Opportunity, Obligation, and Threat – Resetting Your Decision Making

Thank you to Steve D'Annunzio and the team at Soul Purpose Institute[1], for sharing this powerful way of explaining how our financial decisions are often shaped by marketing and comparison rather than priorities. It's a pattern financial professionals see every day.

Nearly every financial decision falls into one of three categories: **opportunity, obligation, or threat.** Think about your home.

Opportunity -

You want to build a swimming pool. It's exciting and fun. You picture your children and their friends spending summers in the backyard. Add a patio and grill, and suddenly you're hosting family gatherings and team parties. You even convince yourself that you'll save money because you'll spend your next vacations at home.

It's a wonderful opportunity.

Obligation –

Then you discover your roof is leaking. You've noticed a few water stains, but after a heavy rain it's clear the roof needs attention. It's not an emergency, but it can't be ignored. You know it has to be fixed.

It's an obligation.

Threat –

Your house is on fire.

Suddenly, nothing else matters—not the pool, not the patio, not even the roof. There is no debate, no delay, no weighing of pros and cons. You act immediately because everything you've built and everyone you love is at risk.

That's a threat.

[1]www.soulpurposeinstitute.com

We Understand Priorities - Sometimes

If your house were on fire, you wouldn't call a roofing contractor or start digging for the pool. You'd put out the fire. In fact, because the consequences of a fire are so devastating, you prepare long before one ever happens. You install smoke detectors, keep fire extinguishers nearby, follow building codes, and purchase homeowners insurance that could rebuild your house if the worst occurred.

By protecting against the greatest threat first, you're then free to address your obligations—like replacing the roof—and eventually pursue opportunities—like building the backyard you've always wanted. That's rational decision making.

We understand the importance of protecting a home against catastrophe, even though the likelihood of a house fire is relatively small. Yet many people fail to protect the greatest financial asset they will ever have: their ability to earn an income and provide for the people they love.

The story isn't really about a house. It's about your life.

Your future earnings, your family's lifestyle, your children's opportunities, and your spouse's financial security all depend on your ability to continue providing—or on a plan that protects them if you cannot.

Many individuals focus primarily on investment accumulation when developing financial plans. Financial professionals often evaluate both risk-management and investment components when helping clients purse their goals.

Rational Priorities

For most families, accumulating enough investment assets to immediately replace decades of future income in the event of death would require an amount of savings that is simply unrealistic. But it only works at its optimum level if you protect yourself fully.

Just as homeowners insurance allows you to enjoy your home with confidence, protecting the economic value of your life provides the foundation for every other financial goal. Once the greatest threat has been addressed, you can pursue opportunities and meet obligations knowing the people you love are protected.

For many individuals and families, strong financial plans start with protection.