

FINANCIAL LIFE PLANNING

Spring - 2007

WHAT'S YOUR NUMBER?

How much money do you need to secure the rest of your life? Do you know how to think about it? What do you want to do with the rest of your life and how much will it cost?

Lee Eisenberg challenges his readers with these questions and more in his book, *The Number: A Completely Different Way to Think about the Rest of Your Life*. As Eisenberg himself proclaims, "This book is about money, but ultimately it's about the life you want, the life you don't, and the costs of each."

In particular, these are burning issues for the 76 million Baby Boomers who are nearing retirement age. In the past, this transition has been viewed solely as an economic event—one in which the focus is on building a retirement nest egg. But more and more in our society, the nagging question is creeping in, "What is the money for?"

In *The Late-Start Investor*, author John Wasik recommends rejecting the traditional way of planning for retirement and choosing instead a "flexible life plan that provides for financial, vocational, physical, emotional, and spiritual needs." He explains, "Unless you look at your future holistically, merely saving up a pile of money will be a meaningless act."

With this in mind, the first step to investing in your future is to think about and clarify what is most important to you. This

is a time to listen to your own heart and to focus on what you value most in life. Whatever you identify will become the foundation for your life goals.

The next step is to think about the role that money can play in helping you to achieve each life goal.

The first step to investing in your future is to think about and clarify what is most important to you.

- Will having sufficient financial resources give you more options for realizing your goals?
- Will financial independence in your retirement years allow you to pursue those activities that will give your life a sense of meaning and purpose?

Answering these questions will help you to determine "your number" and to understand how your money is integrated into all areas of your life—not as an end in itself, but as an instrument for creating the life you want—now and in the future.

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THE POWER OF APPRECIATION IN MONEY & LIFE

The word “appreciation” has at least two important meanings and applications. In the world of finance, it refers to the increasing value of an asset. In the inner realm of thoughts and emotions, appreciation involves recognizing the value of and feeling gratitude for specific people, things, and circumstances.

In her book, *The Soul of Money: Transforming Your Relationship with Money and Life*, Lynne Twist teaches that appreciative thinking is the opposite of scarcity thinking: “When your attention is on what’s lacking and scarce—in your life, in your work, in your family, in your town—then that becomes what you are about.”

In contrast, appreciation is the healthy mind set of looking for the good in what is around you and focusing on the value of what you already have. The result is, according to Twist, “What you appreciate appreciates.”

Similarly, author Jackie Kelm explains, “What you focus on grows.” In her book, *Appreciative Living*, she applies the principles of Appreciative Inquiry, a model for organizational change, to creating success and fulfillment in personal life.

However, because of past programming, the appreciative “way of being” may not be an easy transition. Kelm writes, “Finding what’s right with others and whatever shows up in our lives is a thinking habit that can be learned through experience, but it must be deliberately learned and practiced.”

One way to develop a more positive frame of reference is to change your internal questions. For example, rather than asking yourself what is going wrong in a given situation, ask instead what is going right. Kelm also suggests creating a gratitude list in which you write

three to five things each day for which you are grateful. “Over time you will begin to notice the good more naturally.”

“When your attention is on what’s lacking and scarce—in your life, in your work, in your family, in your town—then that becomes what you are about.”

—Lynne Twist

In *The Soul of Money*, Twist explains that we can also change our thought habits in regard to personal finance. “If your attention is on the problems and breakdowns with money,

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APPRECIATIVE INQUIRY

POWER OF APPRECIATION

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or scarcity thinking that says there isn't enough, more is better or that's just the way it is, then that is where your consciousness reside." If so, the result will be that no amount of money will ever be enough to buy the peace and happiness you desire.

The antidote, Twist writes, is appreciation—the conscious thought and intention required to develop mastery in the arena of money and to transform your feelings about your relationship with money. "In the light of appreciation, your prosperity grows."

