

# Pathway to Prosperity

By Mark Lazar, CFP®

## Your Guide to Money and Economics

### Volume V—Making Sense of the Markets

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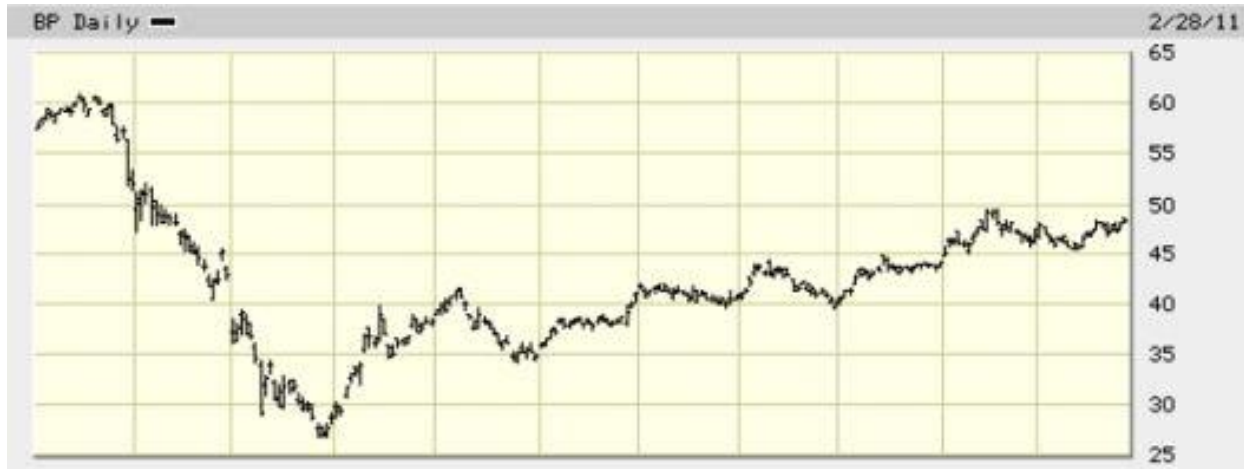
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## Chapter 2

