

LESSON SEVEN



Dynamics of Financial Freedom

TAKING ACTION ON YOUR GOALS

BASIC VALUES

If you have been following the suggestions in each of the preceding lessons of the *Dynamics of Financial Freedom*, you have already been building the background for your personal *Plan for Financial Independence*. Some of the first materials you dealt with were **Self-Evaluation Instruments** which may have seemed at the time to be rather vaguely connected with financial freedom. As you continue your involvement with your *Plan for Financial Independence*, you will begin to see more and more clearly how important it is to have a precisely defined sense of values based upon detailed self-knowledge. Without this background, you may set goals and find yourself procrastinating, resisting the work necessary to achieve them, or in other ways sabotaging your own success. A clear sense of values based upon who you are and who you want to become is essential to the choice of appropriate goals and the effectiveness of a plan for accomplishing them.

In the process of clarifying your personal value system as a basis for identifying your financial goals, consider the separate functions played by your Identity and the Roles you fill in life. You are the only one who can describe with any degree of accuracy your Identity — who you are — and even you may occasionally experience some confusion in formulating such a description. People who have not taken the time for self-evaluation, for listing of priorities and for assessing their own values often confuse their Identity and their Roles.

While Identity is who you actually are, Roles are the parts you play in life. In the course of a single day you may, although there is only one "you," fill many roles. Because of

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the varying nature of the Roles you fill, you are likely to be more successful in some than in others. On any given day, performance in one specific Role might range from highly satisfactory to quite a bit below par. If you become convinced that outstanding achievement — or lack of it — reflects your *Identity*, rather than a *Role*, it is easy to become discouraged and conclude that you are incapable or unworthy of success.

Look at Figure 1 which illustrates how one person might fill many Roles, all in a single day. From your own experience, you know that it is possible to achieve outstanding success at work on a particular day and, as a result, feel so good about yourself that you are unbeatable on the tennis or handball court, drive home elated and relaxed, and spend an exciting evening with your family. On another day, you may handle a work crisis ineffectively, stew about it all afternoon, blow your tennis match, drive home in a state of irritation with traffic, yell at the children, and toss restlessly all night ranting at your own stupidity.

Such overlap of Roles takes place if you perceive Role performance as a function of Identity. Because you *feel* less capable in one role, you carry over that perception into additional Roles and reinforce your lowered self-image with further Role inadequacy. When you realistically differentiate between *Identity* and *Roles*, overlap is eliminated.

Nowhere is it more important than in your *Plan for Financial Independence* to understand the interplay of Identity and Roles. Lesson Five discussed the necessity of taking risks in your journey toward financial freedom. By their nature, some risks will be followed by mistakes or failures — others, by outstanding success. When a setback occurs, as it inevitably will, you must exhibit emotional maturity and stability by recognizing that the loss sustained or the delay experienced in reaching a goal has nothing to do with your Identity — with your worth as a person. It is, instead, a reflection of the efficiency with which you have on this occasion functioned in one of your Roles. You need not *alter who you are* in order to *get back* on the path to achieving your goals. You need only *alter your behavior* in a particular Role.

