Alert: This Multi-Millionaire Reveals His Top 3 Wealth-Building Tips

Description

I recently had the pleasure of chatting with David, who very quietly amassed a fortune of several million dollars before his 55th birthday.

There's nothing remarkable about David. Both he and his wife had very regular careers. David leveraged a summer job inside a packaged-foods plant into a sales rep position — a position he held for 30 years. His wife, Tammy, taught first grade at a local public school. They raised two boys and put them both through university.

Yet David was able to accomplish something many of us can only dream about. He and his wife accumulated more than $3 million in assets before they turned 55, and that's even excluding their principal residence and Tammy's pension.

So, how exactly did they do it? Was there a large inheritance from a long-lost uncle? Did they win the lottery? Or were they fortunate enough to put all their cash into a lucky stock?

Hardly. In fact, the most inspiring part of David's story is how easy it is. Anyone can join him, especially if they follow these important rules.

Smart spending

On the surface, David's life looked just like anyone else's. His family enjoyed the same luxuries as other middle-class folks.

But upon closer inspection, David made some very astute moves. They intentionally moved close enough to his wife's work that she could walk every day, allowing the family to only have one car. Having his own work-issued vehicle helped too.

It didn't stop there. Both David and his wife were masters at eliminating small costs. They would pack their own lunch each day. They'd order in pizza as a treat rather than spend twice as much in a restaurant. And they made extensive use of the public library.

All these little things added up, which created a huge savings rate.

Work perks

Each year as a bonus, David got the equivalent of 4% of his salary in his employer's stock. He was also eligible to take part in his employer's stock-purchase plan, which let him put an additional 4% of his salary towards buying shares.

After 30 years with the same company, these rewards really started to add up. David currently has about a third of his liquid assets — or a little over $1 million — in his employer's stock. These shares pay a 3.5% yield, so he receives $35,000 from that one stock alone. That's enough to cover all of his family's expenses.

David is currently in the process of selling these shares and putting the proceeds to work in different areas, but he's really in no hurry. Can you blame him?

Easy investing

Like a lot of early retirees, David favoured investing in dividend-growth stocks. But he did it with an intelligent little twist.

Instead of dollar-cost averaging, David waited until the companies he liked were flirting with a 52-week low. This would sometimes entail sitting on cash for a few months, but he was adamant about paying a fair price for good companies.

One company that has caught David's eye lately is **Alaris Royalty Corp.** (TSX:AD). He acknowledges the company is facing a few problems today, including its royalty agreement with KMH. The company hasn't paid any distributions since November 2014. But it does expect to receive $28 million upon the successful sale of certain assets.

Alaris should still receive enough in distributions to be able to pay its generous 7.1% yield, and David especially likes the scalability of the royalty business over the long term.

David was also buying **Algonquin Power and Utilities Corp.** (TSX:AQN)(NYSE:AQN) back in December. He's a fan of the company's focus on renewable energy as well as its U.S.-based assets. He also loves the company's 5.5% yield, which is currently paid out in U.S. dollars.

The bottom line

Becoming an early retiree takes work. There's no doubt about that. It's really easy to spend your entire wage, especially if you have a secure position.

But it's worth all the sacrifice. David is currently in Florida, soaking up the rays and working on his handicap. He wouldn't change a thing.

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