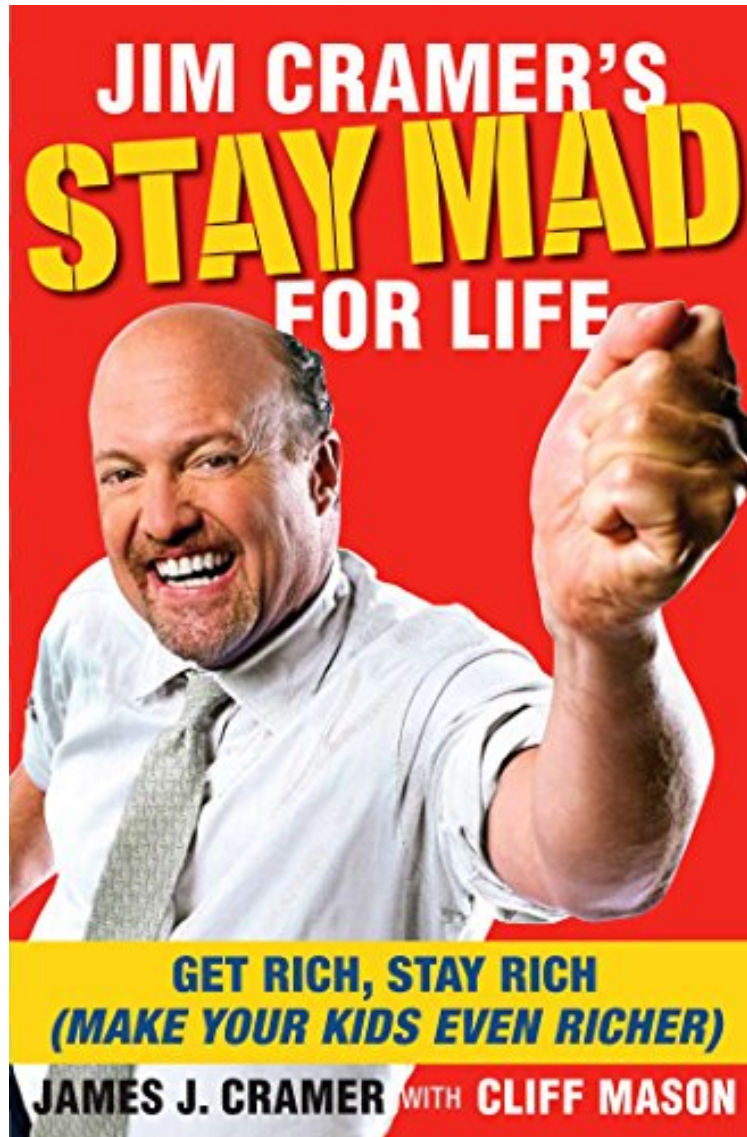


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Jim Cramer's Stay Mad for Life: Get Rich, Stay Rich (Make Your Kids Even Richer)

James J. Cramer

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James J. Cramer : Jim Cramer's Stay Mad for Life: Get Rich, Stay Rich (Make Your Kids Even Richer) before purchasing it in order to gage whether or not it would be worth my time, and all praised Jim Cramer's Stay Mad for Life: Get Rich, Stay Rich (Make Your Kids Even Richer):

213 of 218 people found the following review helpful. New Topics for CramerBy James TurnerIn Stay Mad for Life, Jim Cramer addresses a whole range of financial issues that he hasn't dealt with on his Mad Money TV show and in

