DONE** to maximize his fame and career **opportunities** created by his **PERSONAL BRAND** to feel he was successful.



Boone depicted in an 1820 portrait by Chester Harding, the only known portrait of Boone made during his lifetime

- **FOR THE REST OF THE STUDENTS IN THIS CLASS** – after listening to the presentations of the collaboration group of students, each student will be expected to do the following:

1. **ask questions** to the Collaboration group about their presentation of Daniel Boone; please remember, questions are more important than answers.

- For example, “*WHAT DATA did the collaboration students examine / analyze which led them to identify what they considered was the cause for the animosity between the Indian nations and the white settlers during Boone’s life in the territory west of the Appalachian mountains of Kentucky, Ohio, etc*”

- For another question - “*what recommendations would you, the collaboration group, have suggested to DANIEL BOONE that would have helped him exploit his international hero status to achieve the success he should have achieved to make him feel better about himself and, consequently, remained living and working within the borders of the United States during his life?*”

2. **Students** outside the collaboration group in the class will **answer the following questions in a classroom conversation** -

- if you could ask Daniel Boone **2 questions**, what would they be?

- 1st question - \_\_\_\_\_

- 2nd question - \_\_\_\_\_

- What **century** was Daniel Boone born in? \_\_\_\_\_

- Please describe **ONE LIFE LESSON you learned** from Daniel Boone’s story that will help you become the successful person you aspire to be.

## **POWER POINT - TIME MANAGEMENT**

- **RELATIONSHIP BETWEEN TIME MANAGEMENT and WEALTH / FINANCIAL SECURITY**

- **ACTIVITY SIX: - STUDENT TIME USAGE SURVEY** - documenting priorities

- **WEEKLY TIME USAGE INVENTORY** - documenting where and how we spent our personal time last week on an EXCEL spreadsheet.

- **STUDENTS SHARE THE EVALUATIONS OF THEIR TIME USAGE** ON MENTIMETER APP and HOW THEIR TIME USAGE AFFECTS THEIR ASPIRATIONS FOR SUCCESS, FINANCIAL SECURITY AND POTENTIAL WEALTH.

• **ACTIVITY SEVEN: THE RISK & REWARD OF ENTREPRENEURSHIP FOR ACHIEVING WEALTH-**

**IMAGINE** - you are the owner of a small landscaping company cutting grass and some basic landscaping activities like taking care of leaves in the Fall and preparing a lawn and flower gardens in the Spring. You have 2 employees who work for your company. You've made capital investments in lawn mowers and blowers. Because you are conscientious and committed to serving your customers well AND keeping your employees working and on the payroll, you have redundancy with your equipment, i.e. back up with multiple lawn mowers and blowers in case one gets broken and doesn't work. Your major capital investment is in a used dump truck for carrying cut grass to the recycling center, transporting your staff from job to job, and possibly for snow plowing in the winter months when you're not cutting grass but still be able to make money by plowing your landscaping customer driveways. In summary, each month, you have the following **costs**:



- **EMPLOYEES PAY:** 2 people at a rate of \$12 per hour for 40 hrs EACH WEEK PLUS your pay as owner and president
- **BANK LOAN:** your truck / equipment loans \$900 EACH MONTH
- **EQUIPMENT MAINTENANCE** - truck, lawn mower, blowers (gas, oil, etc)
  - \$325 a week for gasoline
  - \$400 quarterly oil change on the truck, rotate tires, etc
- **INSURANCE**
  - \$225 per MONTH for your truck
  - \$190 per MONTH personal injury for your employees
  - \$105 per MONTH liability insurance to protect you if someone sues you



