

How To Get Rich(er)

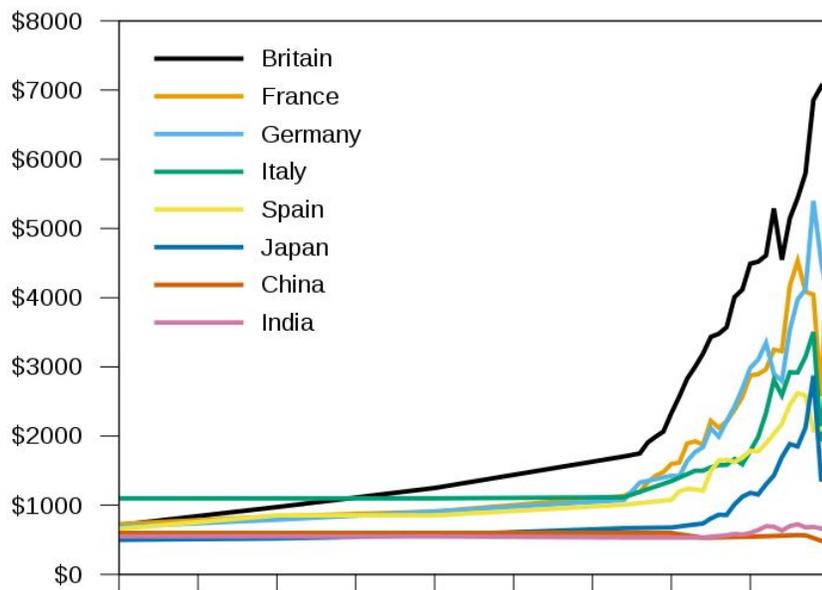
By Wes McComb

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For Canadians it has never been easier to become wealthy. And for those already well to do, to become richer. Now, some of you may be skeptical so let me prove the point and then we will take a look at how anyone of us can do it.

Historically there was very little wealth accumulation. There were constant booms and busts with a golden period in Europe in the 13th century after the Vikings and Magyars stopped their raiding and plundering and settled down. Then came the black death, Genghis Khan and almost constant warfare. There were no vaccines or quantitative easing back then.

The Renaissance and mercantilism helped some Italian cities, England and the Dutch to begin to accumulate a bit more than everyone else but the amount wasn't significant. Then came The Great Divergence.



1500 1550 1600 1650 1700 1750 1800 1850 1900 1950 Around 1800

Europe-with Canada tagging along- began to take off. Historians have been debating the reasons why this occurred when and where it did ever since. But whatever it is that caused it, this massive wealth accumulation never stopped, unlike in the previous thousand years. And this wealth brought with it the ability to afford the wonderful human improvements that we now take for granted, Health care, universal education, social safety nets, pensions etc., etc. So other countries that had been left behind decided this lifestyle looked pretty good and jumped on board and began emulating our system. This is called the Great Convergence. The website Our World In Data has some very good

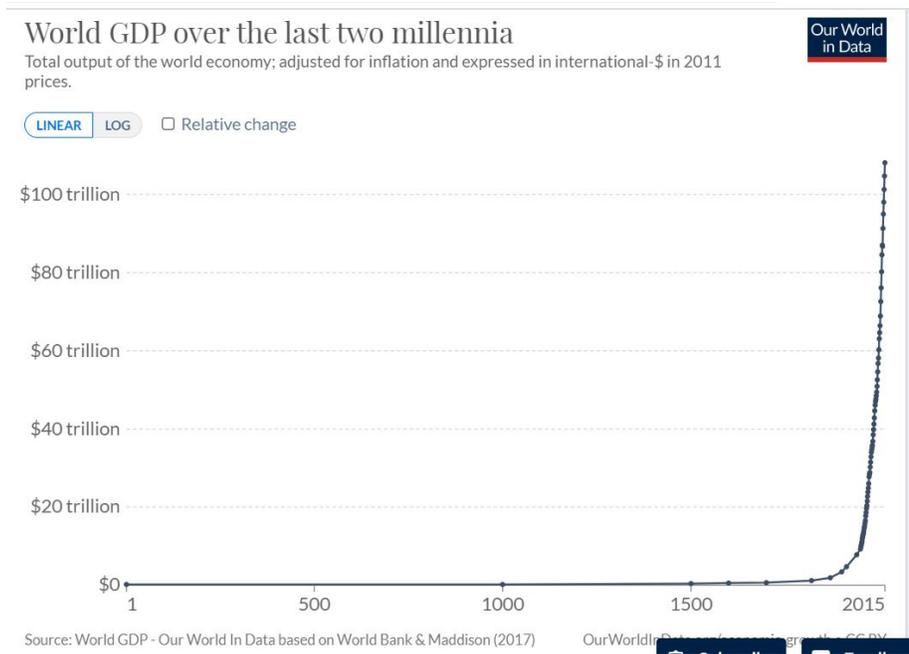
charts on this economic growth. The whole world is now accumulating wealth, though at different rates. The trend is upwards and is gaining speed. This is the most important aspect to remember. Upwards and it is exponential.