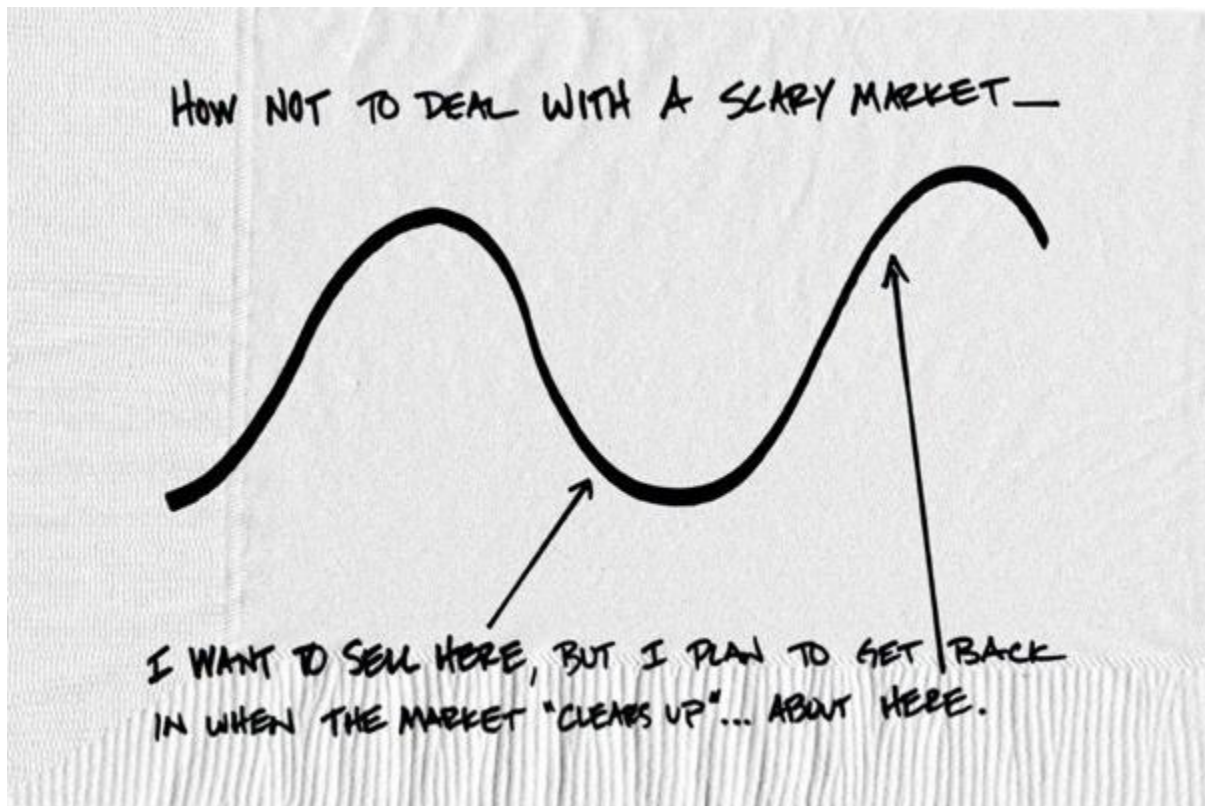
### The Stock Market Demystified

Illustration I: British Petroleum (BP) price chart



[Big Charts](#)

Illustration II: Time Versus Timing

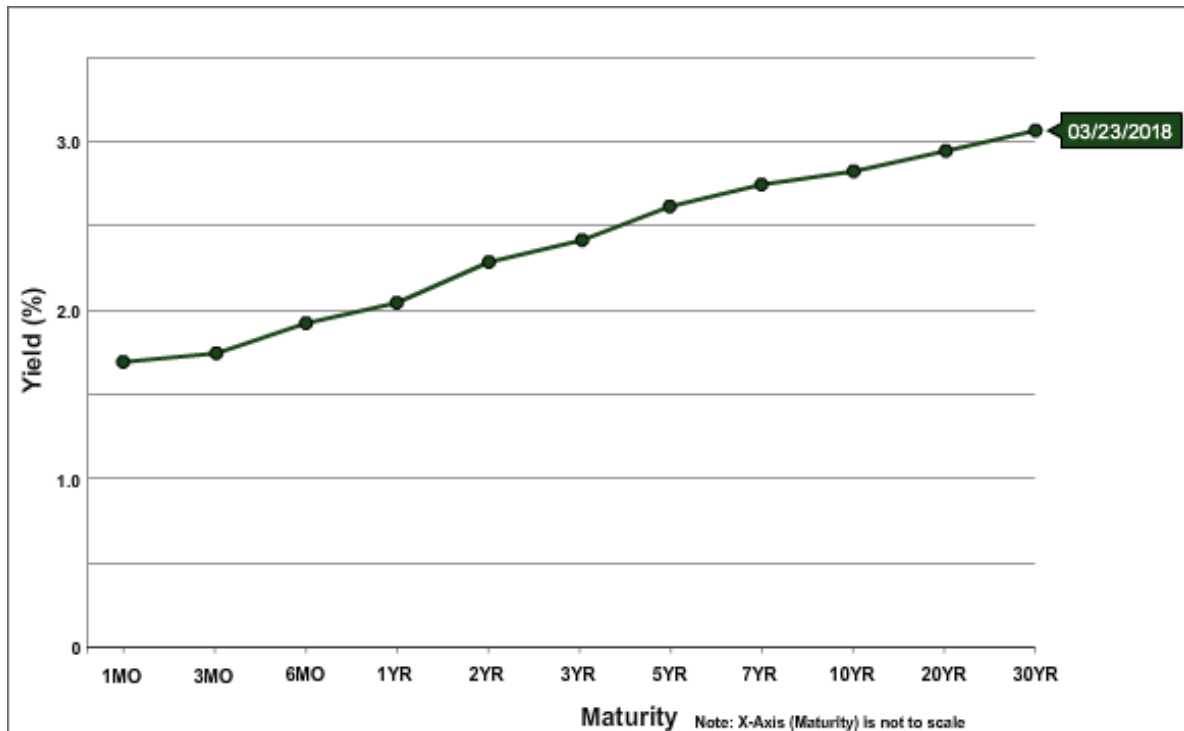


[NY Times](#)

