PART ONE

Mindset + Knowledge = Wealth

CHAPTER 1

Start Now

With this book, you will become motivated and educated. You will get started in real estate. From this book, you will see that real estate investing still leads you to a lifetime of wealth and personal fulfillment. No matter what financial goals you set for yourself, no matter how little cash, credit, or income you currently possess, *if you choose to*, you can build your fortune in real estate.

You can still build wealth in real estate.

Just Say No to Excuses

"But hold on," you might say. "You can't be talking to me. In my town, property prices have climbed sky-high. Besides, I don't think I have enough cash, credit, or time to get started. And even if I did, real estate seems too difficult. I don't know how to begin."

As I travel throughout the country and talk with would-be property investors, I repeatedly hear excuses. But it may surprise you to learn that I've heard similar excuses repeated over and over for 30 years.

Naysayers Thrive in All Times and Places

When times are good, people fret over the deals they've missed. When markets slow down, folks claim that real estate no longer makes a good investment. Either way, they always find some way to color the future bleak (see Box 1.1).

Yet, since the early 1970s I have seen all types of booms and busts. I have seen 18 percent mortgage interest rates. I've lived through the multiple turmoils of double-digit rates of inflation, the disastrous 1986 Tax Reform Act (which reduced profitable real estate tax shelter techniques), and the recent market of sky-high prices. Yet I (and nearly all other savvy investors) have figured out how to make money in every one of these markets and all of the other types of markets in between.

You can make money in all types of markets.

For the past several years, the media have headlined the so-called subprime mortgage meltdown, increasing foreclosures, and a growing inventory of listings for sale. Just as occurred during previous decades—and previous housing cycles—financial journalists fail to recognize that we have once again entered a great buyers' market.

Among all the lessons history teaches, none proves more certain than the fact that property prices will go up. Regardless of how high you think prices are today, they will be higher 10 years from now and much, much higher 20 or 30 years into the future. Don't talk yourself into believing that "property prices have reached a peak." Before you accept the "sky is falling" clamor of so-called economic experts, take a quick trip through some of their Chicken Little predictions from years gone by:

- "The prices of houses seem to have reached a plateau, and there is reasonable expectancy that prices will decline" (*Time*, December 1, 1947).
- "Houses cost too much for the mass market. Today's average price is around $8,000—out of reach for two-thirds of all buyers" (*Science Digest*, April 1948).
- "If you have bought your house since the War . . . you have made your deal at the top of the market. . . . The days when you couldn't lose on a house purchase are no longer with us" (*House Beautiful*, November 1948).
- "The goal of owning a home seems to be getting beyond the reach of more and more Americans. The typical new house today costs about $28,000" (*Business Week*, September 4, 1969).

(continued)

Box 1.1 People Who Believe the Forecasts of Doom and Gloom End Up with a Pile of Regrets

- "Be suspicious of the 'common wisdom' that tells you to 'Buy now . . . because continuing inflation will force home prices and rents higher and higher'" (*NEA Journal*, December 1970).
- "The median price of a home today is approaching $50,000. . . . Housing experts predict that in the future price rises won't be that great" (*Nation's Business*, June 1977).
- "The era of easy profits in real estate may be drawing to a close" (*Money Magazine*, January 1981).
- "In California . . . for example, it is not unusual to find families of average means buying $100,000 houses. . . . I'm confident prices have passed their peak" (J. E. English and G. E. Cardiff, *The Coming Real Estate Crash*, Warner Books, 1980).
- "The golden age of risk-free run-ups in home prices is gone" (*Money Magazine*, March 1985).
- "If you're looking to buy, be careful. Rising home values are not a sure thing anymore" (*Miami Herald*, October 25, 1985).
- "Most economists agree . . . [a home] will become little more than a roof and a tax deduction, certainly not the lucrative investment it was through much of the 1980s" (*Money Magazine*, April 1986).
- "We're starting to go back to the time when you bought a home not for its potential moneymaking abilities, but rather as a nesting spot" (*Los Angeles Times*, January 31, 1993).
- "Financial planners agree that houses will continue to be a poor investment" (*Kiplinger's Personal Financial Magazine*, November 1993).
- "A home is where the bad investment is" (*San Francisco Examiner*, November 17, 1996).
- "Your house is a roof over your head. It is not an investment" (Karen Ramsey, *Everything You Know About Money Is Wrong*, Reagan Books, 1999).
- "The trends that have produced the housing boom . . . have nearly run their course. This virtually guarantees . . . plummeting home prices and mass foreclosures . . ." (John Rubino, *How to Profit from the Coming Real Estate Bust*, Rodale, 2003).
- "Ten years from now, property prices will almost certainly be less than they are today . . ." (*Money Magazine*, January 2006).

