

MONEY

MISTAKES

not to

MAKE IN 2017



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Introduction

Just like that we are well into 2017! I sat down and asked myself where did the year go? Do you know that quite a number of people can't account for the 12 months of the past year? 2016 came and went like a breeze, 2017 is here and will most likely go like a breeze as well. You literally have to build up stamina and prepare so that 2017 won't catch you unawares, because before you say "Jack", it will be gone! This is why you cannot wait for time and chance to happen; you've got to create it, anticipate it, plan for it, prepare for it and practice while waiting for it, so that the moment your opportunity shows up, you take your chance.

2016 was a tough year for many and I believe we are in a massive recession right now, even though the government is trying to down play it. We are living in times of great inflation in Nigeria, with inflation rates at approximately 19% and a Naira devaluation rate of approximately 42%.

In the past one year in Nigeria, international flight tickets have gone up by 241%; Domestic flights up 84%; Basic everyday staple prices have gone up, e.g - Chicken prices up by 50%; Noodles costs have gone up by 71%; Garri up by 58%; School fees up by 44%; Diesel up 69%; Bus fares up by 57%; Electricity bills up by 46%; and the story continues...

The oil and gas sector has been seriously hammered causing tremendous damage to the economy due to our dependency on oil. Things don't seem like they're going to improve soon and for that reason, it can't be business as usual. To survive financially in these very trying times, you must ensure that you do not make specific mistakes especially in 2017.

I have listed some major money mistakes you cannot afford to make in 2017 if you want to thrive this year and beyond.



Wasting Time

In 2016 many people were asleep, they were awake but they were sleeping. You can be in comatose state where you are just an observer, and your life is flowing past you.

If you take account of what you did with your time, how efficient were you with time and timeliness last year? What kind of relationship did you have with time? What kind of relationship did time have with you?

Many people don't realize that time is all that we have to make money and if you do not respect and honor time, if you are not timely in your decision making, in your thinking, in your approach to every single thing, you lose money, because time is the only component that you have to exchange for money.

A lot of people complain that they do not have money, or things are tough. What were you doing with your time? Were you sleeping by watching TV, constantly being on Facebook, Instagram, gossip blogs and the likes? Social media is one of the greatest thieves of time, you've got to allocate time to social media, if not before you blink you have spent 4 hours. You may say, "oh but I use social media for business", even those that use it for business, that is not all your life consists of. There are 12 dimensions to your life; business is just one out of the 12. So don't live on social media, sitting for 3 hours checking Kim, Kanye or Beyoncé's life.

Tips for Time Management

- **Allocate time for social media.**

Be deliberate, social media is an equity that can be converted into money. What are you doing there? For how long? What is the end game? You are going to search out information, for what? What is the purpose of that chat?

- **You have to be deliberate in 2017 with your time that you spend, waste or invest. Do you spend, waste or invest time?**

The dimension of investment means that there is an intention, there is an objective and there is a goal at the end of it. So what is your goal at the end of you allocating your time to a particular project? Why are you wasting your time? Why are you spending your time? Why are you investing that time?

This year, if you do not respect and honor time, if you are not timely in your decisions and in your actions, money will grow wings and fly away from you towards the person that is prudent with time.



Not Investing In Self and Personal Development

The only thing that people pay for is knowledge, people want to know what you know and people pay for what they don't know, it's your ignorance that takes money out of your pocket.

The reason why mechanics take money from us is because we are ignorant about the dynamics of our vehicles and if we want our vehicles to function at optimal level, we pay for our ignorance. This is the same with our doctors, PR & Brand Gurus etc. So what is that you know? And what is that which you do not know that you need to know, for the business that you do?

It is knowledge that is appropriately utilized and used to create value that is power. People will pay for the knowledge that you have and you can only know by investing in knowing. So your number one investment in 2017 has to be on yourself, you've got to invest all the way don't cheat yourself.

Tips on Self Development

- When you go in search of knowledge, invest in development that aligns with your gifts, passion interests and purpose. What solution is it that you are working to create and what problems you are looking to solve? .

