WALL FINANCIAL

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ABOUT ME

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Less Worry | More Happy ™ Impassioned advocates for finding the "thing" that motivates and inspires intentional living.

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FOLLOWERS

THURSDAY, MARCH 1, 2012

Balancing Act

I am still finalizing what my personal and business goals are for 2012 (I know, it is March already) and trying to define a 5-ish year vision of what I'd like my life to look like. I have to say that it is sometimes difficult to prioritize things with a balance between "accumulation" and "performance" with "simplicity" and "gratitude".

There are moments when I want to focus on the growth of my business and expansion of my financial capacity. Then there are other moments when I want to focus on de-cluttering my life and keeping focused on all the great things that have nothing to do with money or with my business.

I've found in my life that when the two pursuits of business/personal verge on becoming mutually exclusive, that's when there's a problem. When I've felt that my business goals have complemented my personal goals and vice versa, with neither one interfering with the attainment of the other, I've been the happiest.

So I've started incorporating a goal-setting process that is NOT compartmentalized. If I want some achievement in my business I'll ask myself how it will affect the goals I have for my family, my health, my faith, and my friends. And if I want to be a better husband and father and have more fun I'll ask myself how it will affect the goals I have to build a better business and financial situation to support those goals in the first place. In doing so I find that my goals become more holistic, more descriptive, more focused, and more desirable.

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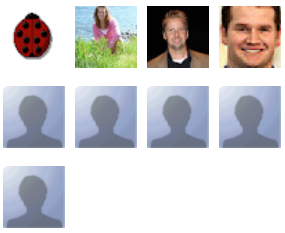

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I think this is because tying financial goals to the results I want in my non-financial life gives more meaning and perspective to the goal in the first place. Having a goal of $X in 20 years is not the same as having a goal of financial protection against the effects of a long-term illness, or a desire to start a charity, or a desire to provide home down payments for children when they turn 30.

Finding and staying in balance is difficult, but feeling like you are the boss of your money is a much better way to live than the alternative. Getting to that point of confidence requires bridging the gap between money pursuits and non-money pursuits. So if you can build financial goals in the context of what life-element or emotional benefit those goals bring to you, I'll bet you'll be more committed and focused on doing what's necessary to accomplish them and you'll find better balance in the process.

Posted by darren@wallfinancial.com at 12:44 PM Links to this post

THURSDAY, JANUARY 12, 2012

Achieving Financial Goals - A How-To Guide

1. Goals: have them.
2. Try NOT to have a dollar-value goal (I can't stand the "my retirement number" commercials). Can't we be honest about that and admit that no one's crystal ball is that clear? Why limit yourself?
3. Define your financial goals by what you want them to *do* for you. Instead of "save $50,000", try "be free of credit card debt and have 9 months of income saved in a savings account".
4. Make a bucket list. Seriously, it's the #1 way to sustain financial motivation.
5. Success doesn't stem from the big gestures as much as the small and incremental financial habits that accumulate into significance.
6. Be optimistic, grateful, and giving.
7. Read financial stuff, but preferably not blogs or magazines that try and sell you which specific mutual funds or stocks are best. Try The Economist, or books by Jean Chatzky, or Seth Godin's blog, or books by Ric Edelman as starters.
8. Be mindful of the impact that downside risk has on your long-term financial success. Having proper insurance, defenses against investment volatility, and proper tax management strategies are no less important than annual investment return performances in preparing for better long-term success.

Posted by darren@wallfinancial.com at 11:42 AM Links to this post

THURSDAY, DECEMBER 29, 2011

Okay, Let's Do This

The holidays are nearly done and it's time to attack 2012. Recent news suggests an improving U.S. economy. European leaders are starting to act like they know things need fixing. Lessons of austerity from 2008 and the recession are still fresh, but businesses are starting to put their cash to use and hire more, advertise more, and order more. Home buyers see homes more affordable than at any time in recent history.

