



OPENING UP NEW MARKETS WITH THE DUTCH CARRIBBEAN SECURITIES EXCHANGE

INVESTORS' CORNER

Planning, Investing and Steps towards Wealth Creation

Part 2

"More people should learn to tell their dollars where to go instead of asking them where they went."

Roger Babson

This is the continuation of a two part series. Part 1 to this edition discussed the need for a financial plan of action. We will continue by providing the steps to begin your investment journey.

So how do we start? By "paying" yourself first. What does that mean? No matter how small a salary you earn, at least 10% of your disposable income is to go towards **investments in you**. This is the first payment that is to be deducted from your income. For e.g. 10% each month is to be used to buy a small volume of stocks for your retirement portfolio; or for an aspiring entrepreneur, it may mean investing that 10% in workshops or improving your qualification. You may think that 10% is too much to take from your "never-enough" salary that is already being stretched to cover your bills, but I really implore you to "invest" the time to try this for just 3 months. Starting with your next pay check, as you receive your salary in your bank account, take 10% out and put it somewhere that you are not able to spend it! Do this for 3 months at first and I bet you that you will be able to survive on your remaining salary! Just try it. If it works, that means it is something that you can do on a more permanent basis. If it did not, then that means you need to have a thorough look at our expenses, but that will be discussed in tip 3. Oh, and if you can "pay" yourself more than 10%, go right ahead! The hope is for you to eventually be able to pay yourself 30%-50% of your income!

"One penny may seem to you a very insignificant thing, but it is the small seed from which fortunes spring." **Orison Swett Marden**

The second tip is that you **MUST** always pay yourself. No pay slip is to be ignored; no matter the circumstances. Should there be an emergency, decide to cut back on groceries instead! Sacrifice another of your expenses but never, ever, ever, ever, ever sacrifice "paying" yourself first!

"Too many people spend money they earned, to buy things they don't want, to impress people that they don't like." — **Will Rogers**

Thirdly, be mindful of your expenses and live within your means. In other words, do not spend more than you earn. This is best achieved when you create a monthly budget. Your budget does not have to be formal, but it must be as detailed as you can make it, so that you are able to remove all unnecessary spending. Importantly, you are to stick to your budget! This goes hand in hand with the previous tips, especially if you believe it may be difficult to pay yourself the 10% of your income. Let your budget be your guide to best manage how to spend the remaining 90% of your income.

Finally, this path towards financial independence requires that you change your mindset to think that investing is also for you, no matter how small the value. You are capable to invest just like any other. So when you hear the term “investments” being bounced about here and there in the media, you shall no longer think that it is some farfetched activity that is only deemed appropriate for the elite few of a private and sophisticated Country Club. No, no, no. You are also invited to the party!

The Investment world is a large dynamic pie that can be served to all who decide to cut a slice from it! With active planning and the correct state of mind, your daily actions and efforts will be set on the correct trajectory in achieving your investment goals.

“Believing you can accomplish something is the first step in actually doing it.”

Anonymous

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