



Money Matter\$ - 20 August 2026

By Standard Chartered Bank

Title: Career alone may not maximise your financial position

From a very young age, we are taught that if you want to get better at something, then you need to expend time and effort to learn the necessary skills. We are also taught that you should focus on areas that you are going to make the biggest impact.

When it comes to maximising your financial position in life, the best way is to focus on your career and adopt a simple approach to investing i.e. regularly invest into a diversified portfolio regardless of what videos you see on TikTok or articles you read online. This is especially true at the beginning of your career and investment journey: adopting this approach will make you stand head-and-shoulders above the majority of investors

To illustrate this, let's take a simple example. Let's assume 1) a diversified portfolio can generate a return of 6% a year for the next 10 years; 2) you have managed to scrape together 10,000 dollars to start investing; and 3) based on your current salary of 5000 dollars a month, you are able to invest 1000 dollars every month.

Assuming you programmatically invest every month and returns are linear, the value of your portfolio after 10 years will be over 180,000 dollars (based on a total investment of 130,000 dollars – 10,000 to start with and then 1000 per month for 120 months). Not bad!

Now you may decide that 6% is not that great and, therefore, you are going to invest a lot of time to try and get this to 7%. Before addressing the challenges of doing so, let's assume you are able to achieve this return. After 10 years, your portfolio would be worth just over 190,000 dollars on the same investment amount. A bit better no doubt, but not life changing.

An alternative is to focus on your career while accepting the 6% investment return. By doing this, let's assume you 1) get a 5% pay increase each year and 2) you invest the incremental income every year. In this simple example, your portfolio would instead be worth over 365,000 dollars in 10 years. Now we are talking! Instead of being 5% better, this is more than double the initial scenario.

As importantly, the second scenario is not only the best financial outcome, but it is more realistic. In the early stage of your career, it should be relatively easy to justify significant salary increases as your skillset and experience increase dramatically.

On the other hand, beating the market is incredibly difficult and risks significant underperformance. Indeed, there is no clear correlation between becoming more financially educated and investment returns against a simple strategy outlined above. Indeed, the more you track your portfolio, the more you are likely to take actions that will be detrimental to long term wealth accumulation.

Of course, spending zero time on investing is not optimal, because it means you are not investing or are doing it without a framework. But successful investing really comes down to 3 things. First, invest in a diversified manner – across equities, bonds and other alternative assets and across regions. The



easiest way to achieve this is through broadly diversified funds. Second, invest regularly in a programmatic manner, ignoring the doomsayers or the 'to the moon' commentators.

Third, invest in line with your risk tolerance. This is the hardest area to get right. The illustrations above assume linear returns, but unfortunately the real world does not work like this.

Therefore, you do not want to be in a situation where you need to liquidate investments after a sell-off, this is exactly the time you should be adding to a diversified portfolio. There are two reasons for selling your investments after a decline.

The first is you need the money to spend it. The closer you get to needing the money, for instance, to finance a wedding, a car or a property down payment, the less risk there should be in the portfolio. This is especially the case if you have less flexibility about the timing of these events. For instance, if you are comfortable talking to your future spouse and delaying the wedding for, say, 2-3 years until the portfolio has recovered in value, then you can take more risk in the portfolio than if the date is fixed.

Second, there is the emotional lens to consider. Everybody has a different tolerance for financial risks. Once you get to the point of wanting to invest regularly into a diversified portfolio, then you need to understand how much risk you can tolerate from an emotional perspective.

The easiest way to think of risk is what are the likely drawdown sizes and lengths i.e., percentage declines from peak to trough and how long it typically takes to get back to new highs. Having a high-level understanding of the risk inherent in different portfolios will prepare you for the natural fluctuations and hopefully give you the confidence not only to hold onto your diversified allocation, but actually accelerate investment, when markets go on sale.

Hopefully, this helps you prioritise the investment of your most valuable commodity – your time. Regardless of whether financial markets interest you, the optimal approach from a wealth accumulation perspective is to prioritise your career rather than go down the wormhole of analysing financial markets.

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