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—Lynne Twist

Similarly, Ellen Peterson, author of *Choosing Joy, Creating Abundance*, observes that when you project negative thoughts and feelings onto money, you give it too much power over your life. She recommends building emotional awareness in regard to money and the situations and circumstances that generate inner conflict, fear, envy, embarrassment, or shame.

Consciously, and over time, replace these feelings with attitudes about money "that add color and vibrancy to your life." Along with this, Peterson writes, it is important to recognize that you have a relationship with money just like you do with the people in your life.

Instead of stress and conflicting emotions, Peterson recommends developing a healthy relationship with money in which you appreciate it without worshipping it:

"A prosperous and joyful life is dependent upon a positive attitude. It is not how much you have, but how you think about money and other means of prosperity."

NOTABLE QUOTES: "APPRECIATION"

"Happiness is inward, and not outward; and so, it does not depend on what we have, but on what we are."

—Henry Van Dyke

"Appreciation can make a day, even change a life. Your willingness to put it into words is all that is necessary."

—Margaret Cousins

"You have it easily in your power to increase the sum total of this world's happiness now. How? By giving a few words of sincere appreciation to someone who is lonely or discouraged. Perhaps you will forget tomorrow the kind words you say today, but the recipient may cherish them over a lifetime."

—Dale Carnegie

"What you appreciate, and the way you direct your attention, determines the quality of your life."

—Lynne Twist

"There is more hunger for love and appreciation in this world than for bread."

—Mother Theresa

FINANCIAL CHOICES

Most often, it is the decisions you make on a day to day basis that will have the greatest influence on your financial well-being and economic security. For example, we have all heard the stories of famous stars and athletes who make enormous salaries and bonuses and yet end up in financial ruin. And we have also heard the stories of those with modest incomes who have amassed tremendous wealth.

The point is that reaching your financial goals is more dependent on the choices you make with the money you have than on your level of income.

The point is that reaching your financial goals is more dependent on the choices you make with the money you have than on your level of income. Whether your annual income is \$20,000 or \$20,000,000, your most important step to financial wellness is spending less than you make. You will never reach your financial goals if you have a negative cash flow or barely break even every month.

Therefore, don't delay. You can't afford to wait until you get a raise, win the lottery, or your "ship comes in." The time is NOW to "get real" and develop a financial plan that will get you from where you are to where you want to be.

In *Think Again: New Money Choices, Old Money Myths*, Karen Ramsey writes about the importance of making sure your financial life supports what is most important to you:

"Money will only improve the quality of your life when it is used with clarity. Only when you learn to spend money in concert with your underlying values—the things that you most deeply care about—will it become a tool for creating a more fulfilling life."

LIFE PLANNING RESOURCES

Guide to the Next Stage of Life—

Inspired by the timeless wisdom of *WHAT COLOR IS YOUR PARACHUTE?*, the bestselling career book in the world, *WHAT COLOR IS YOUR PARACHUTE? - FOR RETIREMENT* will help you prepare for the next stage of life, whether you're in your early, mid, or late career or you've already retired. Whether you decide to quit working, pursue a new career path, or try something in between, this guidebook written by Richard N. Bolles and John E. Nelson will help you satisfy your lifelong goals, passions, and dreams.

Filled with practical exercises and resources, this step-by-step guide will help you answer these important life questions and develop a complete picture of your ideal retirement. From taking inventory of your income to discovering your calling, you'll create a map for your retirement journey so that you not only survive but also thrive throughout the years.

Guide to Good Work—

Previous surveys have shown that Baby Boomers plan to work, whether full or part-time, long past the time their parents moved to the sidelines. But, The Face of Work Survey was the first to ask Boomers in their 50s what kind of work they want to do. The result: 58 percent reported they are interested in taking jobs now and in retirement that help improve quality of life in their communities.

"The Boomers' Guide to Good Work" is a 16-page pamphlet designed to help boomers think about new careers – whether full or part-time – in the second half of life. This publication highlights web sites, books, and organizations that offer information about the non-profit sector. Also featured is advice on packaging experience as an asset and overcoming potential age discrimination. This resource is available online for free at www.civicventures.org/guide.