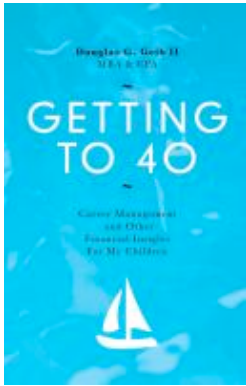


**Douglas G. Geib II**  
MBA & CPA

~  
**GETTING**  
**TO 40**  
~

Career Management  
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For My Children





*A successful entrepreneur builds on the principles of his previous book, *Getting to 30*, with new insights to help his sons, and their families, sail through the turbulent winds that could capsize their quest for financial independence. As his children enter the most critical decade of their professional careers, *Getting to 40* provides pertinent advice on how to make the best choices to achieve a lifestyle that is free of financial worries.*

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\* Perhaps the voices of wisdom if they were alive today.

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FOR MY PARENTS

**SKIP & GINNY**



**Douglas G. Geib II**  
MBA & CPA

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# GETTING TO 40

~

Career Management  
and Other  
Financial Insights  
For My Family



## LEADERS

Upon reflection, all of you will acknowledge that you have led some group of individuals and certainly you have followed the leadership of others. What I want you to understand is what really matters is how you lead and how others lead you. How you lead changes depending on who you lead. Who you follow depends on how they lead you. Soon you will appreciate why there are very few great leaders. Within the communities you value, I hope you become one of those leaders.

What is a Leader? A Leader is a person that members of a community look to for advice, counsel and direction and sadly this would include any individual that has almost God-like control over their constituents.

An effective leader has a vision for tomorrow and knows how to influence members of a community to behave in such a manner that allows the community to pursue and achieve this vision. If successful, this persuasion melts into a culture of shared values forming the bridge that ultimately connects all members of the community. Therefore, successful leaders are always asking themselves:

**Everyone leads  
someone. It's how you  
lead and why you lead  
that matters.**

- What outcomes do they want?
- What is the best way to persuade an individual (or a group of individuals) to behave in a way that increases the likelihood that those goals are met?

The scariest leaders are those who have no idea what type of outcomes they want as they fumble their way through bizarre helter-skelter decision making that leaves their constituents totally bewildered. These schizoid lead-



ers compete with other crazed rulers who might actually know what outcomes they want, but totally underestimate the trade-offs and consequences of achieving their vision.

With respect to the effectiveness of a leader it doesn't matter whether the outcome is good or bad. For example, one could argue both Hitler and Churchill used various behavior techniques to achieve certain desired outcomes. In other words, an effective leader could be virtuous or evil. Leaders who achieve positive outcomes for their community might be labeled good, even if such an outcome was detrimental to some of its constituents or harmful to members of other communities. Communities that have negative outcomes might label their leaders bad, even if the leader generally possesses positive moral characteristics.

Since luck, chance and uncertainty all have an impact on outcomes, today's successful leaders might be tomorrow's losers and today's "losers" might be the successful leaders in the future. In addition, a leader who achieves positive outcomes in one environment might experience negative outcomes in other arenas (the leader could be a lousy parent). Moreover, an effective leader could have underlying personal character flaws (he or she could be a disloyal spouse, a crack smoking addict, a functional alcoholic, etc.) that may or may not undermine their longer-term leadership potential. In other words, a "successful" leader in one domain might be an "awful" leader in a different environment.

It is this understanding of human behavior that impacts how a leader predicts, changes or responds to the people he or she leads and to others who are outside of the community. For example, some people respond to tough love performance reviews that lay bare an individual's flaws. Others, however, respond better to positive feedback that reinforces their strengths while encouraging more attention to shoring up their weaknesses.

A Leader's ability to influence the behavior of a person, or more importantly the behavior of a group, is why many leaders share common personality traits that include excellent communication skills, an engaging persona and an enchanting charisma (they are performers in a world desperately seeking video sound-bites). However, leaders who demonstrate professionalism, competence, integrity and persuade with quiet humility, or those who sadly motivate through a culture of fear, may have none of these attributes. All leaders compete with other leaders (no matter how small their communities) for power and influence.

