Excerpts from ***The Millionaire Next Door***
By Thomas J. Stanley, Ph.D. and William D. Danko, Ph.D.

" The first time we interviewed a group of people worth at least $10 million…, the session turned out differently than we had planned….To make sure our deca-millionaires felt comfortable…we rented a posh penthouse…hired two gourmet food designers. They put together a menu of four pates and three kinds of caviar…[T]he designers suggested a case of high-quality Bourdeaux …"

"The first to arrive…was a first generation millionaire…owned several valuable pieces of commercial real estate in the New York metropolitan area. He also owned two businesses. You would have never figured from his outward appearance that he was worth well over $10 million. His dress was what you might call dull-normal – a well-worn suit and overcoat."

"…[O}ne of us asked, "Mr. Bud, may I pour you a glass of 1970 Bourdeaux?"

"Mr. Bud looked at us with a puzzled expression on his face and then said: 'I drink scotch and two kinds of beer – free and BUDWEISER!'"

"During the subsequent two-hour interview, the nine deca-millionaire respondents shifted constantly in their chairs. Occasionally they glanced at the buffet. But not one touched the pate or drank our vintage wines. We knew they were hungry, but all they ate were gourmet crackers."

"These people cannot be millionaires! They don't look like millionaires, they don't dress like millionaires, they don't eat like millionaires, they don't act like millionaires – they don't even have millionaire names. Where are the millionaires who look like millionaires?"

"The person who said this was a vice president of a trust department. He made these comments following a focus group interview and dinner that we hosted for ten first-generation millionaires."

The trust officer –

- Spends significantly more for his suits,
- Wears a $5,000 watch, and
- Drives a current-model imported luxury car which he leases.

None of these behaviors are consistent with those our first-generation millionaires. If you saw the trust officer and one of these millionaires with an off-the-rack suit, a $50 watch, and a used American car, which would you think was the millionaire? Most would think the trust officer.

"This concept is perhaps best expressed by those wise and wealthy Texans who refer to our trust officer's type as 'Big Hat No Cattle'."

Based upon the authors' surveys, the following represents the average millionaire in America –

- While only 1 of 5 Americans are self-employed, 2 of every 3 millionaires are self-employed.
- Many of their businesses would be classified as dull-normal – contractors, farmers, mobile home park owners…
- Average household net worth of $3.7 million.
- 97% are home owners with a home valued at an average of $320,000. Half have lived in the same house for more than 20 years.
- 80% are first generation wealthy and don't feel slighted by not receiving an inheritance.
- We live well below our means. Only a minority own a new vehicle or lease a vehicle.
- Most have one spouse who is a meticulous planner and budgeter who is more conservative with money.
- Most have enough wealth to not work for ten or more years and they save at least 15% of our earned income.
- They are worth 6.5 times more than their neighbors who outnumber us 3 to 1.
- Only 20% are not college graduates and many have advanced degrees.
- Only 17% attended any private school, but 55% percent send their children to one. They spend heavily on the education of their descendants.
- 2 of 3 work 45-55 hours per week.
- They invest at least 15% of their income each year – most 20%. 79% have at least one brokerage account, but they make their own investment decisions.
- 20% of their wealth is in publicly traded stocks or mutual funds and they hold – rarely selling.
- 21% of their wealth is in their privately held business.
- They are tightwads. They completed a long questionnaire for $1 and then spent hours getting interviewed in exchange for $100 to $250.

The typical wealthy individual is a businessperson who has lived in the same small town for most their life owning a factory, store or service company. They are married once and stay married living in neighborhoods which are not equally affluent. They have made their money on their own – are compulsive savers and investors. There are 7 common denominators of these persons:

1. "They live well below their means.
2. They allocate their time, energy, and money efficiently, in ways conducive to building wealth.
3. They believe that financial independence is more important than displaying high social status.
4. Their parents did not provide economic outpatient care.
5. Their adult children are economically self-sufficient.
6. They are proficient in targeting market opportunities.
7. They chose the right occupation."