Family time has regained its position as a higher priority in American lives. Swings from the extremes to the middle in American politics seem to be gaining popularity. More realistic expectations of the investment markets are changing behaviors and decisions.

In other words, it feels like the time is ripe for focusing on the goals that support a happier life. Your optimism + your hard work + bettering environmental conditions = better results. So dream a bit bigger and work a bit harder toward the things you care most about in 2012.

Posted by darren@wallfinancial.com at 1:19 PM Links to this post

FRIDAY, DECEMBER 2, 2011

Wealth Management Philosophy

Beyond the previous post titled 10 Things I Think I Think About Money, what is my foundational belief in how to effectively manage wealth?

1. Have a plan and be intentional. You will not be an accidental millionaire.
2. Cash is king. Be prepared to be liquid.
3. Be happy with your career. You'll need (and want) to keep earning an income beyond historically traditional retirement ages.
4. Manage your tax liabilities. They are your single biggest "expense".
5. Use your money to do things that make you happy. Incorporate some fun into your financial plan.
6. Diversify. Not just in asset allocation, but in managers, styles, risks, etc.
7. Manage downside risk. Seeking shiny gold stars for one-year investment performance may not be a good long-term strategy.
8. Give money away. Sharing your fortunes with others makes you happier and makes you care more about your own success so that you can keep giving.
9. Actively manage money. Don't stare at the stock market ticker, but conduct periodic how-are-we-doing reviews to be sure you are on top of things.
10. Don't spend more than you earn.

Posted by darren@wallfinancial.com at 12:56 PM Links to this post

TUESDAY, NOVEMBER 29, 2011

Ownership vs. Stewardship

What if your stopped thinking that your money belonged to you? What if you were just the steward of your good fortune instead of the owner of your possessions? And what if you were judged by what you did with your wealth instead of measuring the abundance of your accumulation?

Some folks freak out at the thought. There are plenty of people who consider all financial things "theirs", whether they be opportunities, possessions, or decisions. Financial planning for them is about control and maintaining a tight grip and their appetite for planning usually hinges on how to keep what they have and how to get more of what they want.

But other folks find it liberating to believe they are merely stewards of their wealth. It gives them a perspective that in the end, it's what we do with, and how we use our gifts that measure our financial success. It gives them motivation to care for their wealth better, share more of their success with others, and be more intentional with not only their money, but also with their time and relationships. Financial planning for them is about pursuing experiences and defining a purpose for their accumulation and wealth preservation. These folks carry less debt, give more to charities, travel more, and rate their financial happiness level higher.

The tools and tactical steps used in the financial planning process don't differ whether you're a "keeper" or a "sharer". And it isn't true to say that one group performs better financially than the other. But if you loosen your grip on your money and think of it as a tool with which to satisfy a list of things and experiences you want to accomplish, I can pretty much guarantee you'll be happier about why you're planning and managing your finances.

Posted by darren@wallfinancial.com at 1:03 PM Links to this post

THURSDAY, NOVEMBER 3, 2011

Less Worry | More Happy. "What's that all about?"

Less Worry | More Happy is a financial pursuit.

1. Reduce financial uncertainty
2. Increase financial control and discretion
3. Increase the size, number, and scope of financial options
4. Provide the worldly means for achieving a desired lifestyle
5. Turn focus toward relationships and life experiences
6. Be grateful for blessings and give hilariously

Imagine if you achieved those six goals. Isn't that more inclusive than "beating an index", or "saving money on car insurance", or "retiring at 65"? Think bigger about what it is you are really shooting for and determine whether your current financial goals are pursuing a movement or just targeting a mark.

Posted by darren@wallfinancial.com at 2:38 PM Links to this post

WEDNESDAY, OCTOBER 12, 2011

Investment Philosophy - Investment Advice Is Not A Commodity

I was reminded this week while reviewing a new client's previous portfolio of the distinct and different philosophies present in the investment advice business. This is good news for people like me who depend on the fact that I'm not the same as every other advisor, allowing me to be different and attract clients who identify with what I provide. This is also good news for investors who wonder whether there is any real difference between investing on their own, or trying to figure if there's a difference between advisors who compete for their business. I assure you that the difference is there, and is significant.

