

I ONCE overheard someone lament that “the rich get richer and the poor get poorer”, which made me think if indeed that statement is true.

The rich do get richer only because they have sound financial concepts required to stay rich. They focus on their net worth, working on their appreciating rather than depreciating assets.

They know how much is required to keep their lifestyle. They don't necessarily need to be debt-free because they know what good leveraging can do to enhance their wealth. They employ financial strategies which are contrarian to common ones - taking on investment opportunities when others would stay away and having the purpose driven portfolios.

They consciously inject capital into their portfolios rather than on an ad hoc or timing basis. They know the impact of inflation on their money and insurance coverage because they review their financial life regularly. Their financial data is maintained and accessible anytime they want.

The poor do get poorer only because they continue to adopt a poverty mind-set. They focus on their expenses too much either being overly frugal or overly spendthrift.

Frugality means overprotective of your money which prevents risk-taking while overspending means financial leakages and unnecessary bad debts.

Their financial life has no planning and

Financial lamentations



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The rich may get richer while the poor may get poorer, but it doesn't have to be that way. It requires a change of mind-set.

they have never taken a conscious effort to straighten it out. Their finances are all lumped into a “pot” which is meant to be used for everything.

They do invest but usually due to either lack of knowledge or fear of losing their capital, the amount is too small to be financially significant. Their insurance coverage depletes as medical costs rise, unsure what and for how much they are insured for.

It really doesn't have to be this way. There is a way to change your financial situation. The first step is to decide to be financially responsible yourself. Acquire the right financial knowledge and make that change. Find a financial buddy to help you get started.



Illustration by HAFIDZ MAHPAR