

PART
I

A LOOK INSIDE

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CHAPTER 1

Working Together

If you and I were sitting at Starbucks discussing the things you want to accomplish in your life, and how your financial situation is playing into that equation, I would start gushing about a form of financial management called Life Planning.

I would tell you how this is the only form of financial planning that I've seen bring lasting results to people. I'd also tell you that the reason I think it works so well is that it helps people figure out *why* they make the decisions they do about making and spending money.

I would also probably say something like, "Telling someone to stop overspending without taking a look at *why* they're doing it in the first place is like telling someone to go on a fad diet without looking at what's driving the overeating. They may be able to change their behavior for a time, but sooner or later, the reasons behind it will regain control of their actions.

After we discussed the merits of that logic, I'm sure I would start explaining "The Big Three." Those are the three major influences behind our choices about making and spending money:

The Big Three

1. The lessons we learned about money when we were growing up
2. The messages society tells us about money
3. The messages we tell ourselves about money

At this point, I would shift into reporter mode and start asking you the most effective questions I've seen Life Planners use to help them

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discover the influence The Big Three are having on their clients, so that we could see how those factors are affecting your financial choices.

The Questions

One of the things that first caught my eye about Life Planning was the difference in the questions these planners ask their clients versus those asked by traditional financial planners.

These are a few questions from a questionnaire I once saw used by a major brokerage house to help identify their client's needs:

- How much money do you think you will need to live when you retire?
- Where do you want your finances to be in 5 years?
- Where do you want your finances to be in 10 years?

These are some of the questions that Life Planners ask:

- In what era did your primary caregiver grow up?
- How did the attitudes of their generation play into what they taught you about money? Do those teachings serve you today?
- If you found out you had five years to live, how would you change your life?

Every reporter knows that the best way to uncover relevant information is by asking the *right* questions. I think you can see the difference in the level of knowledge these different methods seek.

Back at Starbucks ...

After we'd talked about some questions that would help you see how The Big Three have influenced your choices about making and spending money, you would have some great insights, and consequently more options, for dealing with some of the barriers that may be blocking you from the life you really want.

Whether you choose to break down those barriers, step over them, or deal with them at another time, I would urge you to move forward and create the financial plan to support that life.

Next, I would direct you to one of the amazing professionals I've met through my study of Life Planning, so that they could help you make the financial choices that would allow you to reach your goals.

In reality, we're not sitting together in Starbucks having this discussion, but with your help, I can show you how to create a lifestyle that reflects who you really are. In addition, with the help of Paula Kennedy, one of the most effective planners in the United States, you will learn how to use your finances to support that journey.

Pearls from Planners

In my effort to give you access to the professionals who can help make your goals a reality, I have included some of their advice in sidebars like this one called "Pearls from Planners." They consist primarily of excerpts from interviews I've conducted with the experts I feel are the best in the business of helping people practice mindful money management. These pearls of wisdom will help clarify and explain this process for you.

No Shortcuts

There's no way around it. Reallocating your finances so that they support your most important goals and priorities requires putting some pen to paper (or finger to keyboard).

Throughout this process you will be clarifying your goals, reflecting on some of your attitudes and beliefs about money, and creating an actual financial blueprint to guide you in your quest to make your dream life a reality.

There will be spaces for writing in the book, but you may want to get a notebook or designate a computer file for the exercises.

You as the Reporter

Despite their sometimes controversial outcomes, reporters commit themselves to getting to the truth of a matter. In Part I of this book, I'm going to ask you to play reporter so that we get the real story on how The Big Three have influenced your financial life.

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The idea of this exercise is to get you to look at these aspects of your life from the perspective of an *observer*. It's not your job to judge or spin the story. We simply want to tap into your objectivity, so that we can present as truthful account as possible of the ways in which your family, society, and the messages you tell yourself about money have impacted your financial choices.

In order to help you do this, I will give you a series of questions in the following chapters that will essentially allow you to interview yourself. At each chapter's conclusion, you will get an outline that will allow you to construct a *report* we'll call "Your Story," on each of these aspects of your life.

We use these stories so that you have a concise point of reference when Paula helps you literally account for what The Big Three are costing you, in Part II of this book.

So, let's have fun with these exercises! It's just you, me, and Paula. There's no reason to hold back.

The Interview Zone

I'm sure you've heard the phrase "in the zone." It generally refers to a deep state of concentration when it almost feels like time is standing still. Nothing exists except you and your task at hand. People generally do their best work when they're in this mode.

"The zone" is a place of complete honesty, without distraction from outside thoughts or influences. That's how we're trying to see you, undistracted by influences from The Big Three.

One of my favorite parts of being a reporter is going into what I call "The Interview Zone." In most instances, when you sit down to interview someone, a stillness and honesty take hold of the environment that is hard to put into words. Think about the last time you had a real heart-to-heart conversation with someone, and you just *knew* that they were telling the truth. It feels a bit like that.

A good interviewer tries to achieve this each time they sit down with someone (unless, of course, we're talking about an unwilling subject).

I asked arguably the greatest interviewer of all time to help me put this into words for you. CBS *60 Minutes* news legend Mike Wallace explained it to me like this:

When someone realizes that you have put in the time to read and do your research about them before you sit down, they come to respect the time and care that you have taken with their story. This creates what I call a “chemistry of confidentiality.” When you look a person in the eye, and they realize, “Hey, this guy cares about my story,” they want to open up.

We will do the research and put in the time and care that’s necessary to create an environment that allows you to open up. We will create the “chemistry of confidentiality” Mike describes as you examine the questions in the following chapters. Don’t hold back—this information is confidential.

