



# GOALS ARE KEY TO DESIGNING YOUR "RICH LIFE"

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Financial Life Planning is a holistic process that will help you to clarify your values and guide you in defining and designing your unique version of the "rich life."

Goal setting is an essential component of this process, and a powerful tool for experiencing what is most important to you. When you imagine what you want your life to be like and what you want to achieve, these images will become the basis of your life and financial goals.

In addition, when you translate those images into words and write them down, your goals will become clearer and more compelling. You will derive many other benefits from goal setting as well:

- Goals provide a positive expectancy of the future
- Goals stimulate personal growth and development
- Goals help you to focus on the desired end result and provide the motivation you need to bounce back from setbacks and disappointments
- Goals facilitate "future thinking"—a way of looking ahead and anticipating upcoming needs and wants

- Goals that are inspiring and purposeful will keep you on track and help you to avoid distractions

Despite these important benefits, many individuals are reluctant to set goals. For them, goal setting has been unsuccessful in the past. They missed their targets and became disillusioned.

For others, setting goals creates internal stress by mentally switching a dream from the "want to" category to the "have to" category. Then they begin to feel pressure to perform and experience fear of failure.

Nonetheless, goal setting is an essential component of the Financial Life Planning process. When you clarify what is important to you and what you want your life to be like, you can move toward those images in an intentional way.

Therefore, it is important to adopt a fresh perspective on goal setting, and to align your life and financial goals with your values and priorities.

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# DEFINING THE “WHY” OF YOUR GOALS

Failing to reach our personal and financial goals can be both frustrating and disheartening. And, to make matters worse, we often realize that we are our own worst enemies when it comes to sabotaging our dreams.

However, research has shown that we can dramatically increase our rate of success by first determining a meaningful and internally motivated “why” for each of our goal pursuits.

Self-Determination Theory (SDT) is a model of human motivation that is concerned with supporting our natural or intrinsic tendencies to behave in effective and healthy ways. This widely accepted model was initially developed by Edward L. Deci and Richard M. Ryan, psychology professors at the University of Rochester, and is now researched and practiced around the world.

According to Deci and Ryan, goal pursuit and goal attainment are highly influenced by “the degree to which people are able to satisfy their basic psychological needs as they pursue and attain their valued outcomes.” Intrinsically motivated goal pursuits such as those related to personal development, emotional relationships, or community involvement tend to be more rewarding and thus result in higher rates of goal achievement. That is because these goals are more likely to satisfy our need for competence, relatedness, and autonomy. In contrast, extrinsically motivated goal pursuits—such as those aligned with financial gain, image and appearance, or fame and popularity—are less satisfying to these critical psychological requirements and will result in lower levels of goal realization.

Therefore, taking time to evaluate your pursuits based on your psychological needs will increase your awareness of the “why” that underlies your aspirations. This will form a strong emotional connection to your goals and strengthen your commitment. In particular, consciously forming goals that will satisfy your need for **competence**, **relatedness**, and **autonomy** will keep you on course to achieving your goals.

## COMPETENCE

As defined by SDT, competence is the need to engage in challenges and to experience mastery or effectiveness. Goals that meet your psychological need for competence will involve activities that allow you to explore your interests, increase your knowledge or skills, and foster a sense of accomplishment.

## RELATEDNESS

Relatedness is the need to feel secure, develop intimate relationships, and possess a sense of belonging. Goals that meet this need will engage you in activities that increase your connections to others, offer opportunities to share your knowledge and skills, and allow you to feel that you are a valued member of a defined group (i.e. family, social circle, community, organization).

## AUTONOMY

Autonomy is the need to organize oneself, self-regulate behavior, and avoid external rule or authority. Goals that meet this psychological need will include self-directed activities, cultivate a sense of control, address your drives and passions, and strengthen your sense of self.

In summary, goal pursuits that support your internal experience of autonomy, competence, and relatedness will enhance your performance, persistence, creativity, and life satisfaction.

**Sources:** “The ‘What’ and ‘Why’ of Goal Pursuits: Human Needs and the Self-Determination of Behavior” by Edward L. Deci and Richard M. Ryan, *Psychological Inquiry*, Vol. 11, No. 4, 2000. “The Independent Effects of Goal Contents and Motives on Well-Being: It’s Both What You Pursue and Why You Pursue It” by Kennon M. Sheldon, Richard M. Ryan, Edward L. Deci, and Tim Kasser, *Personality and Social Psychology Bulletin*, Vol. 30, No. 4, 2004.

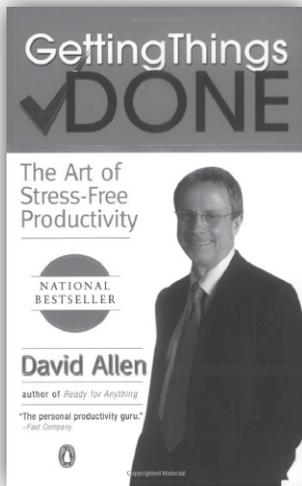
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# REFRAMING YOUR GOAL SETTING STRATEGIES



In his book *Getting Things Done*, author David Allen wrote, “We know that the focus we hold in our minds affects what we perceive and how we perform.”