Borrowing Money to Fund your Lifestyle

In 2017, save more than you spend and live on less than you earn

Borrowing to support an extravagant lifestyle is a very bad financial habit. As a salary earner or business owner, you've got to live within your means and stop taking salary advances to fund your lifestyle. This will disrupt your entire financial balance. It's only okay if you are borrowing money to invest or do a business that will generate interest in the future for you while keep your principal intact.

Tips on Borrowing Money

In a recession, it is encouraged to have multiple revenue streams (at least 3 sources of income) even as you focus on your primary revenue source. So it is okay to borrow or take a loan to invest in several businesses with stable and guaranteed income (But please do your due diligence). .



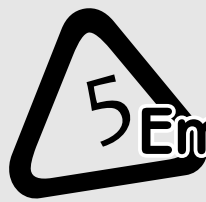
4 Not Having a Budget

“Beware of little expenses. A small leak can sink a great ship.” - Benjamin Franklin

In 2017, you must set and live on a budget. This should be common sense right? But you find that not many people create realistic budgets around their income and needs. If you want to maintain a balanced and healthy financial life, you must Learn to practice budgeting and living within your budget. Although Budgeting can be a complicated and time consuming exercise, if you want to live in harmony and peace in 2017, you must learn to patiently plan for your finances and for your life.

Tips on Budgeting

- - Start by tracking your everyday expenses, to the last dime. Based on your historical spending pattern of previous months, differentiate your critical immediate daily needs, from your monthly needs and from your wants.
 - Color-code these three in Red, Yellow and Black respectively. Then to budget for subsequent months, eliminate the black “want” expenses and set the limit of what you can spend, and write a list of what you really need to spend on month in month out. This is a very simple practice that can save your life and stop you from buying unnecessary things especially when you go shopping. Also make sure you go with a list, and limit yourself so that you do not over spend.
 - Track your daily expenses, it's much easier to stay on track with this than waiting till a long while or when you get into trouble. When you don't allow the little expenses to creep up on you, then the big ones won't. Get an app, buy a notepad, or create a spreadsheet on your computer that helps you monitor your inflows and outflows daily. Following where your money goes daily helps you determine if you really need to allow your money to keep going that way.
- When you spend cash, get receipt but try as much as you can to use a card for your expenditures, to enable you track every expense and note down the purpose accurately as you spend the money.



Not Putting An Emergency Fund In Place

An emergency fund is the money that will help you live your life without lack in times of difficulty such as the loss of a job, significant medical expenses, when your business is going through a dark patch of no income, or some other unexpected expenses.

Having an emergency fund is one of the most important financial habits in recession because of its unpredictability where anything can happen at any time. So the wise thing to do is to put a plan in place for this. The rule of thumb is to have an emergency fund that can last you and maintain your lifestyle for 6-12 months without an income. .

Tips on Emergency Funds

- Start this right now. You can start with the money you have shaved off from your budgeting exercise when you cut off unnecessary spending on your wants. Then you can gradually build upon this but note that consistency is key to developing this habit. In recession, many people experience various financial crises. Protect yourself and your family from pain set up an emergency fund.
- Consider setting up an automatic monthly transfer to ensure the money is saved each month at a determined date. Paying yourself first through a direct deposit from your paycheck into your emergency account will help you build that fund steadily. However, you must ensure that you have created a balanced budget so that you save the appropriate amount that you need to save.



Not Saving and Investing

There will never be the perfect time to save or invest as there is never enough money. If you don't develop the attitude and habit with the little you have today, you will never do it with the plenty you get tomorrow.

Many people are cheated from doing the right thing because of procrastination, wrong advice or fear. You have to guard against mistakes of not investing even if it is N5, 000, invest it monthly and don't wait till you have a financial breakthrough before you start investing. When you get any inflow, first pay yourself a percentage that goes into securing your financial future. There is no amount of money too small or too big to put away consistently.

Tips on Savings & Investments

- Pay yourself first - pay yourself a certain fixed percentage of your income before you start paying your bills. Even if you are only able to save 5- 10% consistently, start now.
- In investment, you should not put all your eggs in one basket. Don't put all your investments in one stock, one sector or even one country, spread the wealth, diversify your income and investment portfolio.