Leadership is difficult because human behavior is complex and often very hard to predict. Leaders scan our brains, analyze our clicks, record our movements, track our spending, map our relationships, survey our opinions, monitor our health, investigate our transgressions, and document our performance. The results of these activities, along with many others, are sliced into numerous demographic and social economical groups. Despite the Orwellian creepiness of it all, it is this research that provides the insight into why different groups of people behave the way they do. Behavioral research, of course, does not have to be based on facts. For example, if people believe vaccines cause autism, genetically modified seeds are bad for you and humans cause global warming, then certain leaders can use this knowledge to further specific agendas. In other words, behavior is driven by beliefs. Whether such beliefs are supported by facts or truths does not impact the behavior.

During my senior year in high school, all college-bound students, were required to compete in the local Science Fair. As my peers designed elaborate projects in biology, chemistry, and other traditional sciences, my skeptical advisor, after much discussion among the faculty, approved my project in Subliminal Stimuli. I don't think anyone

expected much from my endeavor, but with the help of my mother and the advertising firm where she worked, I was able to design a number of experiments that showed how sex and violence were being used to manipulate our behavior using our subconscious minds. I was the only one in our class to travel to the State Science Fair in Columbus, Ohio and received a perfect score for my efforts (much to the horror, I suspect, of my science teacher). It appeared all of the judges were fascinated by how an innocuous ice cube in a picture of an alcoholic drink was arousing our sexual fantasies. Bacardi Rum never tasted so good!

Leaders understand these nuances. They recognize information (including the manipulation of it) is valuable and those who can control and shape statistics and other data (whether rumors, propaganda, fact or fiction) are the ones who ultimately filter the knowledge that impacts public opinion. Leaders also understand deep-seated ideologies and beliefs are very difficult to change once they have been ingrained within a particular community. Using this knowledge of human nature, combined with the power to allocate resources, build infrastructure, make policy, determine price, control education and influence stability, is how leaders persuade, sway, motivate and otherwise convince us to behave in a manner that achieves a desired outcome. Some may argue none of us can act against our own desires (we have no free will) but leaders understand the easiest way for a four year old to resist a tasty chocolate chip cookie is not to offer one.

Independent of outcomes, all of us have our own views as to what makes a “bad” leader. For example, as we discussed earlier, when leaders limit your freedoms and begin to control what you hear, what you read, what you watch, how you think, how you feel, what you earn and how you spend, then a community takes on more cult-like

characteristics. In essence, community members become brainwashed by their iconic sociopathic leaders, the sellers of dreams, and as the populist descends into darkness, the leaders purge the nonbelievers as part of the process. Bad leaders are like the Varroa mite, a bloodsucking parasite.

Many of us would also consider leaders who lie, cheat, coerce, deceive, seduce and utilize other forms of manipulation or fear, to influence our behavior, as corrupt. No one likes to be tricked into behaving in a certain matter. Corrupt leaders always lose sight of those they actually represent as they pursue their own selfish concerns and special interests. Seldom do they measure, or even consider, the consequences of their conflicted decisions and how it might impact those who believed and trusted in their leadership. Fortunately, once they lose their sterling reputations they seldom recover. Sadly, the most dangerous leaders are those who actually believe what they are doing is good, and yet leave nothing but human suffering and tragedy in their wake.

All leaders have power and therefore, by their very nature, at least in a specific domain, they are Elite. Leaders team with other Elites (those who control Resources or Infrastructure) for purposes of making the most important decisions (influencing Policy, Price and Education) for any community. The greater the population of a community (and/or the more interaction with neighboring communities), the more difficult it is for the Elites to make decisions that balance the wishes of all of its members. Larger communities have multiple stakeholders (all of which have their leaders) who have revolving roles that reflect different (and often competing or complementary) interests. These roles can include, but are not limited to: employer-employee, owner-worker, soldier-officer, producer-consumer, seller-buyer, parent-child, teacher-student, doctor-patient, politician-taxpayer, bureaucrat-voter, debtor-creditor,

criminal-law enforcement, lawyer-client, judge-juror, etc. Most decisions appear to favor one group of stakeholders versus another because all of us have different perspectives and/or priorities.

