



4 Things the World's Most Successful Investors Have in Common

Description

Successful investors — from stock market gurus to real estate moguls — have all made money in different ways. But put them in a room together, and they're bound to unite over some common traits.

While, true, their investment styles might be radically different (often contradictory), here's what unites the world's most successful investors.

1. They make a plan — and stay focused

Successful investors don't just throw money at the stock market and call it a day. Instead, they start with a strategy. They identify the right things to do as well as the right time to do them.

Often, that means taking a step back and placing investing in your overall financial plan. If you paid off high interest debt, for instance, how much more could you set aside for investing? Likewise, if you budgeted out a monthly savings goal, say, \$500, how much more consistently would you invest over the long run? Successful investors always look at investing as one piece to the puzzle, all of which help them accomplish larger goals, such as retirement.

Of course, successful investors also make an investment plan, too. For instance, they know when to invest money in an [RRSP](#) vs. a [TFSA](#) and when it's time to open non-registered accounts. They know the tax consequences of their securities, and they know how to balance gains with losses. And they know how to create diversified portfolio, helping them weather market downturns.

2. They stay educated

Successful investors read voraciously. On one level, that may mean teaching themselves everything from the basics of investing to more advanced trading techniques. On another level, that means reading press releases and staying up to date on the companies in which they invest.

Of course, successful investors don't limit themselves to their companies. They stay abreast on all

financial news, including foreign news that could affect their stocks as well as news concerning current events, politics, and economics.

Most importantly, successful investors know how to *read* and *analyze* the news they are digesting. Oftentimes, investors will be voracious readers, but because they're not in control of their emotions (more on that below), they allow news pundits to influence their investing decisions. Successful investors, however, know how to stay informed, while also making independent judgments that guide their investing decisions.

3. They don't act on emotions alone

Successful investors make decisions based on facts and research, not emotions. They realize that market downturns, bear markets, and, yes, even recessions are inevitable. And they know that pulling through these tough times (without pulling *out*) is the key to long-term success.

Even when the entire market isn't experiencing a setback, they stay steadfast to the companies they believe in — no matter how stocks move. As long as they've done the appropriate research upfront, they know that great companies will come out on top.

4. They invest consistently

Finally, successful investors consistently over a long period of time. They know that investing isn't a "get-rich" scheme. Though, true, some investors have hit it big on just a handful of stocks, most investors will get rich by keeping their money investing for the long run. It may feel as boring as watching grass grow or paint dry. But trust me — it's far safer than trying to day-trade your way to wealth.

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