



Fear of Loss will hinder chances of prosperity

The fear of losing money will cause people to play it safe by not stepping outside their comfort-zone and not investing their money for greater returns.

Leaving your money in an ordinary savings account will mean that inflation will erode the value of your money yet that is exactly what a lot of people do. They are afraid to take risks.

Some of this fear comes from those who had experienced the crash of 1987, better known as "Black Monday" when portfolios were hit hard. Some people lost their life-savings and more tragically, a lot of the money which went down the drain was borrowed money. In these situations, shares were worth less than the money borrowed to purchase them. There are risks which are worth taking and risks not worth taking. It takes discernment to tell the difference.

I remember once (about 2001) I bought shares in Air New Zealand and they almost went bust, well they would have if the government did not bail them out. The shares dropped to a low of fourteen cents a share. I bought my shares in the company at around \$2 a share. This was the last time I bought shares in an airline. It was an expensive lesson.

I have known some people who never invest their money for fear of loss; they cannot handle the volatility of watching their balances go up and down yet they have no problem with buying their weekly lottery tickets. If they had deposited that same money into their kiwisaver then these people would have a fortune waiting for them once they reach the age of 65.

"You make your choices and your choices make you."-Jim Addison, Scottish Pastor
It is all about choices.

The choices you make today will determine which choices you are able to make in the future.

If you have been sensible and joined a retirement scheme and contributed to it all of your life then this choice will give you more options in your later years.

Ask yourself these questions, “What action can I take today which my future self will thank me for?”

There will not be a single person who reaches the age of 65 or whatever the retirement age is in your country, who will regret ever joining and contributing to a retirement fund. It is everyone’s responsibility to get a financial education. This will help you to make the right choices for your money. Apply what you have learned which are applicable to your personal circumstances.

Getting over your fear of loss will enable you to grow your wealth rather than just leaving it in the bank where inflation will steal the purchasing power of your money.

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