# Chapter 3

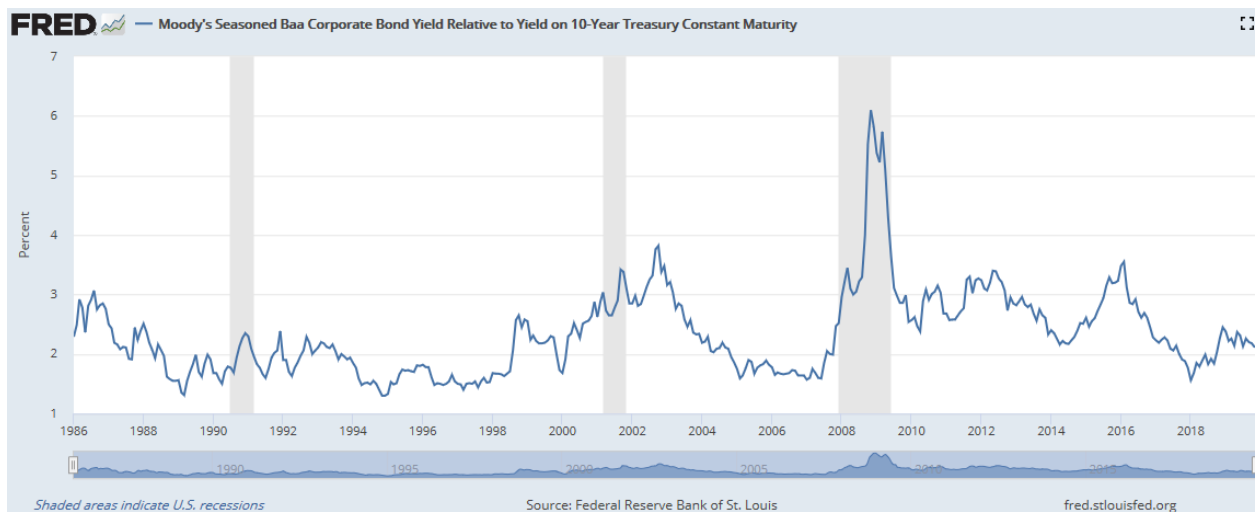
## The Bond Market

Illustration I: Hypothetical [yield curve](#)



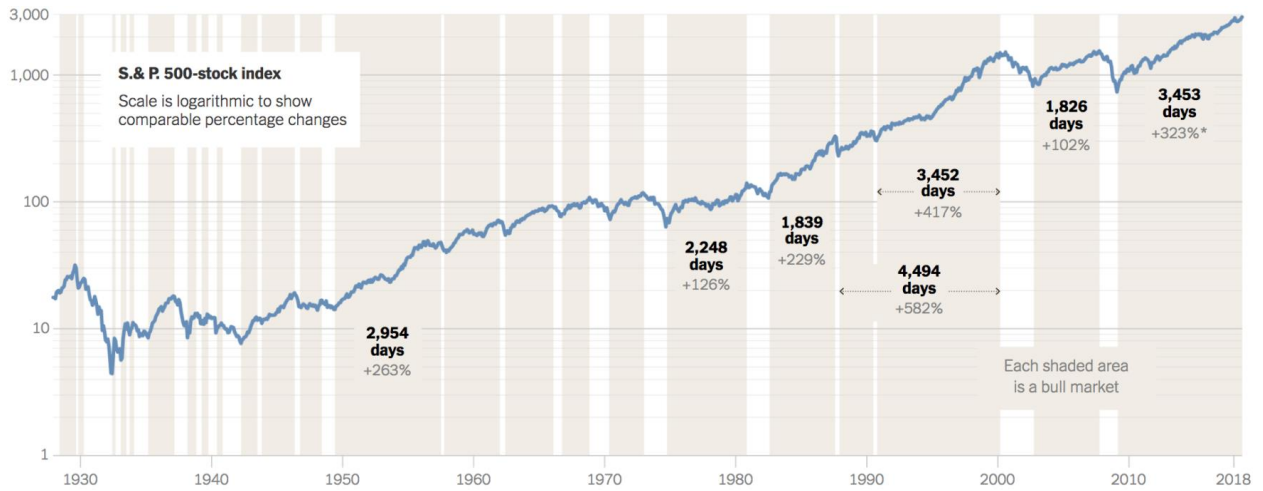
[US Treasury](#)