Therefore, as you visualize the lifestyle and quality of life that you would like to have in the future, always remember that the secret to realizing your dreams is to maintain that image in your mind.

In fact, the greater your understanding of what is important to you, the easier it will be to “paint a picture” in your mind of what you are working toward. Whatever you identify and claim for yourself will become the basis for your life goals.

Consider these helpful tips to increase the effectiveness of your goal setting strategies:

## 1. Your goals must be meaningful to YOU

Lou Tice, who founded The Pacific Institute and created the *Investment in Excellence* program, teaches that goals themselves have little value unless they bring depth and meaning to your life as you work to achieve them.

## 2. Know what you want

Make sure the goal is something you *REALLY* want. If your goal is something someone else said you *should* do, or is something you feel like you *need* to do, then it is unlikely to motivate and inspire you.

## 3. Build an image of the end result

Make it a practice to visualize reaching your goal. Continue to build a stronger and clearer picture in your mind. You will naturally move toward that which you think about.

## 4. Ask yourself if you are ready for change?

Consider what life will actually be like when you achieve your goal. Are you ready to accept the end result? Often individuals don’t achieve their goals because subconsciously they don’t want to deal with new circumstances or their self-image does not allow for the change.

## 5. Is there a conflict?

Evaluate whether or not your goals conflict with one another or with the goals of someone close to you. This knowledge, even on a subconscious level, can prevent you from moving toward your goal. Once you acknowledge the conflict, then you can look for ways to resolve it.

## 6. Decide on a time frame (maybe)

Some goals should not have a deadline because a time limit can cause stress and decrease the joy of the journey. For some types of goals, target dates are appropriate and motivating; but for other goals, deadlines can stifle creativity and possibility thinking.

## 7. Make a wish

Goals often begin as a “wish” for yourself, for your family, for your job, for your retirement, for your community, and so on. It is your opportunity to dream **BIG**. When you dare to dream big, you step out of your current reality and open up your awareness to resources, solutions, and opportunities you never thought possible!

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# GOALS THAT MATTER

*What a man can be, he must be. This is the need we may call self-actualization. It refers to man's desire for fulfillment, namely the tendency for him to become actually in what he is potentially: to become everything that one is capable of becoming.*

**Dr. Abraham Maslow**

*The future belongs to those who believe in the beauty of their dreams.*

**Eleanor Roosevelt**

*When you have a dream and a plan working together in the construction of a life chapter, you have a "mission," a circumscribed purpose that defines your use of time and space for the duration of this life chapter.*

**Frederic Hudson**

***Mastering the Art of Self-Renewal***

*No matter how much or how little money you have flowing through your life, when you direct that flow with soulful purpose, you feel wealthy... When you let your money move to things you care about, your life lights up. That's really what money is for.*

**Lynne Twist**

***The Soul of Money***

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## *In My Opinion...*

### Turning a Corner.....

If you haven't guessed by now, I am an avid reader. I tend to focus on history and biographies and my current selections are no exception. Amity Shlaes' treatise on the Great Depression *The Forgotten Man* and Arthur Schlesinger Jr.'s *Herbert Hoover* provide an excellent glimpse of America from 1927 into the early days of Franklin Roosevelt's New Deal Program. In July of 1935 unemployment was at 21.3% and the Dow Jones Industrial Average stood at 119. While much discussion of the period has occurred, it is truly hard for most Americans to comprehend these numbers.

Currently, our government is struggling with an 8% unemployment rate and the DJIA has bounced between 12,000 and 13,000 for several years. The political environment hasn't changed as much as you would think. Hoover's Republican Party was in deep disagreement with Roosevelt's Democratic Party (they didn't even speak to one another on the traditional Inaugural drive down Pennsylvania Avenue!) over the proper course of action. The average citizen seemed to be all but forgotten as government struggled with defining its role in the economic turmoil. These were times that required extraordinary sacrifice just to survive. Food was scarce and expensive. Some people's shelter was constructed out of trash and discarded materials. Many could not keep their families warm.

Contrast that to today's situation. While there has been no shortage of stories of unfortunate people whose lives have been disrupted by the economic downturn, the sacrifices pale when compared to those endured during The Great Depression. Our country has seen an unprecedented standard of living take hold of our culture and; with it, a new definition of what constitutes sacrifice. With all of the issues facing our nation, we still stand as a beacon of prosperity to most of the world. I am not saying that we don't have our challenges in finding our path to our future; I am simply asking people to try to place these challenges in the proper perspective.

We did not get into our current economic circumstances overnight and we will not right ourselves any faster. Our culture's impatience is well documented. Still, there is a growing sense with the people I talk to that there has been a resurgence of the values that helped Americans climb out of the depths of The Great Depression and that resurgence is taking hold. I have been inspired by this to gain a sense that we might have "turned a corner" onto a new street of optimism. In an environment that seems to be filled with cynicism and pessimism, this is a welcome change.

I wake up each day thankful for the abundance in my life. Sure - the world is not perfect, but it never has been; so why not focus on your *progress* instead of your expectations. If we all did more of that, perhaps the journey would be more enjoyable.

Until next time, that's my opinion.

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President