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- **TAXES** per quarter (every 3 months); a specific % of your total sales goes to the government
- **IDENTIFY 1 SKILL from the list below** you believe IS **most important** for YOU have in order to be the successful leader of your company:
  1. **MULTILINGUAL** (speaks more than one language)
  2. **COLLABORATIVE** (ability to bring people together to share ideas)
  3. **CREATIVITY** (coming up with new ideas)
  4. **TURF GRASS SCIENCE** (understanding organic grass, tree, and flower care)
  5. **FINANCIAL** (understand money & finances, i.e. cash flow, managing expenses/costs and revenue to ensure PROFITABILITY; capital return on investments; balanced budget; managing sales revenue, debt/ costs and liabilities; saving some income for emergencies / retirement).
  6. **TIME MANAGEMENT**(uses time and resources to focus on priorities, i.e. the most important things to get done first before moving on to secondary and tertiary objectives)
  7. **ADAPTABILITY** (a good manager of change that takes place within the company as well as the changes in the marketplace where you compete with other companies to be prosperous and successful.)
  8. **TECHNOLOGY** (understand basic COMPUTER SKILLS: billing software; social media for promoting your brand; web site maintenance)
  9. **ORGANIZATIONAL** (hire smart people with specific, exceptional skills that relate to

their responsibilities in the company; good ideas for efficiency, no wasted time nor wasted resources; redundant programs in place for back up)

10. **CRITICAL THINKING** - (ability to collect and use **FACTUAL** information to improve the company ability; to identify '*bias*' and self-serving '*partisan*' data, i.e. '*the truth*' vs '*rumor*' and '*opinion*'; and trustworthy sources of accurate information; ability to manage short term responsibilities with long term goals.)
11. **COMMUNICATION** (ability to **SUCCESSFULLY** listen and speak effectively so customers are pleased with your work and you meet their expectations; **SUCCESSFULLY** speak and listen to your staff so they understand the role each person plays in the company's success; being able to listen and observe changes in the marketplace that affect your company )

**WHAT IS THE ONE SKILL you consider most important** to have for the successful leadership of your landscaping company.

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- ◆ **FINALLY** - from this list below of **EXPECTATIONS, WHICH IS THE ONE EXPECTATION you consider MOST IMPORTANT** for the success of your landscaping company:

1. **TAKE CARE OF CUSTOMERS** (make sure every employee understands customers are always pleased with the quality of the landscaping like how the lawn looks after being cut, how the gardens are edged and cleared of weeds, etc always responding quickly and courteously to answer the customer questions)
2. **ENSURE ALL EMPLOYEES ARE HAPPY WORKING AT THE COMPANY** (good wages, great health care benefits, pleasing, safe work environments, fun place to work)
3. **ENSURE PROFITABILITY of the COMPANY** - making sure the money you charge and collect from your customers IS MORE THAN amount of money you spend on the expenses for your company (i.e. insurance, taxes, equipment maintenance, paying employees and yourself, etc)
4. **MAINTAIN EQUIPMENT**- make sure your lawn mowers, leaf and grass blowers, etc - are ALWAYS able to complete the job because your equipment is working;
5. **MARKETING /Advertising** the brand of your company to add new customers so you are able to bill more customers

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- ◆ **YOUR MOST IMPORTANT EXPECTATION** \_\_\_\_\_
- ◆ PLEASE EXPLAIN **WHY** THIS IS YOUR MOST IMPORTANT EXPECTATION OF YOUR COMPANY. Please expression you reason in complete sentence with perfect spelling, good grammar and punctuation and no run on sentences. Thank you. \_\_\_\_\_

## ACTIVITY EIGHT: INVESTING / INVESTMENTS

### What is Investing?

**Investing** is the act of using your money to **buy something** (for example - real estate / land, a commodity like minerals or **soybeans**, currency like crypto currency or yuan, part of a business by buying stocks / shares, bonds, mutual funds, etc) **which you hope will increase in value over a specific time period** (months, years, decades, etc)



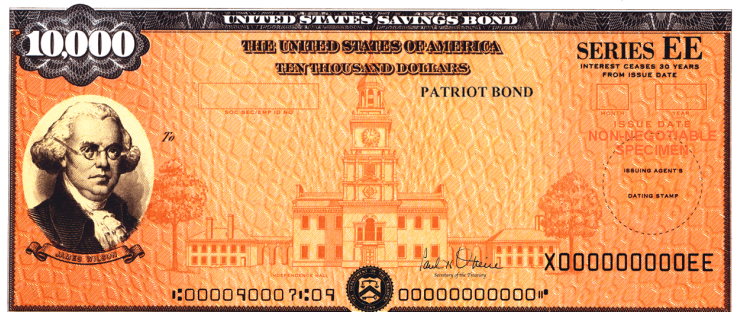
### What are Stocks or Company Shares?