his prior books. He takes a step back from his primary focus of teaching his viewers and readers how to select individual stocks and presents his approach to broader issues of personal financial management that one deals with from cradle to grave. In this sense the book deals with quite basic topics such as avoiding or getting out of credit card debt (about nine pages), creating and following a budget (about twelve pages) and obtaining health and disability insurance. These topics may seem elementary, even boring compared to the topics of Jim's earlier books, but are issues that people of limited financial experience need to learn about. On the topic of retirement planning he talks about the advantages and disadvantages of 401(k) plans and of traditional and Roth IRAs. He likes 401(k) plans for their employer-dollar-matching feature but dislikes their limited choice of offered funds and their associated expenses. He advocates funding your 401(k) only up to the point where you've reached the maximum employer match. Beyond that he strongly advocates putting additional retirement dollars into an IRA where the range of choices of investments is so much broader. In the category of family finance he advocates getting your children interested in investing as young as possible and lists six stocks that you might want to buy just one share of for your child that might pique their interest. That same chapter covers college and home financing. In his prior books Jim has created lists of rules for investing and he does so again in this book. These twenty rules came from distilling his experience with the investments he makes for his charitable trust that he often mentions on Mad Money. For example one of these new rules that I've found myself prone to violating is "Don't quit when you get back to even". If you've taken on a position in a stock and if the price then drops significantly, it's easy to feel so grateful if/when it comes back up to your break even point, you bail out with a small profit. Jim contends that if the fundamentals of the stock are still good, hang in there with it for additional upside. In the next to last chapter, Jim really hangs himself out on a limb by selecting five sectors that he thinks will be strong for the next five years and climbs even further out on that limb by naming twenty stocks that he thinks will do well over that time frame. I'm a subscriber to his Action Alerts e-newsletter where Jim announces the buys and sells that he plans to make for his charitable trust. At the time of this review, 16 of the 20 stocks are presently held by the trust and the other four are stocks that Jim has mentioned many times on Mad Money. In the final chapter Jim makes what must be a major concession for him since he's such a strong advocate of selecting and holding individual stocks. At several places in the book he recommends that if you really aren't willing or able to devote the time and effort to individual stock selections (remember - his tough homework rule is one hour per stock per week!) your next best choice is a low cost passive index mutual fund such as the Vanguard VFINX. However if you REALLY want to invest in an actively managed mutual fund, Jim has conducted research and come up with a list of 13 recommended funds. In doing this research he looked at historical fund performance for the seven-year period 2000-2006. He gives especially heavy weight to fund performance in the three down-market years 2000-2002. He also emphasizes the importance of the fund manager and considers only funds where one manager ran the fund. I recommend the book for those wanting a good (strongly opinionated) survey of the major issues of personal finance. For those not so interested in basic personal finance, just skip the first five chapters and read the final four chapters which stand on their own and will be of interest to the regular followers of Jim's books and TV. 0 of 0 people found the following review helpful. Jim makes it easy to invest By Jack Clark I have all his books. Jim makes it easy to invest. I have his show recorded and watch it every night 1 of 1 people found the following review helpful. Great for people who don't know about retirement plans By S. Pelovsky This review is for the audio version. Jim Cramer gives the listener a great plan for retirement. He goes through the different types of retirement plans that are available and talks about the pros cons of each type. Where his book differs from others is that he gives you specific stocks and mutual funds to purchase now for your retirement portfolio. He is incorrect about a few things about 401k plans. First he says that if you borrow money from your 401k plan you have to pay the tax and the 10% penalty. Most plans have a payback plan over a period of time usually 2-3 years where you have additional funds put back into your account and there is no penalty. Second he does not mention that if you have a 401k plan and your company plan allows it, you can retire at 55 and start using the money without paying the 10% early withdrawal penalty if you leave the money in the 401k plan and not roll it over into an IRA. You cannot do this with an IRA. He doesn't mention at all about a SEPP which allows you to retire earlier than 59 1/2 and not pay the penalty on your withdrawals. I think this is an excellent book/audio and Mr. Cramer reads the audio version.

Jim Cramer, bestselling author and host of CNBC's Mad Money, has written the ultimate guide to lifetime investing for readers of any age. Whether you're a recent college grad trying to figure out how to start investing, a young parent struggling to decide where and how to put away money, or someone well into middle age and worried about whether you've saved enough for retirement, Jim Cramer's Stay Mad for Life has the answers. Cramer covers all the essentials: how to save, where to invest, which pitfalls to avoid. He offers valuable advice on everything from mortgages to college tuition. He explains what professional money managers do right that amateur investors do wrong. Because there is always a bull market somewhere, Cramer tells readers where to find the bull markets of the future, and for those willing to do the homework, he chooses twenty stocks that could be long-term moneymakers. For those who don't have the time or the temperament to invest in stocks, he identifies the mutual funds that are proven winners. He's investigated these funds by using his own twenty-five years' experience managing money for himself and dozens of