Most leaders that you follow were selected with no input from you and yet you are accountable to them. For example, your parents, your teachers, your coaches, your professors and your boss were not persons you choose to lead you. It's a reminder that great leaders do not have to be elected by those they lead. Absolute monarchs, like all leaders, can be benevolent or savage and often dictatorships are the best way (and sometimes the only way) to optimize the effectiveness and efficiency of a community.

The only system that allows you to have input into and actually allows you, and the other members of your community, to select the individual that will lead you, is a democracy. Usually there is some form of competition among people who want to lead, but a democracy is the system in which all of the people of a community have the opportunity to elect their leader. However, democratic elections for large communities seldom elect great leaders because of a lack of qualified candidates or overall voter apathy (low voter turnout). That is, community members recognize many candidates cannot be trusted because they will say, do or become whatever is necessary to sway voters to elect them. Nevertheless, a democracy requires the leader to be accountable to the electorate and consequently, if they are not, the citizens can eventually remove them from power. The leaders of a representative democracy (like the United States) have the most difficult assignment (of any leader) because often times, they have dualistic responsibilities that conflict.

Do they represent the communities who voted for them, or the interests of all the people (the common good)? Do they stand by their principles, or support the special

interests of those who financed their campaigns? Do they represent the taxpayers or those who depend on the taxpayers? Do they represent the voice of the producers or the wishes of the consumers? Do they help the employers or protect the employees? Do they educate the youth or take care of the old? Do they support the majority or defend the minority? Every member of the community is also a member of one, or more than one, of these competing and complementary groups of people. It is because of these conflicts and competing interests and agendas that elected politicians, more so than other leaders, have an extremely difficult time appeasing members of their community.

If you are going to elect effective Leaders, or if you choose to follow the wisdom of others, you must understand a Leader's fundamental beliefs and map those with your most important values and your vision of tomorrow. That is, you need to understand what they believe so you will have better insight into how they will behave and therefore how they will lead.

For example, if I were to lead a community, there are certain core principles I would consider with respect to every community decision. I would protect the community's most precious and scarce natural resources. I would build and maintain infrastructure that would enhance trade among members of my community and our neighbors. I would require transparency of all public monies spent on behalf of private citizens. I would let competition among producers and choice among consumers set prices for most goods and services. I would cap the community's money supply. I would develop innovative learning programs for today based on the types of jobs we want for tomorrow. I would have all elected leaders of the community sign a professional code of conduct. I would educate, not regulate. I would simplify, not mystify. I would arbitrate, not litigate. I would emphasize equal opportunity, not equality.

I would only make commitments that have a reasonable likelihood of coming true. I would let the members of the community enjoy the benefits and suffer the consequences of the choices they make. These are some examples of my views with respect to how I might (because trade-offs are often complex) lead a community.

When you study community successes and failures you will quickly agree the most important skill of an elected leader is to shape the policies that are the most mission critical to the prosperity and sustainability of their communities. You will witness leaders who nurture an entrepreneurial spirit among their constituents and therefore provide their communities the most vibrant of economies. Such leaders recognize it is the entrepreneurs (along with inventors and other change makers) who create the jobs that drive trade and consumer choice. As such, these leaders foster an environment where risks that produce success are rewarded and the community respects the personal and intellectual property rights of its citizens and their businesses.

