

BUSINESS FALLACY # 1: MONEY BEGETS MONEY.

In 2015, Boni de Jesus asked me about the worst business advice I ever received. I told him that it was, "Money Begets Money!"

When I was a young sales engineer, my boss told me to work hard so that I can accumulate money kasi madali daw gumawa nang pera kung may pera ka na. Many people share this belief, kaya nga when you ask them what is preventing them from having a business of their own; most would say, "Pera! Or puhunan." Most business professors would also teach that a person's ability to access more capital increases his chances of becoming successful faster. That is why they would tell their students to leverage, by using other people's money.

In my case, this principle became the source of my woes in my first four years as a farmer and an entrepreneur. Whenever I had extra cash, I would pump this into my vegetable projects because they grow faster and the supposed returns are more significant. But while I had a few jackpots, I practically lost most of what I invested in the end. This was when I learned that money does not beget money.

You see, money is a passive object, meaning it does not have a life of its own. If you put a P1000 bill in a vault, it will still be a P1000 bill ten years after, but it would have deteriorated. If you put your money in a bank, even with interest, it will decrease in value after ten years because of inflation. If you invest it in someone else's business, while there is a chance of getting a fair return, there is also a risk of losing your money if the owner fails to manage it properly.

Money will grow only in the hand of a prudent person — someone who has the right abilities and the proper attitude towards business. In the hands of a fool, money will disappear. Therefore, if you want your money to grow, strive to become a prudent person by increasing your abilities and developing the proper attitude towards business.