

A WEALTH PLAN FOR EVERY MAN

Rich men of all ages share the secrets that can help you build the wealth you dream of

By Richard Sine, Posted Date: February 1, 2013

40s: THE CRUCIAL DECADE

Talk about a financial hurt locker: Households lost 35 percent of their median net worth from 2005 to 2010. Guys in this demo were hit hardest. Use these strategies to bounce back fast.

OPTIMIZE YOUR 401(K)

First, go to brightscope.com and see how your company's 401(k) stacks up. If it's underperforming, direct some retirement savings (after you hit your company's match) to an IRA with a major brokerage like Fidelity or Vanguard. You'll have more options. Second, talk to your brokerage about rebalancing annually, says Robert Brokamp of the Motley Fool. It can reduce your risk and juice long-run returns.

COLLEGE CREDIT

The price of higher education is rising by up to 15 percent a year. Save smartly for the future by opening a top-rated 529—such as Utah's low-fee plan—while your kid is still in diapers.

\$15,545: Extra interest you'll earn by the time your child turns 18 if you open a 529 plan when he or she is born instead of waiting another 10 years

1/3: Portion of college costs you should save if your family earns \$75K to \$150K, says Raymond D. Loewe, founder of College Money. Use aid and loans for the rest.

**Assumes an annual 5% return, \$100/month contribution, \$5K to start*

SHARPEN YOUR SUPERVISING

Too many bosses leave their charges rudderless because they think it's "empowering" for employees to find their own path. Instead, set up one-on-one meetings at least once a month to provide guidance and talk about formalized goals. Spell out clear expectations and track the employee's follow-through each time you meet. With good documentation of performance, you can convince higher-ups to reward your best workers—and eliminate the worst.—*Bruce Tulgan, author of It's Okay to Be the Boss*

50s: THE HARVEST YEARS

Congrats: Your early 50s will probably be your peak earning years. You're also more likely to sell a house. You're on top of your game, and it's time to ride your second wind.



GUARANTEE A GREAT RETURN

If your credit card balance is consistently zero and your cars are paid off, then consider paying down your mortgage. Your interest savings can be huge—like six figures. One way to do that is by refinancing a 30-year fixed-rate mortgage to a 15-year loan with a lower rate, says Keith Gumbinger of hsh.com. This approach is especially popular among people in their 50s who want to sail into retirement without house payments. Or just make additional payments on your current loan whenever you can afford it.

BUSINESS IN A BOX

Relaunch your career by taking the reins of someone else's idea.

90/49: Percentage of new franchises/new independent businesses that make it 5 years

Return on independence: Franchises are great for guys who have some money saved and want to work for themselves but aren't willing to risk their livelihood on some basement invention, says Phil Dyer of Dyer Financial Advisory. To search franchises by category, name, and amount of start-up cash needed, go to franchise.org.

TRY REVERSE MENTORING

You're surrounded by people with darker hair, lower cholesterol, and more energy. To adapt, ID a protege and propose "reverse or reciprocal mentoring." This is hot at companies like Dell and Procter & Gamble. It's an informal way to encourage learning and facilitate cross-generational relationships in the office.—Lisa Quast, a Seattle-based career consultant

