

Top 10 money myths

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The concept of money that each of us holds is usually something that's been hardwired into our brain based on our parents' attitudes to cash, investing, debt and wealth creation. It's a little bit like our view of relationships and how we grow up thinking how they are supposed to work. But for most of us, unlike relationships, we don't test our theories about money out as much by talking (and talking, and talking) them over with friends. We are more likely to hold them close and hang onto them.

That is why I love the Top Ten Money Myths list the talented ladies from [Moneygirl](#) have compiled in their book *Money Makeover* (written by Nina Dubecki and Vanessa Rowsthorn and published by John Wiley & Sons). Once we face up to the fact something we believe about money might actually not be true we have a much better chance of breaking through our self-limiting beliefs. I like number three, below, the most: the idea that it's not what you earn, but what you do with it that counts most in your long term wealth. Both the Moneygirl girls have day jobs they love in the arts sector (well-known for its low-paying salaries) and both have built up their portfolios of investments without having to compromise their happiness at work or their long-term savings plans - smart one.

1. Money is dirty. While accumulating riches for the sake of it or aspiring to have three sports cars sitting in your garage could be considered questionable pursuits, having money can give you the power to do good by supporting the causes you believe in. It also gives you personal freedom. There are many ways to invest your money ethically and in line with your personal beliefs.

2.. You can only become rich if you marry someone wealthy or win Tattslotto. Apart from the fact your chances of winning the lottery are pretty small, you're actually very capable of becoming independently wealthy over the long term if you acquire the right knowledge and exercise discipline. By using your money smarts you can create a comfortable future for yourself on your own terms, rather than leaving it to chance.

3. I don't earn enough to be an investor. Becoming a financial guru has very little to do with how much you earn. There are many examples of people on über-high salaries who squander their earnings away, and of people on average incomes who've learnt to invest wisely and become wealthy and financially free. Of course, it's easier if you're bringing home the big bucks, but it's absolutely not a prerequisite for financial success and happiness. You have to start somewhere, and as little as a few thousand dollars is enough to get you on your way.

4. I work hard for my money and deserve to spend it on whatever I want. Sure, you can spend your hard-earned cash on three lattes, lunch and rounds of drinks after work each day if that's what you really want. But is it really what you want to spend your money on? Or is it just habit? If you saved some of that money and invested it wisely, in a few years it could mean the difference between having enough for a deposit on your own apartment and living with your parents or renting indefinitely.

5. Finance talk is boring and doesn't interest me enough to get my finances in order. There's no denying that the finance news can be as effective a sleep aid as a warm glass of milk. But the truth is that you don't need to know how the All Ordinaries are performing every day in order to be successful with money. Financial success is all about knowing where to source the best, most relevant information, and getting the basics right. There are plenty of low-maintenance investments out there, so you won't have to spend every waking hour keeping an eye on your money.

6. I'd prefer to leave the task of managing my finances to my father/partner/accountant. You should always be involved in any decisions made about your own finances - never hand over responsibility for your investments to someone else. While they may genuinely have your best interests at heart, you don't know how much they really know. Even if you see a financial adviser or accountant, you should always understand exactly what investments they are recommending, and know where your money is going.

7. I'm too old now to do anything about my finances. While getting your act into gear when you're young will certainly give you a fantastic head start, there's no such thing as being too old to get your finances sorted out. In fact, the longer you stall, the harder you'll make it for yourself in the long run.

8. Investing is risky, so I prefer to leave my money safe and sound in a bank account. All investment carries an element of risk, but with knowledge and research you'll learn which investment style suits you best and how you can minimise the risks. The problem with keeping money in your bank account is that it becomes victim to that nasty thing called inflation. By leaving money in a bank earning low interest over a long period of time, you'll find your savings won't keep pace with the rising costs of living. Ironically, it can actually be one of the least-safe options over the long term.

9. I'm not smart enough to invest on my own. While financespeak is pretty high up in the gobbledegook stakes, you don't need to have a PhD to sort out your finances. The fundamental principles of investing are actually simple, even if finance jargon is overwhelming at first. The truth is that anyone can learn to invest smartly. Plus, super-intelligent people don't necessarily make great investors - research conducted by the US Bureau of Labor Statistics that studied 7400 people over a 30-year time span has found there is no relationship between a person's IQ and the amount of wealth they have.

10. I've got too much on my plate now to worry about it - I'll think about it later. It's easy to freeze into inactivity because the idea of sorting out your finances is all too overwhelming, and it's so hard to figure out where to begin. But I can't stress how much better off you'll be if you start now. It's amazing what a difference time can make to your investments - you'll be so much better off by starting early.

Do any of these money myths make you squirm in your seat because you know they're a myth, but you'd prefer to hang onto your beliefs because they give you a good excuse not to do anything about investing?

Or maybe you have a money myth to add to this list?