America's wealthiest families. Throughout, in addition to his own enormously successful experience, Cramer draws on rigorous research to back up his advice. Jim Cramer is America's #1 financial guru. Every day he advises investors on how to get ahead of the markets and stay ahead on his daily television show, *Mad Money*; in his online columns and commentary at *TheStreet.com*; in his popular "Bottom Line" column in *New York* magazine, and on television programs from early morning to late night. His books have all been national bestsellers and have helped educate hundreds of thousands of investors about the perils and promises of the financial markets. *USA Today* called him "the media's most electrifying market pundit," and his legions of fans agree. Jim Cramer's *Stay Mad for Life* is the definitive money book, a practical, concrete, insightful book of invaluable financial advice that is a joy to read.

About the Author James J. Cramer is host of CNBC's *Mad Money*; cofounder of *TheStreet.com*, where he is also an online columnist; and "Bottom Line" columnist for *New York* magazine. Excerpt. copy; Reprinted by permission. All rights reserved.

INTRODUCTION: GET RICH AND STAY RICH Most people don't think about it, but there's a difference between making a lot of money and building lasting wealth. When it comes to money we think that striking it rich is the ultimate goal. I know because I used to feel that way. In reality, getting rich isn't the financial finish line. It's the first lap of a much longer race. I'm talking about ensuring long-term prosperity for you and your family: not just getting rich, but staying rich. That's what each and every one of us truly wants to achieve with our money, and I don't care who you are, who your parents are, where you live, or what you do for a living: you can do it if you let me help you. I don't care if you don't have two cents to your name or if you owe thousands of dollars in credit card debt. I am confident I can get you there. You may think of yourself as someone who's awful with money; you could be a person who's tried and failed to get anywhere with every single financial plan you've ever been handed, like so many failed faddish diets. Whether you're 16 or 60, sending your kids to college or sending yourself to college, I'm writing this book to tell you everything you will ever need to know and everything you must do to create and maintain the kind of wealth that lasts a lifetime. I want you to get there and stay there. A lot of people who try to sell you advice about your money are doing it to make money themselves. They don't care whether you succeed or fail with their advice because they're just looking to sell books or earn fees. I made more money than anyone ever needs working at my old hedge fund, and if I wanted more, I'd start another one. I am confident that I could raise a billion dollars to manage tomorrow, but frankly, I'd rather help you. That means more to me than working for people who are already rich. Perhaps it's because I'm a good guy, or because I just want to look like a good guy, or maybe I do it because I love positive attention. Maybe it's because after years of making money for myself, it just feels right. At the end of the day, the "why" isn't important, as long as you're satisfied that I'm writing this book in good faith to help you. What's important is the "what." I spent fourteen years running a hedge fund, which means that the only higher purpose my job had was to make incredibly rich people even richer. I used to joke that my job was to move people higher on the *Forbes* 400 richest people list -- not a higher calling. I've now spent the past seven years since I retired from the fund writing books and columns for *TheStreet.com* and *New York* magazine and hosting a radio show and two television shows: first *Kudlow Cramer*, then *Mad Money*. The venues have changed, but my goal was always the same: to share my experience and expertise with regular people to help them become rich. In this book, I'm aiming even higher than that: I'm teaching you how to make money and use it to ensure enduring prosperity and permanent financial security over the course of your entire life. The disciplines and the knowledge you need to build a firm foundation for your wealth and maintain it for the rest of your life are not the same as the ones you would need to make yourself rich by investing in stocks, the subject of my previous two books. If you're looking for long-term financial security, I would hope you'd set your sights higher. For long-term extravagant wealth, you need to know how to take advantage of tax-favored vehicles like 401(k) plans and IRAs; you need to know when you should buy bonds rather than stocks, not to mention the kinds of bonds you should choose; you need to know how to save for college; how to guarantee you have a smooth retirement; how to save; how to borrow; when you should buy a house; when you should be taking risks; when you should be avoiding risks; what you must teach your children about money; which mutual funds you should put your money in; and which stocks will look good for the long haul, the next twenty-five years. These are the subjects people beg me to address, and I am ready and willing to do so. I have the answers for all of the financial questions you, your parents, and your kids have about getting rich and staying rich. Don't be intimidated -- I'll explain everything in layman's terms, not in the Wall Street gibberish the professionals use to scare you into relying on them instead of using your own judgment. But what about my judgment? You want to know where my advice comes from, and I don't blame you. Most of what I know about making money I learned in my years on Wall Street, first as a broker at Goldman Sachs, advising the wealthiest of the wealthy about all these lifetime issues, and then as the manager of my own hedge fund, Cramer, Berkowitz Company. I've had a long love affair with stocks, but stocks are only one of many tools, albeit the most important one, that we're going to use to create lasting prosperity for you and your family. I know better than most people the difference between having money and not having it, or having it and having a whole lot of it. I'm a self-made multimillionaire, and I'm going to share with you the lifelong disciplines that made me rich and have kept me that way. As I said, I made my own money. I've also been poor. In fact, I wasn't just poor; I was homeless and destitute. In 1978 I spent six months living in the backseat of my Ford Fairmont while I

