Property Apprentice's
Practical Guide to Financial Freedom

PROPERTY APPRENTICE

www.propertyapprentice.co.nz

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CHAPTER ONE

Increasing Your Financial IQ

Definition of Insanity

Have you ever heard the saying, "Insanity is doing the same thing over and over again and expecting different results?" Well, when it comes to our finances, this couldn’t be more true! So many of us feel stuck in a cyclemaybe it’s living paycheck to paycheck, or watching our debt grow instead of our savings and it’s incredibly frustrating! But here’s the thing: if we keep doing the same things, we’re likely to get the same results.

Imagine if we could shake things up, break free from those old habits, and take control of our financial future.

The good news is that it starts with recognizing what’s keeping us stuck. Think of it like this: if you’re spending more than you’re earning or avoiding paying attention to your finances, you’ll stay in that cycle of stress. But by becoming more aware of our habits and being willing to make some changes, you can definitely turn things around!

Many people say they want financial freedom, but are often unwilling to leave their comfort zones, even when those zones are more “familiar” than they are “comfortable”. Breaking free takes courage and a willingness to try new things, but the rewards are so worth it. Think of it like embarking on a new adventure toward financial independence—how exciting is that?

CHAPTER ONE: INCREASING YOUR FINANCIAL IQ

What is Money?

Let’s talk about money. We see it every day whether it’s cash, cards, or digital transactions but what is it really? Money is so much more than just coins and paper notes. At its core, it’s a tool that we use to exchange for things we value, whether that’s groceries, a home, or a holiday.

But here’s something interesting: money itself doesn’t have value until we give it value. It's an agreement society has made, allowing us to trade our time and skills for something we can exchange for goods and services.

This means that money isn’t just about having enough to get by—it’s a tool we can use to create opportunities for ourselves and our families.

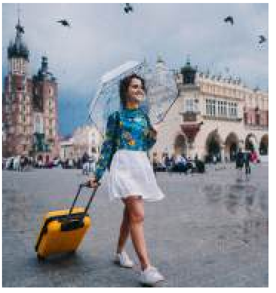
What’s even better? When we understand money and treat it like the powerful tool it is, we can use it to work for us. It’s all about shifting our mindset. Instead of stressing about not having enough or tying our self-worth to how much money we have, we can think about money in a strategic way. When we do that, we can start making it grow, creating more stability, security, and yes freedom in our lives.

Building a healthy relationship with money is key to levelling up your financial IQ, and that’s exactly what we’re going to do here!

CHAPTER ONE: INCREASING YOUR FINANCIAL IQ

Awareness Before Change

Ready to make some big changes in your finances? Here's where we start: with awareness. Think of it as shining a flashlight into all those dark corners where we haven't paid much attention before. It's not always easy, but it can solve the vast majority of your financial problems.



So, ask yourself: Do you really know where your money is going every month? Do you have a clear picture of how much debt you have or how much interest you're paying? Are you actively saving or investing for your future? If you don't know the answers to these questions, don't worry you're not alone! The first step is simply becoming aware of what's happening with your money.

And here's the best part: once you know where you stand, you can start making choices that move you closer to where you want to be. Awareness is empowering. It helps us see where we might be overspending or identify opportunities to save more. Maybe you realize you've been spending a bit too much on takeout each month, or that you could cut back on subscriptions you're not really using.

These small tweaks can make a big difference!

It's not just about numbers either. Becoming aware of the emotional side of money like spending when we're stressed or feeling anxious about checking our bank accounts is just as important. When we understand our emotional triggers, we can start making smarter choices that put us in control.

Change is exciting, especially when you know you're moving toward something better. Awareness is like flipping the switch that lights up the path to financial freedom. Once you see where you are, you can start heading in a new, better direction!

CHAPTER ONE: INCREASING YOUR FINANCIAL IQ

Time and Money

Here's something that might blow your mind: time is one of the most valuable things we have when it comes to money! And the great thing is, even though we can't create more time, we can use the time we have in smart ways that can really help our finances grow.

Time is one of the most powerful tools when it comes to building wealth because it allows for the wonders of compound growth. Whether you're investing in stocks, bonds, or real estate, the longer you allow your investments to grow, the more exponential the returns can become. This is due to compound interest, where you not only earn returns on your initial investment but also on the interest or gains that accumulate over time.