Conflicts will always be easier to resolve within a community that shares common values and ideologies. Conflicts are much more difficult to successfully resolve when they involve different communities with competing views and interests. Great leaders (which are extremely rare) have a unique ability to resolve such conflicts because they listen and consider the views of others. Such leaders will change their views in a belief that alternative outcomes may be more fair and equitable to all individuals; not just the normal selfish interests of the constituents they represent. In other words, they redefine winning in a much broader context.

You will smile when you identify leaders who embrace transparency, a fresh look, diverse views, debate and compromise. These leaders endorse a free and open me-

dia because they know it is the best way to ensure human rights and to keep them honest in the process. They understand the importance of understanding the interests of all constituents. You will be angry when you observe people trampled by cruel and repressive leaders. It will bother you to observe leaders who successfully lie, deceive, obfuscate, manipulate, coerce and basically use any and every means available to stay in power. It will disturb you that rational thought will not sway individuals who think and behave irrationally. But you will rejoice when the masses seize control and nominate (or elect) those leaders who can mint character in others and communicate an ideology that is shared by the masses. Then, and only then, will you understand it is those leaders who reward meritocracy whom are able to build communities that have success in closing the gaps of inequality.

## EDUCATION

I want you to take a couple of minutes, clear your thoughts of any traditional views of education, and totally rethink how one defines education. Then ask yourself this very important question — Why do we educate? Why is education for you so important to your mother and me? We must agree on the why, so we can begin to agree on the what (What do we teach?) and the how (How do we teach?). If I bumped into a relative I had not seen for years and she asked, “How are the boys? Are they educated?” How would I answer? I would answer, “It depends.”

Why should **we educate** you? In my view, there is only one primary reason: **so you can make better choices and decisions during your life.** If you can't apply tomorrow what you learn today, then, what is the value? Once you understand education is a process of life



long learning it is easier to recognize that it is not possible to be truly educated since every day brings a brand new learning experience. Therefore, the important question is not whether someone has an education, it is whether the person has been equipped with the tools necessary to pursue a process of lifetime learning. In other words, **are you learning how to learn?**

What are these tools? The depth and breadth of your toolbox is a function of what choices you will trust others to make on your behalf and what decisions you intend to make yourself. Essentially, you will seesaw between a continuum that traverses a path of dependence and independence. Of course, the people you trust can make

**A thirst for wisdom is the only thing that protects you from the cults who poison the drinks of their followers.**

bad choices for you. Similarly, you can certainly make bad decisions for yourself. As you balance on this teeter totter called life you will begin to recognize your most important decisions, whether good or bad,

weave health, career, relationships, and finance into a rich tapestry of daily choices that shape your future.

An individual's education and learning process is a reflection of the community that raises him. If a community has minimal natural resources, poor infrastructure, policies that restrict trade, prices that benefit producers and/or leaders that are corrupt, then a person's toolbox is usually limited to the minimal skills necessary to perpetuate a morbid existence. On the other hand, if a community has vast natural resources, excellent infrastructure, policies that promote the exchange of ideas, prices that benefit consumers, and leaders that are noble, then the person is

usually aptly rewarded for developing a robust toolbox of skills that will facilitate a lifetime of learning.

Communities that don't educate must be more paternalistic because their members will be constantly making wrong choices, including bad economic decisions. Often the uneducated appear irrational and foolish. Truth is, many of them lack the basic information necessary to make the best decision. However, even with the right information many people will not make decisions that are in their best interests, or in the best interests of their community. This is why leaders, for example, implement new policies to remove fatty choices from one's diet, instead of educating obese citizens on the merits of eating healthier foods. **If you can't educate, then you must regulate.**

Parents, usually with the assistance of other family members, represent the primary community that has the awesome responsibility to nurture and guide our youth in an environment that enriches them with opportunities to learn and explore.

