

Another key concept of wealth creation:

'How to Plant & Grow Money Trees'

*The more you plant, the
more money you'll make,
it's that's simple!*

Luv Asha x

**Asha's
Financial Academy**

If only they had taught us this at school...



*Inspirational financial education and guidance to
help you plan and create the life you want to live!*

How to plant your own 'Money Trees' that grow and provide you with all the money you require in your future.

If the above sentence doesn't excite or intrigue you, I may need to check for a pulse!! If you truly grasp this concept and put it into action, you should be looking a pretty exciting and prosperous future!



Simplicity...there are countless books on the subject of wealth creation and strategies and it can appear to be a very complex subject.

In reality, financial concepts are very simple indeed (people often complicate them!), the following real life anecdote is a very simple way to explain the process of wealth creation that even young children understand as you'll see.

Back to the classroom...

The following is an excerpt from a discussion between a financial adviser and a classroom full of young children aged between 6 – 10, the adviser is attempting to explain creating wealth and compounding interest in a way the children will fully understand and embrace, here's the conversation: ~

Adviser: "How many of you have ever planted a seed?"

Children: (All hands went up.)

Adviser: "What did you grow?"

Children: "Carrots, sunflowers, lettuces, peas, flowers etc."



Adviser: "What happens if you don't plant a seed?"

Children: "You don't get anything." (Kids are smart! They looked at him like he was an idiot for even asking such a stupid question.)

Adviser: "If your parents had planted a pine tree when you were born, how tall would it be now?"

Children: (Much discussion) 6 – 10 ft.

Adviser: "If your grandparents had planted a pine tree when your mum and dad were born, how tall would it be now?"

Children: (More discussion) 40 – 50 ft.

Adviser: "How tall would the pine tree be now if it was planted when your grandparents were born?"

Children: (More discussion) 100 ft.

Adviser: "Now, what happens if you don't plant a tree at all?"

Children: (In unison...) YOU GET NOTHING!!!

Adviser: "What would you have if you planted a tree every year?"

Children: "A FOREST!"



The Adviser then explained to the children that he helps people grow money. One little girl piped up, "Oh, you grow money trees?" "Yes, I help people grow money trees" replied the adviser.

Adviser: "What happens if you 'plant' money every year?"

Children: "You'll be rich."

Adviser: "What happens if you don't 'plant' money?"

Children: "You'll be poor."



10 simple questions that explain the process of wealth creation and the children got it right off the bat!

If you don't plant any money trees, you're likely to be poor in the future. If you plant just a little money every year, you will be rich as you'll have a forest of money trees to take care of you and your family.



It's actually common sense when you view it in simplistic terms, yet so people many delude themselves they'll get round to doing it one day!

In section 3 we discussed building pipelines as a metaphor for creating assets which flow money into your bank account. Now I want to expand on this further...

Important Question (and very important concept to grasp):

How many ways are there to earn money?

The usual answers I get is "Hundreds" or "loads", (OK, it might seem a bit of a trick question) but the correct answer is, 2, there are **only 2 ways to make money**. They are:

- 1. People at work (Active Income – paid once for the work)**
- 2. Money at work (Passive income – paid ongoing for no further effort)**

1. People at work...is how most of us make our living by exchanging our time for money. Unfortunately, this leaves most of us restricted as there is only a limited amount of time we can work per week/month.

We can apply for better jobs and promotions, but we are generally exchanging our time for money where the amount we earn is usually governed by our ability to do the job, this is just the way it is for most of us, this is known as linear income.

2. Money at work...you simply own income producing assets, this is the easiest way in the world to earn money, as you don't even have to be there as it works for you 24 hours a day every day. All you have to do is give it the chance to work for you.

Earning money through this method (as you already know from section 3) is called **residual or passive income**.

Stop! Assuming you already work to earn a living and as there are only 2 ways to earn money, **it would be very wise to employ both ways, don't you think?**



Clarification...we are simply talking about taking a part of the money you earn and putting to work for you by planting some Money Trees (assets) of some sort.



