



Synchronizing Your Finances with Your Values

Why is it that we make the same resolutions year after year?

A recent survey by FranklinCovey

(<http://www.marketwatch.com/news/story/FranklinCovey-Products-Fourth-Annual-New/story.aspx?guid=%7BC7044F73-9B9D-4180-B3EA-56C6BF7A80B5%7D>)

revealed that the No. 1 New Year's resolution people will make for 2009 is to get out of debt and save more. (Losing weight is No. 2 and exercising is No. 3.) No surprises there. The results also revealed that 75 percent of those surveyed won't stick to their resolutions, with one third breaking them by the end of January!

Benjamin Franklin once said that the definition of insanity is doing the same thing over and over and expecting different results. If you find yourself hoping that this is the year you'll finally get the results you want, I challenge you to do more than just hope. Ditch that list of resolutions once and for all and instead follow my seven steps to create your Purpose-Focused Financial Plan for real success in 2009:

1. Ask yourself what matters.

When you think about your life and the things that really matter, what values are most important to you? When you take the time to explore the answers to this simple question, you'll be creating so much more than a list of New Year's resolutions.

In fact, it's my experience that when it comes to their finances, people will do more, and act more quickly, when they have a clear understanding of how their actions relate to their values. Values are a lot more powerful than any sense of obligation.

2. Identify your top five core values.

The truth is that people will do more to protect their values than just about anything else in life. Values are not to-do lists in disguise. And unlike traditional New Year's resolutions like "save more," "spend less," or "lose weight," people don't lose their motivation or get bored with their values. Once you've defined your top values clearly and commit them to paper, they almost never leave you.

For this step, it's important to stay focused on values -- not goals, not things, not stuff to do or buy. Values are about being; they define a way of life. Goals tend to be about doing and having. For instance, you might be tempted to list as a value "pay off all credit card debt." But that's not a value; it's a goal. The underlying value in this case would probably be security or freedom -- even peace of mind. Paying off credit card debt is just a way to fulfill that specific value.

Other examples of values include health, love, balance, confidence, fulfillment, making a difference, independence, happiness, adventure, family -- you get the idea.

3. Use your values to figure out your financial goals.

The clearer you are about your values, the easier it is to base your goals on them -- and the more you base your goals on your values, the more likely it is that you'll achieve them. After all, can you think of anything better or more exciting to plan your finances around than the things that really matter to you? And what could matter more than the values by which you want to live and grow?

Ideally, each of your top five values should lead you to a specific, key goal. So next to each value, list a related goal on which you want to focus your time and energy in 2009.

4. Make your goals specific, detailed, and deadline-driven -- and write it all down.

In order to achieve a goal, you must know precisely what it is you're after. This process will help you take those vague ideas and thoughts about what you want to accomplish in the coming year and turn them into something concrete.

Say one of your values is "family." You want to spend more quality time together and your goal is to buy a vacation home where you can all congregate each summer. You could write "own a vacation home" on your list, but what would that accomplish? Not much, because a general phrase like that doesn't help you focus on what you need to do to accomplish your goal.

Instead, ask yourself specific questions like: Where do I want this vacation home to be located? How much will it cost? What steps will I have to take to make this happen? When can I take action and begin working toward my goal? How long will it take to make my vacation home dream a reality? Once you can answer these types of questions, your goal will start to feel real and exciting.

So far you've identified your values, connected a goal to each value, and turned your goals into specific, detailed plans of action. Now write it all down. When you write down your goals, you make them important. When you write down important goals, you make your life more purposeful.

5. Take action toward your goals within 48 hours.

Writing down your goals is great, but it's not enough. You must take action, and the quicker the better. That's because if you don't start moving toward your goal now, you may never get moving at all.

Identify at least one step you can take within the next 48 hours. It can be anything -- all that matters is that you do something to bring yourself closer to your goal. In the example of the vacation home I mentioned in step 4, the action you could take now is to go online and start researching the housing market in your ideal destination.

What you do in the next 48 hours isn't as important as just making sure you're doing something. That's because your action creates positive momentum that will help carry your goal through to reality.

6. Enlist help.

There's no such thing as a self-made person -- no one ever reaches an important goal without some sort of help from someone else. It's part of being human. To whom can you turn for help in achieving your top five goals? Perhaps family members, friends, people you work or socialize with, or people with a specific area of expertise related to your goals.

But don't stop there. Consider working with a qualified financial advisor to really get serious about achieving success in 2009. Or look into working with a money coach -- someone who will hold you accountable and help you stay motivated throughout the year. I personally have found coaching to be the most effective way to get from where you are now to where you want to be.

7. Include your partner and family.

Finally, if you have a partner or family, it's important to make sure your Purpose-Focused Financial Plan reflects what they want, too. By discussing your values, dreams, and goals with your loved ones, you help create a future together.

When your partner and children are all working with you toward common goals, you increase the likelihood of your success that much more.