The earlier you start, the more time your money has to grow, meaning even small contributions can turn into significant wealth down the road. Time essentially acts as a multiplier for your financial efforts.

When it comes to property investments, time plays an equally important role. Real estate generally appreciates over time, so the longer you hold onto a property, the greater its potential value becomes. In addition to appreciation, property owners also benefit from rental income, which can provide a steady cash flow. Over time, this rental income can cover the mortgage and other expenses, eventually turning the property into a source of passive income. As the property value increases and the mortgage is paid down, the owner's equity in the property grows, adding to their overall wealth.

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Moreover, in the property market, time can smooth out short-term volatility. While property values may fluctuate due to economic conditions or market cycles, holding onto a property for the long term allows you to ride out these dips and benefit from the overall trend of appreciation. Time gives you the advantage of not having to react to short-term market fluctuations, allowing you to make decisions based on long-term growth rather than temporary setbacks. Whether through capital appreciation, rental income, or equity growth, time enhances the financial rewards of property investments.

You and Your Time

But it’s not just about investments. How you spend your time plays a huge role too. We often trade our time for money by working, which is fine, but it has limits—there are only so many hours in a day. What if instead, we started thinking about ways to make our money work for us? That could be through investing, starting a side business, or finding other ways to generate passive income. This way, our money keeps growing, even when we’re not working! Another important concept is “opportunity cost,” which is just a fancy way of saying, “If I do one thing with my money, what am I giving up?” For example, if you spend money on a fancy dinner now, you’re missing out on the opportunity to invest that money. Similarly, if you spend your time scrolling through social media, you could be using that time to learn a new skill or plan your financial future.

The exciting part is, once you start thinking about the relationship between time and money, you can make choices that really accelerate your financial growth. And the best time to start is now.

CHAPTER TWO

Two Paths to Wealth – Which Will You Choose?

Let's be honest everyone wants to make more money, right? But here's the fun part: people tend to fall into one of two groups when it comes to how they go about it. In one group, we've got those who wait for a promise of wealth before they bring results. In the other, we have the go-getters people who deliver results first and then get rewarded after. Both approaches can work, but one of them has way more potential for lasting success! Let's break it down and see why leveraging what you have today for future growth is where the magic really happens.

Results-Oriented Wealth

The first group is made up of those who only take action once they're promised something big like a salary, bonus, or reward. Think employees, fresh graduates entering the workforce, or even those who jump from job to job looking for the next highest paycheck. There's nothing wrong with this mindset; it's pretty common.

You're investing your precious time in something that provides short-term wealth but doesn't generate income long after you're done working. Sound familiar?

Now, let's talk about the downside of this mindset. When you focus purely on that next paycheck, it can lead to a cycle of chasing short-term rewards that never really build up into long-term wealth. Have you ever felt your heart race when you're offered a job with a higher salary, more perks, and extra holidays? It's exciting at first, but the reality is that more money often comes with more stress, more commitments, and less control over your time.

A bigger paycheck can sometimes mean bigger problems—higher taxes, longer hours, and increased pressure that can affect your overall health. And let's be real: the more your boss pays you, the more they expect. And guess who's on a Zoom Meeting while on a holiday?

However, here's the thing: when you're only working for the next payday, you're essentially trading your time for money. It's like a hamster wheel—the moment you stop running (working), the money stops too.

CHAPTER TWO: TWO PATHS TO WEALTH – WHICH WILL YOU CHOOSE?

Value-Oriented Wealth

Now, let’s switch gears and dive into the second group the ones who create value first, then reap the rewards later. These are the entrepreneurs, inventors, creatives, and business leaders. They don’t just work for money; they work to build something bigger.

Instead of only chasing immediate paychecks, they leverage their skills, resources, and time to create long-term wealth. Sounds exciting, right? That’s because it is! This group is all about playing the long game building assets that continue to generate income even when they’re not actively working. And this is where the real opportunity lies.
Here’s the secret : it’s not just about making more money it’s about making money work for you. When you focus on building something valuable, whether it’s a business, a brand, or an investment, you’re setting yourself up for future growth.