**Stocks** represent ownership in a company. **When you buy a stock, you become the owner of a company whose stock you bought.** For example, when you buy stock or shares of APPLE, you own part of APPLE.



### What are Bonds?

**Bonds** are IOUs sold by a government or company needing money to borrow. Bonds are sold by governments or corporations. When you buy a bond, you're essentially lending money to the government or company selling the bonds. When you buy a bond, the company or government promises to pay you back the money you pay PLUS an agreed upon interest payment (for example, an extra 5%, 7%, or whatever % you agree upon when you buy the bond in a specific time.



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### What are Mutual Funds?

A mutual fund is **an investment in a group of different stocks, bonds, or other securities.** Financial advisors often manage this kind of investment for an investor like you.



**What is Risk and Return?** Generally, the more money a person hopes to make, or a **higher rate of return, often comes from an investment with higher risk of potential failure or loss of one's investment.** Understanding the relationship between risk and return is important when in making investment decisions.

### What is Diversification?

Diversification means making investments in a variety of different types of investments (stocks, bonds, real estate, soybeans, gold, bitcoin, silver, etc.) to reduce risk.



## ***What is Compound Interest?***

Compound interest is **a difficult concept to explain. Let me try this - Imagine** you have a magical money tree. Every year, this tree grows 10% more money than the previous year.

Year 1: You start with \$100. After the first year, your money tree grows by 10%, so you now have \$110.

Year 2: In the second year, your money tree grows by 10% again, but this time it's not just on the original \$100; it's on the \$110 you had at the end of the first year. So, you get an additional \$11 (10% of \$110), making your total \$121.

Year 3: Now, in the third year, your money tree grows by 10% on the \$121 from the second year. This gives you an additional \$12.10, making your total \$133.10. You can see that each year, the amount of extra money you get from your money tree grows because you're earning interest on the interest from previous years.

**This is called compound interest!** In simpler terms, compound interest means that you earn interest not just on the money you originally invested but also on the interest that money has already earned. It's like your money tree growing bigger and bigger each year! The interest calculated on the initial principal and also on the accumulated interest of previous periods. Over time, this can lead to significant growth in investments.

## **BEGINNING TO INVEST**

- Set **short-term and long-term goals** for your investments. That is, what you hope to achieve in one year, then 5 years, and so on
- Before investing, **establish a budget** with a savings plan so you have money to invest.
- **Research to find types of investments you are interested in.** Continually research information on these types of investments (stocks, bonds, commodities, real estate, crypto, etc) on ChatGPT, Wikipedia, watching CNBC Business channel, Bloomberg Business Channel, or discussing with a trusted financial advisor.
- **ASK QUESTIONS** - THEY'RE ALWAYS MORE IMPORTANT THAN ANSWERS.
- **Investing can be an anxiety laden process.** There are joyous moments when your investments do well as well as challenging moments when your investments do poorly. Stay disciplined. Avoid making hasty, emotional decisions. Investing can be emotional, especially during market downturns.
- Start by investing a small amount and gradually increase as you learn more and become comfortable with investing.
- There are many online platforms offering stock market games that can help you understand how the stock market works without risking real money.
- Once you start investing, be aware of the various fees and expenses associated with investing, such as brokerage fees, mutual fund fees, and management fees.