Not Having Proper, Up-to-Date Insurance on Possessions, Health and Life.

In 2017, insure your possessions, health and life for their current value - Update the value of your possessions such as your car, house, etc and insure them for their replacement value and not purchased value, because the whole essence of doing insurance is to be able to replace what you lose on the date you need to replace it with the money the insurance company gives you after their financial adjustment exercise.

For example, in this season where the exchange rate of the dollar to the naira has tripled in the last one year, what you bought for \$50,000 a year ago at an exchange rate of 160 Naira to 1 dollar will only give you 1/3rd of the value today at an exchange rate of over 450 naira to 1 dollar. Hence, you won't be able to replace the same possession even if the insurance company pays you. So each year, use the current replacement value of your possession to insure it.

Another reason why you need insurance is that you have to protect yourself from unforeseen circumstances like fire, theft, accident etc. You never know what might happen in the future. Insure everything you have – from life, to health, to home, office, cars, to jewelry and more. Don't skip on your insurance premiums when they are due; For health insurance make sure the coverage that you're getting is adequate enough even when you face dire situations – such as chronic illnesses or death. 75% of all bankruptcy situations are a result of health challenges and resultant medical costs. People have terminal diseases and their health insurance can't cover the treatment so they spend their savings or even borrow.

Tips on Insurance

- Whilst it is important to get premium umbrella policies for yourself and your family; it is also important that you do your due diligence on the various top insurance companies - their history and products. Try to use a single insurer so that your cover is total and discounted i.e, use the same insurer if possible for your life, health, home, car etc and negotiate for a huge deal or discount.

Living Only For Today

“Focus on the present but live and financially save for tomorrow” – The Catalyst

It is true that in life you have no control over yesterday because it has already come and gone you can't change it; they also say that your tomorrow is based on the decisions you make and the actions you take today. Note that there are 3 dimensions of Financial Focus - Short, Medium and Long Term. One of the greatest financial mistakes anyone can make is to permanently be myopic i.e. focus exclusively, living for and financially planning for the short term.

This attitude causes wasteful spending. People like these unfortunately attract their kind and therefore surround themselves with financially unintelligent people. As we know, "He who walks with the wise shall be wise but the companion of fools shall be destroyed" (Proverbs 13:20).

If you live for today financially, all your decisions will be centered on today and will be laden with many financial errors which could cause you and the people around you stress, pain, frustration, anxiety and near death misses. Short term people will never see any sense in saving and investing for tomorrow, today. They can never have the ability to delay gratification today for a better tomorrow. Being able to see and plan long term is a gift that should be taken seriously.

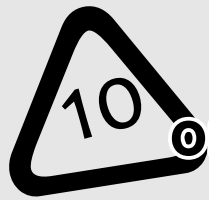


Taking On More Financial Risk Than Is Good For You

**"Never chew anything bigger than your throat" -
anonymous**

This is also applicable to investment opportunities. Taking some risks can be a good thing only if you already have a secure and stable diversified investment portfolio. It is true that in investment, the higher the risks, the higher the rewards but never go into a risky deal if you can't lose the money and sleep at night. This simply means that you should only risk money that you won't lose sleep over. Too many people's future have been ship wrecked simply because they engaged in reckless investing.
Stay safe.

Another part of financial recklessness is copying other investors. As an investment rule, never copy someone else's investment strategy because it can be a huge financial mistake. Someone else's judgment is not necessarily better than yours, determine what your own purpose and timelines for investing are and stay focused on these. Never take people at their word with investments because they may be lying or ignorant about what they're doing and why.



Standing as Surety or Guarantor for a debtor.

In 2017, don't guarantee someone else's loan.

This is a big mistake that many people make especially for their friends and family. They soon realize that the banks come for them as soon as that friend or family member defaults. Don't take on the responsibility for someone else's financial habits and don't guarantee someone else's lifestyle.

