

10 (More) Reasons You're Not Rich

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Many people assume they aren't rich because they don't earn enough money. If I only earned a little more, I could save and invest better, they say.

The problem with that theory is they were probably making exactly the same argument before their last several raises. Becoming a millionaire has less to do with how much you make, it's how you treat money in your daily life.

The list of reasons you may not be rich doesn't end at 10. Caring what your neighbors think, not being patient, having bad habits, not having goals, not being prepared, trying to make a quick buck, relying on others to handle your money, investing in things you don't understand, being financially afraid and ignoring your finances.

Here are 10 more possible reasons you aren't rich:

You care what your car looks like: A car is a means of transportation to get from one place to another, but many people don't view it that way. Instead, they consider it a reflection of themselves and spend money every two years or so to impress others instead of driving the car for its entire useful life and investing the money saved.

You feel entitlement: If you believe you deserve to live a certain lifestyle, have certain things and spend a certain amount before you have earned to live that way, you will have to borrow money. That large chunk of debt will keep you from building wealth.

You lack diversification: There is a reason one of the oldest pieces of financial advice is to not keep all your eggs in a single basket. Having a diversified investment portfolio makes it much less likely that wealth will suddenly disappear.

You started too late: The magic of compound interest works best over long periods of time. If you find you're always saying there will be time to save and invest in a couple more years, you'll wake up one day to find retirement is just around the corner and there is still nothing in your retirement account.

You don't do what you enjoy: While your job doesn't necessarily need to be your dream job, you need to enjoy it. If you choose a job you don't like just for the money, you'll likely spend all that extra cash trying to relieve the stress of doing work you hate.

You don't like to learn: You may have assumed that once you graduated from college, there was no need to study or learn. That attitude might be enough to get you your first job or keep you employed, but it will never make you rich. A willingness to learn to improve your career and finances are essential if you want to eventually become wealthy.

You buy things you don't use: Take a look around your house, in the closets, basement, attic and garage and see if there are a lot of things you haven't used in the past year. If there are, chances are that all those things you purchased were wasted money that could have been used to increase your net worth.

You don't understand value: You buy things for any number of reasons besides the value that the purchase brings to you. This is not limited to those who feel the need to buy the most expensive items, but can also apply to those who always purchase the cheapest goods. Rarely are either the best value, and it's only when you learn to purchase good value that you have money left over to invest for your future.

Your house is too big: When you buy a house that is bigger than you can afford or need, you end up spending extra money on longer debt payments, increased taxes, higher upkeep and more things to fill it. Some people will try to argue that the increased value of the house makes it a good investment, but the truth is that unless you are willing to downgrade your living standards, which most people are not, it will never be a liquid asset or money that you can ever use and enjoy.

You fail to take advantage of opportunities: There has probably been more than one occasion where you heard about someone who has made it big and thought to yourself, "I could have thought of that." There are plenty of opportunities if you have the will and determination to keep your eyes open.