The longer I work in this industry, the less I believe that there is one objective "right" way to invest. I used to think that the philosophies and gurus I believed in were "right", but I think I was getting that confused with "comfortable". I used to think that investing was merely an

objective science, but I think now that it starts first with an artistic approach and personal identification of values and importance. This change in perspective has lead me to better appreciate different styles while at the same time increasing the confidence I feel about my own investing style, advice, and philosophy.

I am very sensitive to diversification. I like to diversify strategies between financial goals and build different portfolios for different pursuits. I like to diversify asset holdings across uncorrelated vehicles. I like to diversify asset managers across different styles (based, again, on their own investment philosophies). I like to diversify tax treatment strategies between investments at risk. I like to diversify the reporting and analysis of economic and financial market performance. I like the complexity of diversification across as many aspects of investing as possible and use it as a guiding principle in delivering my investment advice.

Other advisors have different philosophies and you have your own philosophy, whether or not you know it. The key to a successful investing-advisory relationship is to determine whether the person you hire to advise you on investments (even if that person is *you*) has a philosophy you can appreciate and identify with. Confidence of conviction is important.

Posted by darren@wallfinancial.com at 12:10 PM Links to this post

FRIDAY, SEPTEMBER 23, 2011

Headlines Yesterday On A Popular Financial Website

Copper Warning: Metal's Slide Is 'Pricing In Global Recession'
Why 'Operation Twist' Likely Won't Do Much for Jobs
Global Meltdown: Investors Dumping Nearly Everything
Could France's Banking Problem Come to US Shores?
Special Report, "Markets In Turmoil."
US Is Already in Double-Dip Recession: George Soros
Or Is It So Bad, It's a Depression?
What Do You Do When All Else Fails?

I do not believe that ignorance is bliss but I do believe in overstimulation, especially when I think there can be some confusion between information and media salesmanship. It isn't that I don't believe or respect an author's opinion or research, but I do believe that there's a definite bias toward selling bad news.

For example, in the article **Could France's Banking Problem Come to US Shores?** , the author's main point is actually "America's banks are much healthier than Europe's, so no." But on a day when the Dow dropped 391 points I think they thought the title they wound up choosing would be more titillating, get more hits, and thus help them sell more advertising. Just my suspicion.

There are enough fundamental and rational reasons why the nation's and the world's economies and governments have a lot of work to do that I don't think the media needs to sell us much more than just the facts.

All I'm saying is be careful not to judge things and reach conclusions based on updated-every-5-minutes headlines. Instead, dig deep, take your time, ask questions, and consider the source of all your information and advice (including that which comes from here)

Posted by darren@wallfinancial.com at 2:48 PM Links to this post

Your Happiness Matters To Others

Perhaps in times of stress or in great unhappiness you've sat by yourself and asked, "What am I supposed to do?" Or maybe in a broader sense you've thought about how you spend your time and money and wondered if you're living the kind of life that you should be. If your career is in a rut, or your time feels out of your control, or your relationships are not as meaningful, or your finances aren't in line with how you'd like them have you ever questioned, "Is this it?"

Whether you have struggles with your career, your relationships, or your finances, I think they might all be related to not intentionally doing what you know you can do. Lack of intentionality is more often than not the root cause for the biggest disappointments. But this is fixable! Who are you not to be happy? Who is your family not to feel that they get the best of you? Who is the giver of your gifts and talents not to expect that you steward them to good use?

So plan for greater happiness for yourself and for others by going after what you know you should. What are you really good at? What do you do that brings other people happiness? What are the ways in which you act that deserve cloning and copying by the rest of us? Who could use more of you? What do you do that pleases you most?