## INVESTING - REAL ESTATE

### • YOUR REAL ESTATE INVESTMENT GOAL / REASON TO INVEST --

1. IDENTIFY THE TYPE of REAL ESTATE YOU WISH TO BUY?

- Land
- Multi-family dwelling
- Single family dwelling
- Commercial building
  - YOUR REAL ESTATE INVESTMENT CHOICE -----

2. YOUR '**WHY**' - explain your reason for investing in this type of real estate \_\_\_\_\_

3. **CLASS GUEST(s): CONVERSATION WITH A REAL ESTATE AGENTs AND BANKERs-**



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## INVESTING - IN YOU - YOUR RETIREMENT

1. "**WHY**" INVEST FOR RETIREMENT?

2. if investing for retirement is wise, "**WHEN**" do you invest?

3. "**HOW**" and "**WHAT**" do you invest in for retirement?

4. **CLASS GUEST(s): CONVERSATION WITH a FINANCIAL PLANNER**



*INVESTING - IN AN AUTOMOBILE / CAR*



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*1. IS BUYING A CAR AN INVESTMENT? yes or no and why do you think so?*





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2. **ESTABLISHING A REASON TO BUY A CAR:** \_\_\_\_\_

- *aesthetics (to look and feel good)*
- *to get to work*
- *to use for work - (UBER, CONSTRUCTION JOB, DOORDASH, etc)*
- *FAMILY transportation*
- *other* \_\_\_\_\_

3. **UNDERSTANDING THE MANY RESPONSIBILITIES ACCOMPANYING THE PURCHASE OF A CAR:**

- *securing a LOAN / FINANCING - WHAT IS YOUR CREDIT SCORE? The lower the score, the more you have to pay for the car.*
- *INSURANCE -*
- *WEEKLY GAS PAYMENTS /ELECTRIC CHARGING COSTS*
- *5,000 MILE MAINTENANCE - i.e. oil, rotating tires, etc*
- *cleaning the car: inside and out*
- *taxes - sales AND some states have an ANNUAL excise tax on a car*
- *other* \_\_\_\_\_

4. HOW TO BUY A CAR - i.e. BEST PRACTICES FOR BUYING A CAR:

• *choices for buying a car - who or what to buy a car from -*

- *friend*
- *sign on someone's car windshield*
- *Craig's List,*
- *Carvana*
- *Dealership*
- *other*



CARVANA

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Carvana Co. is an online ([carvana.com](https://www.carvana.com)) used car retailer based in Tempe, Arizona. The company was the fastest growing online used car dealer in the United States and is known for its multi-story glass tower car vending machines. Carvana also delivers the cars they sell to someone's home as shown in the photo above. Carvana was named to the 2021 Fortune 500 list, one of the youngest companies to be added to the list. Carvana was founded by Ernest Garcia III, Ryan Keeton and Ben Huston in 2012.



**ACTIVITY NINE; CRITICAL THINKING** - i.e. MAKING FACT BASED, LOGICAL DECISIONS to ensure your lifetime success

1. WHAT IS YOUR DEFINITION OF '**THE TRUTH**'? \_\_\_\_\_
  
2. WHEN SOMEONE or SOMETHING CLAIMS TO BE TELLING YOU THE TRUTH, ARE THEY ALWAYS TELLING YOU SOMETHING THAT IS a 100%, RELIABLE FACT? **yes** OR **no**  
\_\_\_\_\_
  
3. WHAT IS YOUR DEFINITION OF '**FACT**' ? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
4. IS THERE A DIFFERENCE BETWEEN "**the truth**" AND "**fact**"? **YES** or **NO**?
  - if **YES**, **please explain** the difference between '**the truth**' AND '**fact**' \_\_\_\_\_  
\_\_\_\_\_

5. **WHO** or **WHAT** is your **CONSISTENTLY, ALWAYS RELIABLE,** source for **FACTS** and **THE TRUTH?** \_\_\_\_\_

---

6. **ARE ALL** these sources of information shown below **ALWAYS** disseminating **FACTS?**



The Google logo in its multi-colored font.

The YouTube logo, featuring a red play button icon and the word "YouTube" in black.



The MSNBC logo, featuring the NBC peacock icon and the text "MSNBC" in black.

The FOX logo in a large, bold, black font.

