

Imagine if you had a time machine that allows you to travel back in time and travel back again to the future, what financial decisions would you change for the better? Surely, there would be useful lessons from the past.

One observation from the past would obviously be how cheap everything used to be and how we have taken them for granted. How we wished we had kept pace with inflation because each ringgit would have been stretched sufficiently to afford the inflated prices.

How you wished you had started on that saving plan because you didn't know it would come in handy for your retrenchment. And why on earth did we waste money on things we never needed, clothes we never wore or food that was bad for our health?

If only you knew you weren't going to be as healthy now as you were in your younger days, you would have been better covered medically. You would also have set up an income replacement plan then due to a serious illness that forced you out of work prematurely. You now realise that the ringgit values in the sales illustrations were future values which have lost its purchasing power over the years. Money certainly has a time value.

Coming back from the past, the corporate world has changed and economies have evolved. It should have made sense to have diversified your investments and kept your portfolios consciously invested.

The frequent switching in and out of

Back to the Future



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Important lessons can be learned from looking back into our life's decisions in planning for the future.

your funds and the panicky reactions to periodic news and events weren't rewarding at all.

Instead, rebalancing your portfolios annually and avoiding the herd mentality would have been wiser. Perhaps you would have allocated a smaller portion of your funds to speculating and a lot more to investing.

We all know we don't have such a time machine but seriously when you look back into your own financial lives, there are many financial lessons to be learnt. Take stock of these lessons daily. Now that you are back to the future, list them in your smartphone as resolutions to change. After all, it is only through mistakes that we become better at everything in life.



Illustration by Fadzul Yusof