

# Twelve Steps to a Life of Financial Peace

## Step 1: Determine What's Really Important to You

I believe you will find them helpful in getting your financial life in order and moving forward in a very positive direction, regardless of your present situation. This first column explores the critical question: Why?

Most people feel that money is not an end in itself, but rather a means to an end. It is the ability to provide for our loved ones and ourselves that matters, not just piling up money for the sake of having it. However, we seldom take the time and effort to really explore and examine what is important.

In my life as a financial advisor, I have interviewed hundreds of individuals and couples about money. My first step is always to determine what is really important to them. I have never received the exact same answers from any two people. You are unique. You have a very unique set of values that are only yours. The better you can understand and define those values the greater chance you will have for success in your financial life. You will truly enjoy working toward your goals and realizing them because your financial strategy is built on your personal values. You will become proactive in designing and implementing your plan, rather than just reacting to events, as most people do.

So, how do you actually discover those values? The first thing you will need is a partner who is a very good listener. This person must be truly concerned with helping you discover your values, not making any judgments about them or helping you reword them. And, the person must be patient. A financial advisor who practices Values Based Financial Planning© is one good option. If not, a spouse or a very good friend could serve in this capacity. Just make sure they understand the ground rules.

Most financial planning starts with a discussion of goals. That is not what we are looking for here. You must start with your values. Our values are the qualities and principles intrinsically valuable and desirable to us. They are life's emotional payoff. They are the intangibles that make our pursuit of goals genuinely meaningful to us.

Once you have your partner to work with, you will start with that person asking you the question: "What's important about money to you?" When you answer, your partner will record your answer and follow up with another question: "What's important about \_\_\_\_\_ to you?" What goes in the blank will be whatever you used to answer the first question. So, if you said security was important, for example, the follow up question would be: "What's important about security to you?" You should continue with questions in this format, until you cannot answer any more. At that point, you should have a final answer that really speaks to a high level value. Make sure you do not stop too soon. Really work at getting as high up in the values ladder as you can. You will find it very rewarding, I assure you.

I challenge you to take this step very seriously. If you find that you are not totally motivated by the process, I recommend you try it with a different partner. If your financial advisor is not familiar with Values Based Financial Planning©, find one who is and ask for a consultation. Most likely you will be able to get this at no charge. However, it would be well worth paying a fee of a couple of hundred dollars, if that is what it takes.

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## **Twelve Steps to a Life of Financial Peace**

1. Examine what's important to you.
2. Decide what kind of help is best for you.
3. Determine your current financial reality.
4. Building the foundation: Debt elimination.
5. Building the foundation: Preparing for emergencies.
6. Setting the foundation: Managing Risk.
7. Set specific goals.
8. Determine the appropriate course of action.
9. Create an investment strategy.
10. Build in accountability for your actions.
11. Revisit, revise, and update your plan.
12. Live a life of value.