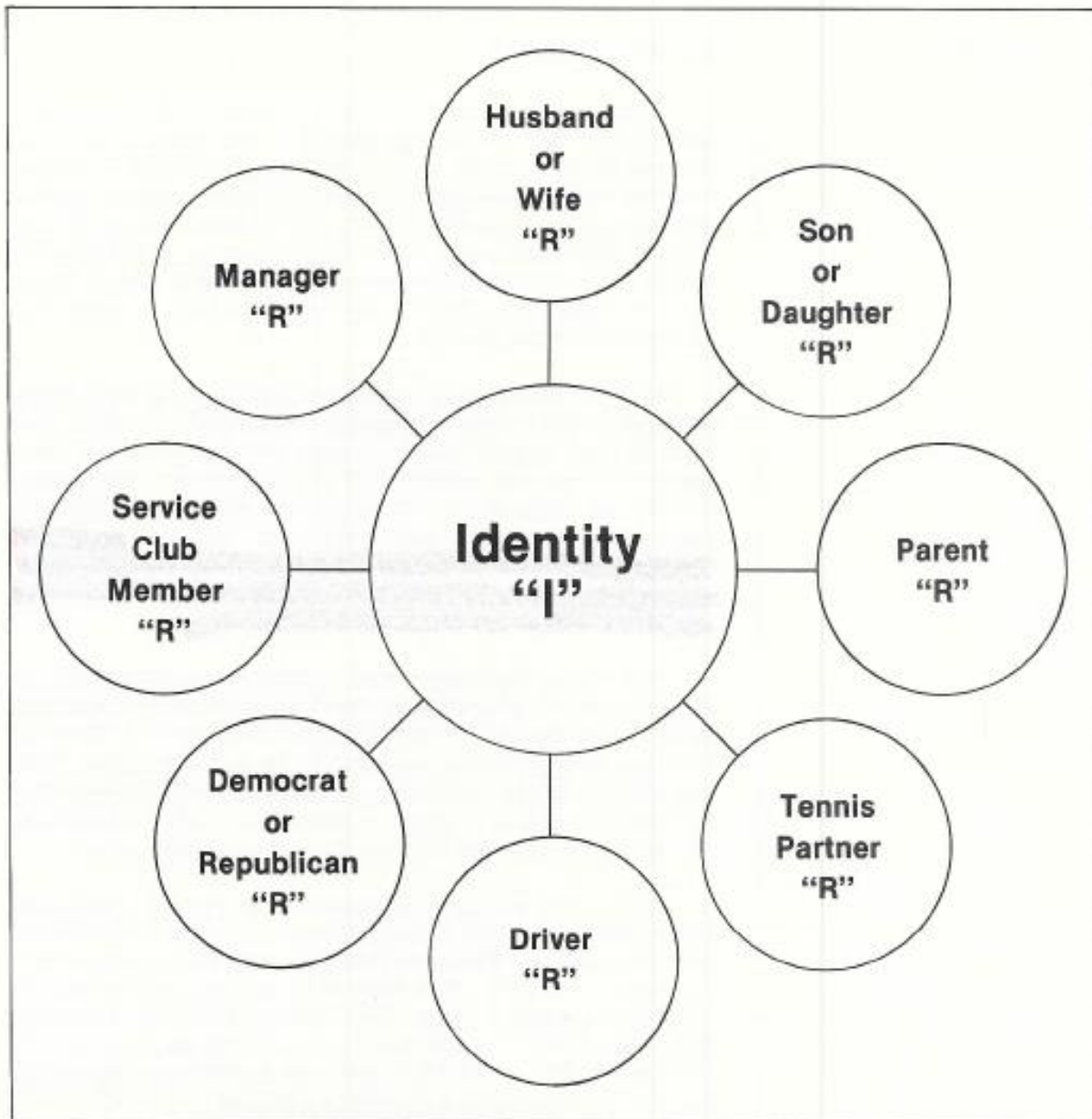


Figure 1
Identity and Roles
Identity is who you are;
Roles are the functional activities you perform.

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DEFINING GOALS

Although the *Dynamics of Financial Freedom* deals specifically with financial growth, it is important to set and achieve goals in every area of life. If you achieve financial freedom but, in the process, lose your health, your friends, and your family, you will experience a hollow victory. If you achieve financial goals and neglect mental, professional, spiritual and ethical development, you may amass a large material fortune but find no life purpose which is served by possession of that money.

While listening to the last two lessons, you have been engaged in the process of **Cash Forecasting** — looking forward to your expectations for the next year. You will now begin to move into assessment of your **Present Net Worth** and identifying goals for increasing your net worth in the next year. After completing these activities, you will establish **Priorities of Financial Values** based upon all that you have learned about who you are, how you stand now financially, and where you would like to go in the future.

It is of vital importance that the specific goals you set fit into your own **Priority of Financial Values**. Your priorities act as overall strategies for directing your financial life. They involve the kind of person you want to be and to become, how you want to spend your time, and the kind of relationships you wish to establish. Specific goals serve as action tactics for expressing and working out those overall strategies.

As you move into the section of your *Plan for Financial Independence* entitled **Financial Goals**, you will find instructions for using the **Financial Freedom Goal Form**. Remember that goal setting is more than the mechanical process of writing on a piece of paper. The effectiveness of your written plan depends upon your understanding of the reasons behind what you place on the form and your commitment to using the plan as a guide for constructive action.

If you are not now making the progress you want to make and are capable of making, it is because your goals are not clearly defined. Goal setting begins by crystallizing your thinking about what you want from life. The lessons so far in *The Dynamics of Financial Freedom* and the activities sug-

gested in the *Plan for Financial Independence* have been designed to help you in the process of crystallizing your thinking. As you begin to set specific goals, draw upon the knowledge you have gained about yourself and your desires and the information you have compiled about your present financial situation. This information is a reliable basis for establishing concrete, attainable goals.

Recognize the need for setting both long-range and short-range goals. Long-range goals are important because they give direction and purpose to your life. They help you plot the direction in which you intend to move. Because these broad goals encompass so many facets of life, they are more easily achieved if you break them down into shorter-range objectives which you can visualize more easily and work toward more enthusiastically.

You will find that short-range goals constitute the progressive steps that lead to ultimate achievement of long-range goals. As you reach one short-range goal, set another that builds upon it, and then another and another. All of these short-range goals follow the path defined by your priorities for life. Their achievement moves you inevitably toward fulfillment of your greatest dreams.

