

Bill Gates once said, "Success is a lousy teacher. It seduces smart people into thinking they can't lose."

When things are going extremely well, realize it's not as good as you think. You are not invincible, and if you acknowledge that luck brought you success then you have to believe in luck's cousin, risk, which can turn your story around just as quickly. But the same is true in the other direction.

Failure can be a lousy teacher, because it seduces smart people into thinking their decisions were terrible when sometimes they just reflect the unforgiving realities of risk. The trick when dealing with failure is arranging your financial life in a way that a bad investment here and a missed financial goal there won't wipe you out so you can keep playing until the odds fall in your favor.

But more important is that as much as we recognize the role of luck in success, the role of risk means we should forgive ourselves and leave room for understanding when judging failures.

Nothing is as good or as bad as it seems.