Your Financial Dream Killer

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Despite what many people think, the number one financial dream killer isn't portfolio losses, or financial emergencies, or unemployment, and not even natural disasters. **The number one reason** people fail to reach their financial goals is **procrastination** - putting off the inevitable until the cost of your dreams or goals become prohibitively expensive.

Why People Procrastinate

- Fear of failure: Some people view their aspirations with dread because they don't think they will succeed. Others are just afraid to try.
- Failure to turn dreams into realistic goals: Everyone has a dream, but they tend to evaporate when they're not translated into meaningful, achievable goals with a plan of action behind them.
- Self defeating attitude: Some people are self defeating by nature. Others let negative influences take control.
- Too difficult or confusing: Finances can be intimidating, but so was algebra. Also the overwhelming number of options can be paralyzing. In either case, it always seems easier to wait until tomorrow to get started.
- They think they have time: What's one day, or one month, or one year? There's still time, right?

The Cost of Procrastination

What is lost on most people is that time truly has value. The more time you have, the less costly your financial goals. Yet, it is a diminishing resource. A Conference Board of Canada survey* revealed that nearly 60% of people who are within 10 years of retirement do not have sufficient assets to generate enough income for their lifetime. They are fast running out of time, and will likely have to delay retirement for a while.

The Numbers Speak for Themselves

If you were to start saving $5000 a year today and were able to earn 6% for 20 years, you would accumulate over $194,000. If you procrastinate and start your savings 10 years from now, you would have to save nearly $14,000 per year to accumulate the same amount. **The cost of waiting is almost $9,000 a year!**

Overcoming Procrastination

1. **Recognize your procrastination:** It's a real problem for some people. It is important to explore the reasons behind your procrastination and make a deliberate decision to deal with it.
2. **Become inspired:** If you don't know where you're going, then any road will get you there. The key to taking action today is having clearly defined goals that motivate you. If living out your golden years in a broken down trailer isn't your idea of a comfortable retirement, picture what you really want to have happen and determine what it will cost you to get there.
3. **Remove the barriers:** A lot of people procrastinate because they don't know where or how to get started. With the advent of the Internet, there is simply no more excuse for not learning what you need to know.
4. **Create a budget:** No money? is often an excuse for procrastination. Creating and living by a budget requires discipline which is what many procrastinators lack. Honest and disciplined budgeting will create the cash flow needed to save for future goals.
5. **Be positive:** If something is important enough, it can be achieved. Successful athletes, entertainers and business people have all had to overcome obstacles, and the one common characteristic they all relied on was their positive attitude.

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* Conference Board of Canada, October 2014

Questions about Your Financial Strategy?

Contact our office! **[1]**

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