Illustration II: [Credit spread](#) historical graph



[Federal Reserve Economic Data](#)

Illustration III: Historical chart of U.S. [bull markets](#)

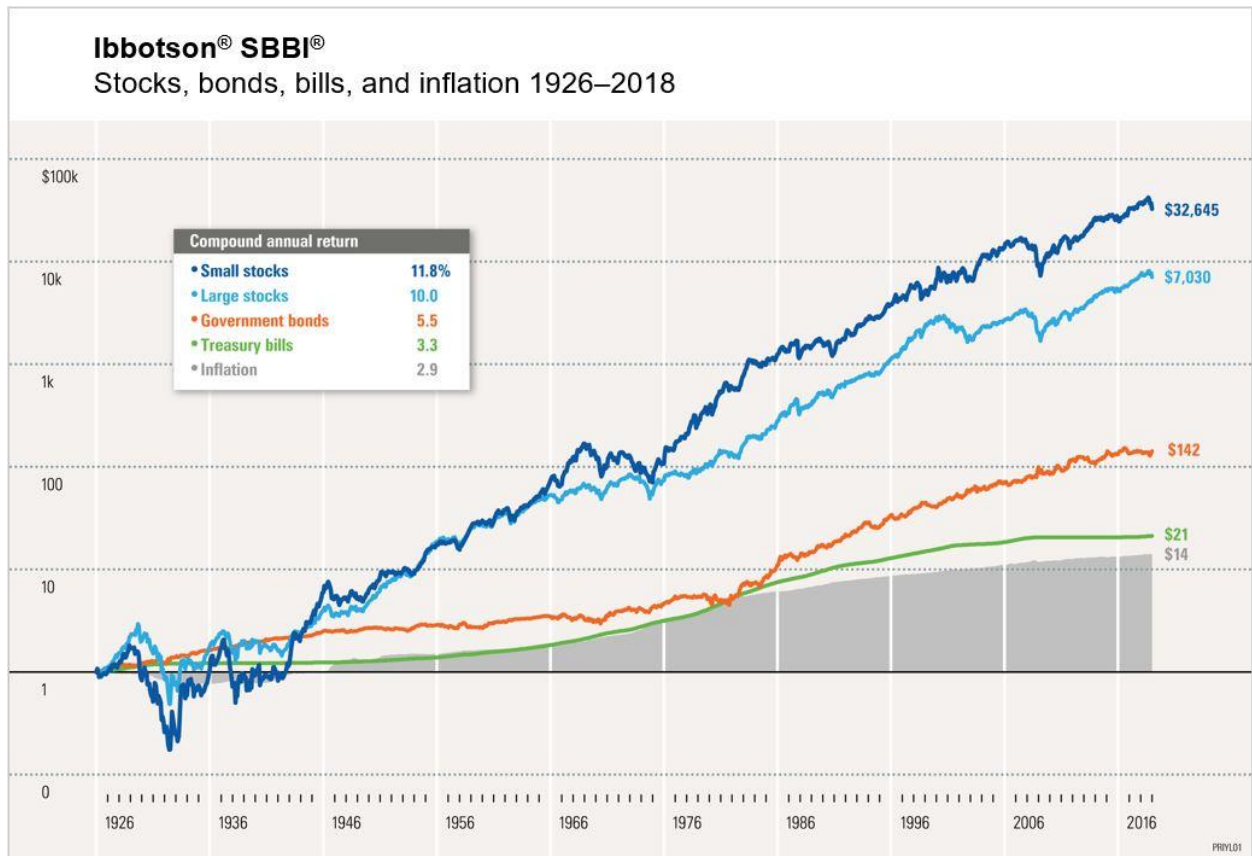


[MacroTrends; Yardeni Research; Thompson Reuters](#)