To learn you need to be healthy; therefore nutritious meals, daily exercise, childhood immunizations, and a safe environment formed the cornerstones of your early upbringing. To communicate, you need to read, write and speak. So we read to you early and often, teaching you how to articulate and recognize the English language which eventually led to your intense desire to read and write on your own. To understand money you need to use math. So we used coins to teach you how to add and subtract, dice to teach how to multiply and divide and card games like Poker to teach you how to calculate outcomes and refine your memory skills. To problem solve, you needed to distinguish patterns from noise and therefore we taught you how to play games like Chess, Monopoly, Risk and Clue. To think rationally you needed to understand the scientific

method, so everyday was a continuous dialogue of cause and effect. To develop relationships, you needed to interact with others, so we pushed you into youth sports and other communities that facilitated peer interface. To understand human behavior, we taught you a sense of right and wrong and how to lead a moral life. Communication, the value of money, problem solving, rational thought, relationship building and personal integrity were some of the first skills that went into your early toolbox of lifetime learning.

**One of the primary reasons you learn how to learn is so you can develop skills you can trade for things you want or need.** However, whether the skills you develop match your real talent is a function of two variables. First, how well the leaders of a community have developed (or intend to develop) the resources, infrastructure, and policies that allow you to pursue your passion and unique talents. Second, whether there is a price arbitrage. In other words, is it reasonably possible the value of your future earnings will exceed the actual cost of your investment, including the opportunity cost of your time?

In most communities, there is no process or system to manage the current or future needs of the economy with the skills required of its workers. In an economy as deep and broad as the U.S. this can create either a tremendous benefit or terrible detriment to its citizens. For those few individuals who have a core team of talented career advisors (e.g. parents, mentors, teachers, friends, etc.) coupled with the freedom of movement, there is a reasonable chance their talents will be channeled in a direction where they have the greatest opportunity to benefit themselves and their community.

On the other hand, for those desperate souls which are left to fend for themselves, there is a pretty good chance they will not develop the skills that maximize their real talents and best career opportunities. This is especially

true if they lack the freedom, or the desire, to move out of a smaller community that has few, or declining, opportunities. Some will accept legitimate low paying jobs for menial labor. Others will rely on the generosity of their communities. Many will develop the skills that will allow them to survive in the shadow economy that perpetuates a life of crime in the dark markets of the underworld (in other words, such individuals will take advantage of the only opportunities that are available to them).

In most communities, unskilled workers are significantly greater in number than those workers with the skills that a community values. Such a situation will always increase inequality, especially in a merit-based society. This increase in inequality occurs for two major reasons.

First, as demand chases the supply of skilled workers, wages tend to spiral upwards. Conversely, when there is an excess supply of unskilled workers, wages for those individuals tend to stay flat or decline (assuming that the unskilled worker still has a job). Skilled workers, who have the greatest opportunity to generate savings have the added benefit of earning a return on their capital as well as their labor.

Second, basic necessities make up a larger and larger percentage of the total costs of living for the unskilled workers versus the skilled workers. It's not possible for unskilled workers to have the same relative level of savings because basic necessities of life make up a higher percentage of their daily living costs. In fact, unskilled workers will borrow, if they can; not necessarily because they want to but often because they have to. That is, borrowing is the only way to secure the funds necessary to sustain any reasonable standard of living.

When the average wage rate for a skilled worker begins to reach parity with the unskilled worker, then the value of those with skills will be equal to those individuals who

lack skills. When this parity persists, for whatever reason (corrupt leaders, bad policies, poor education and an unstable environment), there will be minimal incentives for those with unique talents to develop those skills (if for no other reason then they will lack sufficient resources and infrastructure). Declines in performance and productivity will follow and eventually a community that previously embraced meritocracy will slip into a stagnant shadow of doom. In other words, when policy is all about jobs, and not productivity, then all a community gets is a lot of unproductive jobs.

It's sad in so many ways. I sometimes wonder how much better off our society might be if we had as many career advisors as financial advisors. In other words, a greater emphasis on increasing the value of the worker and a bit less on maximizing the return on the money supply. In a merit based world, the best way to close the equality gap is to increase the skills of the workforce. Perhaps not surprising, as parents it was always important to us, and it still is, that others are chasing you and not the other way around. Achievement gaps, especially from early childhood, are very difficult to close in high school and almost impossible at the university level. These gaps only become wider when the youth of a community are making poor career choices.