This increase should continue for two reasons. There is still a lot of catch up to be done in the developing world. The blueprint is there to get to the developed worlds living standards. The technology has been invented already. Rule of law and property rights are recognized as necessary conditions, though these are applied more stringently in some countries than others. So global wealth will continue to grow as developing countries converge with us economically.

The second reason why our prosperity will continue to rise is the astounding advances in technologies. From the industrial revolution, to the information age we have been innovating and expanding. Current advancements in the study of the human gene, battery technology, the coming energy revolution, the Internet of Things (I of T) and many others have the foundation for providing us even more sustainable, dependable growth.

Some statistics: after the 7 Years War in 1763-in which the UK acquired Canada and India- the British government had debt of 122 million pounds. This was an enormous sum at the time and paying it down, with the ensuing taxation, is one of the triggers for the American Revolution. So, as the British launched their empire, the most powerful country in the world had difficulty financing the amount of money that tens of thousands of individuals are worth today. BTW, British debt is now 1.8 trillion pounds.

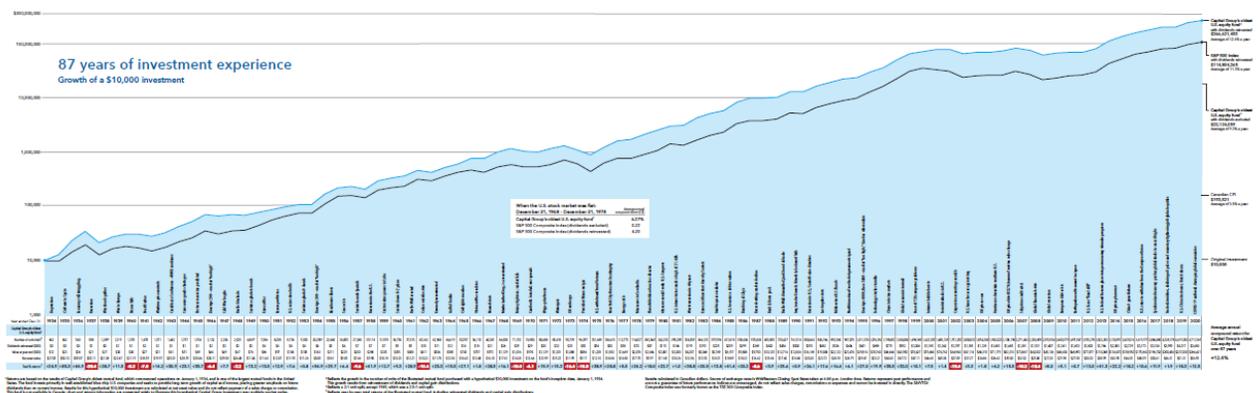
Worldwide wealth is currently 431 trillion dollars. Up from a few billion 200 years ago. And no, inflation doesn't explain this away. It is truly an economic miracle.



My premise is that with this enormous growth comes opportunities for individuals. Anyone with savings or a job can harness this 200+ wealth boom for themselves. Even if we do nothing we will all benefit as more and more services are provided for us by the government. But, by being proactive we can all participate more fully in this remarkable trend.

Owning equities is how you do it. If you are starting out begin a monthly contribution to a global equity fund. If you have already accumulated some wealth and wish those savings to grow over time invest in a diversified portfolio of stocks. It doesn't matter if you use a fund, an ETF or a basket of individual companies. Just do it now and stay the course. No timing of markets, no second guessing the decision during inevitable bad news, no FOMO.

Our friends at Capital Group provided the most recent attached Anxex Chart. This chart should be imprinted in all of our minds.



It shows that 10,000 dollars (170,000 in today's dollars) invested in the US stock market in the 1930s would be worth 114 million dollars today. When I first saw this remarkable chart years ago it confirmed to me that equities were the way to get rich. And doing this isn't difficult. Your savings do the heavy lifting for you. By owning equities, it is as if you have some of the smartest, most driven people in the world working for you.

Another great feature of the Anxex Chart is that it shows at the bottom all the turmoil going on in the world at that time. These are the reasons people would have been hesitant to invest that year. And there are some biggies in there. World war, revolution, oil shocks, catastrophes. It makes today seem almost idyllic. But through all this the world's wealth continued to accumulate.

So, if you want to become rich(er) own equities. The extraordinary growth we have had for the past two hundred years will continue. And being part of it is easier than ever.

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