



Why it's Never Been Easier to Make a Million!

Description

Making a million has never been a straightforward process for anyone. There are risks, pitfalls and challenges which can be difficult to overcome. However, the path to a million is now smoother and clearer than it has ever been.

A key reason for this is the internet. It provides information on a wide range of news items, statistics and ideas which were simply not as freely available in previous years. For example, if an investor wanted to find out all about a particular company, it was hugely more difficult to do so in the past. Normally, it would entail a trip to a library to find a document which was usually out of date and did not provide the depth of information which online annual reports now offer.

Similarly, the internet has made it much easier to learn about how to invest. In the past, people tended to rely on family and friends to learn about investing, or else learn from trial and error. However, today people from all walks of life are able to access a huge amount of information online for a minimal price. The internet has information ranging from which assets to buy as part of a portfolio to how to budget effectively as well as the possible impacts of inflation and other economic factors.

The internet has also reduced the cost of buying and selling shares. In the past, an investor needed to use a stockbroker who often charged high fees. Today, it is possible to buy and sell a wider range of shares for a minimal cost. This helps to improve the diversification of a portfolio which reduces company specific risk.

Regulations have also improved gradually over recent decades. They protect investors against misleading sales practices and against the mis-selling of products and services in the financial world. Previously, the onus was very much on the investor to do their own research. While this is still critical, financial services firms must now be much clearer in how they market their offering and to whom they provide their services. This means that the chances of losses from lax regulations is lower, thereby making it easier to become a millionaire!

Of course, in previous years the economic and political outlook for the world has been much more difficult than today. Economic shocks were bigger and major geopolitical risks made the accumulation

of wealth more challenging. While the world still faces economic and political uncertainty, for most people this is not on the scale of previous generations. Therefore, the risk of losing wealth has reduced, which makes its accumulation far more straightforward.

Clearly, making a million won't be easy. But by living within your means and investing as much as you can over a long period in high-quality stocks, it is possible to generate a seven-figure portfolio!

CATEGORY

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