The good news is that those who learn how to learn are the trailblazers who invent the jobs of tomorrow that expand the depth and breadth of products and services that a community can trade. Dynamic communities embrace, support and facilitate these inventors because they recognize if they don't, then other communities will. It is through education that communities develop such benefits as clean energy and state-of-the-art healthcare services.

Innovation will happen, either in your community or somewhere else. So communities have a choice; (1) develop the technology and the related products/services and

export this knowledge to others, or (2) import these items, once they become available, from competing communities. Technology drives innovation but, more importantly, it accelerates our ability to learn. Even today, throughout the world, kids who are 3 years old (i.e. recently born in 2012!) operate iPhone apps, know a web address, open a browser, play online games and answer a cell phone.

As you mature you will see the most successful communities are those where the people are free to pursue a life of perpetual learning. It is those people who are in the best position to contribute to a representative government. You will understand the task of becoming educated is never ending. You will begin to believe perennial learning is the path to innovation and innovation is what creates tomorrow's opportunities. You will discover societies which embrace technology are the ones that increase the productivity of all resources (e.g. natural resources that deliver more value; labor that generates greater output; and money that is allocated to the most worthwhile and efficient endeavors) so all of us can enjoy more, by consuming less. You will realize that if your community develops better products and services, then this is something they can export and trade with others. And, if you do not, then you will be forced to import the technology and related products and services; fertilizing the seeds of your dependency.

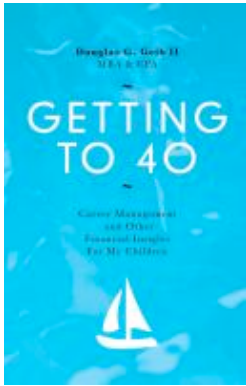
It will irritate you when those in power perpetuate a culture of ignorance to make it easier for them to exploit the naïve and uneducated. It will anger you to witness societies who teach students from curriculum that have no relevance to the jobs of tomorrow. It will frustrate you that many students must go to college to obtain even the most basic skills that employers crave. It will sadden you to observe communities who hire people based on who they know (i.e. relationships) and not what they know (i.e.

competence). It will bother you when people with talent are abandoned and left to fend for themselves in the dungeons of the dark economy. However, in the end, you will discover that education that fuels the human spirit will ultimately nurture a caring community towards happiness.

## STABILITY

Before we dig deeper into this concept called Stability, I want to digress for a moment and discuss a business venture that I started after leaving FirstCom in the latter half of 2000. The company was called *Praedictio*.

*Praedictio* was a business concept that was founded on the idea that companies could better use data analytics to assess the probability that a given future event would occur at a particular point at a particular time. Using a business framework of Discover – Model – Evaluate, *Praedictio*'s mission was to provide proprietary services that would allow businesses to more accurately predict significant future events. These services would include tools, processes, workshops, and methodologies that impacted the entire prediction process. It was my belief that the usefulness of validating the past (for example, an audit of historical financial statements) would give way to a more dynamic need to better predict tomorrow's outcomes. If *Praedictio* could help companies more clearly see the future with better data, then it would be easier for a company to optimize profits in a more volatile environment. *Praedictio* would employ a team of futurists. A professional services firm hierarchical structure of staff, senior, manager and Partner would give way to a new matrix of people with titles such as Explorers, Scanners, Sensors, Surveyors, Interpreters, Synthesizers, Chartists, Designers, Examiners, Monitors and Inspectors.



*A successful entrepreneur builds on the principles of his previous book, *Getting to 30*, with new insights to help his sons, and their families, sail through the turbulent winds that could capsize their quest for financial independence. As his children enter the most critical decade of their professional careers, *Getting to 40* provides pertinent advice on how to make the best choices to achieve a lifestyle that is free of financial worries.*

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