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*Eastwood*

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WEALTH  
2024 Annual Letter

I hope this finds you and your family doing well!

The annual letter has always been a fun way for me to communicate with you as the year ends. The writing process is freeing and rejuvenating. This year, you'll find new ideas and traces of some previously mentioned because I do not look back. I just write. At the end, the sum will be greater than the parts. Thank you for taking time out of your day to read it. Enjoy!

Over time, the annual letter has evolved from predominantly financial observations to more story telling. For this year's financial commentary, I invite you to visit the Client Center at [eastwoodwealth.com](http://eastwoodwealth.com) and click on Retirement Rules of the Road. As you know, I have been sharing my Retirement Rules of the Road for years. It is a simple, straightforward path that is built on historical information, time-tested principles and my personal experience of being in the financial trenches for decades with you and people just like you. 2025 will be an exciting year for the Retirement Rules of the Road, and I can't wait to share it with you. Stay tuned!

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I love a good story. Who doesn't? Stories are embedded in our life from an early age. They put us to bed as children, bring our country's history to life, entertain us with music and movies and transport us to faraway places. Stories can leave us on the edge of our seat wanting more and move our emotions in ways we did not think were possible. I want to share a story with you today.

In the early hours of a Spring morning, a young man lay in his bed. His mind was racing a mile a minute. He stared at the ceiling and could not sleep. He had become used to it. Little did he know the sleepless nights were going to last for the foreseeable future. Night after night his chest pounded. It was inaudible but the humming inside of his ears was deafening. It turns out the humming is an electrical current the brain interprets as sound. To hear it for yourself, simply use your index fingers to close the small pointed flaps, known as the tragus, on the outside of your ears. Listen. Do you hear the humming sound? Though the young man was alone physically, the humming never left him. He always had a confidant that lived within the six to eight inches between his ears.

The young man slept in a cozy, windowless room. Pitch-black was interrupted nightly by blinking lights on a large, rectangle box of computer equipment the size of an NFL linebacker. The computer's cooling fan was loud, but not loud enough to drown out the popping, creaking and groaning of the building he was in. The fan did not drown out the chirping crickets either. Every night, crickets chirped. Not some nights, every night. It could be the dead of winter, and the crickets chirped like it was the dead of summer. They were so loud that the young man thought he had extra bed partners. During the middle of many nights, he would squint and shield his eyes before popping on the overhead lights. He expected to see the crickets and other unwelcome guests scurrying for cover. He never did. They were inside the walls.

The young man lay in the bed night after night. Visions of sugar plums were not dancing in his head. What was dancing was the thoughts of how this had become his current reality. He replayed his working life up

to that point while searching for answers. As an even younger man, he remembered keeping score at baseball games the old-fashioned way, he remembered cutting grass, he remembered working on the back of the trash truck for two years and he remembered working two jobs at the same time on several occasions. All for little money, but he worked. He wanted more for himself and expected more of himself. The young man was over a year removed from college. On the day he graduated, he walked across the stage grinning from ear to ear. He was 10 feet tall and bulletproof. He had the world by the tail or so he thought.

Wait, the story gets better. Picture this. The young man was actually lying in bed staring at square, speckled office ceiling tiles while hearing the computer fan, the popping, creaking and groaning of the building, the chirping crickets and the overhead lights were bright and fluorescent. He was living in his office. His office was in a strip mall. Blockbuster Video anchored one end, and an Italian restaurant anchored the other. He was not proud of his current situation. In fact, he was mentally and physically drained.

By this point, you're probably thinking this story can't be real. It is. I'm also asking myself many of the same questions as you. My main question is, "What was going on in the young man's life for him to be in this predicament?" It was simple. He accepted a job before graduating college and his meager salary had come to an end. His predicament made almost all financial commitments impossible. Thankfully, the company the young man worked for had rented an office space. He had to live in it. There was no other choice, nor did he ever go looking for one.

In his office, there was one small room tucked away that could be separated from other spaces. This is where he set up shop. The young man joined a gym, and it was his saving grace. He rose early and went to the gym to exercise and shower before going back to the office to start his day. The young man went back to the gym at night to exercise and shower before heading back to the office for the evening. He had books, a tv with no cable, a VCR and a couple of VHS tapes to keep him company. Some of his family and a few close friends knew of his situation. Their support at such a pivotal time in his life was amazing and priceless.

