

Twelve Steps to a Life of Financial Peace

Step 8: Determine the Appropriate Course of Action

“To will is to select a goal, determine a course of action that will bring one to that goal, and then hold to that action till the goal is reached. The key is action.” **Michael Hanson**

Most of what we have covered over the past seven steps has involved thinking and planning. The real test of how serious you are about changing your financial life and living a life of value comes in the **action**. If you have it all thought out and even written down, but never actually begin to act, you have accomplished nothing.

I began running when I was 15 years old on my high school cross-country team (yes, that was a few years ago). I have run several 5K's, 10K's and a few half marathons. All of my life I wanted to run a full marathon, but had never done it. I had read all kinds of articles on preparing for a marathon. I had even written out a specific plan, but never actually did one.

On February 12, 2001 I turned 45 years old. I decided it was time to go for it. First I registered for the Ocean State Marathon and paid the fee. Then, I booked my travel arrangements to Providence, Rhode Island. I wanted to etch my commitment in stone. Finally, I put together a specific training schedule and began doing the work. I was completely committed.

There was hardly a day over the next nine months in which I deviated from my schedule. There were several Saturdays during the summer, when I started my runs at 4:00 in the morning to get twenty miles or more in before it was too hot. When I realized that it was still going to be too hot, no matter how early I started; I drove to Prescott, parked my car, ran twenty miles and drove home. I was determined and committed!

We all know what happened on September 11, 2001. That was only six weeks before my marathon. I never even considered canceling my trip. If the airlines were not flying, I would have driven there. Fortunately, there were flights by the time the race approached. On Saturday, October 27, 2001, I crossed the finish line of my first marathon.

You probably have a similar story of something you really committed to and made happen. All you have to do is take that same dedication and focus to your financial life. As the Nike commercials say: **“Just Do It!”**

If you have been following these steps up until now, you have taken time to consider what is really important to you. You have decided what kind of help would be best for you. You have taken a look at your current financial reality; put together a debt elimination plan; and established your emergency reserves. You have evaluated your need for insurance programs to cover the risks you face. Finally, you have set specific goals. Now it is time to actually draft your specific plan and begin to implement it.

If you decided to work with an advisor the rest should be fairly simple. You will hire that person to write a specific action plan and help you implement it. The plan will cover specific steps for establishing the right level of cash reserves and how to invest them. You will understand and gain control of your personal cash flow and determine ways to minimize your income taxes. Your plan will determine the amount you will save to accomplish each of your goals and how those funds will be invested to maximize your likelihood of success. You will have a written debt elimination strategy, which includes your mortgages and your consumer debt. You will have an understanding of all of the financial risks you face and have a plan for addressing each one with the optimal products.

The plan will not look substantially different if your favored route is to do the work yourself. The difference is that you will need to obtain the skills to prepare all of these calculations and analysis. You can also use consultants for parts of it. Just be sure your consultants have your best interest at heart. A commissioned insurance agent, for example, may not be the right person to give an unbiased opinion of the types of life insurance you should have.

Now that you have the plan all written out, pick the three most important steps and get started on them. Make sure you have a deadline and a follow up plan. Once you knock off the first few, you can move on to a few more. The ultimate goal is to have all of your initial planning steps completed within one year. Then, it is a matter of monitoring your plan and making adjustment as you move forward.

Now: **just do it!**

Dennis J. Rogers, CPA, CFP® is a Registered Principal offering securities and advisory services through United Planners Financial Services. Member FINRA/SIPC. Rogers & Kirby and United Planners Financial Services are not affiliated. He is a partner in a financial advisory practice in Phoenix that focuses on helping clients make smart decisions about their money based on their personal core values. He can be reached at dennis@rogerskirby.com or 602-748-1900.