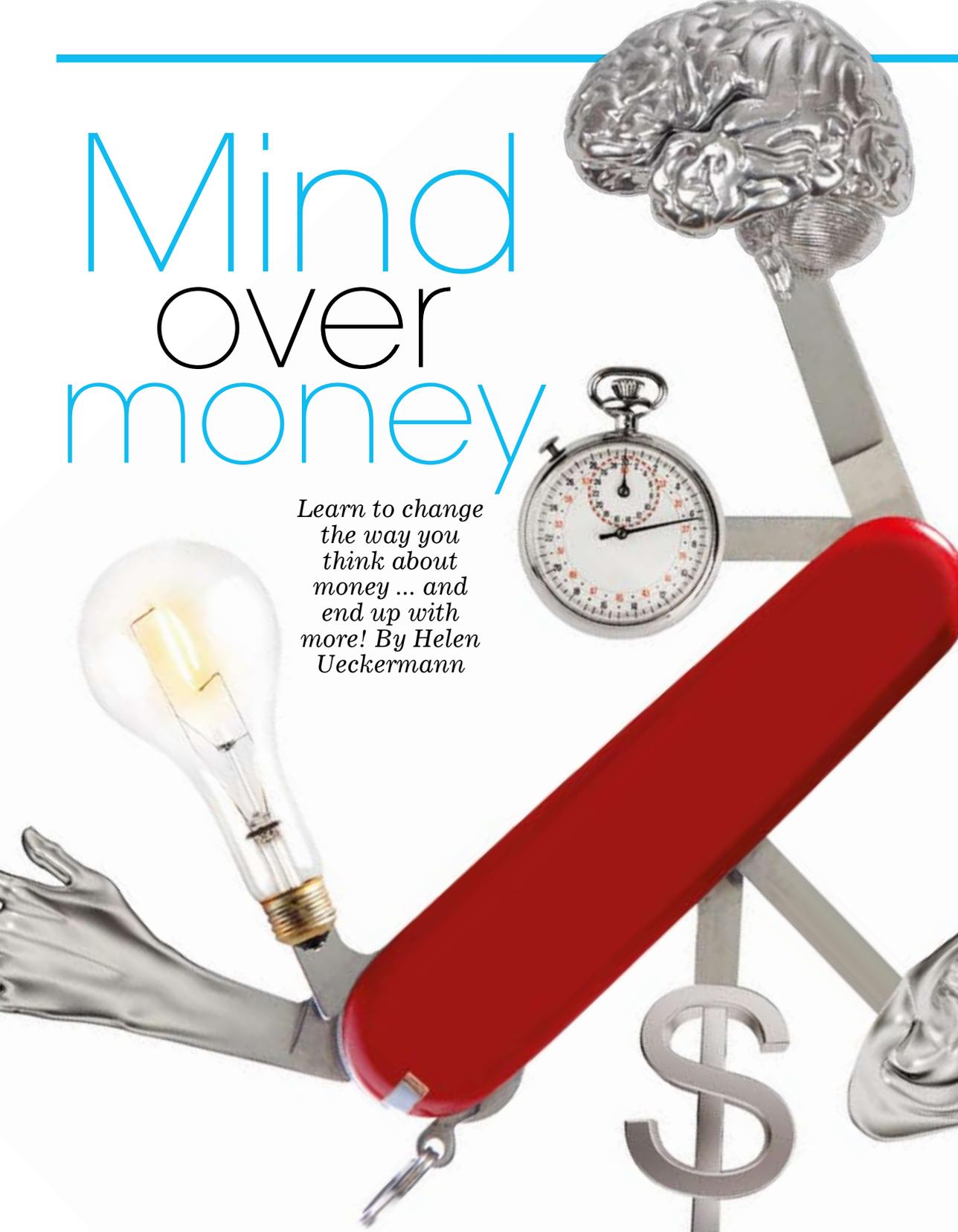


Mind over money

Learn to change the way you think about money ... and end up with more! By Helen Ueckermann



The mind is a powerful tool, particularly when it comes to your personal world of money. T Harv Eker, author of *Secrets of the Millionaire Mind: Mastering the Inner Game of Wealth* (HarperCollins) believes there is a secret psychology to money. 'Most people don't know about it which is why most people never become financially successful. It is merely a symptom of what is going on inside you,' he writes.