Think of it like planting a tree. At first, it takes time and care to nurture, but once it’s grown, it produces fruit season after season without you needing to do much at all! That’s the power of leveraging your current resources your time, your skills, your network to build something that will keep paying off for years to come.

And here's the really cool part: you don’t have to be rich, well-connected or be an expert to start. All you need is consistency in order to learn the ropes, make connections and gain vaulable insights. The learning curve can be steep, but you need to keep in mind that even challenges are an opportunity to develop skills, build relationships, and gain real-world knowledge that will help you create long-term success.

So, ask yourself: would you rather trade your time for money that stops coming in when you stop working? Or would you prefer to invest your time and energy into building something that continues to pay you long after the initial work is done? The choice is yours! By shifting your mindset from short-term gains to long-term growth, you’re setting yourself up for financial success that doesn’t depend on trading time for dollars. So get excited! You’ve got everything you need to start building wealth today, and the future is bright with possibilities!

CHAPTER THREE

How to Make Money

When it comes to making money, there are so many options out there! Each approach offers its own set of opportunities and challenges, and finding the right fit for you depends on your goals, interests, and the kind of lifestyle you want to create. Whether you're working a traditional job, freelancing, starting your own business, or diving into investments, the possibilities are exciting. Let's take a closer look at some of the most common ways to make money, weighing the pros and cons, and then we'll talk about why investing in assets especially property can be one of the smartest moves, particularly in New Zealand.

Traditional Employment

First up is the most familiar route: traditional employment. Most of us start out by working a job where we're paid a salary or hourly wage in exchange for our time and skills. This can range from office jobs to retail work, or even trades like construction and engineering. One of the main reasons people go this route is because it offers a sense of stability. You know when your paycheck is coming, which makes it easier to manage your day-to-day expenses. Plus, there are often benefits like health insurance, retirement contributions, and paid time off.

However, the downside is that traditional employment can limit how much you earn. You're trading your time for money, and there are only so many hours in a day. If you want to increase your income, you often have to work more hours or hope for a promotion—both of which can lead to burnout. Plus, your financial security is largely tied to your employer, so if the company hits a rough patch, your job could be at risk.

CHAPTER THREE: HOW TO MAKE MONEY

Freelancing and Side Hustles

Then there's freelancing and side hustles, which have really taken off in recent years. With platforms like Upwork, Fiverr, and Uber, people have more flexibility than ever to make money on their own terms. Freelancers can pick their own hours, choose who they work with, and often work from anywhere. It’s great for people who want more control over their work-life balance and enjoy having variety in their day-to-day. However, freelancing comes with its own set of challenges. The income isn’t always predictable—some months you might have lots of work, while others could be quieter. There’s also the lack of benefits like health insurance, and you’re responsible for finding your own clients, managing your schedule, and staying on top of your finances. It requires a lot of self-discipline and motivation.

Starting a Business

For those with an entrepreneurial streak, starting a business can be an incredibly rewarding way to make money. Whether it’s opening a local café, launching an online store, or offering consulting services, owning a business means you get to be the boss. The big draw here is that your earning potential is essentially limitless your income is tied to the success of your business, so the more your business grows, the more money you can make.

Plus, you’re building something that can eventually run without you, becoming an asset that you can sell or pass down to your kids. But, let’s not sugarcoat it starting a business is risky. Many startups fail, and it can take years before you see a profit. It’s also incredibly time-consuming, especially in the beginning when you’re wearing all the hats: marketing, sales, accounting, customer service you name it. Not everyone is cut out for that kind of commitment, but for those who are, it can be incredibly fulfilling.

CHAPTER THREE: HOW TO MAKE MONEY

Investing in Stocks

Another popular way to make money is through investing in stocks. The stock market allows you to grow your wealth by purchasing shares of companies. Over time, the value of these shares can increase, and you might even earn dividends, which is essentially a regular payout from the company. One of the great things about stock investing is that it can generate passive income, meaning your money is working for you even when you're not actively doing anything. Historically, the stock market has provided strong returns over the long term, which is why it's a popular choice for building wealth. However, the stock market can be a bit of a roller coaster. Prices can fluctuate wildly based on everything from company performance to global events, which means there's always a risk of losing money. It also takes time to research and understand the market to make informed investment decisions.

