Concentrate to Build Wealth. Diversify to Preserve It.

Everyone loves to say “don’t put all your eggs in one basket.” It sounds responsible. Safe. Mature.

But here’s the truth: **you don’t get rich by diversifying.**

You get rich by concentrating your time, capital, and energy on a single mission. A business. A bet. A bold idea. You pour yourself into something where you have an edge, where you control the outcome, where asymmetric upside is possible.

That’s how wealth is built. And yes, that means taking on more risk—*smart*, calculated risk.

The catch? **Once you build wealth, the game changes.**

You don’t keep doing what got you there. Because what builds wealth doesn’t always preserve it.

Let me explain.

Stage One: The Path to Wealth Is Paved with Focus

Look at almost anyone who’s built serious wealth. They didn’t do it by owning 47 index funds and playing defense. They went all-in on something:

- A business they founded.
- Equity in a fast-growing startup.
- Real estate development.

- A concentrated stock position at the right moment.

For me, it was building a business from the ground up. I spent years sharpening a rare and valuable skillset—and renting those skills out to other companies. That paid well (even enough to get rich slowly), but eventually, I realized I wanted more than a paycheck. I wanted the **lion's share of the value I was creating**, not just a slice.

So I took the leap. I stopped renting my skills and started using them to build something for myself. That shift in focus gave me leverage—financially, professionally, and personally.

Over time, that concentrated bet started paying off: through strong cash flow, healthy distributions, and multiple liquidity events that changed the game for me and my family.

Here's the principle:

> The fastest path to financial freedom runs through ownership and equity – not salaries and index funds.

This is where concentration shines. When you're in the building phase, **you need to be all-in**. That's how you generate escape velocity.

Stage Two: Wealth Preservation Requires a Different Playbook

Once you cross that threshold, when your concentrated bet pays off, you get to play a new game: **wealth preservation**.

That's when diversification becomes your best friend.

> *"When you win the game, stop playing it the same way." – Dr. William Bernstein*

Once you have real capital—whether from a sale, a windfall, or steady cash flow—you have something to lose. Now, it's about **preserving your freedom**.

That's where the diversification side of the barbell kicks in.

For me, that's meant:

- Allocating into public markets: stocks, bonds, index funds, preferred shares.
- Investing in real estate syndications and private credit.
- Owning cash-flowing assets that aren't tied to my time or labor.

It's not sexy, but it's stable. It gives me peace of mind. And that peace lets me sleep well while my capital works for me.

There is no doubt about it, this will not earn me the same 92.62% CAGR I've earned over the last decade, thanks to ownership and equity.

The Mistake Most People Make? Mixing Up the Two Phases.

Let's be real: most people either diversify too early…or never diversify at all.

Too early, and you dilute your efforts before you've built anything meaningful.

Too late, and you risk giving back what you've worked so hard to build.

The art is in the timing.

You go all-in **until** you don't need to anymore.

You diversify **once** you've won enough to protect.

I've seen people get this wrong both ways. They dabble in everything, afraid to commit, and never build anything of substance. Or they hit it big and keep swinging for the fences with every dollar they earn, forgetting that one mistake can unravel it all.

Don't be that person. Know what game you're playing and remember what Warren Buffett said:

> *Never risk what you have and need for what you don’t have and don’t need.*

Final Thought: From Focus to Freedom

I’ll leave you with a mental model that’s served me well:

> **Concentration is the rocket fuel.**
> **Diversification is the landing gear.**

You need the fuel to break orbit—to build something big, bold, and valuable. That kind of lift-off doesn’t happen by dabbling. It takes full throttle. It takes being all-in.

You need explosive thrust to escape gravity (build wealth), but once you’re in orbit, stability and a safe re-entry plan matter just as much.

That’s where diversification comes in. It’s your landing gear. It stabilizes your trajectory and protects the freedom you worked so hard to earn.

> You concentrate to **break free**.
> You diversify to **stay free**.

Be bold when you’re broke.

Be wise when you’re wealthy.

So I’ll ask you: **Where are you in your journey?**

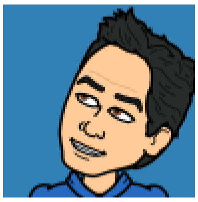
Are you still in concentration mode?

Or have you crossed into preservation mode, looking to convert capital into peace, time, and optionality?

Own the season you’re in. Align your strategy with your stage.

That clarity alone puts you ahead of 90% of people still sleepwalking through their financial lives.

– Gen Y Finance Guy



Gen Y Finance Guy

Hey, I’m Dom - the man behind the cartoon. You’ll notice that I sign off as "Gen Y Finance Guy" on all my posts, due to the fact that I write this blog anonymously (at least for now). I like to think of myself as the *Chief Freedom Officer* here of my little corner of the internet. In the real world, I’m a 30-something former C-Suite executive turned entrepreneur turned capital allocator. I am trying to humanize finance by sharing my own journey to Financial Freedom. I believe in total *honesty* and *transparency*. That is why before I ever started blogging, I decided that I would share all of my own financial stats. I do this not to brag, but instead to inspire motivate, and also to hold myself accountable. My goal is to be a beacon of hope, motivation, and inspiration for *you*, the reader, by living life by example and sharing it **all** here on the blog. My sincere hope is that you will be able to learn from me - both from my successes and my failures! Read More