Box 1.1 *(Continued)*

Property Offers Multiple Possibilities

To make money and build wealth with property, you can always locate opportunities. But first develop an educated, entrepreneurial mindset. The idea of a single real estate market or a one-size-fits-all investment strategy runs opposite to reality. Like a chameleon, the savviest real estate investors change their colors to match the ever-changing mortgage lending and property environments. During recent years, for example, many beginning property investors have pursued one or more of the following possibilities:

- Foreclosures, preforeclosures, REOs (bank-owned foreclosures referred to as real-estate owned).
- Self-storage units.
- Fix and flip.
- Condominiums, townhouses.
- Condominium conversions.
- Office condominiums.
- Office buildings.
- Shopping centers, freestanding retail.
- Mobile home/RV parks.
- Gentrifying (turnaround) neighborhoods.
- Properties located in lower-priced areas of the country (and the world).
- Emerging growth areas such as Charlotte, North Carolina.
- Vacation and retirement areas.
- Two- to four-unit rental apartment buildings.
- Multiunit apartment buildings.

These examples merely touch upon the possibilities you will discover throughout this book, but they illustrate one theme that I have advocated throughout my career:

Q. When's the best time for you to invest in real estate?

A. Today.

But don't jump to the wrong conclusion. When I say "Invest today," I do not mean that you can never go wrong. Rather, I mean that there's never a wrong *time* to invest if you execute the right strategy. And that's what you will learn in this book.

You Must *Believe* It to See It

Why do the great majority of people miss the wide-ranging possibilities and oversized rewards that property offers? After talks with hundreds of would-be investors, the evidence clearly reveals that most people won't envision the future and they won't believe in themselves.

The time to start really is now.

As a result, most people don't believe in their ability to actually make big money in real estate. These negative thinkers erect a wall of excuses that blocks their possibilities. This wall prevents them from seeing the profit potential that lies in front of them. So, will you join the ranks of the naysayers? Or will you open your mind to a promising future?

Envision the Future

Place yourself in the future. Imagine that you're browsing property web sites or reading the real estate classified ads 10 years from today. You compare listing prices then to those of today.

Are property prices higher or lower than they are today? Are rent levels higher or lower than they are today? If you believe in the continuing growth of the United States, you must believe that just as with every past decade, today's property prices and rent levels will look cheap relative to where they will stand 10 years from now (see Table 1.1).

Reprogram Your Self-Talk

Ask yourself whether you really want to benefit from those near certain increases in property values. Or would you prefer to merely watch others reap these profits? If you want to succeed—yet feel blocked by excuses—reprogram your self-talk.

Table 1.1 Historical Growth in Median Housing Prices

Year	*$Price*	*Year*	*Price*
1965	$18,000	1990	$95,000
1970	23,000	1995	113,100
1975	35,300	2000	138,400
1980	62,200	2005	182,000
1985	75,500	2007	218,000 (est.)

Statistical Abstract of the United States 2007, p. 723

What Is Self-Talk? In his mind-opening book, *What To Say When You Talk to Yourself* (Pocket Books, 1986, p. 25), Shad Helmstetter writes,

> You will become what you think about most. Your success or failure in anything, large or small, will depend on your mental programming—what you accept from others, and what you say when you talk to yourself.

After years of study, this nationally renowned psychologist has found that as a matter of habit, most of us drown our optimism in a sea of negative self-talk. Evaluate your own thoughts. Do you accept the negative as "true" or "the way things really are"? Do you focus on risks rather than opportunities? Ponder these familiar excuses that you've either said to yourself or heard others say hundreds of times:

You must *believe* it to see it.

- I can't remember names.
- I'm always losing things.
- No matter what I do, I just can't keep the weight off.
- I never have enough time.
- I'm too disorganized.
- I'm no good at math.
- I'm always running late.

