

4 Mistakes People Make With Their First Million



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It's not uncommon for those who amass wealth to lose focus on their long-term goals and over time, their financial strategy starts to unravel. **By recognizing where some go wrong, you can learn from the mistakes of others and avoid common pitfalls.** Below are four common mistakes people make with their first million.



01

Not protecting it.

Your investment strategy changes when you go from wealth accumulation to wealth protection. Don't take on extra risk just because you have more money. The joy you feel on your way up to a million is nothing compared to the low if you happen to take a major downturn. The point is, protect your money. Decide on a percentage of your income and put it in low-risk investments that will help insure you never lose everything.

02

Keeping up with the Joneses.

When you go up the spending curve, it becomes very difficult to go back down – especially once you get used to a certain lifestyle. What stops this is a spending strategy. A good advisor can help you break down your spending into easy-to-understand percentages so you live well now while protecting your future. The key: live GREAT, but live beneath, not above, your means.

03

Not setting the next goal.

Don't be satisfied with just achieving a million. Identify the next step in your journey. Dream big and always have the next goal in site as you execute your financial plan. People aren't driven by numbers; they're driven by the hope of a coming future. You and your advisor should sit and talk about that future so that it drives behavior.

04

Lack of diversification of investments.

By diversifying your portfolio, you're pursuing a strategy designed to safeguard your wealth by investing in various asset classes. If your portfolio is comprised mostly of stocks and other equities, you may consider alternative investment options. Make sure they fit within your comfort zone. Your advisor can help identify appropriate investments for you to ensure your portfolio is appropriately allocated based on your personal goals.*



**Ready to talk?
Contact us today!**

The path you chose to get this far may have presented its share of challenges, but you faced them head on, and you maintained course. You recognized the opportunities and boldly moved forward. **By identifying the next set of challenges you may likely face, you can proactively avoid these common mistakes** and instead focus on turning your first million into two.

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