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## Rich Is A State Of Mind!

By [Stephen Gadsden](#)



Stephen Gadsden



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**Rich is a state of mind.** Having been a financial planner for the last 20 years I am always on the look-out for new books on personal finance. Unfortunately, I've found that too many personal finance books are either boring diatribes on the do's and don'ts of money management or light-witted dialogues on how to achieve financial independence by saving 10% of one's monthly income.

Rich is a State of Mind by Robert Gignac and Michael J. Townshend is a refreshing change. Their book is a noteworthy attempt to encourage readers to revisit the basics of good financial planning from a holistic perspective. Gignac and Townshend present their material by adopting the dialogue format first used by David Chilton in his highly successful book *The Wealthy Barber*.

As the book title suggests, Rich is a State of Mind asserts that money management is much more than divining and implementing a set of financial rules to achieve some form of future financial reward. Rather, good money management is just one aspect of an individual's particular life and that a person's actual life contributes as much to a person's financial success as anything else.

It's true that you need a financial plan but it needs to be personal. A truly successful financial program is really an extension of your personality, your individual and familial circumstances, your likes and dislikes, your health, your profession and your short-, medium- and long-term goals. Gignac and Townshend present their case by retracing the life and accomplishments of Richard Jarvis, a remarkable but unassuming man born into a "suburban middle-class upbringing" and told by Richard's financial advisor, John Linden.

The book begins with the death of Richard Jarvis. John Linden is thrust into the role of bearer of bad tidings as he contacts Richard's family and friends with the news. From the third chapter onwards Gignac and Townshend convey Richard's substantial financial accomplishments by a refreshing story of Richard's life—a life neither

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his family nor friends really knew.

The grit of the book is a humanized enunciation of the essential principles of superior financial planning as told to Richard's niece and nephew. In this regard I found the book both educational and entertaining. You'll find most of the important financial planning concepts in the book. The difference is Gignac and Townshend take pains to breathe life into the concepts by applying them to the everyday here and now. Readers will learn about goal-setting, the rudiments of defining wealth, the power of mathematical compounding and how it works, the importance of paying oneself first, RRSPs and annuities, and even thoughtful discussions of pensions and the Canada Pension Plan.

For readers wanting more beef for their buck, Gignac and Townshend include a chapter on taxation of investment income such as capital gains, dividends and interest, and a broad discussion of "borrowing money to invest." There are even chapters devoted to the pros and cons of risk, how to allocate your investment capital, and how to set your game plan in motion, concepts everyone should know and understand.

The book closes with a chapter on estate planning and the importance of getting a will, followed by an "epilogue" on how to select a financial planner. Rich is a State of Mind is a well-rounded exegesis of proven financial planning principles that, when applied, will get you a long way to accomplishing your short-, medium- and long-term goals. What makes this book particularly attractive is the way the authors have humanized the material. Readers can understand how financial planning concepts are really familiar ideas that arose not out of the minds of accountants and investment executives, but from the human experience of life and the every day.

Pros: reader friendly, lots of anecdotes and easy-to-understand illustrations, plenty of relevant charts to help guide the reader, good chronology of mainstream financial concepts, excels at humanizing the material.

Cons: not a text for experienced, professional financial planners; a little long at 266 pages.

Overall Rating: \*\*\*\*

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Robert M. Gignac & Michael J. Townshend

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