

The Most Formidable Obstacle to Financial Success

By Lara O'Leary

We procrastinate when we don't ask the right questions and when we don't give ourselves the space to consider possibilities. When we make financial decisions with a sense of purpose, we are more likely to continue making progress.

It's been said that the predominant reason people fail to reach their financial goals is procrastination. There are countless reasons we put off taking charge of our finances: fear of making the wrong decision, desire to gather more information, more immediate concerns, feeling that, "I'm just not good at this." There will always be time to think about planning when work slows down, when the kids are back in school, when I have more time, when we get past the holidays....

The most formidable obstacle to financial success or failure is our own behavior. We have been checking in every 30 days to help build effective financial habits and align our spending and savings in a way that's meaningful (and sustainable) to us. We're developing a habit of thinking more intentionally about what we want. When we make financial decisions with a sense of purpose, not only can the outcomes feel more satisfying, but we may also experience a sense of accomplishment. We are more likely to continue making progress.

Find your “why”

Planning is a commitment, and to make a commitment, most of us need a “why.” We procrastinate when we don’t ask and answer the right questions and when we don’t give ourselves the space to consider possibilities. Why make the effort to invest, to insure, to change our saving and spending habits without a compelling reason to do so? We’re dedicating time, money and often emotion – in many cases for some seriously delayed gratification. We want such a significant allocation of those precious resources to feel like it’s worth it.

Planning now could lead to helping achieve something *you didn’t even know you would want* later.

As we grow in life experience and context, we gain exposure to a wider range of opportunities (and challenges) that inform our decisions about money. Here are some of many of the concerns I have encountered, each of them an example of why it makes sense to start planning early:

- “I’ve seen too many loved ones die before their time. I’d like to retire earlier than I used to think I would, or at least have the option to choose whether to keep working.”
- “Our family always had money issues and tensions when I was growing up. I need financial stability.”
- “I’m thinking about changing careers, but don’t know if I can afford to earn less.”
- “I’m single and need to make sure I’m taken care of assuming there may never be anyone else in the picture.”
- “I want to be able to stay home while the kids are young.”
- “Our parents may one day need assistance.”
- “Our family is growing and we love the house. Ideally, we would keep it and build an addition versus moving.”
- “I’d like to celebrate my retirement with a special vacation. I usually go with friends. Some of my friends can’t afford this one. I’m going to make up the difference because it’s important to have them with me.”

What are you thinking about that may require advance preparation?

You'll notice in the examples above that priorities may change. When we embark on a 45 year savings strategy for retirement, we may already know that we want to take time off when the kids are little, but we probably haven't predicted wanting to move into a more fulfilling but lower paying career half way in. How can we know what our circumstances will be in 10, 20, 45 years? We can't. Yet, if we engage in long range planning and build our assets steadily over time, new types of possibilities may open up along the way. Remarkably, financial planning not only helped me carry through on my deliberate plans, but also helped me achieve things I didn't realize I would want when I started the process. Delayed gratification, indeed.

What are you thinking about that may require advance preparation? It may feel like a long-shot now, but your goal may be more attainable than it appears to be. While you can't predict the rest of your life, the sooner you start thinking about how you want to experience it and which contingencies merit consideration, the sooner you can take action. This increases the odds that you succeed when faced with both the predictable – and the unpredictable.

Small changes and incremental progress add up.

You don't have to figure it all out today. In fact, overly challenging goals often prove unattainable and deter us from continuing down what could be a rewarding path. Start somewhere, anywhere. Small changes and incremental progress add up. Just start. Know that when you do you will have avoided one of the greatest obstacle to your financial success.

Cheers to a healthy and prosperous new year!

Next Steps

Over the last couple of months you have tracked expenses and identified some non-negotiable items you want to include in your budget. Let's build on that by incorporating some long range goals. The sooner we start saving and investing for the long term, the more

time those funds have to grow. Time is an important asset in long range planning, so even if you are getting a late start, you are giving yourself more opportunities by starting now.

Over the next 30 days, take some time to reflect on the following:

- 1) What do you want? Make a list of what you want to accomplish financially.
- 2) *Why do you want it?* Determine what each of the above goals represents for you and why it is important to you.
- 3) Rank your list in order of priority.
- 4) Focus your attention on making progress with only the first one or two priorities that you value most.



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