

Five Things to Consider for Financial Success

Written by Tim Decker

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What is Financial Success?

If we look at society and societal norms, a lot of weight is given to success when it comes to defining happiness. If we see a person who is successful, it is often assumed that they are happy. On an existential level we should consider what it all means. In reality, we actually have no idea whether or not that person is either happy or successful, for a couple of reasons. First of all, we can only measure someone else's success or happiness by what we know about them. Secondly, and more importantly, we can only measure someone else's success or happiness by how we define success and happiness. There is really no way of knowing whether their measures are even similar to our own.

It is on this concept that we are then able to shift our focus to identifying our own unique definition of success and happiness. Once we identify those things, then we can work on building a plan and setting the goals to achieve them.

When it comes to financial success, the same case can be made as above. Identifying what financial success is, is different for everyone. The following are considerations to make when developing your own unique financial success plan.

Know what is important to you:

As with any plan, it is important to begin with what matters. We don't make plans about things that don't matter to us, right? When thinking about achieving financial success, identify areas of

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your money life that you feel need improvement and think about why. Looking at something and judging it might help you make a list, but creating an action plan for change requires delving deeper into why there is something missing in certain aspects of our lives.

Financial success, on a holistic level, is about more than just accumulating money and being financially stable. Success, for most of us, fosters a sense of well-being and peace-of-mind. Setting goals on the foundation of what is important to you and your family will help to accomplish this.

Plan for the long run:

Looking far ahead can be overwhelming for some people. It can tend to make people feel like the road is too long and they might never get there. It is important to know that we aren't just looking from point A to point B. We are looking at the "long run" – the path is part of the process. When we set goals we design a series of steps that will help us achieve that goal. Each step is an achievement and can help us to feel better about the process.

It is important to look at how our plan is going to affect us over time, so considering what will happen over the long term when we make short-term goals is an important part of creating your overall financial success plan.

Analyze possible hurdles or obstacles:

Chess is a game of strategy and one that requires us to identify possible obstacles well in advance (plan for the long run) and find solutions to get around, under, over or through them (analyze). Using the chess analogy we can begin to look at each hurdle as a challenge and an opportunity to find new and better ways to plan for and achieve our successes.

Human beings are instinctually drawn to avoiding change and taking the path of least resistance. However, it is often the case that, in order to find that path, we need to think about it far in advance of when the resistance may come. This type of "plan now, act later" strategy can feel uncomfortable for some people.

Sometimes, people can find this particularly challenging as some of the difficulties that they could possibly face are unknown to them. For example, making a large purchase and using

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retirement income to fund it can have major tax implications, but it may be in your best interest. There are many factors that go into determining the right choice for a particular situation. Thus it's paramount that you carefully analyze your different options so that you ultimately make the right decisions relative to the goal you are trying to accomplish.

Live within your means:

We are practically programmed at birth to look over the neighbor's fence to see what's in their yard. When we are young it is a shiny scooter (or these days iPad or Drone or Hoverboard), as we age the shiny things become larger, more expensive and more of a driving force for our day-to-day money choices. Keeping up with the Joneses is an extremely destructive way to look at and deal with finances. For most of us it might provide some type of short-term satisfaction but, in most cases, that is followed by longer-term regret and disappointment.

For some, having a budget, whether you are of average means or extraordinary means, can be critical to your financial health and success. When we create and follow a budget, we live within our means and are able to save for our goals and achieve greater success over the long term.

Invest prudently:

What does this mean? You would get a thousand answers if you asked a thousand people. But, this is what we know to be true:

- Investing requires patience, time and commitment
- Methods to get rich quick don't work
- Diversification is important, the next big stock pick is not
- The only way to grow your portfolio over the long term is to assume some degree of risk
- Listening to the media will cause you anxiety and reacting to headlines will cost you money
- We are our own worst enemy, specifically our emotions of fear and greed
- Markets work

Throughout the world, over the course of the last century, markets worldwide have a history of rewarding investors for the capital they supply. The competition between companies vying for capital and the competition between investors vying for better returns, drives prices to fair value and so it goes.

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We believe that a prudent investment philosophy utilizes low-cost investments across a global mix of asset classes to create a beautifully diversified portfolio that is engineered to provide long-term returns through many different economic cycles and world events.

The desire to achieve financial success is universal, but the way to accomplish it is unique to every individual. Identifying your objectives and creating the path to achieve them takes time, discipline and courage. However, the rewards for doing so can ultimately be true financial security and peace of mind.

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