



# Putting Money in the Context of **Life**<sup>™</sup>

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## REFLECT ON YOUR MONEY MEMORIES

Our attitudes and beliefs about money have their roots in value-laden messages we have picked up along life's journey. These money messages are not only clothed in the words of others, but in their actions as well.

The following paragraphs include a series of questions designed to jog your money memories. To gain insight into your financial beliefs and behaviors, look first to your childhood experiences.

In your home growing up, was there an atmosphere of plenty or scarcity? How did your parents and grandparents demonstrate their money beliefs? Did the adults in your life demonstrate responsible or irresponsible money management behavior?

In addition, consider the ways that finances influenced family interactions and relationships. Was money a source of conflict between your parents and/or between generations? Was money a taboo subject or a topic for lively and open discussion? Was money used as a neutral tool or for reward and/or punishment?

Next, reflect on your relationships with your peers. As children approach their preteen and teenage years, the opinions and behaviors of those their own age become more influential than those of their parents.


What was the financial status of your closest friends? Did they have after school or summer jobs? Did they save money or did they spend everything immediately? Did you ever try to "buy" friendship? Did you ever feel accepted or rejected by your peers because of your financial status?

As you continue to reflect on the roots of your money beliefs, think about your significant relationships. Was money a source of conflict? Was money a difficult topic to discuss? Was money used as a way to win your favor? Did you use money as a way to assert your independence?

Keep in mind that a review of your money history is only meant to provide insight into the money messages that consciously and unconsciously influence how you feel about

your financial life and the choices you make on a day-to-day basis.

These revelations are not intended to place blame, but rather to recognize obstacles to your financial well-being and initiate positive change.

In addition, a review of your money history will increase your appreciation of what and who has been a positive influence on your financial beliefs and behaviors; and, to consider ways you can "pass it on." Always remember that nothing will be more effective in guiding the younger generation than your own example of a successful and satisfying financial life. 

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## REBALANCING YOUR LIFE PORTFOLIO

In their book *Life Matters*, authors Roger and Rebecca Merrill write, “Both what and how we spend dramatically impacts the quality of our lives, the quality of our relationships, and the legacy we leave to our children—not only in terms of dollars and cents, but also in terms of character, financial intelligence and the ability to interact in positive ways around money matters.”

In addition, many individuals express greater financial success and satisfaction when they see a direct link between their financial planning activities and their life goals.

They also feel more motivated to make improvements in their money matters when they view their financial resources as a means to express and support their values and priorities in all areas of life.

Therefore, when planning and preparing for the future, it is important to take a more holistic perspective. Always keep in mind that life is multifaceted and that each facet contributes to the quality of life you experience—now and in the future.

Once you have a clear definition of what “true wealth” means to you, you can invest in each of the following **Nine Facets of Life** in a meaningful and intentional way:

1. **Intellectual Engagement** - Includes activities and educational opportunities that facilitate lifelong learning; stimulate thinking and curiosity; and increase understanding, knowledge, skills, and mental acuity.
2. **Purposeful Pursuits** - Includes productive activities that are considered to be one's “work,” whether paid or unpaid, and provide a sense of meaning and contribution.

3. **Leisure & Recreation** - Includes activities for personal enjoyment and for refreshing the body, mind, and spirit.
4. **Healthcare & Physical Fitness** - Includes appropriate medical and self-care, good nutrition, and regular exercise.
5. **Close Relationships** - Includes one's inner circle of family members, friends, and colleagues.
6. **Community & Social Relationships** - Includes formal and informal networks, gatherings, associations, and affiliations that provide a sense of belonging and opportunities for social interaction and contribution.