Property Investments

Now, let's talk about real estate one of the most tried-and-true ways to build wealth. Investing in property, whether it's a home, rental property, or commercial building, is a great way to grow your money over time. Real estate tends to appreciate in value, meaning that the property you buy today could be worth significantly more down the road. Plus, if you own rental properties, you can generate a steady stream of passive income each month. Real estate is also a tangible asset—you can see it, touch it, and improve it, which gives many investors peace of mind. However, real estate does require some upfront capital. You'll need money for the deposit, settlement, and any necessary renovations. Then there's the ongoing responsibility of managing the property dealing with tenants, handling maintenance issues, and so on. And while property values generally go up over time, the market can still experience dips, which may impact your investment's value in the short term.

The Most Practical Choice: Diversified Investment, Especially in Property

After exploring these various ways to make money, it's clear that each has its pros and cons. Traditional employment and freelancing provide immediate income but often limit long-term wealth creation. Starting a business offers unlimited earning potential but comes with high risks. Stock market investing can generate wealth but is subject to market volatility.

One of the most practical approaches, especially in the New Zealand context, is investing in diverse assets, with a particular emphasis on property. Real estate in New Zealand has proven to be a stable and appreciating asset class. Property ownership offers the unique combination of capital growth and passive income through rentals, making it an ideal long-term investment. Additionally, property allows you to leverage your investment through mortgages, meaning you can control a larger asset with less of your own capital.

Investing in property also helps you build tangible wealth that can withstand market fluctuations better than stocks or businesses in many cases. The New Zealand real estate market has shown resilience over time, and with the right strategy, property can provide financial security, passive income, and substantial growth in value over the years.

CHAPTER FOUR

Something to Think About Before Investing

When you hear the word "investing," what comes to mind? For many, it might conjure up thoughts of cryptocurrency, managed funds, the share market, or bonds. Others may think about investing only when they're nearing the end of their lives, realising they haven't left anything for their children. Some even shudder at the idea of investing, convinced they don't have the money for it or feeling overwhelmed by its complexity. Then there are those who invest heavily in their health, spending on supplements, personal trainers, and beauty products in hopes of living longer and looking younger. We see this everywhere just think about the massive budgets beauty companies allocate for advertising these days!

These are all valid concerns when it comes to investing, but I'm talking about the most important investment you can make: investing in yourself.

Invest in Yourself

The first and most critical rule of investing is simple: Invest in Yourself. After all, if you don't do it, who will? Sure, your parents might have invested in your education while you were growing up, sending you to school and maybe unversity. But once you've left school, the responsibility shifts to you. And the truth is, often formal education only prepares us to work for someone else. While it teaches us necessary skills, it generally doesn't teach us how to build wealth or become financially independent.

CHAPTER FOUR: SOMETHING TO THINK ABOUT BEFORE INVESTING

Ask yourself: do universities teach students how to make money, or do they mostly prepare us to earn a living working for others?

The reality is this: it’s up to you to invest in yourself, to take charge of your personal development, and to continually learn. Sadly, for many people, education seems to stop after they leave school. Their focus shifts to work, and their personal growth often stagnates. Without continuous learning, growth slows to a crawl, and while our waistlines might expand from too many takeout lunches, our minds remain undernourished.

We know that IQ is important, but notice how the most intelligent people aren’t necessarily the wealthiest. Many professionals, often find themselves caught in the same rat race as everyone else, despite their expertise.

They’re not rich: they’re just employees rushing to get home like everyone else at the end of the day. So what gives?

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Then there's emotional intelligence, or EQ. Having a positive attitude, strong work ethic, and the right mindset are all critical for success in life, especially in business. But while EQ can take you far, it's not the only piece of the puzzle. If you're driving from Wellington to Auckland with the wrong map, it doesn't matter how fast you drive or how positive you are you're not going to reach your destination. The same goes for your financial journey. You might be working hard and staying upbeat, but if you don't have the right financial roadmap, you won't get to where you want to be.

This is where **financial education** becomes essential. Developing your financial IQ is the key to truly understanding money not just saving or investing. It's about creating a healthy relationship with money and focusing on building assets that will generate income for you over time.

Attend a Free Two-hour Training Event

Looking to get into the property market, but worried about stuffing it up?

Get inside knowledge from one of NZ's most trusted Financial Advisers who has been helping Kiwis to fast track their retirement plans for well over a decade now.