The young man was working his behind off, but not making much headway. He knew his family was always there for him. On the other hand, asking them for material help was not an option. Sometimes they insisted, and he shooed them away before eventually giving in. They worked hard and so would he. It was in his blood, and there were no shortcuts. Maybe he did have some pride left in him after all. If he was going to make it, he was going to make it the right way.

As time went by, the young man's situation had become a corporate game of survival of the fittest. So far it was working for both parties. Unknowingly, the company provided office space that doubled as a roof over his head. In exchange, he worked hard for little pay, again. He did make enough money to keep his current gig alive. At least until the rental agreement ran out.

Slowly, very slowly, the young man's position improved. He was grateful and exactly where his cumulative decisions landed him. He was comfortably uncomfortable. During the day, the young man worked hard while keeping a watchful eye through a two-way window. He expected the suits to show up any minute and drop the corporate hammer on him. Surely, they knew what was going on. When confronted, his plan was to beg for forgiveness because he sure didn't ask for permission to live in his office. He was fully aware that once the company found out, the possibility of losing his job and his home at the same time were extremely high. It was worth the calculated risk because he had a plan. If the suits arrived, he hoped that his entrepreneurial spirit and intestinal fortitude would be recognized and applauded. If he was lucky, they would give him a pass. If not, he would adapt and somehow land on his feet.

The young man lived in his office for one year. Thankfully, the suits never showed and there was no turning back. Every business day and sometimes on Saturday, he was walking and talking and smiling and dialing. He stayed 'all in' with his foot on the gas pedal as hard as it would go. He grew, exponentially, in all areas of life during the year in his office. What was a train at the end of the tunnel eventually became a light. He had come out on the other side. Plants were not the only thing that grew towards the light. He mattered, everything mattered.

This story has a happy ending. The young man eventually moved out of the office on a Saturday morning with the emotional and physical help of his family and a couple of close friends. He stayed in the same field of business. He lived every bit of the story shared above and will carry the lessons he learned from that experience for the rest of his life.

The young man finally opened his own business, and he named it Eastwood Wealth. Yes, I am the young man, and this is my story. Thank you to all who have helped me along the way. I am forever grateful.

My stint of living in the office was 24 years ago. I share my story now because this is my 25<sup>th</sup> year of serving you and people just like you. The confidence and trust you place in me is humbling. Though we do not talk every day, I assure you that I work every day to continue to earn your confidence and trust. I feel great and love what I do. The end is nowhere in sight as long as I feel like I add value to you and your family. Outside of your home and those closest to you, there is no one that wants more for you than I do. Thank you for allowing me to serve you, your family and continue to pursue my life's work!

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Sir Issac Newton is quoted as saying, "If I have seen further, it is only because I am standing on the shoulders of giants". How true that is. It's enlightening to apprentice yourself through the giants of previous generations. You can do so by diving into volumes of books, correspondence, videos and other materials. Many men and women have paved the way for the freedoms and conveniences we enjoy today.

I have always found Andrew Carnegie's story fascinating. He was born in Dunfermline, Scotland in 1835. He grew up in poverty before his family immigrated to Pittsburgh, Pennsylvania when he was 13. Carnegie had an insatiable thirst for knowledge and self-improvement. He was known for embracing change, investing his resources, successfully creating and using technology while taking measured risks along the way. The combination paid off for him and countless others as he became one of the world's wealthiest people to ever live.

Andrew Carnegie went to work for the railroads in 1853. In 1892, he founded Carnegie Steel which eventually merged with other companies to become U.S. Steel, the world's first billion-dollar corporation. Carnegie was also one of the world's greatest philanthropists. He gave away more than 90% of his wealth. Philanthropy Roundtable says that Carnegie may be the most influential philanthropist in American history when you adjust his gifts for inflation. Today, his namesake can be found on over 2,500 libraries across the world, the famed music venue Carnegie Hall in New York City, Carnegie Mellon University, museums and the list continues. He is the forefather of today's Giving Pledge, started by Warren Buffett, Melinda French Gates and Bill Gates in August of 2010. According to the Giving Pledge's website, there are currently 244 signatories from 30 countries. The signatories pledge to give away the majority of their wealth to help make the world a better place. Members of this prestigious group are not legally bound, it is a moral commitment. One trait that the world's most successful people have in common is that they keep their word.