I personally believe that what you cannot afford, you do not need. Hence, let everyone live within his or her means. Don't guarantee anything that can instantly put you in debt, what if the principal debtor defaults?

It is almost impossible to know that the debtor will pay down on their obligation so don't do it. Don't be a people pleaser to your own peril.



Paying Bills Or Salaries Late

“Some debts are fun when you are acquiring them, but none are fun when you set about retiring them.”-Ogden Nash

Paying bills or salaries late can become a bad habit that will invariably affect other people, because they also have bills to pay but they're waiting for you to pay them so that they can in turn pay their creditors.

Also if you have a loan or credit card, ensure you pay down on the principal and interest at the agreed and appointed time as a default will lead to you paying a penalty fee. If it's something that happens once in a while and it's outside your control, that is ok but if it's a routine, then it is a bad financial habit.

Set reminders so that you know when your payments are due or consider setting automatic, direct deductions or scheduled payments from your account for very important long term bills.



Not Having a Professional Financial Advisor And Receiving Financial Advice From Just Anyone

“When you need professional advice get it from professionals, not from your friends” - Ray Simard

Just like you go to a doctor when you need medical advice, an architect when you need to design a home or a physics teacher if you want to excel in physics; so also do you need to get financial advice from a proven and time tested professional financial advisor if you want to succeed financially.

Without a proper advisor, you could be heading for financial oblivion. A professional will first assess your financial wellness status by diagnosing any financial illness, before he prescribes any intervention

Don't take financial advice from your religious leaders; they are there to give you spiritual advice. Financial and spiritual advice are on two different divides, one godly the other worldly and as such, the principles will vary.



Not Discussing Finances With Your Partner Before Getting Married

Even though money can be a touchy subject, you have to come to terms with the fact that it can make or mar your marriage. It can be the number one cause of conflict and pain in your marriage in the future so you must sit down and talk about your financial habits and your financial past, present and future.

If you can't have this kind of difficult conversation now, you won't be able to do so in the future. It is very important to share similar values and beliefs with your spouse or at least know the values and beliefs of your spouse around money. It is worthy to note that approximately 45% of marital problems are caused by money.

Tips on Discussing finance in a Relationship

- Discuss money as early as possible in your relationship. If you are already married and have not yet had the discussion, it is not too late, start now.
- Understand the purpose for the discussion - without purpose; abuse is bound to set in. start by discussing your short, medium and long term financial goals and work together on achieving them
- Have the discussion on the grounds of mutual respect and ensure to keep it from turning into an argument. Each partner should identify personal changes they're willing to make before the discussion
- Be honest, list out all that you have - debts, investments and more
- Engage in fun activities before and after money discussions



Spending All Your Money on Your Wedding

**“It’s your Wedding not theirs; Be kind, but don't
try to please everyone”- Anonymous**

Don't spend all your money getting married, there is still the marriage and the day after the wedding, invest in your marriage instead. It is foolishness and an unhealthy societal competition that will drive one to spend all his/her hard earned money on an event.

For how long do you want your societal wedding to be talked about? You need to check yourself before you wreck yourself. If your external validation is people talking about how you waste your money, you have a problem with your self-esteem and self-worth

Spending Too Much On Your Children

**“Spending time with children is more important
than spending money on children”-
Anthony D Williams.**

Every first time parent makes this mistake. You've got to come to terms with the rate at which children outgrow or get bored of things and seek the next new thing. You can't keep feeding that insatiable desire that they have. Your best friend should be NO.

Also, many parents feel guilty about their own inadequacies and the lives they couldn't live and try to over compensate for that through their children hence they spoil their children silly and give them the things they really don't need.

For a second, just imagine how much money you must have spent as a parent, uncle, aunt, big cousin etc. on cute clothes, shoes, toys and other merchandises that these children quickly outgrow. Remember how many things you've had to give away and how much this cost you; don't keep making the same mistakes.

And for the parents that use their children as prizes to compete with other parents, you're only going to destroy your children's lives because the fact that you can afford it now, does not mean that your child will be able to afford it in the future. Your children are individual beings and not your second chance at living. Protect your children's future by restraining yourself from over spending on them today else, you may have to fund their over indulged adult life.

