

The foundations of wealth creation

Building wealth and gaining financial independence is something many strive to achieve, but very few accomplish. Why is it that? And how can you join the wealthy minority?

15 Mar 2012 by: [Brad Callaghan](#)
<http://www.flyingsolo.com.au/>



I think it's important we look at the foundations that need to be laid. Just like the footings of a building, to become successful you need to put down good foundations. To determine which foundations are most important, I reviewed the [BRW Rich List 200 and Young Rich List](#) to find out what the people who've done the best job in the country at gaining wealth have done to get where they are.

Here's what I found those people have used as the foundations of building their fortunes:

1. They spend less than they earn.
2. They set aside a certain percentage of their profits or wages to invest.
3. They set goals and focus on achieving them.
4. They create a team of advisors that can guide them and provide them with the information they need.
5. They aren't afraid to take calculated risks.
6. They persist. They never give up. They remove words and phrases such as "*I can't*", "*It won't work*", "*It's hopeless*", "*I quit*" and "*It's impossible*" from their [vocabularies](#).
7. They use leverage or other people's money for growth and they use time and growth as their friends. They invest with a buy-and-hold mindset and aim never to sell.
8. They always run in the opposite direction from the crowd. They invest counter cyclically. As human beings we tend to follow what everyone else is doing, but those few that invest against the crowd are the people who always make it to the summit.

Unfortunately most of us never make it past the first of the foundations on that list. Of those who do, many stumble at number 5 because of the fear that sets in when it comes to taking risks.

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Wealth creation is not about emotions. It's about removing all your emotions and focusing on the deal, looking at the research, doing your number crunching and talking it through with your team.

If you want to make yourself wealthy you have to be willing to make sacrifices at the beginning. You have to be willing to not spend your surplus income, but to put it aside and slowly watch your savings grow until you have enough to invest.

Patience and persistence are needed in order for your funds to grow and then your investments to grow. Many people buy a single investment property and aren't happy to find they're not immediate millionaires, so sell their investment too soon. That's just not how wealth building works.

Remember slow and steady, knowledgeable decisions and calculated risks will get you there, and when you sense fear, turn to your team for the push you need.