



Just recently, I spoke with Andrea Riquier, MarketWatch's reporter on housing, about the issue of affordability and current housing trends in the U.S.

One of the interesting points we discussed is the issue of a "house" as a representation of the "American Dream." I cannot entirely agree.

A House Is Mostly An Expense

When it comes to home ownership people mainly suffer from the *"psychological"* issue of *"anchoring"* where an individual is *"tied"* too heavily to an initial piece of information which affects decision making. This occurs specifically with respect to home ownership. I seriously doubt you can tell me what you paid for a pound of swiss cheese four years ago. Why? Because it was an inconsequential purchase. However, ask anyone exactly what they paid for their house no matter how long ago it was. They will know almost down to the penny. Why is this important? When individuals think about the value of the home they remember two things - what they paid for it and what they sold it for. The difference is how much money they made...or lost. See, it's an asset. Not really. What is always NOT factored into the equation is the cost of living in the home.

- *Utilities*
- *Taxes*
- *Maintenance*
- *Repairs*
- *Insurance*
- *Inflation*
- *Etc.*

Yes, there are indeed those that bought a house in the right location, at the right time, and certainly did make money. However, for most, once you back out the *"costs"* expended while living in the home...you didn't make as much as you thought particularly on an inflation-adjusted basis. **One of the greatest disservices made over the last two-decades was reducing, and in many cases eliminating, the need for an individual to put 20% down on their home.** That *"equity"* not only gave the homeowner *"skin in the game,"* but was also a reasonable check that they were financially in the position to *"own a home."* Before you jump on the *"it's not fair because people can't save that much"* bandwagon, think about it for a moment. **If I want to buy a \$250,000 and can't save up the \$50,000 for the initial down payment - maybe I have other financial and budgeting issues I should resolve first.** What requiring the 20% down payment ensures is that an individual is *"financially prepared"* to own a home and the ongoing expenses which come with it. But if home ownership IS NOT the *"American Dream,"* what is?

The "Real" American Dream

The *"American Dream"* is the ideal that the government should protect each person's opportunity to pursue their own idea of happiness. It is the dream of opportunity, the dream of freedom, and the dream of liberty. Yes, the real *"American dream"* is embodied in the very spirit of this great nation. That dream is even found penned in the Declaration Of Independence:

*"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are **Life, Liberty and the pursuit of Happiness.**"*

"That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed."

The fact that "All men are created equal" is the basis of the "American Dream."

What is that dream?

The founders of this nation **NEVER** penned that American citizens **had the RIGHT to a home, free health care, or government welfare.**

As Kimberly Amadeo [recently penned](#):

*"The Founding Fathers put into law the revolutionary idea **that each person's desire to pursue happiness was not just self-indulgence. It was a part of what drives ambition and creativity.** By legally protecting these values, the Founding Fathers set up a society that was very attractive for those aspiring to a better life."*

Or as James Truslow Adams quoted in his book "Epic Of America:"

*"The American Dream is that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement. **The American Dream is NOT a dream of motor cars and high wages merely, but a dream of social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position.?**"*

In other words, we were granted the "freedom" to start with nothing but the sheer "will" to succeed. And there are millions of stories of people achieving the real "American Dream" like:

- Jan Koum, CEO and Founder Of WhatsApp, who once lived on food stamps.
- Kenny Troutt, founder of Excel Communications, paid his way through college selling life insurance.
- Howard Schultz grew up in a housing complex for the poor.
- Investor Ken Langone's parents worked as a plumber and cafeteria worker.
- Oprah Winfrey was born into poverty.
- Billionaire Shahid Kahn washed dishes for \$1.20 an hour.
- Kirk Kerkorian dropped out of school in the 8th grade to be a boxer.
- John Paul DeJoria, founder of Paul Mitchell, once lived in a foster home and out of his car.
- Do Won Chang, founder of Forever 21, worked as a janitor and a gas station attendant when he first moved to America.
- Ralph Lauren was a clerk at Brooks Brothers.
- Francois Pinault quit high school in 1974 after being bullied because he was so poor.

There are literally millions more. Sure, they may not be billionaires, but they are many successful people all around you whom have achieved success. They just had the courage to reach for it.

