



Investing With Awareness

Graham Byron

Being clear about your beliefs and financial goals will help you feel empowered and enables you to respond to changing circumstances in a calm and rational manner, which is critical to success because, as Heraclitus noted, “change is the only constant.” Change can happen rapidly, whether it’s changes in financial markets, the economy or your personal life. Having full awareness of your personal situation and your true goals will allow you to stay the course or make necessary adjustments in a calm and reasoned way, whether the change is anticipated or arrives unexpectedly.

So how can you become clear about your finances, where you want to go and how you’ll get there? In previous *MoneySaver* articles (*Make It Personal*, May 2014, and *The Mindful Investor*, June 2013) and in my bestselling book, *The Mindful Investor*, I explored how to reveal unconscious drivers, habits and hidden biases, which are an ingrained way of seeing things. Revealing these is key, as both can impact your financial behavior. Now I’m going to take this a step further and show you how to explore your unique view of the world and effectively align it with your goals.

Step 1

The process of developing a clear awareness starts with an intention to explore your beliefs, which can be done through meditation or simply by giving careful consideration to what your core beliefs are. (You can use the meditation method outlined below or any other one of your choice.) The reason this is a critical first step in your financial life is that many of us develop a habit of living reactively. Whenever possible, it is best to be proactive and make things happen for yourself. Having

a clear understanding of your beliefs can help you break the reactive habit and begin to ensure that you are living in an authentic way.

Step 2

The next step is to refine your goals so they more closely reflect your beliefs. Engage yourself in an open-ended dialogue using who, what, where, why and when to get specific about your goals and how they relate to the life you want to live. Spend a weekend exploring and writing down the answers that come up for you. Often you will find that you get excited by this process and dozens of goals pop into your head. Don’t filter them at this stage, just keep writing. Once you have a full list, you can reconsider them and order them according to importance. Don’t become discouraged if this process causes you to realize that you have been living your life based on the expectations of others and that this has caused a gap between your actions and your beliefs/goals. Becoming aware of such a disparity gives you an opportunity to calmly and rationally make changes.

Step 3

Now that you have more clearly aligned your goals with your beliefs, the third step is to address the money side of the equation in detail. Explain your newly refined goals and timeline clearly to your financial planner, and be sure to discuss in detail your spending needs and risk tolerance. With this information, he or she should be able to build a financial plan that can help you take the steps to achieve your goals. If you are writing an Investment Policy Statement, be sure that it clearly aligns your financial needs with your life goals. Both you and your financial advisor should keep a list of your goals and regularly meet

to keep track of what you have achieved and where you need to make adjustments. Progress toward achieving your goals should be your main criteria in evaluating your relationship with your financial advisor.

As you become successful and more confident in this process, more goals will occur to you. Simply add them to your list and adjust your plan as needed. Your newfound clarity about your goals and how they can work safely within your financial framework will make it easier to achieve them.

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