- What do you think - **yes** OR **no** - if **NO**, please **PROVIDE PROOF.** *If any one of the sources shown ABOVE has ever disseminated misinformation, give an example in context so YOU ARE PERCEIVED AS SOMEONE DISSEMINATING FACTS, i.e. THE TRUTH.*

- **Please identify each of the following statements as either **FACT** or **OPINION**.**

1. There are more players in Major League Baseball in America from the Dominican Republic than any other country in the world. \_\_\_\_\_
2. The countries of India and China have populations over 1 billion people. \_\_\_\_\_
3. The population of the United States is large. \_\_\_\_\_
4. The population of the United States in 2023 is 339,996,563 \_\_\_\_\_
5. In 1869, United States President Ulysses Grant initiated a plan to have the Dominican Republic, then called Santo Domingo, become part of the United States of America. \_\_\_\_\_
6. President Joseph Biden is doing a good job as President of the United States. \_\_\_\_\_
7. The United States is not doing enough to stop global warming. \_\_\_\_\_

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- PLEASE READ pages 2 through 27 in our text book entitled "***THE TRUTH***" - A BOOK ABOUT CRITICAL THINKING posted on our web site - [www.hopelifeskills.com](http://www.hopelifeskills.com) .
- After finishing your reading, **please identify 2** statements made by people in ***positions of authority AND / OR influence*** that were later **proven misleading or untrue / false**.
  1. \_\_\_\_\_
  2. \_\_\_\_\_

**ACTIVITY TEN:** FINALLY, **please explain how *misleading* INFORMATION AND /OR DECISIONS** from people in positions of authority and influence can **diminish / jeopardize the WEALTH and / or FINANCIAL SECURITY of individuals, families, or cities and countries.**

Please provide an example, if possible, to support your explanation. *PLEASE MAKE SURE YOUR STATEMENT IS WELL WRITTEN WITH PERFECT SPELLING, GOOD GRAMMAR AND PUNCTUATION, AND NO RUN ON SENTENCES.* Thank you. \_\_\_\_\_

-



## CASE STUDY - FINDING TRUSTWORTHY PEOPLE TO INVEST YOUR SAVINGS

# The New York Times

### *Prominent Financial Advisor Accused of **Defrauding** Clients*

Dec. 11, 2008

On Wall Street, his name was legendary. But on Thursday morning, famous **investor and trader, Bernard L. Madoff**, was **arrested** at his Manhattan home by federal agents who accused him of running a multi-billion-dollar fraud scheme perhaps the largest in Wall Street's history. In the process, Madoff destroyed the savings, investments and lifestyle of thousands of people who trusted him with their money. The criminal complaint filed against Mr. Madoff on Thursday in federal court in Manhattan, New York City, reports that he estimated the losses to his customers at \$50 billion.

Competing hedge fund managers have wondered privately for years how Mr. Madoff generated such high returns, in bull markets and bear, given the generally low-yielding investment strategies he described to his clients. *"The numbers were too good to be true, for too long,"* said Girish Reddy, a managing director at Prisma Partners, an investment firm that invests in hedge funds. Mr. Reddy said his firm had looked at investing in the Madoff funds but decided against investing in them because their performance was too consistently positive, even in times when the market was incredibly volatile.

On Thursday morning, however, he was arrested on a single count of securities fraud, which carries a maximum penalty of 20 years in prison and a maximum fine of \$5 million. Mr. Madoff confessed to an F.B.I. agent that there was *"no innocent explanation"* for his behavior and he expected to go to jail. He had lost money on his trades, he told the agent, and had *"paid investors with money that wasn't there."* Madoff admitted to some of his employees his money-management business was *"all just one big lie"* and *"basically, a giant Ponzi scheme."* The person running the PONZI uses the money he gets from new people to pay the original investors. He keeps doing this, always using new money to pay the older investors, making it seem like everyone is getting a great return on their investment. Eventually, the person running the PONZI will run out of new people to give him money, and the whole scheme collapses.

The senior employees then understood that Madoff had been paying INVESTMENT returns to some investors out of the money he received from new customer investors trusting Mr Madoff to make honest investments.



