The 10-Minute Millionaire Broker Blueprint

If you’re new to investing, one of the crucial first steps can be daunting.

I’m talking about researching brokerages and choosing one.

Moreover, having a bad fit with your broker can be a huge roadblock on your path to your first million.

Truth is, to be really successful in trading, to realize all of your financial dreams, you need to have a great experience with your broker – so you want that choice to be the right one right off that bat.

That’s why I’ve put together this list of the key things to consider when deciding on the right broker for you…

Full-Service or Discount Online

Unless you are receiving other services, such as estate planning, there is no reason to pay the higher commissions and fees that full-service brokers charge. For the vast majority of traders, online discount brokers provide all of the essential services that you need – at a much lower cost.

Offerings

While we won’t be doing many “exotic” trades in The 10-Minute Millionaire, I do share such plays with my paid-up subscribers.

So if you plan to become a more advanced investor with us, make sure your brokerage can handle shorts, foreign stocks, options, and other specialties.
Most investors just starting out don’t get into these sorts of trades right away, but if you plan to do so – and I hope you do – look for a broker that specializes in these types of investment vehicles.

The Cost

Virtually every brokerage out there – whether full service or discount – charges a fee (known as a “commission”) for every trade you make.

You may not like it – but that’s the cost of doing business.

However, when it comes to commissions, there’s more to it than just looking at each brokerage’s up-front statements about fees…

Here’s a key question you must ask when assessing the cost of each trade you place: “What type of trading instrument will I use most?”

- Stocks?
- Exchange-traded funds (ETFs)
- Options?
- Mutual funds?

Most 10-Minute Millionaire trades will fall under the first two categories, so it’s important to know the commissions for trading stocks and ETFs.

The next key questions are: How many contracts or shares will you be trading? How much money will you be investing?

This is important because there are two main types of commission structures: fixed fee per trade and fee per share/contract traded.

In a fixed fee per trade commission structure, the brokerage charges you a fee (say, $9.95) per trade, regardless of how many shares you buy or sell.

In a fee per share/contract commission structure, the brokerage typically charges you something like 1 cent per share traded.

Just be aware that some brokers have a hybrid pricing scheme – a fixed fee per trade, plus an additional cost per share/contract. This is especially prevalent in options trading.
Some brokers offer both structures so that you can choose the best commission scheme for your normal trading size.

Most folks, those of us who trade fewer shares/contracts, will save money by finding a low “fee per share/contract” setup. Those of us with larger bankrolls, meaning you’re trading more shares, will save money by using a “fixed fee per trade” structure.

Fees vary pretty widely, but here’s a good rule of thumb…

If you’re trading fewer than 500 shares or five options contracts at a time, then use a “fee per share/contract” setup. If you typically trade more than 1,000 shares or 10 contracts per trade, then a “fixed fee per trade” setup will be more favorable. If you’re trading somewhere in the middle, then check with each broker you research to see where you’ll save the most money.

You also need to be aware that many brokers have other fees they’d love to charge you with.

So make sure to ask each broker you research about the following…

- Inactivity fees
- Paper statement fees
- Money transfer fees
- Trading platform fees
- Data fees
- Annual fees
- Charges for broker-assisted trades

And don’t be afraid to ask if there are other fees you should be aware of.

Because there are… and your mission is to avoid those as much as you can.

**Technology Comfort Level**

To become a 10-Minute Millionaire, you’ll need to execute your trades on an online trading platform.
All brokerages will train you how to use their platform. Most of such training is good, and some is even great. Plus, all brokers have trained customer service personal who are happy to help you.

So if you’re a bit hesitant about using an online trading platform, don’t worry. Your brokerage will walk you through it – and you’ll be a pro before you know it.

But here are two things you’ll need to consider…

1. How tech-savvy are you?
2. Are you looking for power or simplicity?

If you don’t consider yourself tech-savvy, take each brokerage’s platform out for a “test drive.” Figure out how easy it is to use. Is it as intuitive – or will you need to take a six-week class before you can really get started?

The investing platform interfaces vary widely between firms. So look for the one that works best for you.

For many traders, the simple online (you use it within your internet browser) version is all you need. As traders gain experience, they usually upgrade to more powerful platforms that they download and run from their desktop.

Most brokers offer both – but some don’t.

So make ask your prospective brokers about all of their trading platform options from the start.

Here are some things you want to know…

• How good is the online training?
• Can you place trades by phone? How easy is it to get someone on the line? Do they charge extra for phone orders?
• Do they offer mobile (smartphone) access to your account and trading platform? If you want this, make sure they offer it.

If you’re starting out small, check to see if they have a minimum account size. Most brokerages don’t have account size requirements of more than $2,500 – but some do… so do your research.
A List to Get You Started

Each spring, Barron’s publishes its survey of online brokers. It’s typically investors’ “go-to guide” for sleuthing out a broker – and I publish it for you below.

However, don’t just blindly pick the top broker.

Barron’s chooses its top brokers based on meeting the broadest set of needs – not on your personal needs.

The broker you choose should match your trading and investing goals, as well as your technical abilities and needs.

And with all of the choices out there and by using the questions in this special report, you can find the right 10-Minute Millionaire broker for you.

For those outside the United States – one key thing to note: Brokers are tightly regulated on a country-by-country basis (and in Canada, even on a province-by-province basis).

If you can’t open a U.S. brokerage account, research within your particular country – using the Broker Blueprint as your guide.
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