Definition of a Money Tree:

The term Money Tree, is simply a metaphor we use to keep it simple and easy to understand (it's much more interesting talking about money trees than assets!). My definition of a money tree is as follows:



...a carefully planted seed (a monetary amount invested to create an asset) **that is continually tended and nurtured** (reviewed & monitored to make sure it's working for you) **over a period of time to produce a continually growing, fruit bearing, money tree** (continually growing asset that creates wealth/income for you).

Does that make sense?

It's not about the amount, it's about planting intelligent (well researched) money trees regularly and continually keeping an eye on them to nurture into solid valuable trees that produce fruit (income) indefinitely in your future.

Grow an orchard: by forming the habit of consistently investing some of your income, over a period of time you will eventually have your own orchard of money trees all at different stages of growth all contributing towards your future prosperity and financial independence.

Finding the money tree seeds to plant

In Section 2 on essential skills, we discussed how £1 a day turns into £1 Million over 56 years if compounded at 10% so it doesn't need a lot of money to create some very valuable money trees in your future especially if you are young. The most important aspect here is getting started no matter how small and building up from there.



George S. Clason's classic book, "The Richest Man in Babylon," tells the story of the wise investor whose primary rule was, a part of what you earn is yours to keep and put to work for you (invest). The suggestion is that just 10% of income wisely invested will provide anyone with a very prosperous future.

If you are used to spending all of the money you earn each month, 10% may seem a lot of money to find, if this is the case, then please read the Section 9 about getting your finances in order and start with say 1% or 2% to begin with and build up to 10% over time.

The key is to just start planting seeds even if you can only afford 1% of your earnings, you'll gain momentum as you go.



Simply divert whatever portion of your current earnings you want to use as money seed into an account that you use solely for investment purposes (to create future financial independence). Preferably set up a standing order each month so it automatically transfers to your investment account ready for planting (see Section 9 for more specific info)!



Where to Plant it?

This objective of this Section isn't to show you where to plant it but solely to get you to fully understand the concept of consistently planting lots of money seeds (part of your regular income) to grow multiple money trees (assets) that you nurture (monitor and adjust as required) into an orchard of constantly growing money trees bearing lots of fruit (indefinite income).

There is no right or wrong answer as to the types of money trees (assets) as it's all about your financial goals and attitude to risk. Some common examples are:

- Savings Accounts
- Fixed Interest Bonds & Gilts.
- Investment Trusts, Unit Trusts
- Residential & Commercial property
- Alternative Asset Classes
- Individual Company Shares,
- Derivatives & Warrants
- Private Business Investments



Before choosing an investment (planting) strategy, there are many factors to consider that are personal to you. You need to establish your personal objectives such as,

- ✓ How much you would like to accumulate?
- ✓ What timeframe?
- ✓ How much do you intend to invest each month?
- ✓ What are your current plans for the future?
- ✓ What is your attitude to risk?



Take Action... whether you already have a few money trees in the ground or just starting, don't delay, it's your financial future on the line, get some seeds and start planting for a bright and prosperous future.

Using professionals

As always, unless you're a seasoned investor, I strongly recommend you consider the advice of professional advisers.

Analogy... if you had toothache and needed to have a tooth out, I'm sure you would consult a qualified dentist (course you would!). The very same principle applies with your finances, sit down with an experience (preferably independent) professional who truly understands money and is well versed in investing and delivering what clients want, why not ask for references and testimonials before you engage their services.



Professional advice

Pretty much all professional advisers will offer you a free consultation to explain how they work and can help you, simply view these initial consultations as an interview process (you're the boss) to decide if the adviser is right for your needs. Trust your gut feeling!



Section 4 Summary

Continually plant money trees

If you regularly and continually plant money year in, year out and nurture it accordingly, one day in the future, you'll have an orchard of thriving money trees to take care of you and your family.

There are only 2 ways to earn money:

1. **People at work** (Active Income – paid once for the work)
2. **Money at work** (Passive income – ongoing income with no further active effort)

Final Thought:

To further your financial literacy, I highly recommended reading George S. Clason's classic "The Richest Man in Babylon", see the recommended reading section on page 197.

Wishing you all the best,

Asha x

**Who says
money doesn't
grow on trees 😊!**



Final Word:

"Financial Getting Rich is automatic if you have a good plan and stick to it."