Now think: When you program yourself with negative self-descriptions, will you initiate productive efforts to change these or other undesirable traits and habits? Of course not! And the same result stands true for those beliefs (self-talk) that block you from starting in real estate. Once again, think about these excuses that I frequently hear:

- Prices are too high.
- Prices are softening.
- I can't afford to invest.
- I missed so many good opportunities. Now it's too late.
- I can't get financing because of credit problems.
- It's impossible to find positive cash flow properties.
- I should have invested more years ago.
- Real estate will take up too much time.
- I don't want to deal with tenants, stopped-up toilets, leaky roofs, or broken furnaces.
- We don't have any extra cash. We're spending more than we make.

Use self-talk to discover and develop your potential.

You may or may not identify with any of these specific excuses. But unless you discipline your self-talk far better than most people, you undoubtedly suffer at least a few areas where false beliefs deter you from taking effective action.

As to real estate investing, I urge you to reprogram any negative self-talk and limiting beliefs with consciousness-raising questions such as:

- What are six ways I can save more and spend less?
- Where are the best areas to find bargain-priced properties?
- How might I persuade the sellers to accept owner financing?
- Who do I know with money that I could partner with?
- How can I boost my credit score?
- How can I improve this property to enhance its value?
- What property prices and cash flows exist in other parts of the country?
- What areas of the country are best poised for appreciation?
- What types of financing might make this deal work?

Ideally, erase your negative self-talk tapes. Then rerecord self-affirming self-talk. Instead of bringing yourself down with talk or beliefs that create undesirable habits, attitudes, and outcomes, reinforce the behavior and belief patterns that lead to where you want to go. Ask questions that accent opportunities and problem-solving.

Why Questions? To solve problems, ask questions. Questions explore possibilities. People who accept preprogrammed conclusions won't ask questions. They believe they already know the answers. They overlook choices the world offers. So, if the program you listen to doesn't enrich and empower, switch the channel.

Lifelong Job? After the stock market downturn in the early 2000s, journalists filled the financial press with stories of people who had lost 30, 40, even 75 percent of their savings. In reaction, many of these bruised and battered victims of stock market volatility decided that "lifelong" work now looked like their only chance to avoid the soup kitchen. As to investing, CDs, annuities, and bonds received the most votes among those workers over age 50.

Questions point you toward your goals.

When I first read these kinds of all-too-common articles, two thoughts came to mind:

1. Why didn't more of these now-disappointed workers invest more money in real estate instead of stocks?
2. And more important, why don't they at least start now? Even starting late beats never starting at all.

To know that many of these folks now stick their money into low-yielding certificates of deposit, annuities, and government bonds reinforces my point: They're choosing low yields because they hold false beliefs about investing in real estate. No one could choose lifelong employment and meager returns on so-called safe investments if he really believed (and understood) the possibilities that presently exist in real estate.

No one needs to accept low yields.

Two Other False Beliefs In his popular book, *The Four Pillars of Investing* (McGraw-Hill, 2003), William Bernstein repeats two other widely held, yet false, beliefs about investing. You've probably heard them.

1. *"No guts, no glory."* Bernstein claims that if you want to increase your potential rewards from investing, you must accept more risk. Bernstein writes, "Whether you invest in stocks, bonds, or for that matter real estate, you are rewarded mainly for your exposure to one thing—risk."
2. *"The market is smarter than you are."* Here, Bernstein merely repeats the "efficient market" theory preached by college finance professors. In an efficient market, all asset prices supposedly reflect their true value. According to Bernstein, you can never find bargain-priced investments.

As they pertain to real estate, these so-called pillars of investing sound quite silly. Here's why.

1. *In real estate, you are not rewarded for taking risk.* You are rewarded for applying your intelligence and market savvy. You are rewarded for providing a target market (tenants or buyers) a property that offers better value than competing properties.
2. *You can beat the market.* When you execute the analysis and strategies explained throughout this book, you will earn above-market returns that the majority of property owners (along with those naysayers who shout from the sidelines) consistently miss.

Fortunately, widely held false beliefs work to your advantage. Because financial planners and economists (who typically have no meaningful experience with real estate investing) give such faulty advice, their advice dampens investor competition for properties.

The false beliefs of others boost your opportunities.

When potential investors believe that to earn big returns in real estate they must take big risks, they will not join the game. They leave more opportunities for you.