Short-range goals may be those you intend to achieve this year, this month, this week, or even tomorrow. They are more specific and more action-oriented than long-range goals. Because they must be accomplished immediately, you can design everyday activities so that the work you do and the projects you undertake not only fulfill your short-range goals, but also have direct bearing on the achievement of your long-range goals.

For example, you may have a long-range goal to achieve a net worth of one million dollars in ten years. This is a concrete, long-range goal. Without supportive short-range goals, however, it would be difficult to know what specific activity you could engage in *today* that would move you in the direction of that goal. On the other hand, if you set a short-range goal to begin a real estate investment program as a vehicle for achieving that long-range goal, you can find appropriate actions for today. You can begin to look at properties and evaluate their potential as investment vehicles. You can

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enlist the help of financial advisors. You can locate sources of leverage. When you have accomplished each of these short-range goals, you are ready to make a decision about your first investment. Progressive achievement of immediate goals advances you toward the destination described by your overall, long-range goal.

THE GOAL-SETTING PROCESS

Once your goal is clearly defined and a statement of it has been written in specific terms, you are ready to begin the actual planning process.

The next step is to assign a target date for completion. A target date produces a sense of the time table required to complete the necessary actions for successful achievement of the goal. **Target dates are an exciting source of motivation;** they keep you moving and working toward important goals. When you have established a target date, procrastination loses its power over you. You begin each day with a sense of purpose and with a knowledge of the activities needed for success.

A target date, of course, is your own. Since you set it, you can change it. In some instances, you will either overestimate or underestimate the time needed to achieve a goal. As soon as you realize that your target date is unrealistic, adjust it. **Missing a target date or reaching your goal before the planned date is never a sign of failure. It is only a part of the learning process through which you move as you learn to set goals.** The longer your experience with goal setting, the more accurate is your ability to set target dates. Use target dates as a motivating force, never as self-punishment.

When you have clearly stated your goal and established a tentative target date, make a list of the benefits you will enjoy when the goal has been achieved. List tangible benefits such as the profits you will receive, the possessions you will buy, and the increase in your net worth. List, also, intangible benefits including personal satisfaction, increased leverage ability, and the enjoyment of providing certain pleasures and opportunities for your family. Listing the benefits of achieving a goal intensifies desire and motivation.

Now take a look at the other side of the coin — the investment required. Any goal worth achieving requires the investment of time, effort, and money. It is at this point that many people sabotage their own success. They become excited about the benefits of achieving their goals but fail to consider the necessary investment.

As a part of the assessment of what will be required to achieve your goal, consider also the consequences that will result from its achievement — both positive and negative. Consider such things as the impact on your position that achievement of this goal would produce. Weigh the consequences of spending the time required to achieve this goal. Would investment of that amount of time bring negative consequences to family relationships or cancel your opportunity for success in other important areas? Assess your skills in the necessary management of whatever assets you plan to acquire. Decide whether you will enjoy both the *process* of achievement and its *result*.

With all this information at hand, ask yourself one important question: ***Is it worth it to me?*** If you decide that the benefits of achieving this particular goal outweigh the investment required and the possible risk of negative consequences, move ahead confidently; the goal is right for you. If however, you decide that the investment required or the possible negative consequences outweigh the benefits, decide to postpone or abandon this particular goal; look for an alternate path to financial freedom.

TAKING ACTION

Once the preliminary steps have been taken and a firm decision is made to work toward a specific goal, you are ready to design the practical steps that tell you what to do each day.

1. Identify obstacles

Make a written list of all the obstacles you might encounter in working toward the goal. This is the point in goal setting where pessimism is permissible. Think of all the things that could go wrong, all of the problems you could face, all of the people

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who might oppose you. A thorough listing of possible obstacles prevents later surprise and confusion when some roadblock develops.

Suppose, for example, you set a goal to invest in a small apartment complex. You might anticipate these obstacles:

Finding needed time to look at possible properties.

Securing favorable financing.

When you know that such obstacles may arise, you can be ready with a plan for overcoming them. Unexpected obstacles, on the other hand, may cause discouragement or confusion.

2. *Generate solutions and action steps*

Now become a thorough-going optimist. Devise all of the possible solutions you can visualize for overcoming each obstacle you have listed. You may find several possible solutions for each. Be creative; list as many solutions as possible. Then no matter what happens in the future, what goes wrong, or who presents you with difficulties, you have a ready-made tactic for going over, around, or through whatever circumstances arise. The solutions you list become the action steps which you will take day by day to achieve your goal. Assign a target date to each action step; these dates produce a schedule of the activities necessary to reach the goal by the overall target date you have set.

If you have anticipated difficulty in finding time to look at properties, your solution might be to use several hours on Saturday for this purpose, taking one of your children along. In this way, you can look at property and spend driving time in conversation with your child. If you have a teen-ager who is learning to drive, this plan provides practice time for him with your supervision. You are able in this way to advance both your investment goal and one of your family goals.

