

OVERCOMING THE HURDLES TO FINANCIAL SUCCESS

By Burk Rosenthal

It's almost impossible to accomplish your goals in life without dedicating yourself to a specific agenda. And there's sure to be trials and conflicts along the way. This is true in everything from career to hobbies, sports, and your financial portfolio. An opportunity to meet your financial goals requires a plan of action and the determination to see it through.

Financial success has its own set of hurdles, and I am going to cover a few. The first barrier is simply not having goals. The familiar saying, "If you don't know where you are going, how are you going to get there?" rings true. A key to financial success is to set long term goals and then develop a plan of action that will help you to achieve those goals.

Ignorance hinders many people from becoming financially independent. This does not mean they are ignorant from an intelligence standpoint, but they simply lack the knowledge or experience to make confident and informed financial decisions and do not know where to turn. What one doesn't know about investment strategies and economic indicators can indeed hurt his chances of achieving financial success.

Debt is the third obstacle. Many Americans will never achieve the American dream of Financial Security due to large interest payments they make throughout their lives. Limit long-term borrowing to your home or business. And try to steer clear of credit cards with high interest rates unless you pay your balance in full each month.

Poor investments can be a major setback. Investments that promise high growth and income, guaranteed principal, and no federal or state taxes are often too good to be true. Working with a financial professional rather than relying on "hot tips" from well-meaning friends or relatives will help you make informed decisions in this area.

Many people fail to plan for the effects of inflation. Sir John Templeton once said, "We never expect to see a year in which the cost of living goes down." The effects of inflation need to be accounted for in any investment or savings plan.

And don't forget about taxes. The average American must work through the first week in May just to pay off their federal, state, and local income taxes for the year. After that, he can finally start putting money in his own pockets. Your retirement funds and investment and savings strategies are all impacted by the tax considerations.

The final hurdle is procrastination, although it is the first hurdle for far too many people. They can't get past this one to even think about the others. Start today and start small if you have to, but develop a plan. The key is to set your goals and a plan to help achieve them. After all, that's what America is all about!