Summing Up Self-Talk and False Beliefs No doubt, today's real estate market will challenge you. But keep your eyes on the prize and your

It's possible, and it's worth it!

mind filled with possibilities. You will discover how to build real estate wealth (see Chapter 2). As the dynamic speaker Les Brown says in his motivation video, *It's Possible*, the road may not be easy, but it's worth it!

Set Goals Now

What's a realistic dream? It's a goal with a deadline. To start now, act now to reset your priorities.

Most of us squander time and money pursuing transient pleasures. A new car, a trip to Europe, $10 lunches, TV football weekends—we waste talents and resources. As a result, we suffer long-lasting regrets. But do today what others won't do. Tomorrow you'll live in an enviable style that most people will never experience.

Set goals now. Precisely what goals depend on where you are today and what you wish to achieve.

If you're like many beginning investors, here's a good place to start:

1. Dramatically cut your spending and increase your cash savings.
2. Shape up your credit profile.
3. Closely read the real estate classifieds in your local paper.
4. Diligently telephone sellers, and go out and look at properties.
5. Join a real estate investment club.
6. Read at least five more books on real estate within the next three months. Also read at least three books by "personal coaches" such as Tony Robbins, Wayne Dyer, Les Brown, Shad Helmstetter, and Maxwell Maltz.
7. Commit to your first real estate investment within the next three months.

Spend Less, Save More

When Jack Holden was asked how his family got started investing in real estate, here's how he responded. "We scraped, borrowed, and leveraged from every resource we had to muster the funds we needed. . . . For seed money we cashed in saving bonds and borrowed from our insurance policies. . . . The entire family went on an austerity plan to cut back our food, travel, and entertainment expenses. Today we're thankful we made those early sacrifices."

Thankful, yes, and also wealthy. Because of their disciplined spending, saving, and investing, the Holdens (an otherwise average family) built a real estate net worth of $4.7 million that includes not only their home equity of $600,000, but also a variety of rental houses and small apartment buildings.

Like most people who make big money in property, the Holdens didn't start with cash. As Jack Holden says, his family scrimped, saved, leveraged, and borrowed every way they could.

So what's the lesson to learn? To build wealth in real estate, don't wait until you get the cash or credit and then decide to invest. No! First, commit to investing, then figure out how to come up with the money. You can keep "wishing and a-hoping" to invest *someday*. Or you can decide to own property and immediately begin to shape up your finances and create a plan to invest.

Commit to build wealth before you get the money to invest.

To start your austerity plan, raise cash, and strengthen your credit. Adopt these suggestions.

Never Say Budget No one likes to budget. It sounds like work. Instead, think priorities. Think reward. The quality of your life improves as you allocate your money according to your highest values. To own investment real estate, put your money where it yields the smartest returns. For example . . .

Set priorities today according to what you want to achieve within five years.

Stop Paying Rent If you don't yet own your own home, rent is probably your biggest money waster. Can you figure out how to eliminate or reduce your rent payments? Can you switch to a lower-cost apartment? Can you house-share? Can you find a house-sitting job for the next 3 to 12 months? Can you move back with your parents or stay rent-free with relatives or friends? Bank your rent money for 6 to 12 months, and for the rest of your life you need never pay rent again.

Cut Your Food Bills in Half Eliminate eating out. Brown-bag your lunches. Buy unbranded foods in bulk. Prepare your food in large quantities and freeze portions in meal-sized servings. Forget those $3 to $4 microwave lunches and dinners. Locate a remainder and closeout grocery like Save-a-Lot, Big Lots, or Drug Emporium. Or maybe you can shop the food warehouses that have opened in most cities. Food prices in discount stores sometimes run 20 to 50 percent less than big-name supermarkets. When you find bargain-priced items you regularly use, buy them by the case.

Cut Your Credit Cards in Half Credit card spending is just too easy. Put yourself on a strict diet of cash. Nothing holds back spending more than counting out real cash. Besides, credit card bills zap strength from your borrowing power. Even worse, by the time you've finished paying off credit card balances at 18 percent interest, you will pay back $2 for every dollar you originally charged—and that's in after-tax, take-home dollars. When you consider that you only take home 60 to 80 percent of the amount you earn, you'll see that you may have to earn $3 to pay back each dollar you charge to your credit cards. To pay for that $150 pair of shoes you charged will require more than $300 of earnings.

