

'I don't teach people how to make millions. That doesn't interest me. Take an hour or two a day, go into this market that turns over trillions of dollars every day, and take a little piece. That little piece can be a very nice income, when you take into account the effort and expense you would have to put into it'

– Geva Gazit, Cashflow

make so many mistakes and lose so much money that they decide it's worth spending NIS 4,000 to NIS 5,000 for a course to learn how to do it properly."

NOT EVERYONE who takes these courses will actually invest, which seems to genuinely pain Cashflow chairman Shai Baaton.

"People write that they enjoy our courses, and that's fine, but we're not a theater, that they should come, enjoy the performance and go home," Baaton says. "I'd prefer to think that people apply what they learn here, that they take it further.

He believes his courses offer more than just a way to make money.

"Of course, our students learn how to make money, but just as a way to achieve something beyond," he says. "They want something of their own; they don't want to feel that all they've accomplished is through their job and if they don't have a job, they aren't worth anything. That's a feeling of dependence, of enslavement."

In an era in which Icelandic volcanoes, binging Greeks and irresponsible American bankers can affect jobs and savings here, the money generated on the side certainly doesn't hurt.

"I believe in freedom more than I believe in money," says Baaton. "Money is just a tool, it's never the end in itself. I think that what we are selling is freedom, in the form of financial independence." ■



**PEOPLE FROM** all walks of life can benefit from personal finance courses.

(Sarah Levin)

## Getting grounded

**Forget the stock market. For many Israelis, real estate is still the most solid investment**

There are plenty of people who prefer their investments to be more solidly grounded than those in the capital market, which is why real-estate courses all over the country are filling up.

Some 40 people were recently crammed into a classroom at Cashflow College's Jerusalem campus for Tzachi Quatinsky's class on market research, which, he insists, must be the basis for any real-estate transaction.

"Israeli investors tend to follow the crowd," Quatinsky, a veteran real-estate consultant, investor and developer, explains to his students. "They hear about what other people did and decide they'll do it, too. The problem is that by the time you get to it, you may end up doing what worked in the past, instead of dealing with the current reality."

This session is part of Cashflow's 16-week basic real-estate course (NIS 4,000), which includes classes taught by a lawyer, accountant, interior designer, mortgage banker and other professionals who convey information a potential investor should know.

Similar courses are given by the Financial Education Center and by other institutes like Nadlanline, which has courses in Ramat Gan, Jerusalem, Ra'anana and other locations.

Yehuda Baruch, Nadlanline's chief lecturer, notes that the purchase of an apartment, even for investment, can be an emotional decision, and such courses aim to impose some degree of rationality on the decision-making process.

"People, surprisingly, don't know what questions they should be asking when they buy an apartment," says Baruch.

"If, when you buy a car, you might invest NIS 1,000 to inspect a car that's only worth NIS 10,000, then why shouldn't you do some kind of analysis on a property that could cost NIS 300,000 or a lot more than that, to check that you are getting what you were looking for?" asks Baruch.

What a course does for the person buying his own home or a property for investment, Baruch says, "is to build him a model of the different stages, a checklist of what has to be examined, so that when you check off all the things, you know that you've brought stuff to the surface that has to be evaluated.

"This checklist does for an investor what Dynamometer does for people who buy cars."

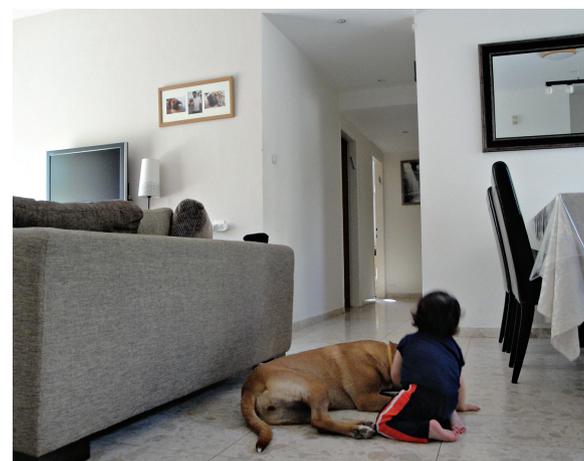
PRE-INVESTMENT RESEARCH involves everything from following the news to discover developments that could affect the area in question, to networking with real-estate agents and area residents to get information and locate properties, to checking city planning offices to determine what might yet be built near a property you're considering.

While some research can be done on the Internet, there's no getting around spending time in an area to gauge the best locations and of course, to look at apartments.

Sarah, a Jerusalemite who took Cashflow's basic course in the winter of 2008/9, spent nearly a year trekking to and from Beersheba to see apartments. She says she looked at 48 apartments in the process of buying two, which are now successfully rented.

She had a hard time convincing her husband to spend the NIS 4,000 the course cost, but in retrospect, she couldn't imagine investing without it.

"I wouldn't have known what to look for when I went into an apartment," she says. "I didn't know anything about taxes, I didn't know about the different types of mortgages. I didn't even realize that we could mortgage our own apartment to buy a different one, which we did for one of the [Beersheba] apartments. Just what I learned about mortgages probably saved me the cost of the course."



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