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# REBALANCING YOUR LIFE PORTFOLIO

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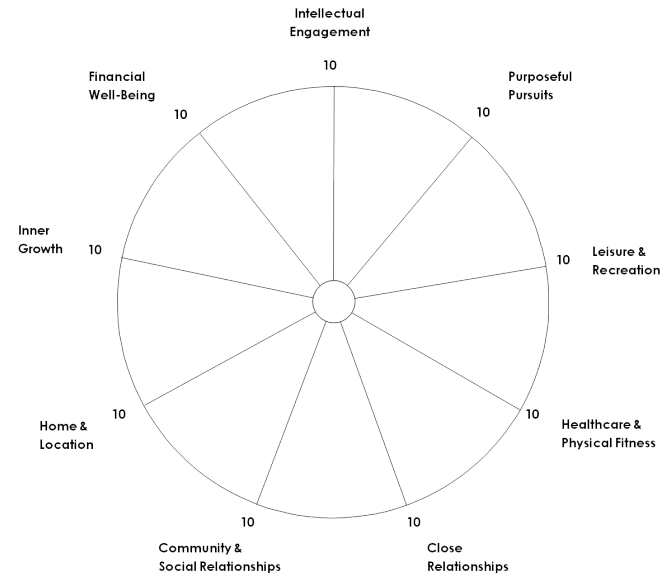
7. **Home & Location** - Includes type of housing, ambience of living space, and geographic location that meets physical needs and nurtures one's mind and spirit.
8. **Inner Growth** - Includes commitment to emotional well-being, personal and spiritual growth, and an ever increasing sense of self-actualization.
9. **Financial Well-Being** - Includes basic financial knowledge, sound financial practices, and a growing understanding of beliefs and attitudes that influence behaviors.

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Therefore, if you are not experiencing the return on investment (ROI) you expected, it's probably time to rebalance your life portfolio!

The following diagram is the **Wheel of Life**, a simple but powerful exercise that will help you to evaluate your current level of satisfaction in each area of life and your total ROI.



The first step is to place a dot on each spoke of the wheel to indicate your current level of satisfaction in that area of life. Use a scale of 0-10 with zero at the hub (no satisfaction) and ten at the rim (highest possible satisfaction). Next, draw a line to connect the dots.

The outcome is a graphic representation of your quality of life based on a set of criteria unique to you. By completing this exercise, what insights did you gain about your life satisfaction? What does your Wheel of Life tell you about the components that contribute the most to your happiness and well-being?

In addition, take time to reflect on each area of life and answer these questions: Can I make simple changes that will increase my level of satisfaction by at least a point or two? In what ways can I "invest" in each facet so that I can enrich my life and the lives of others?

When you clarify what is most important to you in each facet of life, you can begin to formulate meaningful life goals. This step will be catalyst to rebalancing your life portfolio and maximizing your ROI. 🌱



## VALUES-BASED RETIREMENT PLANNING

In the past, the transition to retirement has been viewed solely as an economic event. As a result, the focus of retirement planning has primarily been on building a nest egg.

In *The Late-Start Investor*, author John Wasik recommends discarding this obsolete view in favor of 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.”

In other words, financial security is extremely important, but financial resources alone will not guarantee a rich and rewarding life in retirement.

Thomas J. Stanley, author of *The Millionaire Mind*, points out that the most satisfied wealthy people don't just have financial goals, they also have life goals. And, because they have clarity around what they want in life, they use their wealth as a tool to support those values and priorities.

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Therefore, the most important retirement planning message for adults of all ages is “it takes more than money.” With this in mind, make sure that you not only consider how the transition to retirement will affect your life financially, but how it will influence all other areas of your life as well.

The first step to preparing for your retirement years 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.

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

- Will having sufficient financial resources give you more options for realizing your life goals?
- Will economic security give you more freedom to focus your time and attention on what is most important to you?
- Will financial independence allow you to pursue those activities that will give your life a sense of meaning and purpose?

Answering these questions will help you 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 retirement.

There is a lot of truth to the old saying, “Money can't buy happiness.” However, your wealth will give you more opportunities to invest your time and energy in ways that matter most to you. 