

Title:

How The Financial Markets Can Grow More Than Just Your Bank Account

Word Count:

1046

Summary:

The financial markets provide us with the opportunity to grow in ways that most people probably do not even think about. We all know of the gains in wealth to be had buying and selling stock, bonds, commodities, currencies, and other instruments. One need not look far to find stories about the riches to be had. Successful traders, investors and portfolio managers like George Soros, Peter Lynch, and Warren Buffet have become household names. What is less commonly talked about ...

Keywords:

trading, investing, personal development, financial markets

Article Body:

The financial markets provide us with the opportunity to grow in ways that most people probably do not even think about. We all know of the gains in wealth to be had buying and selling stock, bonds, commodities, currencies, and other instruments. One need not look far to find stories about the riches to be had. Successful traders, investors and portfolio managers like George Soros, Peter Lynch, and Warren Buffet have become household names. What is less commonly talked about is the personal development which takes place along the way.

Trading and investing, like any worthwhile pursuits, provide more rewards than just the obvious accomplishments. To paraphrase the old saying, the destination is not always as important as the path taken to get there and the things seen along the way. While it is true that the expansion of one's portfolio is what ultimately indicates success or failure in the markets, how those gains are achieved can provide outstanding opportunities to learn important lessons about ourselves with far reaching value. These lessons reach across all areas of our lives.

### Playing to Your Strengths

We all have our strengths and weaknesses and a kind of structure in which we operate based on the demands on our time, education, experience and an array of other factors. In the markets we need to make assessments about these things to

help us decide what to trade, the timeframe in which to operate, and how to make our trading and investing decisions. Why? Because it is unlikely that we will achieve our objectives if we do not honestly judge ourselves and how best we can operate. For example, I am unlikely to be a good day trader if I cannot dedicate my days to watching the markets for long stretches and frequently buying and selling. I must either choose another course or alter my schedule to accommodate the demands of being a day trader.

It is the same in the rest of life. We must constantly consider our personal inventory and life situation. They dictate what we can do and how we can do it. That said, these are not static things. Just as I noted above that I could alter my schedule to allow for day trading, so too can we change things to expand our options. Education, in all its forms, is part of that equation. So too is seeking out new experiences, meeting new people, and even consciously changing our attitude toward things. If a goal is important enough, there are things we can do to make achieving it possible. Part of that is knowing what we have to work with and how to most efficiently apply it. The other part is knowing how to open up new avenues.

#### Knowing Who to Listen To

In the markets there is a vast array of information available. It comes in every form imaginable, from data released by the government to commentary by analysts to tips from Uncle Joe. Some of this information is useful to us. Some is not. A great deal of what came out in the aftermath of the stock markets collapsing in 2000 and after was the number of conflicts of interest those who provided "expert" opinions had. These people did not have the interests of those they spoke to about this stock or that at heart, but rather their own and/or their firm's. Many, many people listened to these pundits to their detriment. Clearly, a hugely important element of successful trading is knowing what information is of value and which sources can be trusted, and what should be taken with a grain of salt.

The same holds true in all other areas of our life. All of us are constantly provided with information and advice. Some is solicited. Much is not. Before we can decide whether to make use of it all we must be able to assess the veracity of the source. Some people are trustworthy and wise. We can depend on what they say. Others do not have our best interests in mind. We must carefully consider what they say and the motivations behind it, before deciding whether it is worthwhile or should be ignored all together. Being able to effectively judge the input we receive from sources such as our family, friends, and peers is a priceless skill.

#### Being Disciplined

Success in the markets is achieved by doing what we know is the right thing to do. The single biggest reason people fail to consistently produce the returns they seek is that they fail to maintain a disciplined approach. Sound familiar? It is the same as anything else we do. Want to lose weight? You must be disciplined about diet and exercise. Want to learn how to play guitar? You must exercise the discipline required to practice the hours required to attain the skill.

#### Understanding Why You Fail, Knowing How to Succeed

Perhaps the single greatest thing about trading and investing in a meaningful fashion is that it provides a fantastic opportunity to see what you do which causes you to fail and what leads to success. The conscientious trader/investor has a plan and thereby a way to make evaluations. Whether things go to plan and profits accrue, or they do not go well, he or she knows why and what needs to be done going forward.

Achievement in life requires that one follow a similar course. No matter the objective or pursuit, we must understand what it takes to succeed and have ways we can judge whether we are doing those things or not. To do otherwise is to act in a random fashion, never sure if we are doing what is right and necessary.

These are just some of the valuable life lessons that trading and investing can provide. There are plenty more as worthwhile, to go along with the more commonly thought of value in understanding how the markets can be used to improve your financial well-being. And these lessons need not come at great expense either since modern trading and investing can be done with very small amounts of money - even none at all in the case of demo accounts. All the more reason to make the markets a source of both financial and personal growth.