Napoleon Hill was a young columnist at a newspaper that wanted to start writing articles on wealth. According to Hill, he was tasked with interviewing Andrew Carnegie. Little did Hill know, but Carnegie was

looking for someone to capture the formula for human achievement which became known as *the secret*. Hill interviewed and studied the likes of John D. Rockefeller, Thomas Edison, Henry Ford and several presidents. He found that the men listed above and countless others he interviewed used Carnegie's secret to achieve high levels of success. In 1937, Hill published his findings in his book *Think and Grow Rich*. The title of the book automatically sends the mind to money, which is discussed along with other areas of life. Over the years, I have found that richness is relative. It lies in the eye of the beholder. You can be rich with or without a penny to your name. What does rich mean to you?

Napoleon Hill never comes out and shares Andrew Carnegie's secret. He says, "It has not been directly named, for it seems to work more successfully when it is merely uncovered and left in sight, where those who are ready, and searching for it, may pick it up. That is why Mr. Carnegie tossed it to me so quietly, without giving me its specific name." Hill does say, "It was Mr. Carnegie's idea that the magic formula ought to be placed within reach of people who do not have time to investigate it...it was his hope that I might test and demonstrate that soundness of the formula through the experience of men and women of every calling. He believed the formula should be taught in all public schools and colleges, and expressed the opinion that if it were properly taught it would so revolutionize the entire educational system that the time spent in school could be reduced to half." Carnegie died in 1919, but not before leaving us with cryptic clues to his secret.

As I mentioned, Hill never shares the secret directly though he does refer to it as a formula. I believe Andrew Carnegie's secret contains four ingredients. The first three build on one another before reaching a crescendo. First, you must know your visions, goals and dreams. What do you want? Second, a sacrifice has to be made. There are no free lunches. What are you willing to give up to get what you want? The answers to the two questions above will define your purpose. Step three is to create a plan to achieve your visions, goals and dreams. The last step is the grand finale. In *Think and Grow Rich*, Hill does say the secret "has been mentioned no fewer than a hundred times throughout the book." I found the word *desire* used 122 times and *burning desire* used 24 times. *Desire* is the only material word used this many times. The fourth ingredient to Andrew Carnegie's secret is *desire*. Do you have the fire in the belly to go after what you want until it becomes reality? Napoleon Hill says, "Whatever the mind can conceive and believe, it can achieve". This one sentence concisely reveals the magic formula of *the secret*. You are the author of your own story. Write it.

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The pace at which the world changes today is literally at the speed of lightning. We experience the effect daily without even realizing it. As you know, technology is one of the main ways the big world we live in gets smaller. The luxuries of once far-fetched ideas are now reality. Though sometimes we wish to travel back to a simpler time, we're not. We are meant to move forward. Change is uncomfortable and malleable at the same time. Anticipate it, nurture it, be open to it and embrace it. It will help keep us young, our minds sharp, our social lives vibrant and our lives filled with purpose.

Today is known as the present because that's what it is, a present. Take advantage of it rather than take it for granted. When I was a child, time moved at a snail's pace. Now, it moves in the blink of an eye. Nothing will be the same as it is right now. Imagine you could give advice to your younger self. What would it be? Would you act on it?

CBS Sunday Morning started in 1979. The first anchor was Charles Kuralt. He was born in Wilmington, and he anchored the show for 15 years. I remember his distinct voice in the background while dressing for church as a child. I miss Charles Kuralt, and I love CBS Sunday Morning. The program is a safe place where intellectual and emotional stories are told. One segment in particular stokes my fire. It's titled Sunday Passages. During a commercial break, soft music plays while photographs of notable figures who passed away during the week transition on screen from one to another. Their age and occupation are listed below their photo. It reminds me of how fragile life is and there's so much that I want to do and accomplish.

Sunday Passages emphasizes that death does not discriminate. We're all different and living in a world where everyone is treated the same would be wonderful. Life is short, and we all come in and go out of it the same way. We get to make a choice on how we live our life and give credence to it through our thoughts, feelings and actions. We can walk on the sunny side of the street as Slim Aarons once said. Optimism is a choice. Choose it.

There is an extraordinary life to live, beyond our wildest imagination, and on our own terms. If you feel like you're living it, great, full steam ahead. If not, you can start going after it right here, right now, today, exactly where you're at, no matter your age. It only takes *desire*.

I feel incredibly fortunate for you welcoming me into your family and for you to be a part of mine. Thank you for making me feel that way. I hope your 2024 holiday season is the best ever, and I look forward to a prosperous 2025!

Best,

A handwritten signature in cursive script that reads "Tim".

Tim Evans, CFP® CLTC  
Founder