The "American Dream" isn't going into debt to buy a home. The "American Dream" is the ability for ANY person, regardless of race, religion, or means, to achieve success, and in many cases great success, through hard work, dedication, determination, and sacrifice.

You have to want it.

You have to demand it. But most importantly, you have to DO SOMETHING about it.

Those that achieve success aren't whiners. They don't blame others for their failings. They don't shirk their responsibilities.

They DO SOMETHING about it.

Whatever is holding you back from achieving success is YOUR problem.

You are going to get knocked down. You are going to fail. You are going to find yourself struggling to get by. But the difference between success and failure is the "will to keep going." If you do, you will ultimately succeed. **Here are the 10-steps to your success:**

1. **Be accountable for your current situation.** *It's no one else's fault but yours and blaming others only keeps you from taking steps to fix it.*
2. **Your life depends on it, literally.** *Your life is your life. If you don't take control of it, it will take control of you.*
3. **Control your circumstances.** *Put yourself in a position to control what happens around you.*
4. **You have to REALLY want it.** *The difference between success and failure is how bad do you want to succeed. If you aren't really committed, you are going to fail. You have to be willing to get up every time you get knocked down.*
5. **Be bold.** *No one is going to take you seriously unless you take yourself seriously first. Being successful is a hard path and you have to be bold enough to face its daunting challenges.*
6. **Find a guide.** *A sure way to get lost in the woods is to explore an unknown area without a guide. In business, find a mentor to guide you through the wilderness.*
7. **Are you a "renter" or an "owner?"** *Own your idea, be committed to it. "Renters" can walk away without consequence. "Owners" have too much at stake to lose. Be willing to commit every last nickel to the business if needed. **If you have no choice BUT to succeed...you will.***
8. **Be willing to work.** *Success is not a weekday 9-5 job. It is a 24-7 adventure that will consume your life, particularly in the early stages. If you aren't willing to "do the time," don't even start.*
9. **You probably need to get rid of your current friends.** *If you want to know where you will be in 5-years, look at who you surround yourself with today. If your current circle of friends aren't lifting you up, making you better, encouraging you to succeed, they will only drag you down. Successful people surround themselves with successful people.*
10. **Get off of social media.** *Success doesn't happen sitting on your couch and surrounding yourself in an "echo chamber" of like-minded individuals. If you want to succeed, get out into the real world, welcome diversity and differing opinions, and find the opportunities overlooked by others.*

Socialism Isn't The Answer

One thing is for certain. Life isn't fair.

"The rich have everything, and all I have is a mountain of student debt and a crappy job."

Hey, I get it.

We, as a nation, have strayed far from the path that our forefathers laid for us with their very blood and sacrifice. They would be ashamed of the nation that we have become and would repudiate the

ideals for which Washington now stands.

This nation was built upon the very foundation of independence, sovereign strength, and freedom. Not spiraling debts, deficits, and a complete sham of a budgetary process in Washington. Nor would they have approved of the "*weaponization*" of the media to attack those with differing ideas and opinions.

These were precisely the things they fled from, fought against, and died for. Yet, today, we are rapidly turning back into that very monster.

Capitalism isn't perfect as Howard Marks recently noted:

?The hard-left thinks government can do things better than free markets and increase wellbeing. Which government agencies would you like to see managing our economic engine? 'Capitalism is an imperfect economic system, because differential performance in the pursuit of economic success ? as well as luck ? results in there being (a) some people who are less successful as well as some who are more and (b) a few who are glaringly successful.' Obviously, I?m someone who has profited from capitalism, so my views could be dismissed as hopelessly biased. However, I?m **100% convinced that the capitalist system has produced the most aggregate gains for our society, exceptional overall progress, and a better life for most.** For me, the best assessment of capitalism is the one Winston Churchill applied to democracy: No one pretends that democracy is perfect or all-wise. Indeed, it has been said that democracy is the worst form of Government except all those other forms that have been tried from time to time. **In the same way, I?m convinced that capitalism is the worst economic system . . . except for all the rest.?**

However, it is the only system that will you to achieve unbridled success. Yes, the Government can pay for anything you want. The problem is that it requires those who are succeeding to pay for it. Think about it. **Do you want to work hard, sacrifice, and take on an exceeding amount of risk to achieve success only to pay for those who don't?** This is why socialism always fails.

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