Credit card spending kills wealth building.

Don't Put the Car Before the Investment Property I recently saw an article in the personal finance section of the *Charlotte Observer*. A 22-year-old young man, fresh out of college, had just bought a new car and saddled himself with car payments of $522 a month for 60 months. Did the article criticize such a foolhardy expenditure? No. It talked about what a smart shopper he was—because he had purchased a Prius. "I'm going to save $1,000 a year on gas," this proud purchaser boasted.

Interestingly, just above this article was a story of another proud purchaser. Only this young woman had just moved into her first home—a newly constructed three-bedroom, two-bath single-family house. Her monthly mortgage payment (before any allowable tax deduction for mortgage interest) equaled just $896—and she had placed just 3 percent down.

Dear readers, to build wealth, don't put the car before the house. Own assets that appreciate, not depreciate. Even a Prius will prove itself a lousy investment when compared to property.

Buy Your Clothes in Thrift Shops In her newspaper column, *Dress for Less*, Candy Barrie writes, "I'm a big fan of these [consignment and thrift] shops for the fashion bargains you can find there. . . . Get on down and you'll discover we're not just talking about 20, 30, or 40 percent discounts. Sometimes you can get your clothes for 90 to 95 percent off retail."

Save thousands on clothing. Follow Candy's advice: Check the recycled, discount, and closeout clothing stores in your area (or in a nearby big city). Whatever your tastes and price range, you'll find that you can slash clothing costs by 50 percent or more. I regularly shop at a small, local store where the owner provides excellent service and advice along with well-known name brands such as L.L. Bean, Eddie Bauer, and Lands' End, at 40 to 70 percent off their catalog prices.

Don't Buy New Furniture or Appliances As with their cars and clothing, most would-be investors spend too much, too soon for furniture and appliances. Even worse, instead of paying cash, they charge it. They chain themselves to several years of payments at high interest rates. Increasingly, they are hooked into those "no payments, no interest for six months" types of promotions that make credit purchases almost too easy to pass up. Do yourself a favor: Resist this temptation to spend and borrow.

When you buy cars, furniture, or appliances, let someone else suffer the depreciation. Pay for the usefulness of the product. The less money you waste on depreciating assets, the quicker you can build wealth through real estate investments.

Shape Up Your Credit Profile

Go to www.myfico.com and print copies of your credit reports and credit scores. Examine your reports for errors. If you find errors, start the paperwork now. Correcting credit errors can require weeks—and sometimes months.

If your debt load is too high or your payment record too slow, commit now to change. Reduce your balances. Pay accounts before their due date. Fortunately, when the myfico computer program calculates your credit score, the credit scorers will give your recent and righteous credit experience more weight than your past undisciplined credit habits. (You'll find many more tips on credit scoring in Chapter 3.)

Browse Property Web Sites and the Real Estate Classified Ads

Read the real estate listings closely. You'll learn the relative prices and rent levels that prevail among and within the various neighborhoods and communities in your area. For prices in other areas, go to realtor.com and loopnet.com. Also, stay alert for easy buying techniques such as lease option, owner finance, and contract-for-deed. Notice, too, the prices, rent levels, and potential cash flows of various types of properties.

A few months back, I spotted a six-unit, renovated apartment building for sale in the San Francisco Bay Area (Oakland) at a price of $550,000. Even better, the seller was willing to carry the financing. What a great way to crack the affordability problem. Can't afford to buy a $500,000 median-priced house? No worries. Buy this apartment building, move into one of the units, and let your tenants pay most of your mortgage. Seek and ye shall find.

Telephone Sellers (Agents) and Look at Properties

To begin, do not necessarily look to buy—you look to learn the market. Randomly select and view properties. Detail desirable and undesirable features. Drive through and explore neighborhoods and communities that are new to you. Discover how much "for sale" and "for rent" inventory sits on the market. Watch trends in property selling prices, apartment vacancy rates, and rent concessions.

Call agents, FSBOs (for sale by owner), leasing agents, and property managers. Engage them in conversations about properties and markets. Take notes.

Join a Real Estate Investment Club

Join a local apartment owners' association or real estate investment club. In addition, in most midsized and large cities, real estate and lending pros often offer free (or low-cost) seminars on investing and financing.