Holding on to a negative financial mindset will put you at a disadvantage, but you can learn to recognise that and change your attitude to a more positive (and financially better) one, insist personal finance gurus Dawie Klopper, investment economist at PSG Konsult, and Nico van Gijsen, managing director of Finlac. So what is your financial mindset?

Ignorance

This is you if...

you are uneducated about finance. Your parents or teachers never gave you a solid knowledge about the basic money principles, on top of which you may be unaware of your lack of financial know-how.

This is bad because?

Nico (N) 'Knowing how to spend is not money wise.'

Dawie (D) 'Not knowing about money but saying you do, will only make you look foolish.'

Break it

N 'Be honest. Ask yourself what you've achieved. If the answer is "Lots of stuff, little wealth", stop the rot. A qualified financial planner should be able to put you on the right road.'



Materialistic

This is you if...

you just love stuff and relish all that money, credit cards and debt can buy you, always wanting more regardless of the cost.

This is bad because?

N 'Stuff does not equate to wealth.'

D 'Your focus is on things instead of people, who matter more.'

Break it

'Force yourself to save at least 20% of your gross (before tax) monthly income in a long-term investment. You'll reap the reward of real riches sooner than you think.'

Influences on your financial mindset

- **How you've been raised.** Children learn by example. If your parents were nervous about money or felt they didn't have enough, you probably have a negative attitude towards money that may well be standing in the way of your financial success.
- **Beliefs.** Some people strongly believe in the Biblical injunction that the 'love of money is the root of all evil'. Whether or not you agree is your choice, but try to remain as objective as possible as you think about it.
- **Social pressure.** Do you feel that you need to compete with better-off family members, friends or neighbours? Rather, start with your own budget and see how you can improve.
- **Personal experience.** Having suffered bankruptcy or lived without a salary after being retrenched will likely impact your financial mindset.

'Force yourself to save at least 20% of your gross monthly income in a long-term investment'

Cheap

This is you if...

you always feel you have to get the lowest price on everything, regardless of the quality. You tend to think short term, focusing on what an item or service will cost you today instead of further down the line.

This is bad because?

N 'There's a good reason why certain products or services are cheap – most people are not prepared to pay more for them!'

D 'In the end you are going to pay more for poor quality.'

Break it

D 'Consider buying quality that is guaranteed to last longer and will therefore prove cheaper in the end.'

Apathetic

This is you if...

you simply couldn't care less about money. You may know about the basics, but you are just not interested. You enjoy what money can do for you, but you don't spend any time proactively planning for the future.

This is bad because?

N 'You will never have anything. Even if this does not disturb you right now, in time you



Greedy

This is you if...

you have an insatiable desire to acquire or possess more (especially in the way of material wealth) than you need or deserve.

This is bad because?

N 'Your greed makes you consider only short-term solutions – the get-rich-quick schemes that always let you down.'

D 'Greed will cloud your judgement and may lead to costly mistakes.'

Break it

N 'You can't break a bad habit by denying it. Be honest and ask for help with your money matters.'



will regret your apathetic behaviour.'

D 'I have seen far too many people who never thought it necessary to plan for the future and when they near retirement they're sorry.'

Break it

D 'Appoint a financial advisor to help you with a plan, and stick to it. It will not cramp your style and it will save you a lot of unhappiness at a later stage.'

Impatient

This is you if...

you crave instant success and gratification and do not have the necessary patience to see your money grow over time. You would rather play the Lotto or invest in risky get-rich-quick schemes. You don't understand that financial success needs to be a slow, well-planned and executed process.

This is bad because?

N 'Impatience is a big reason why people fail to create wealth.'

D 'There are no real get-rich-quick schemes. If it seems too good to be true, it probably is!'

Break it

D 'Change your habits. Start saving on a regular basis. The combination of your effort and the accumulation of interest will make you wealthier.' ■