This isn't going to be some dodgy sales pitch about the latest opportunity to purchase something before it "hits the market".

If you are a first home buyer, a new investor, or looking to expand your rental portfolio, this is a training session you can't afford to miss.

SEE THE LIST OF UPCOMING EVENT DATES

If you have questions about the property market and how to reduce risk or are simply wondering if now is the right time to buy, this free event is right for you.

Debbie will answer your questions, and share her insights as to what she sees as being the best way to create wealth in New Zealand right now.

We've had over 30,000 people attend our free events in New Zealand since 2010. Open to total beginners and experienced investors.

CLICK TO ATTEND ONLINE FROM THE COMFORT OF YOUR OWN HOME

KNOW MORE ABOUT HOW WE CAN HELP YOU

When it comes to investing in property, good decisions make for long-term success. Our Lifetime Coaching Program includes various modes of learning so you can rest assured that you learn as much as you can, at your desired timeframe. You'll also get a tailor-made financial plan and unlimite coaching support with no expiry date!

JOIN A FREE EVENT

Not sure if the program fits your needs? We're ready to answer your questions. Book in a 15-minute meeting to speak with our Managing Director, Paul Roberts:

BOOK A FREE 15-MINUTE CALL

CHAPTER FOUR: SOMETHING TO THINK ABOUT BEFORE INVESTING

Delayed Gratification

One of the most important aspects of financial IQ is understanding the value of delayed gratification. Let's break it down with an example in property investment. Imagine you have a choice between renting an apartment or buying a house. Renting might seem like the easier option at first—after all, the rent is usually cheaper, and there's less commitment. But each month, the rent you pay is like pouring water down the drain: it's gone, and you'll never see it again.

Now, consider buying a house. Sure, the deposits and mortgage might feel overwhelming at first but with each mortgage payment, you're actually building equity. Over time, the house also gains value, and what was once a significant financial commitment starts to pay off. Not only do you have a roof over your head, but you also have an asset that could appreciate over the years. You might even rent out part of the property, generating passive income, or sell it at a higher price down the line, turning a profit. In this scenario, investing in property is like planting a tree. It takes time, nurturing, and patience, but eventually, that tree will bear fruit, giving back far more than the initial effort you put into it.

This is the essence of smart property investing: while the upfront costs may seem steep, the long-term rewards can far outweigh those initial sacrifices.

CHAPTER FIVE

The Importance of Quality Financial Advice Before Investing in Property

From economic shifts to changing government policies, the market is an ever-evolving landscape that can be difficult to predict. Amidst all this uncertainty, property investors play a pivotal role in shaping the market. Their motivations and strategies influence the availability of homes for sale, impacting both property prices and the rental market. For landlords, home buyers, and investors alike, making informed decisions is crucial, and that's where quality financial advice comes into play.

"Do-It-Yourself" Investing

People often resort to DIY investing in property for various reasons, with the primary motivation being the desire to save money on fees and commissions. By cutting out professional avisors, investors believe they can retain more of their profits and avoid the costs associated with hiring experts. Others may have a "do-it-yourself" mindset and enjoy the control and autonomy that comes with managing their investments independently. For some, the lure of DIY investing is also rooted in their personal experience or background; they may have some knowledge of the market or have had prior success with smaller investments, which encourages them to take on more complex property transactions.

Another reason for the rise in DIY investing is the vast amount of information available online. With real estate blogs, forums, and YouTube channels providing tips and guidance, many believe they can educate themselves enough to bypass professional advice. The perception of accessibility makes it seem like investing in property is something anyone can do with a bit of research and determination. However, DIY investing can be a double-edged sword.

CHAPTER FIVE: THE IMPORTANCE OF QUALITY FINANCIAL ADVICE BEFORE INVESTING IN PROPERTY

Disadvantages of DIY Property Investing

While DIY investing may seem appealing, it carries significant disadvantages. The most notable risk is the lack of expertise and market insight. Property markets are highly dynamic and influenced by factors that are not always obvious to novice investors. Without professional advice, DIY investors may struggle to fully understand local market trends, zoning regulations, tax laws, or the long-term financial implications of their investments. As a result, they might overestimate potential returns or overlook critical issues that could lead to substantial losses.