Attend investment group meetings. Talk with others who have learned investing through years of experience. Ponder the lessons they've learned and the trends they're noticing. Then, verify what you hear with facts. Some realty pros observe carefully and possess sharp insights. Others bluster with ill-formed opinions—especially to an eager listener. Perfect your ability to distinguish the sage from the braggart.

Read More

The bookshelves in my offices are loaded from top to bottom with hundreds of books on real estate. Yet I still buy and read nearly every new book in the field. Likewise your search for knowledge, your search to improve your investing techniques and profitability, should never cease. Knowledge not only guides you toward building wealth, it conquers fear.

Read Local Papers Besides reading books on real estate, read the real estate and community sections of your local newspapers and business journals (or from newspapers/web sites that pertain to areas where you're developing knowledge. From these articles learn about emerging neighborhoods, new property developments, zoning and regulatory issues, price and vacancy trends, business growth, and foreclosure filings. Savvy investors stay on top of property-related events and adapt their investment strategy to profit from ever-present change.

Read Self-Improvement Books, Improve Persistently As said earlier, read books in the self-help/motivational field. I like the work of Tony Robbins, Wayne Dyer, Les Brown, and Shad Helmstetter. But within the broad field of self-help I include books on health, fitness, time management, and dealing with people. If you prefer, *listen* to books. You can find nearly all self-enhancement topics on cassette tapes and CDs. Rather than waste time when you're driving, put those hours to productive use.

And browse the collection of books, CDs, and tapes at your public library. To change your life—financially and personally—let books and CDs help you improve your habits, thinking, self-talk, and performance. Your greatest power remains the power to choose the life you want.

Commit to Invest Within Three Months

How many times have you heard people lament? "You know, we've been thinking about getting started in real estate investing for years. But I don't know. We just never seemed to get around to it. Gosh, would we be set now if we had only done what we were thinking."

Over the years, I've heard laments like this thousands of times. For some reason, people love to lament and regret—yet they still fail to act. When you find yourself regretting or procrastinating, escape from these traps. Act now! (See Box 1.2.)

Action cures fear and regret.

Action cures regret. Action prevents future regret. Action creates the wealth you want. Regret mires you in a past that cannot change. Set your most important goals now. Commit to your first real estate investment within the next 90 days. Mark it on your calendar. You will find that once you get started, your progress accelerates. Not only does experience teach you, but experience makes your reading pay much larger dividends.

Now, let's start. You are about to learn how to profit from real estate in multiple ways.

Someday I should list all the
deals that I have missed;
Bonanzas that were in my grip—
I watched them through my fingers slip;
The windfalls which I should have bought
Were lost because I overthought
I thought of this, I thought of that,
I could have sworn I smelled a rat,
And while I thought things over twice,
Another grabbed them at the price.
It seems I always hesitate,
Then make up my mind much too late.
A very cautious man am I
And that is why I wait to buy.
When tracks rose high on Sixth and Third,
The price asked was, I felt absurd;
Those apartment blocks—black with soot—
Were priced a thirty bucks a-foot!
I wouldn't even make a bid,
But others did—yes, others did!
When Tucson was cheap desert land,
I could have had a heap of sand;
When Phoenix was the place to buy,
I thought the climate was too dry;
"Invest in Dallas—that's the spot!"
My sixth sense warned me I should not.
A very prudent man am I
And that is why I wait to buy.
How Nassau and how Suffolk grew!
North Jersey! Staten Island, too!
When others culled those sprawling farms
And welcomed deals with open arms . . .
A corner here, ten acres there,
Compounding values year by year,
I chose to think and as I thought,
They bought the deals I should have bought.
The golden chances I had then
Are lost and will not come again.
Today I cannot be enticed
For everything's so overpriced.
The deals of yesteryear are dead;
The market's soft—and so's my head.
Last night I had a fearful dream,
I know I wakened with a scream:
Some Indians approached my bed—
For trinkets on the barrelhead
(In dollar bills worth twenty-four
And nothing less and nothing more)
They'd sell Manhattan Isle to me.
The most I'd go was twenty-three.
The redmen scowled: "Not on a bet!"
And sold to Peter Minuit.
At times a teardrop drowns my eye
For deals I had, but did not buy;
And now life's saddest words I pen—
"IF ONLY I'D INVESTED THEN!"

—Anonymous

Box 1.2 The Investor's Lament