

# The Reasons for Financial Failure

By Craig Lock

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Money Management Course <http://www.nzenterprise.com/manage/index.html>

"We share what we know, so that you and your money may grow".

## THE REASONS FOR FINANCIAL FAILURE

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"Money can't buy you happiness. But it helps you to be miserable in comfort."

### WHY DO MANY PEOPLE NOT ACHIEVE FINANCAL SUCCESS?

I believe the reasons are as follows:

Reason One: Lack of knowledge: or more specifically, a lack of desire to gain knowledge. Make the effort to read about financial matters and you will learn. Many people don't know where to go for unbiased advice so they do nothing.

Reason Two: Failure to set plans. Did you know that only 5 percent of the population sets goals and only 2 percent has any form of written goals? Their actions have a sense of purpose: they are results oriented, they are motivated, they are positive. They are life's winners. Without a plan, it is easy to drift aimlessly, and live from day to day. If you set goals, you will know what you want to achieve.

Reason Three: Inefficient use of time and poor work habits. Time is like money - you can spend it or invest it in building a better you by self-development. When you waste time, you are wasting yourself. Plan your day - what do you really want to achieve today?

Reason Four: Lack of foresight. Achievers can look beyond the immediate and into the future. Although some may see your visions as dreams, do not forget that you have to have a dream

to make a dream come true. Unless you are fortunate enough to be left a legacy, the only money you will ever have working for you is what you save and invest. People with vision can multiply their income by investing in growth investments. Work for your money, then make your money work for you.

Reason Five: The need to conform. Dare to be different! Don't be afraid to take calculated risks. The people who make big money are the ones who do the opposite of what everyone else does - sell when everyone else buys, and vice versa.

Reason Six: Poor debt management through excessive borrowing. Many people have poor spending habits and having no budget. If you borrow to buy things that lose value, with interest payments you pay much more for the article than it cost initially. (Especially new cars, furniture etc.)

Reason Seven: Lack of desire as a result of a poor attitude about acquiring wealth. A bad attitude has caused more personal problems than anything else. What we expect to happen usually does. Successful people are optimists, while unsuccessful people have a pessimistic attitude. Block out negative thoughts and stereotypes and mix with successful, positive people.

Reason Eight: Inadequate protection against unforeseen events, such as the loss of a home due to natural disaster or the death or disablement of the bread winner. Adequate protection (insurance) against these events is vital to financial success. Not being properly covered has wiped out many potentially financially successful people.

Reason Nine: Lack of discipline. Most people find it difficult to save: it is easier to say yes than no. Those who lack discipline to say "no" will find financial success an impossible achievement. Many people are easily led by advertising and the easy availability of credit.

Reason Ten: Procrastination. Many people put off a savings program until it is too late. Young people have a wonderful opportunity and advantage because they have time on their side. The reasons people give for not starting a savings program are varied, and many are genuine. People in their 20s are just getting started in life and want to enjoy themselves by spending on cars, stereos etc. People in their 30s have young families and mortgages. People in their 40s say things are tough with kids to put through college and unexpected medical expenses. By the time people reach their 50s, it is too late: there's no time left to accumulate capital through the magic of compound interest. A convenient time never comes.

So why not start your financial planning TODAY?

Craig Lock

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Craig Lock is the author of the Mad Money Book. He has been involved in the personal finance field for many years. Craig has studied and written extensively on money matters: articles, brochures for financial institutions and books. For more valuable ideas and money information visit him at

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You'll also find his Online Money Management Course at

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Craig's money books are available at:

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"If you have knowledge, let others light a candle to it."

- Margaret Fuller

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