
How Much Is Enough?

◆ Issue #3 ◆ Douglas E. Reese

A Beginning Point

In August's introductory issue of INSIGHTS, I suggested that in order to develop your desired "Wealth" position in life, it may be necessary to examine and evaluate your present line of thinking and establish some basic guidelines. I refer to these guidelines as "Fundamental Elements of Wealth." When joined together, these elements represent a "Wealth" philosophy and become the necessary foundation for creating a successful financial plan for your future.

This issue shall begin a ten month process, whereby you will have the opportunity to establish your desired "Wealth" objectives and lay the groundwork for structuring your financial "road map." The process will allow you to clarify, develop a truer awareness, and gain a clearer perspective of your own financial situation before establishing these objectives.

DEFINING "WEALTH"

Up to this point the term "Wealth" has intentionally been capitalized and placed inside quotation marks. The reason for this is twofold. First, because one of the underlying objectives of this paper is to concentrate on helping you gain a greater understanding of your own "Wealth" possibilities. And secondly, because "Wealth" as addressed in INSIGHTS, will have a different meaning to each reader according to that person's individual definition. Therefore, future references to the term "Wealth" should be regarded as pertaining to your own situation.

The American Heritage Dictionary defines Wealth as follows: "1. A great quantity of money or valuable possessions; riches. 2. The condition of being rich; affluence. 3. A profusion or abundance. 4. All goods and resources having economic value."

In the context of this discussion, and depending upon your personal views, it might be limiting to restrict the definition of "Wealth" to economic, monetary, or materialistic terms. In the course of your developing plan it will be necessary to define quantitative estimates for your goals. However, in defining "Wealth" for yourself, a qualitative focus remains an essential element.

The first Fundamental Element (as I see it), and the initial step in developing your financial scenario is to identify a personal definition of Wealth. This definition should be no more than two or three sentences long and should represent the culmination of your thoughts, beliefs, values and ambitions with regards to the level of Wealth you desire.

After all, long-term financial success (as is true with practice success) must begin with, and be based upon, a clear understanding of how you think, what you believe in, the values you hold true, and your perception of future prosperity. Let's begin here and build upon the foundation you construct.

ACTION STEP #1

DEVELOPING A PERSONAL DEFINITION OF "WEALTH"

Process I:

Brainstorming

Without regards to ranking or prioritizing, write down the goals and dreams you have for the future which will require a financial commitment. These may include some of the following:

- Near-term and long-term goals
- Major capital expenditures
- Educational planning for your children
- Retirement goals and dreams
- Vacations/travel
- Investment and savings goals
- Reducing or taking on personal debt
- Estate planning and setting up trusts

At this point do not be concerned with specific time frames, dollar amounts or even your "realistic" potential for achievement. (Too often our future success is limited by our current fears, concerns, and mental blocks about reaching a seemingly unrealistic goal.) For now---if it is a dream or goal you have---write it down. It is surprising how things become more attainable as we develop a clearer image of the limiting factors we face. Too often the limiting factors are not our circumstances alone, but rather our own ineffectiveness in developing a workable plan. Save this list for future use.

Process II:

Defining "Wealth"

Ask yourself the following question:

"How would I personally define Wealth?"

In creating your definition it may be helpful to reread the last two paragraphs of this issue, and to keep in mind those factors you consider to be the primary contributors to your success and happiness.

A Final Note:

Please give careful consideration to the development of this definition. It should be a representative statement of how you view wealth, and a reflection of your philosophy.