worked as a homicide reporter for the Los Angeles Herald Examiner, unable to afford even rent money. By 1979 I had moved up in the world: I was living in the most spacious corner of my big sister's studio apartment in New York City. I was the last person in the world anyone was ever going to ask for financial advice, but even then I was diligent and self-disciplined about money. I may have skimmed on the auto insurance and skipped on the rent, but I still put \$50 a month into the best mutual fund I could find, Fidelity's Magellan Fund. I have always been fascinated with mutual funds and managers, and I am going to tell you all about which ones you need and which ones you should avoid. I know what it's like to need money and not have it, and ever since those early days I have lived in desperate fear of poverty. Living out of my car with barely enough money to get by convinced me that I had to become rich, that no amount of money was too much, and that I would have to do it with more than just my meager paycheck. I would have to parlay that paycheck into something much bigger, using whatever financial resources I could get my hands on. I spent twenty years single-mindedly pursuing greater and greater sums of money until well past the point where more money made a bit of difference. I know it's possible for anyone to get rich and stay rich because I did it myself and I'm no different from any of you. Like most things in life, getting rich and staying that way take a lot of hard work, a lot of knowledge, and a little bit of good advice. There are many ways to get your hands on a whole lot of money, though few of them can be called easy. You can invest in the right stocks, get a high-paying job, start your own business, or inherit the money, to name just a few. But there's only one way to make sure your newfound wealth leads to long-term prosperity: you have to use your money to make more money, and you need to do it the right way. It's hard work, and it takes diligence, but in this book I've already done a lot of the work for you. No, I don't have six easy steps to financial security, nor do I have three magic habits that will make you a millionaire, and I can't tell you the financial secrets of the superrich because as far as I know, they're just as feckless with money as ordinary people. People who promise that they can make you truckloads of cash and help you keep it as long as you follow their simple five-point program aren't telling you the whole story. Easy steps turn out to be not so easy, and advice that seemed great in theory turns out to be next to useless in practice. I suspect that many of these people have never made a dime except in book sales! I read a ton of these personal finance guides because every time someone writes a new one, which seems like every five minutes, the publisher comes to me to pen the introduction and give it my seal of approval. Many of these books are well-written, some of them by terrific people, but they generally don't tell you what you need to know. I swear, more books have been written about creating and keeping wealth than any one person could read in a lifetime, but I have yet to find a single one that actually tells you, in detail, what you must do during every stage of your life to develop enduring wealth and ensure that you never have to worry about your money again. So I decided to fix that problem by writing this one. For most people, there are few things that are more confusing and frustrating than trying to manage their finances. I can't tell you how many people I've spoken to who agonize over trying to pick the right mutual fund and end up giving up, their money still in a checking account, because the decision was too hard and reliable information was too scarce. If you're looking for a financial plan, it's easy to get a broad outline, but very hard to find anyone who will give you specific, detailed advice. But that's exactly what I'm going to do. Others are more than willing to show you the forest: save money, pay off your credit card debt, contribute to your 401(k), start an IRA. But no one will identify the trees, where the money is actually grown. How should you manage your IRA? What, specifically, should you own in your retirement and discretionary accounts? Which of the most popular mutual funds available in your 401(k) plan is the best place to put your money? I'll even recommend the best mutual funds, using all the data available as I write this book. Too many books about money go wrong because they try to offer timeless advice. There's no such thing as great timeless advice. The really useful financial information is time-sensitive. I don't know if the people...