“Secret” to stunning philanthropic gifts hiding in plain sight

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I’m always amazed to read about “salt-of-the-earth” people of modest means who still manage to amass multimillion dollar estates.

According to *The New York Times*, Sylvia Bloom toiled as a legal secretary for the same firm for 67 years until she retired at age 96 and died shortly after in 2016. Bloom’s parents were immigrants and she grew up in Brooklyn during the Great Depression. Bloom had no children and lived modestly in a rent-controlled apartment.

Even to those closest to her, Bloom lived a full, but unremarkable life. Imagine the surprise her niece and executor of her estate, Jane Lockshin, felt when she discovered Bloom had accumulated more than $9 million during her life.

Bloom directed $6.24 million to go to the Henry Street Settlement, the largest individual gift in the social service organization’s 125-year history. An additional $2 million would be split between Hunter College, where she completed her degree at night, and another scholarship fund.

“She was a child of the Depression and she knew what it was like to not have money,” said Lockshin. Further, “she had a great empathy for other people who were needy and wanted everybody to have a fair shake.”

Ronald Read died in June 2014 at 92. After serving in World War II, Read returned to Brattleboro, Vermont, where he worked at his brother’s gas station until he retired 25 years later (he “un-retired” shortly thereafter and worked as a janitor at a J.C. Penney until 1997).

He, too, lived an unremarkable life, except for the fact his estate was valued at $8 million, which he left to the Brattleboro Memorial Hospital and Brooks Memorial Library.

What were Bloom’s and Read’s “secret” for accumulating massive wealth? Surely that can’t be possible without winning the lottery, finding the next Amazon, trading Bitcoin or engaging in some sort of financial wizardry?

Their “secret” was/is hiding in plain sight. ***They both saved/invested as much as they could, as soon as they could and let the “miracle of compound interest” do the heavy lifting. Both lived frugally and neither felt the need to flaunt their wealth.***

When she started in 1947, secretaries like Bloom ran their boss’s lives, including tending to their personal investments. When her boss bought a stock, Bloom would buy a much smaller position for herself. Similarly, Read bought throughout his life and owned about 100 stocks when he died, many of which he had held for decades.

Albert Einstein wasn’t an investment guru, but clearly understood the basic mathematical concept that drives investment results. He referred to *compound interest* as “the most powerful force in the universe.” Under the related “Rule of 72,” simply divide 72 by your assumed rate of return to determine the number of years it takes to double your investment. At 6 percent, it takes 12 years. At 9 percent, it takes 8 years.

Assuming Bloom/Read bought $1,000 portfolios with a 9% annual return when they were age 20 (***and never added to it***), by 28 it would be worth $2,000, by 36 it would be worth $4,000 and by 92 that initial $1,000 investment would be worth a whopping $512,000.

The “secret sauce” to accumulating wealth combines time, patience and discipline. Remember, investing is a marathon and slow and steady wins the race.

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