A SUPPORT SYSTEM FOR ACTION

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A carefully devised, neatly written plan for achieving a goal is just a piece of paper until you take action — until you bring your dream castles down out of the clouds and transform them into stones and mortar.

Obstacles, delays, and circumstances which could not be foreseen sometimes dampen the excitement created by the early phases of the goal-setting process. Everyone who sets out to achieve goals needs a support system — strategies for maintaining motivation and enthusiasm in spite of discouraging circumstances. An adequate support system is insurance against discouragement and procrastination. Use the same creativity you exercised in choosing goals and planning action steps to design a workable support system. Begin with these four general areas:

1. *Time management*

Operating your *Plan for Financial Independence* requires efficient time management. You will need time to study possible investments, time to complete financial arrangements, and time to manage the investments you make.

If you already have a heavy workload, finding the necessary time to operate your goals program may appear difficult. Set a goal to learn more about effective time management. Learn to do your work in fewer hours, leaving free time for operating your goals program.*

One simple but effective time management aid is the use of a daily Imperative/Important list. Each day, list on a small card or in your pocket calendar all of the day's Imperative activities — items of work, appointments, and action steps toward your goals that must be accomplished today to prevent serious consequences. Then make another list of Important items — items that would contribute to the achieve-

*Ask your SMI Distributor about the program, *Dynamics of Personal Time Control*.

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ment of your goals, but which could be delayed a day or two without serious consequences.

Begin work on the Imperative items and stick to your list until all Imperative items are completed. Then devote the rest of the day to the Important items. At the end of the day, make a new list for the next day. Include all of the Important items that were not completed and any new items that have become timely. If you have not been working from a "Do List" of some type, this simple system will produce a noticeable improvement in your efficiency and productivity. You will accomplish both your work and your goals on time.

2. *Attitude support*

The attitudes and beliefs you now hold have grown out of your reactions to what you heard and observed early in life. Hearing and seeing are the processes of learning. You can use them in a planned approach to maintaining motivation and enthusiasm for achieving your goals.

You can change your attitudes by changing what you hear through the use of positive affirmations. Affirmations are statements which you choose to believe about yourself and your ability to succeed. Affirmations are the self-talk in which we all engage — usually in an unconscious or unguided fashion. But you can plan deliberately to feed your mind with positive attitudes that support self-confidence and belief in your ability to achieve. Lesson Five has already introduced you to the concept of affirmation as a tool for attitude development. Your *Plan for Financial Independence* also places emphasis on this important tool. A space is provided on the **Financial Freedom Goal Form** for writing affirmations to support your goals.

You can also change your attitudes by using visualization. Lesson Four talked about the value of visualization in creating desire for greater success. Visualization also provides attitude support. Use

pictures, objects and other visual reminders of the goals toward which you are striving. Look at them often; then mentally visualize yourself in possession of the goals they represent.

If you have set a goal to acquire a particular piece of real estate, carry a picture of it in your pocket calendar where you will see it daily. You will be excited about the process of arranging leverage and working out the details of the transaction. If your goal is to purchase a boat, go to the dealer's showroom and ask a salesperson to take your picture standing by the boat you want to own. Carry that picture with you as a reminder of your goal. You will be so excited about it that you will gladly undertake the needed work.

3. *Progress checks*

An important facet of your goals program is a periodic progress check. You might set aside an hour each week or at least each month to review your goals program. Check your progress against the target dates you set for the achievement of goals and for taking action steps. If you are on target, you will be encouraged and excited. If you are a little behind your planned activity, you will be challenged to exert a little extra effort to catch up. Unless you check progress, it is easy to fall so far behind that you cannot meet your target date; then discouragement follows and saps your motivation.

4. *Enjoy the benefits*

Celebrate your successes. Reward yourself for achievement. Unless you enjoy the success you achieve, motivation will soon lag. Keep your sense of values balanced. If you force yourself and your family to live in comparative poverty while you pour every available dollar into an investment program, increased net worth may become a burden instead of a joy. Use some of your assets for personal pleasure; share with your family and with others. A miserly spirit toward others or toward yourself

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forges wealth into a chain that fetters you to bitterness; a generous and joyful spirit weaves silken cords of love that tie you into happy, lasting relationships.

In the section of the *Plan for Financial Independence* entitled **Defining Financial Priorities**, review the introductory material dealing with **Priority of Financial Values**. Examine the sample provided and then begin to compile your own personal statement listing your **Priority of Financial Values**. The importance of this step in the goal-setting process cannot be overemphasized. Your priorities are uniquely your own. They are an expression of who you are. State them clearly and use them as a guide for choosing the financial goals that will be important to you.