Another major disadvantage is the time and effort required. Property investing isn't a passive activity, especially when done on your own. It demands extensive research, continuous monitoring of the market, and the management of properties, tenants, and legal matters.It can be overwhelming, particularly if you have other full-time commitments. On top of this, mistakes made during the investment process—such as mismanaging finances, overlooking property defects, or mishandling tenancy agreements—can result in costly setbacks that far outweigh the savings from avoiding professional fees.

“Do it For Me” Property Investing

Most property companies in New Zealand just sell new builds, they say “our service is free”. What a crock! They have no interest with regards to your success.They prioritise getting you in, sell you what they have for that week, and get you out.

Most are not qualified financial advisors and are just property associates (basically salespeople) or they use real estate agents.

Getting expert advice is not just a luxury; it's essential to making sound, strategic decisions in property investment. Whether you're a seasoned investor or just dipping your toes into the investing world, understanding the complexities of the market and your options can be tedious. That’s why working with a financial advisor or property investment expert can make all the difference.

What about “Do It With You” Investing? Why Financial Advice Matters

You get full financial advice, care and responsibility.

Let’s say you’re planning to buy a property in New Zealand. You’ve saved up for years, watched the market closely, and think you’ve found the perfect home in a growing area like Christchurch or Papakura. Now, you're faced with questions like, "Is this really the best time to buy?" or "How do I maximise the long-term value of this property?" Without expert advice, you’re navigating blind.

A financial advisor can help break down these questions by looking at your personal financial situation, the market’s current trajectory, and your long-term investment goals. They can help you understand not only where to invest but when and how to do so. Whether it’s timing your purchase to get the best deal, choosing a property that will appreciate in value, or selecting a mortgage structure that suits your financial goals, the right advice can save you money and boost your returns in the long run.

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Here's a few questions a professional financial adviser with a background in residential property investing can help you answer:

- What type of property should I invest in (residential, commercial, or industrial)?
- How do I check if a particular property will generate positive cash flow?
- What is the best way for me to finance a property investment? Should I use a fixed or variable mortgage?
- How can I effectively diversify my property investment portfolio?
- Can you tell me about the tax implications of property investing, and how can I minimize my tax liabilities?
- What are the potential risks involved in property investing, and how can I mitigate them?
- What factors should I consider when choosing a specific area to invest in?
- Is self-management or hiring a property manager more suitable for my situation?
- How can I leverage existing equity in my home to invest in additional properties?
- What government regulations or policies should I be aware of when investing in property?
- How do interest rate fluctuations impact my property investment strategy?
- What is the right balance between rental yield and capital growth in property investment?
- What are the best strategies for maximising profit if I decide to sell my property?

Working with a qualified financial adviser can help you overcome the struggles of managing your money while making the most out of your limited time and resources. However, it does require you to do your part in being upfront with your current financial situation and spending habits. It's also important that you keep in mind that a financial adviser is not a "silver bullet" for all your money woes or the challenges that you encounter if you plan to purchase property.

In the end, property investment isn’t just about finding the right property at the right time—it’s about managing risk, planning for the future, and making informed choices. By seeking quality financial advice, you can navigate the complex property landscape with confidence and secure a prosperous financial future.

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Strategies in Property Investment

In New Zealand, property investors employ a range of strategies to maximise their returns. One popular approach is the "buy-to-rent" strategy, where an investor purchases a property to rent out. This generates steady income while the property's value appreciates over time. For those focused on short-term gains, "flipping" involves buying, renovating, and quickly selling properties for profit. However, such strategies can create short-term fluctuations in the housing market as investors increase the demand for certain types of properties. You will also have to pay tax on profit and higher mortgage costs (short-term lending).

For others, the goal is long-term holding. This strategy involves purchasing properties and holding onto them for years, allowing for consistent rental income and capital appreciation over time. Commercial property investment is also a popular approach, offering the potential for higher rental yields, especially in cities like Auckland and Christchurch. Commercial properties can incur higher lending costs and larger deposits.

All of these strategies require careful planning and an understanding of market trends. For example, zoning laws and building regulations can significantly affect the profitability of an investment.