Neglecting Your Children's Education Or Putting Too Much Importance On your Children's Education Over Your Retirement Plan

Plan your children's primary, secondary and university education ahead of their arrival and continue to consistently put something aside for it, this is very key. Decide what schools you want your children to attend, get the budget and plan how you're going to fund them.

However, also work out your expenses in your retirement and put money aside at the same time for this also. The mistake a lot of people make is that they invest so much in their children's education and expect returns, making their children become their retirement plan. That is an aspiration in futility that will only bring about frustration and irritation; it is too much burden and pressure to place on your children. They have their lives to live, they will have their own families and children also. Create a balance and work through both intelligently without over stretching yourself.

Invest In Your Future and Pay Towards Your Retirement Today!

A day is coming when you won't be able to work anymore. When your strength and sight will wane and you will have to depend and live on your investments. However, it is what you wisely and consistently invest today that will take care of you tomorrow.

What you haven't put away today will not be there for you tomorrow. Delayed gratification in measure is therefore a virtue in this regard. Ensure that you make good investments such that the interest or returns from the investment will be adequate to take care of you and your family in your retirement years. Don't depend on the principal that you put aside but on the yield from the principal investments. Only foolish people assume that they will need less money in their retirement. Only irresponsible, lazy and wicked parents look forward to living off their children in their retirement.

Tips on Retirement

- A critical aspect of planning towards your retirement years is to invest daily in your health and wellbeing because if you're hit by a disease in old age, it can wipe off all your investments in no time. So health in retirement is wealth. Develop a healthy spirit, soul (mind) and body by eating and drinking right, thinking right, speaking right and living right.
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- Make sure you're very active in mind and body even until old age; don't psychologically shut down because you will immediately begin to physically die. Get regular medical check-ups, and that's where having a premium health insurance cover is key.
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- Without a good, diversified and safe investment or retirement fund, it's hard for you to secure your financial future. If you haven't started a long-term deposit account or small-scale investment, start today. The earlier you start, the more sufficient funds you will have access to in the future. You can only reap what you sow.



**Chasing money instead
of solving problems
and fulfilling a Vision.**

**Focus on adding value and solving problems.
Everyone wants to make money but money does
not have to be the have all and be all.**

At the end of the day, the money you're chasing will be used to indirectly buy fulfillment which will only be fleeting. The guaranteed way to find fulfillment is to live purposefully, add value and solve problems. The more problems you're able to solve, the more money you have the potential to make and all that's left is for you to brand and position your solution right.

Keep solving problems until you become indispensable and get paid what you're really worth.

ABOUT THE CATALYST, LANRE OLUSOLA

Founder of the Olusola Lanre Coaching Academy, Lanre Olusola (The Catalyst) is recognized as one of Africa's Premier Life, Mind, Emotions and Behavioral Change Coaches working with individuals, organizations and government agencies to transition from where they are to where they desire and are designed to be.

A certified GE Executive Coaching Master Trainer and a GE regional Crotonville Faculty member, Lanre coaches executives across West, East, Central Africa and more. An alumnus of the Harvard Business School; Lanre's Advanced studies in Psychology, Neuro Linguistic Programming (NLP) and Quantum Physics, Led him to become an AAMET U.K. Certified Matrix Reimprinting Practitioner and Emotional Freedom Technique (EFT) Therapist.

Amongst his accomplishments is the VSP model - A 5 Star Performance Model he developed - which has been used by the Stanford University's Affiliate Faculty of the Institute for Venture Designs and other Institutions.

Other resources by The Catalyst, Lanre Olusola include bestseller, [The Money Book](#), published in 2015. [The Money Book](#) was listed in the Top 15 Books of 2015 by the esteemed Channels TV Book Club and went on to receive rave reviews from peers, critics and the general public alike, earning it the title, [hottest selling book in Nigeria](#).

For more about The Catalyst, Lanre Olusola and his work; connect with him on social media @lanreolusola and his website www.olusolalanre.com

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