

Real Money Questions

The African American
Financial Question and
Answer Book

JESSE B. BROWN

An Amber Book



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About the Author

Jesse B. Brown is a graduate of the Kellogg School of Management at Northwestern University, Evanston, Illinois, where he was named Alumnus of the Year. He is the past president of the National Association of Securities Professionals—Chicago Chapter and has earned Investment Adviser of the Year honors from one of the largest mutual fund companies in America.

Before joining the financial services industry, Brown served as Special Assistant to the President of the Joint Center for Political Studies in Washington, D.C., and as Deputy to the Assistant Secretary of the Treasury under President Jimmy Carter. He later joined Kidder Peabody as a stockbroker specializing in municipal markets.

Jesse B. Brown is known as one of the country's most renowned financial planners. He is president/CEO and Midwest managing director of Krystal Investment Management, Inc., which oversees millions of dollars in mutual funds, stocks, and bonds for its investor clients. According to Brown: "As African Americans, we must realize the significance of paying ourselves first and investing in ourselves, our families, our children, our schools, our churches, our businesses, and our communities. We must see ourselves realistically in our society and project what we want to be and put the plan in order. Then, we, as a burgeoning and vibrant independent people, will begin to see most of our goals and commitments realized."

Jesse B. Brown has written *101 Real Money Questions: The African American Financial Question and Answer Book* as the third step in your journey toward financial independence. His first book, *Investing in the Dream*, was a bestseller on *Essence* magazine's Black Board Best Seller's List for hardcover nonfiction books and was selected as the 2001 Chicago Black Book Fair's Book of the Year. His second book, *Pay Yourself First: The African American Guide to Financial Success and Security*, was a top 10 nonfiction *Essence* magazine pick, a national bestseller, and again selected as the 2002 Chicago Black Book Fair's Book of the Year.

Foreword

For years I have been preaching to Black folk the importance of getting up and making a difference. One very significant way to make a difference is to have some money in your pocket. When you have money in your pocket, many of life's challenges become manageable: medical insurance to cover emergency health examinations, surgeries, expensive treatments, and prescriptions becomes affordable; college tuition for your son or daughter, who despite the obstacles has worked hard to get good grades in high school, becomes fundable; retirement for you and your spouse, without the worry of income to pay the bills, becomes a realistic goal; care for your aging parents, in your home if you choose, is not a concern. Money in your pocket is one of the best defenses against anxiety and frustration, and if used positively, can most assuredly add to your sense of freedom.

When it comes to money matters, Black folk have over six hundred million dollars in disposable income, enough to be the eleventh-largest nation in the world, but almost nothing in the way of investments. We think we have all the time in the world to plan for our financial futures. We tell ourselves that we'll take care of it tomorrow, but tomorrow becomes the next day and the next day and the next. Procrastination is the most convenient response to the challenge of paying attention to your financial affairs. Many

have already determined that finance is far too difficult to understand and far too daunting to undertake. What is the stock market, anyway? What do you mean by mutual funds? How does retirement roll over? It all can sound much more difficult than it really is. Most of us would love to not get down on the field and be a player, but to stay on the sidelines and watch the game of life proceed without direct involvement, believing that things will work themselves out. It has been said that the best way to predict your future is to create it. Things don't just happen; you claim your destiny! And that is what *101 Real Money Questions: The African American Financial Question and Answer Book* is all about. With *101 Real Money Questions*, the information is put out there for you to read, absorb, and act on. Jesse Brown puts money in your pocket, answers all your questions, and gives you the know-how to create the future you want for yourself and your family.

For fiscally challenged individuals, Jesse Brown inspires hope. Managing your financial affairs is possible. Paying for the services, needs, and desires of you and your family is possible. Creating wealth for you and your family can be as real as the breath you breathe. I have tremendous admiration for Jesse because he takes our human rights movement to the next level. We have all sorts of freedoms these days, thanks to our ancestors, family members, and other loved ones who refused to accept less. Now it's up to us to refuse to accept mediocrity, and pick up where they left off. It's up to us to win the one freedom that remains elusive—financial freedom, financial stability. Jesse assures us that mastering the skills needed to manage money isn't difficult. We would be remiss in our responsibility to ourselves and our families if we did not gain the upper hand over our money. Such an outcome can be more than merely expensive—it can be devastating to our lives and those of our children.

Jesse puts into print the same message he delivers to his clients: "Educate yourself, get a plan, and take charge of your financial life." To that I would add, find yourself a knowledgeable financial adviser—one who can help you create your individual financial

plan, select the appropriate investments, and stay on track, but who, in the final analysis, leaves you in full control. This book's important message is to hold the vision of the possibility of a better life for you and yours and to make that vision a reality by securing your financial future. Take responsibility and exercise the faith and power you have within you to create a better life by investing.

In this compact volume of questions and answers, Jesse covers the principles of building wealth and discusses mutual funds, an ideal investment vehicle for achieving that end. He talks about one of the biggest mistakes many people make with their money—debt—and counsels on how to avoid missteps, or at least how to dampen their potentially negative effects. He discusses how best to use insurance to provide financial security for loved ones and to protect possessions. Through use of his advanced educational degrees and significant national leadership positions and extensive financial services experiences, Jesse brings Wall Street to the hood, so to speak, with what could be an otherwise daunting subject—personal finance. It is easy to become a victim, and oftentimes that is perceived as a comfortable position to be in. Each one of us has individual needs and wants, and our separate story to tell. In *101 Real Money Questions*, Jesse Brown answers our questions about money and shows us how to take as little as 5 dollars a day and turn it into a million dollars through saving and investing.

Above all, Jesse urges immediate action, for time can be a powerful ally—or without a sound financial plan, a devastating enemy.

Tavis Smiley
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