CHAPTER 6

How to Stop Financial Self-Sabotage

When it comes to personal finances, many people unintentionally sabotage their own financial well-being. Sometimes these behaviors are obvious, while at other times they’re subtle habits that undermine long-term financial security. Whether intentional or not, self-sabotage can prevent you from reaching your financial goals. The good news is that once you identify these destructive patterns, you can make changes to stop them and replace them with healthy financial habits.

Obvious Financial Sabotage

Let's start with the more obvious forms of financial sabotage. These are the types of actions that most people recognize as detrimental, yet they often continue because of habits, pressure, or poor planning.

1. Overspending on Credit Cards

Credit cards offer convenience, but they can also become dangerous when used irresponsibly. It’s easy to swipe the card for things you don’t really need, often without considering the long-term cost. People often justify this by saying, “I’ll pay it off later,” but the high-interest rates make this a financially perilous habit.

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Solution:

Set a monthly limit on credit card use and treat it like cash. Only charge what you can pay off in full each month. Also, set up automated payments to avoid missed deadlines. If you’re already carrying a balance, focus on paying it down aggressively by cutting unnecessary expenses until it's eliminated.

Example:

Emma had accumulated over $8,000 in credit card debt from impulse shopping and dining out. She committed to paying it off by setting a budget and dedicating surplus income to her debt. Within a year, she was debt-free and began using her credit cards responsibly.

2. Living Beyond Your Means

This is one of the most common forms of self-sabotage. People often feel pressured to keep up with the lifestyle of their peers—buying a bigger house, driving a nicer car, or going on luxury vacations they can't afford. This leads to stress, debt, and a constant feeling of financial instability.

Solution:

Create a budget that accurately reflects your income and stick to it. Learn to differentiate between needs and wants. Consider downgrading your lifestyle—drive a used car, consider getting boarders or flatmates and cook at home more often. Living within your means will provide long-term stability.

Example:

Jason was struggling with his finances because he had multiple entertainment subscriptions that were taking a substantial amount of his income. He decided to cancel a number of subscriptions he wasn’s using and decided to implement weekly meal planning to reduce food waste and takeaway costs. This change allowed him to save more and eliminate debt.

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3. Ignoring Emergency Savings

Not having an emergency fund is a significant way people sabotage themselves financially. Without a cushion for unexpected expenses—such as medical bills, car repairs, or job loss—people often turn to credit cards or loans, putting them in a worse situation.

Solution:

Aim to build an emergency fund with three months' worth of living expenses. Start small, even $50 or $100 a month, and make regular contributions. Automating this savings ensures you don't skip it.

Example:

Sarah had no savings when her car broke down, forcing her to take out a high-interest loan to cover the repair costs. After this experience, she started putting $100 from each paycheck into an emergency fund. A year later, when her car needed another small repair, she was able to cover it without going into debt.

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Not-So-Obvious Financial Sabotage

Not all forms of financial sabotage are so easy to spot. Sometimes, our actions and habits seem harmless but have a profound negative effect on our finances over time.

4. Procrastinating on Financial Planning

Delaying important financial decisions—whether it's creating a budget, investing for retirement, or having an emergency fund—can quietly sabotage your financial future. Procrastination can lead to missed opportunities, increased costs, and inadequate preparations for the future.

Solution:

Set clear financial goals and deadlines. Start small—if the idea of retirement planning seems overwhelming, focus on contributing to a retirement fund, like a KiwiSaver, even if it's a small amount. Schedule financial check-ins regularly to ensure you're on track with your goals.

Example:

Mark kept postponing setting up a retirement fund, thinking he had plenty of time. At 40, he realized he hadn't started saving and would need to contribute significantly more to catch up. He began working with a financial advisor and set up automatic contributions to a retirement account, ensuring he wouldn't delay again.

5. Emotional Spending

Shopping to cope with emotions—whether it's boredom, stress, or sadness—is a subtle yet damaging way people sabotage their finances. It often leads to impulsive purchases that don't add value to your life and can leave you feeling guilty or regretful later.

Solution:

Recognize emotional triggers and develop healthier coping mechanisms. Instead of turning to shopping when you're upset, try exercise, meditation, or journaling. Implement a waiting period before making purchases—this gives you time to assess whether you truly need or want the item.

