

SAGE HILL

Advisory & Management

10 BIGGEST MISTAKES PEOPLE MAKE REGARDING THEIR WEALTH

- 1) **Waiting Too Long To Plan** can significantly hurt your chances of being financially successful. Now is not too early to start identifying your goals and your resources.
- 2) **Not Communicating With Your Spouse or Children out of Fear** will simply delay the critical discussions that you need to have with your family to facilitate a successful wealth transfer. Whether you believe your children are not ready to inherit or don't deserve your wealth, not having candid discussions with your family will make the situation worse. Teach your children about inheriting wealth, and they will be good stewards of your wealth.
- 3) **Not Knowing Your Core Values** prevents you from leveraging your money to achieve your values. Allow your core values regarding wealth transfer, philanthropy, and investing to serve as the basis for all your financial decisions.
- 4) **Making Financial Decisions Not Consistent with your Overall Financial Plan** can result in poor investment performance and not achieving your goals. Determine your long-term goals to create your financial strategy, and then assess every opportunity against your strategy to ensure you stay on track.
- 5) **Jumping Into the Market Too Late and Out Too Early** by reacting to media and impulse increases your risk and most likely reduces your long-term returns. It's not timing the market, it's time in the market.
- 6) **Not Trusting or Questioning Your Advisors** is like going into open heart surgery without meeting your surgeon or getting a second opinion. Your advisor should welcome your questions, and instill confidence in their recommendations. They should have credibility, integrity, and reliability.
- 7) **Using Money as a Family Weapon** is a proven technique to raise financially unsuccessful children. Hiding assets, offering financial rewards for certain behavior, or withholding money as punishment for poor performance are all ways to communicate unhealthy values regarding wealth. Respect your family wealth by teaching your children how to use their wealth to further their values.
- 8) **Belaboring Decisions** can mean missing opportunities, or worse, realizing losses. A strong strategic plan with clear decision-making criteria will enable you to evaluate opportunities and act on them quickly with confidence.
- 9) **Planning and Waiting While Opportunities Pass you By** is no different than waving goodbye to the cruise ship while you look over travel brochures. Plan well and you will feel secure in seizing opportunities.
- 10) **Making Your Family Business Your Favorite Child** is common among business owners, and can lead to resentment by your spouse and your 'other' children, and eventually to resentment of the wealth that you have worked so hard to create. Share your success stories and include your family in your accomplishments so they carry on your stories and the tradition of your family business.