Twitter Thread by Danny Baldus-Strauss



Danny Baldus-Strauss
@BackpackerFI

23 lessons I learned on my path from $0 to $2M in 8 years

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1. “Play long term games with long term people” @naval

Anything that provides instant gratification is probably bad for you and your wealth.

Anything that provides delayed gratification is likely good for you.

There’s no such thing as “get rich quick” or “overnight success”

2. “Focus on the $10K+ questions, not the $5 ones.” @ramit

Spend time focusing on the big decisions like asset allocation & building good credit rather than the $5 Starbucks decisions.

Set an hourly rate for yourself.

Outsource everything that’s under that rate to save time.

3. Invest early and often. Time in the market > timing the market

Consistency is the name of the game.

Automate everything.

Sometimes investing can be boring and that’s a good thing.

Early on, investing more and often is far more important than yield or portfolio performance.

4. Learn to avoid lifestyle inflation.

You really do need less than you think, trust me.

Get out in nature, and you'll see.

Freedom + time are worth much more than nice cars and clothes.

Keep your lifestyle flat even as you get promoted and make more.

Invest the difference.

5. You can get rich at your job, but you only get wealthy at home.

9-5s build necessary cash flow to consistently invest.

But your employer isn't responsible for your wealth building, you are.

You are the director, try to do things every day that future you will thank you for.

6. Live in the present, while still building and planning for the future.

The point of having $ is to not have to worry about having $.

If you're miserable while building wealth, you'll be miserable when wealthy.

If $ is all you think about, you'll miss the present moment.

7. "You'll never get wealthy renting out your time" @naval

9-5s can be great and necessary tools for building financial independence.

But have an exit plan if you truly want freedom over your time and energy.

For every 9-5, you have an entrepreneur to thank for your job.

8. "Cut expenses in areas you don't care about so that you can spend extravagantly in areas you do" @ramit

You don't need to live frugally your entire life to become wealthy

Cut out what doesn't bring you immense joy and don't feel guilty for splurging on things that do

Live!

9. "Every action is a vote for the type of person you wish to become" @JamesClear

Your net worth is a lagging indicator of your financial habits the past few years.

Start now by "placing votes" every day for the financial future you desire.

Habits compound just like your $.

10. “Money’s greatest intrinsic value is its ability to give you control over your time” @morganhousel

Time and freedom is what you’re after.

Nice things, looks, social validation...they all fade away.

Time does too, but at least you can control it through financial freedom.

11. Generating income is more important than cutting expenses, but it’s a balance.

Cutting expenses has a floor, you can only cut out so much.

Generating income has no ceiling.

Promotions, side gigs, investments, and business ownership have no limits, only you.

12. Mind, body, and business are connected.

Wealth starts in the mind.

Being broke is also also a mindset and identity.

Healing what’s in your mind,

becoming aware of your limiting beliefs and toxic thoughts,

& taking care of your body spills over into business and wealth

13. Be an optimist

Being a pessimist rarely lines your pockets.

This doesn’t mean it’s ok to be reckless and ignore risk.

But envision a better future and invest in it.

The point of maximum fear is the point of maximum opportunity.

“Be greedy when others are fearful”

14. Invest in your greatest asset- You!

I’ve invested tens of thousands in my own education, retreats, and men’s groups.

The ROI has been incalculable.

Don’t be cheap when it comes to your self-improvement.

You are your only asset that is truly recession proof.

15. Money is made in the waiting.

Sometimes good investing can be boring.

Sometimes it's more about the stomach than the brain.

Sometime it's more about inaction than action.

Tune out the noise and play the long game.

16. Volatility is not the same as risk.

It's the price you pay to outperform.

And it's a mechanism that "transfers wealth from those who can't handle it to those that can" @BrianFeroldi

17. "Focus on the future- not as in the next year, or even 3-years, but as in the next decade, or even two decades.

Focus on the world-changing trends that will occur, irrespective of recessions, boom and busts, interest rates, even wars."

@OphirGottlieb

18. "Only when the tide goes out do you discover who's been swimming naked"

@WarrenBuffett

It's only after crashes and bubbles pop that people realize how over-leveraged they were.

It's only after one loses a lot of money that they realize how much needless risk they took.

19. The way to create life changing returns is to hold onto your winners.

You want to be in great companies in the first inning, out by the 7th.

Pay up for quality and only invest in the very best businesses.

20. Tune out the noise

Financial media makes money on your fear.

People on TV on social media have very different backgrounds, risk tolerances, time horizons, and amounts invested than you.

Take it all with a grain of salt and stick to YOUR plan and what works for YOU.

21. Realize that stocks take the stairs up and the elevator down.

Risk can come in a flash when you least expect it.

So use the good times to plan for the bad times.

Expect the best, but prepare for the worst.

22. “You do not rise to the level of your goals, you fall to the level of your systems”

Goals help with process, but it’s your systems that allow you to make real progress.

Set up your investing rules, create a non-negotiable morning routine, automate your finances.

23. “People who are right a lot of the time are people who often change their minds” @JeffBezos

Don’t get married to your stocks or portfolio.

Embrace conflicting opinions to understand the other side.

Humility is key.

It’s ok to be wrong, but staying wrong is even worse.