Example:

After a stressful day at work, Alice would often shop online, buying things she didn't need. She noticed her closet was filled with clothes she never wore and her credit card debt was growing. She started practicing mindfulness and found new ways to unwind that didn't involve spending, such as walking and reading. She also introduced a 24-hour rule before making any non-essential purchases, which reduced her impulse buys significantly.

CHAPTER SIX: HOW TO STOP FINANCIAL SELF-SABOTAGE

6. Failing to Invest in Yourself

Missing out on personal development—whether through education, skill-building, or even health—can be a sneaky form of financial sabotage. This may not have an immediate impact on your wallet, but it limits your ability to grow your income and opportunities over time.

Solution:

Invest in yourself by continuously learning new skills, attending workshops, and staying healthy. Self-investment increases your potential to earn more and secure better opportunities. Consider this an ongoing project—whether it's improving your education, learning a new skill, or maintaining your health, it pays dividends in the long run.

Example:

John worked in a stagnant job for years without realizing he was sabotaging his earning potential by not developing his skills. He took online courses to improve his expertise and became certified in a new area, which helped him land a promotion and increase his income significantly.

"The more you learn, the more you earn."
-Warren Buffet

CHAPTER SEVEN

Conclusion & Resources

Financial self-sabotage can come in many forms, both obvious and subtle. By recognizing these behaviors and implementing practical solutions, you can break the cycle and build healthier financial habits. The key is to remain proactive: create a budget, make thoughtful financial decisions, save for emergencies, and continually invest in your personal and financial growth. These small steps can prevent self-sabotage and put you on the path toward financial security and success.

Congratulations on taking the time to dive into this book and explore different ways to improve your financial life. Whether you've just begun your financial journey or are looking to refine the strategies you’ve already started using, you've taken a huge step toward increasing your financial IQ and securing your financial future.

We’ve covered a wide range of topics, from understanding money and how your time is linked to wealth, to exploring the paths to financial success. You’ve learned about the importance of making money through traditional jobs, freelancing, investing, and building businesses, while also recognizing the value of diversified investments, especially in property. You now know that making smart financial decisions often requires delaying gratification and seeking out quality financial advice to avoid common pitfalls.

CHAPTER SEVEN: CONCLUSION & RESOURCES

Perhaps one of the most critical lessons we've discussed is recognizing and stopping financial self-sabotage. Both the obvious and more subtle habits that hold you back financially need to be addressed so you can move forward with confidence. Whether it's overspending on credit cards, procrastinating on financial planning, or failing to invest in your own personal growth, there are concrete steps you can take to stop these patterns and build a better future.

Remember, this journey isn't just about making money; it's about building a solid foundation of financial knowledge and habits that support long-term wealth. Each step you take, whether big or small, brings you closer to financial freedom and the peace of mind that comes with it.

To help you continue learning and growing, I encourage you to take advantage of some free and useful resources designed to boost your financial education. These resources include budgeting tools, investment guides, and financial planning templates that can give you the extra push you need to stay on track. You'll find a curated list of them at the end of this book to support you on your path.

With the knowledge you've gained here, paired with your commitment to financial growth, your future is bright. Keep pushing forward, stay disciplined, and surround yourself with positive influences who support your dreams. You have the power to make your financial goals a reality. Here's to your continued success!

CHAPTER SEVEN: CONCLUSION & RESOURCES

Resources

Name	Website / About
Property Apprentice Website	Link: https://www.propertyapprentice.co.nz/ Register for our free online and in-person events to learn about trends in the property market and investing strategies that work for you
The Beginners Guide To Property Investing In New Zealand	E-Book Link: https://www.propertyapprentice.co.nz/ Learn The Secrets Professional Property Investors Have Used To Build Wealth Fast And Without Needing To Risk It All
Property Apprentice Podcast	Podcast: https://propertyapprentice.buzzsprout.com/ Property Apprentice dives deep into the what's and how's of real estate investing in New Zealand. Each week, we discuss topics relevant to every home buyer and investor.
Sorted.org.nz	Website: https://sorted.org.nz/ Sorted has the tools and information you need to tackle debt, plan and budget, save and invest, dial up your KiwiSaver, plan for retirement, protect what's important, and manage a mortgage.

Property Apprentice's Practical Guide to Financial Freedom

Move forward. Good things are up ahead.

Debbie Roberts