## Chapter 5

### Risk Versus Reward

Illustration I: Historical return chart



[Morningstar](#)

**Illustration II:** [Allocation](#) models risk versus reward table

Allocation Models-Risk Versus Reward				
Stocks	Bonds	Avg Return	Worst Year	30-Year
0%	100%	5.3%	-8.1%	\$ 47,082
20%	80%	6.6%	-10.1%	\$ 68,032
30%	70%	7.1%	-14.2%	\$ 78,286
40%	60%	7.7%	-18.4%	\$ 92,570
50%	50%	8.2%	-22.5%	\$ 106,370
60%	40%	8.6%	-26.6%	\$ 118,821
70%	30%	9.1%	-30.7%	\$ 136,377
80%	20%	9.4%	-34.9%	\$ 148,088
100%	0%	10.1%	-43.1%	\$ 179,316

[Vanguard](#) 1926 –2018

## Chapter 6

### Risk Premium

**Illustration I:** Illustration of \$10,000 initial investment compounded at 8% return

0	9	18	27	36	45	54	63
\$10,000	\$20,000	\$40,000	80,000	\$160,000	\$320,000	\$640,000	\$1,280,000

For illustration purposes only. Actual results will vary.

**Illustration II:** Illustration of \$500 monthly investment at various rates of interest

Time in Years						
Rate	5	10	20	25	30	40
<b>6.00%</b>	\$34,885	\$81,940	\$231,020	\$346,497	\$502,258	\$995,745
<b>8.00%</b>	\$36,738	\$91,473	\$294,510	\$475,513	\$745,180	\$1,745,504
<b>10.00%</b>	\$38,719	\$102,422	\$379,684	\$663,417	\$1,130,244	\$3,162,040

For illustration purposes only. Actual results will vary.

## Chapter 7

### Corporate Governance

**Illustration I:** Ranking of dollars spent by U.S. lobby organizations

Top Spenders
<a href="#">US Chamber of Commerce</a>
<a href="#">Open Society Policy Center</a>
<a href="#">National Assn of Realtors</a>
<a href="#">Pharmaceutical Research &amp; Mfg.</a>
<a href="#">American Hospital Assn</a>
<a href="#">Blue Cross/Blue Shield</a>
<a href="#">American Medical Assn</a>
<a href="#">Business Roundtable</a>
<a href="#">Amazon.com</a>
<a href="#">Facebook Inc</a>
<a href="#">National Assn of Manufacturers</a>
<a href="#">NCTA Internet &amp; Television Assn</a>
<a href="#">Boeing Co</a>
<a href="#">Northrop Grumman</a>

[Opensecrets.org](http://Opensecrets.org)

### Volume V [Knowledge Check](#)

#### About the author



Mark Lazar is a CERTIFIED FINANCIAL PLANNER™ and senior vice president of investments for a national wealth management firm. He has worked in the investment industry for twenty-five years and has been an adjunct professor of finance at the University of Utah's David Eccles School

of Business since 2002. Mark earned a Bachelor of Science in finance at the University of Utah and an MBA at the University of Colorado, Colorado Springs.

Born to a blue-collar family, Mark watched his parents' ongoing struggle to make ends meet. After their divorce, Mark lived with his father in a run-down one-bedroom apartment for many years. Rather than discouraging him, hardship instead provided the motivation to do better.

Going to work at age twelve, Mark quickly learned the correlation between effort and reward, and became a millionaire by age forty. He now wants to share the common-sense principles, values, and strategies anyone can learn that will lead to financial success.

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