



**SELF-WORTH**  
**= NET WORTH**

### How to build confidence and change your financial direction

**At the start of the year, many people reassess their finances in preparation for the year ahead. This inevitably involves a review of income sources. For many people, this is a bit of a sore spot as it can cause doubt or regret about career choices.**

The thing is that career potential isn't the only determinant of net worth. Neither is investment capital; we've all seen and read the stories of the wealthy self-starters.

A number of prominent thought leaders believe that personal thoughts and feelings have a direct positive impact on actions. In turn, and over time, this has powerful results.

U.S. personal finance guru Suze Orman espouses the potential of this approach. Suze is well known for one particular mantra: "self-worth equals net worth".

### How self-worth = net worth (and not the other way around)

Suze's saying doesn't mean 'the more money you have, the better you feel about yourself'. What it means is that the higher self-worth you have, the more likely you are to have high net worth. In this context, self-worth means self-esteem, self-respect, and confidence.

There are two ways of looking at this. First, individuals who feel good about themselves don't splash cash on unnecessary items that aren't part of their main financial goal/s. Think stereotypes such as the middle aged man who buys a sports car, or the 20-something who goes deep in to debt for her Gucci.

Second, there's the idea that people with high self-worth are more likely to make the kind of decisions that lead to high net worth. For example, successful entrepreneurs. They're not wealthy just because they had a good idea once. They're wealthy because they took a series of calculated but brave risks. They believed they could take on individual challenges. They understood, and celebrated, the connection between their hard work and their every success.

Those entrepreneurs weren't born with this mindset either.. There are a number of different ways you too can start developing your own self-worth.

### 3 Simple ways to boost your self-worth

#### 1. Do it the hard way

Instead of avoiding tough tasks and challenges, meet them head on. Even if you're not 100% sure what the outcome will be. Remember the last time you learned a new skill, or beat a personal best at the gym? This is similar – broadly, it's called task-based learning.

This particular strategy can also have direct financial impacts. Learning new skills or getting the job done through perseverance is a great way to avoid having to pay someone else to do it for you.

#### 2. Break down long term goals – and celebrate the milestones

Many life goals – including financial ones – can seem impossible at the outset. Many people feel down when they can't see the end in sight. That's why it's important to break long term goals down to smaller goals – and allow yourself to feel good about achieving those smaller goals.

For example, there's saving for an investment property. You could allocate portions of savings to elements of the asset. Mentally 'paid off' the land? Great! Saved enough for a reno? Fantastic! Put aside transaction costs? Brilliant!

Just remember – a big victory is made up of many smaller wins.

#### 3. Learn to accept compliments

As children, we're taught to be modest and humble about our achievements. Unfortunately, as adults, this means some people are particularly bad at accepting compliments. They brush them off, or try to direct the attention elsewhere. Subconsciously though, this means they're not giving themselves due credit. Which is an important building block of self-worth.

Chances are you're already doing great things – you just haven't allowed yourself to acknowledge that.

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