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## The Trader: The psychology of wealth

8 February 2012 | By [Greg Secker \(URL=/greg-secker/273.bio\)](http://www.londonlovesbusiness.com/author/greg-secker/)

You might think you want to get rich, but patterns learnt at childhood could be subconsciously holding you back. Greg Secker explains how to get yourself in the right mindset to make money

The idea that an individual's ability to make large sums of money may actually be down to mind set and behavioural patterns that they learn at a young age, is one which has sparked intrigue among experts and specialists in both the financial and psychological sectors. It appears the 'impressionable age' has more to it than meets the eye.

Having worked in the financial arena for 15 years, specialising in trader coaching programmes in the last decade, I have seen thousands of people attempt to master the currency markets. I have no doubt that their emotions and subconscious play a major deciding factor in how successful they are.

It was Robert Dilts, an American psychologist in the mid-80s, who wrote a very revealing paper on human belief systems. In his ground-breaking study, he uncovered an important principle: whatever the original belief that we have about something, it ultimately defines the action and the resources we end up using, and thus impacts the results we get.

If the original belief is lousy, then so are the results - and so the original belief, whether positive or negative, is mostly always supported by the results it generates; the all-important 'real world feedback'.

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When you ask most people whether they believe they could be a 'millionaire trader', most will tell you yes, but a quick look at the Dilts cycle proves that unless they are using resources (time and money) and are taking real action towards it, they are mistaking the term 'believe' for 'think'. We all 'think' we could be rich from trading. But in order for us to 'believe' it, so suggests Dilts, we should 'spend time in the company of people who are already living in the belief' that supports the activity we wish to engage in. So if you want to become a millionaire trader, you need to change your beliefs about who you think you are and to do that, in short, you need to spend time in the company of millionaire traders.

- [The Trader: The five personality traits of successful traders \(URL=http://www.londonlovesbusiness.com/comment/the-trader-the-five-personality-traits-of-successful-traders/1576.article\)](http://www.londonlovesbusiness.com/comment/the-trader-the-five-personality-traits-of-successful-traders/1576.article)

The concept of the 'Psychology of Wealth' is a topic which has fascinated me for a long time, and one which I have enjoyed exploring further.

Although it may not seem obvious at first, there is often a psychological pattern or reasoning behind why people make certain trading mistakes or successes, and in order for them to truly realise their trading potential, they first have to break away from the negative habits and thought processes that they may not even realise they have.

Whilst many of us may dream of being wealthy, many people also have a subconscious fear and guilt attached to being rich, leading them ultimately to sabotage their own success.

If you ask yourself what you **think** about being wealthy, it will come as no surprise that the thought conjures up pleasurable images of grandeur and you start to picture yourself living the high life. However, if you ask yourself what you remember being said to you about money when you were a child, it exposes how you **feel** about money today.

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It's never how we think about things that define our actions towards them, but more how we feel. In this way, it's the impressions that have been made in childhood and the lasting memories we have that define what we do.

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It is exactly this type of memory which prevents people from believing that 'wealth' and the activities associated with amassing it are a part of who they are (their identity), and so, subconsciously, they avoid it, gravitating towards less affluent activities and relying on hand outs.

Multiply this by a few million people and you have the mass hypnosis of a culture that isn't trained to believe they can create their own fortune; who believe that life is just something that happens to them. And you wonder why this country is in such a mess!

Having said that, there are certain techniques and tips that budding traders can implement in order to avoid their subconscious or current emotional state having a negative impact on their success.

### 1. Don't trade when you're distracted

The best traders are often those who are emotionally balanced and are therefore able to trade with a clear head. If you're having problems in other areas of your life, whether they relate to work, relationships or your personal life, although they may seem unrelated, they will most definitely have a bearing on how you trade.

This is not to say that if you're dealing with some kind of setback you should refrain from trading until it has been rectified; that would prevent most people from trading most of the time! What is important, however, is that you never use trading to escape reality.

In order to trade successfully, you have to be fully focussed on what you're doing. If you've turned to the markets to forget about other issues, the chances are you'll be disappointed with the outcome.

### 2. Don't put yourself under unnecessary pressure

If you're looking to make trading your sole source of income, the key is to first establish how much money you need to cover your basic monthly outgoings. If you need £2,000 per month, you should not consider leaving your job until you have a trading account of no less than £30,000.

Having a sum of money to fall back on will relieve some of the psychological pressure you put yourself under. If you start without this safety net, it is highly probable that your trading decisions will suffer as a direct result.

Naturally, you'd be far less likely to commit to a position knowing that if you lose money on it, you won't be supported by your next pay check. You would then have to trade successfully just to get your account back to where you started, again increasing the pressure. For that reason you should allow for six months of hit and miss results while you adjust psychologically to this new reality of trading for a living.

If you're prepared to do this in the beginning, the following phase will certainly make it worthwhile, when your new committed focus starts to yield bigger returns than your part time trading activity ever did.

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