2009 photo of **Bernie Madoff** being arrested by law enforcement

## CASE STUDY - ARTIFICIAL INTELLIGENCE (AI) MISINFORMATION

# THE WALL STREET JOURNAL.

**Communist China Is Targeting United States and Taiwan Voters**

**With AI-Powered **Disinformation****

**Findings from Microsoft and others shed light on  
Beijing's expanding covert influence operations**

April 5, 2024 12:00 am ET

**Nefarious hackers** linked to the Communist Chinese government are increasingly using artificial intelligence (AI) to target voters in the United States and their nemesis on the Republic of China nearby just off their coast on the island of Taiwan with disinformation, according to new **cybersecurity** research and United States officials.

The COMMUNIST Chinese-linked AI misinformation campaigns of President Xi issued false information through fake accounts on social-media platforms, seeking to identify divisive domestic political issues and potentially influence elections.

Accounts on X (formerly TWITTER) began posting critical videos last year about topics including American drug use, immigration policies, and racial tensions, and in some cases asked followers to share opinions about presidential candidates, potentially to glean insights about U.S. voters' political opinions. In some cases, these posts relied on relatively rudimentary generative AI for their imagery, Microsoft said.

In an interview, **Tom Burt, Microsoft's head of customer security and TRUST**, said COMMUNIST China's disinformation operations have become **much more active** in the past six months, mirroring rising activity of **cyberattacks** linked to COMMUNIST CHINA.

*"We're seeing them experiment," Burt said. "I'm worried about where it might go next."*

Beijing has repeatedly said that it opposes the production and spread of false information and that United States social media is full of disinformation about China.



**AI generated FAKE VIDEO** showing Terry Gou, a former presidential candidate on the island of Taiwan, the home of the Republic of China which is a strong ally of the United States of America, voicing his support one of the other Presidential Taiwanese candidates in the 2024 January election, Microsoft said. . **There is ANOTHER CHINA**, called **THE PEOPLE'S REPUBLIC OF CHINA (also called COMMUNIST CHINA)**, **only 81 miles across a narrow body of water from the shores of Communist China**. The People's Republic of China (PRC) **wants to take over the Republic of China** on the island of Taiwan. PHOTO provided by

Microsoft.

# CASE STUDY - THE ORSON WELLS RADIO BROADCAST of 1938

## WHAT IS 'TRUTH'?

THE VALUE OF QUESTIONS AND SEEKING MULTIPLE SOURCES OF INFORMATION BEFORE DETERMINING WHAT IS **'THE TRUTH'**.



# The New York Times.

Copyright, 1938, by The New York Times Company.

NEW YORK, MONDAY, OCTOBER 31, 1938. P P

<b>Blac Party</b> New York 1. Beltrando, 2nd Ameri- -American etc. in De- -ward today to Marx, very likely American of a solid base and	<b>MEAD STANDS PAT AS A NEW DEALER IN BID FOR SENATE</b> Democratic Candidate Opposes Any Except Minor Changes in	<b>Radio Listeners in Panic, Taking War Drama as Fact</b> <i>Many Flee Homes to Escape 'Gas Raid From Mars'—Phone Calls Swamp Police at Broadcast of Wells Fantasy</i> A wave of mass hysteria seized [and radio stations here and in other	<b>OUSTED JEWS FIND REFUGE IN POLAND AFTER BORDER STAY</b> Exiles Go to Relatives' Homes or to Camps Maintained by	<b>Paris T</b> From FAD Social Ameri- cent a believe and a house. The first of ed. to:
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World famous actor, film producer and author, *Orson Wells* (center), speaking with reporters after his **October 31, 1938** radio broadcast **describing a violent attack** taking place that day **on New Jersey and New York City** by **Martian invaders**. *Upon hearing this news on their radios, thousands of New Yorkers and New Jerseyites panicked and began to flee the area or find places to hide.*

*“If you want to be **financially free**,  
you **need to change**  
and  
let go of whatever has held you back in the past.”*

— Robert Kiyosaki.