

MANY years ago I helped someone solve a bad credit problem that saved her a few thousand ringgit. My advice was that she should place her 'newfound' savings into a safe portfolio to build up her emergency funds. To my dismay, I found out later that year that she had used all her savings to buy another luxury car and her debts started to pile up again!

This is an excellent example of financial stubbornness when the habits in our lives are beyond control. Such behaviours are financially fatal and if change does not happen, the only way is downhill.

Besides behaviours, there are also stubborn perceptions which can rob us of our wealth-building goals.

■ Investments are always bad for me.

Investors who do not understand how investments work and have lost money think that investments are not for them. Losing money does not make the investment "bad" but such perceptions can keep your money from growing. Create portfolios which are aligned to your life's goals. Avoid being sold merely on products.

■ Insurance is only out to cheat me.

Some may have listened to a bad sales talk, resulting in being underinsured and exposed to financial losses due to unforeseen events. Make sure that you understand what insurance you are buying. Normally, a good insurance would provide you with the highest coverage at the lowest premiums.

■ I am more clever than the market and hence I can beat it.

No one can ever predict the market movements even with the most sophisticated tools! Even if

Financially stubborn



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Stubborn behaviours and perceptions can hurt our goals for building wealth.

they can, why would they want to share with you the trade secret? Time, strategy and a purpose should be your focus in building wealth.

■ I am too young to plan for retirement.

Retirement isn't about retiring due to age but retiring from the work you don't enjoy. You can "retire" even if you are in your thirties or forties. If you are not planning early, there is really no time to accumulate when you are 'forced' to retire in your later years.

Being financially stubborn also means being financially arrogant. There is no point being arrogant and yet ending up poor.



Illustration by HAFIDZ MAHPAR