

# How to be wealthy - by rich people

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The wealth of the country is in the hands of just 20pc of the population, and the secrets of how to join that exclusive rich club were laid bare yesterday.

A leading wealth manager has unveiled how to become part of the prosperous minority – spend below your means, save regularly, avoid debt and maximise your income.

The rich are also different to the rest of us because they know exactly where their money is going, they own their homes and they are careful to get good, independent financial advice.

And a large proportion of those who have made it into the rich club in the past few years are people in ordinary jobs, like teachers or mechanics, according to **Seamus Kane** of Dublin based SCK Wealth Management.

Wealth is not built by accident, and contrary to popular belief, it is not inherited, **Mr Kane** said.

He revealed that 80% of Irish wealthy people are first generation. In other words, they have accumulated their wealth on a gradual basis.

One of this generation's key habits is a systematic disciplined savings plan. **Mr Kane** commented: "The best way for anyone to develop this habit is to set up an automatic monthly savings plan where money comes out of your bank account before any other expenses or deductions"

"A typical wealthy person might not be the one that drives a new Mercedes, lives in the biggest house and wears nothing but labels", **Mr Kane** added. Rather the wealthy individual is the person who has been living in the same bungalow for the past 20 years. They drive a nice car, but it is well taken care of and has lower mileage.

About two thirds of wealthy people know exactly where they are spending their money.

If you want to become wealthy, you should develop a habit of tracking where you are spending your money on a monthly basis, said **Mr Kane**, an accountant who has been advising the rich for 25 years.

Budgeting can be a very intimidating word but the fact remains, it is an essential habit for wealth accumulation. Wealthy Irish people make a very conscious effort to avoid, minimise and pay off debts. However, they are not afraid to borrow to increase their asset base.

"It is so easy in our society to access debt. Every week post comes through your door offering lines of credit, credit cards and access to other forms of debt.

"No money down', 'Don't pay till 2008', 'interest free' are all common ploys to get you to spend money you don't have. It is so enticing, but one of the habits you'll need to build wealth is to avoid spending money you don't have."

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