I suspect that there are coworkers, friends, and family members who will benefit from you being happier. You doing more of what you know you should and what you know you can is eagerly awaited by people who rely on you. Your financial plan, too, is also waiting for you to build it based on how it can support your life and happiness. Money works best when it provides the worldly means of supporting your happiness, not the other way around.

Your new direction toward less worry and greater happiness can start by matching up more forcefully what makes you happy and what others need from you.

"The place God calls you to is the place where your deep gladness and the world's deep hunger meet"
(Frederick Buechner, *Wishful Thinking: A Seeker's ABC*, San Francisco: Harper San Francisco, 1993, page 119)..

Posted by darren@wallfinancial.com at 2:47 PM Links to this post

THURSDAY, SEPTEMBER 8, 2011

Choosing Success

Your financial success and independence is not up to fate or chance. Chances are virtually nil that you'll wake up one day and find that all of your financial dreams have come true. That is truly a fantasy.

You don't lose weight while you sleep. Your credit cards don't pay themselves off. You don't show up for work one day to find that your crummy job has been replaced by a good

one. But if you choose to exercise 4 times a week, and if you choose to have your credit cards paid off in six months, and if you choose to find new job which you'll love, I bet you'll get every one of those things that you want.

So chances are very *good* that your financial goals will be realized if you recognize that success first stems from making a choice to move from "here" to "there". Once you choose what you want, you'll be able to choose to make the sacrifices necessary, and choose to follow the habits that carry you to success.

If you have elements of your financial life that you want more success with, start first by making a list of what you choose to pursue:

I want a job that pays 20% more
I want my credit cards paid off in one year
I want to feel happier about my finances
I want to take a trip to Hawaii

Now you're ready to build the plan of how to get there.

Posted by darren@wallfinancial.com at 9:45 AM Links to this post

Small Bites, Not Big Gulps

One of my tendencies is to try and solve problems and struggles with an all-inclusive plan to fix everything. This often inhibits me from being as effective or as efficient as I could be because big solutions are hard to start, hard to monitor, hard to identify progress, but easy to abandon and lose focus.

Instead, I'm trying to do a better job of choosing small, sometimes even daily, steps toward a larger goal so that I'm incrementally moving in the direction that I want to go. I think the motivation of constant motion is more rewarding and adds up to greater accomplishment than the delay that's inherent with successful long-term plans.

So perhaps you have a financial goal or a financial stress you're wanting to overcome. Having the end-result goal is great, but I'm learning more and more how important it is to build into it very small and attainable goals that add up to the result that you want.

For example, let's say you want to save $12,000 for XYZ. You could plan to save $500 per month for two years, but if that's your focus how specifically are you going to find the $500? . Instead, try a plan that focuses on specific behaviors like this:

- Cut out one latte per day
- Reduce cable plan to only channels I actually watch
- Ride the bus two days per week to save on gas and parking
- Bring my own lunch twice per week
- Sell online at least one item I never use that's just cluttering up my house
- Choose a restaurant from the coupon book or coupon websites
- Buy one fewer clothing item per month
- Skip the beer and the hot dog at the game and park just a tad farther away and walk

By my calculations, that's close enough for most people to get to the $500/mo goal. And since the bites are small and arguably not overly sacrificial because they are spread out among different aspects of daily living, the feeling and impact of those specific behaviors probably won't leave you feeling discouraged or totally void of enjoyment. Also, being able

to see immediate results of progressing toward your goal will reinforce your enthusiasm for your choices and actions.

The point is, if you know where you want to go begin by developing a series of very small and incremental steps that will support your greater objective.

Posted by darren@wallfinancial.com at 9:44 AM Links to this post

What Makes A Good Financial Goal?

When discussing someone's financial goals I'm often asked, "is that a good goal"? I really think what they're asking me is whether I think their goal is realistic. Not just whether their on track but whether or not their goal is attainable and worthy of effort and sacrifice.

A big believer in specific goal setting, I think it is important to have financial goals that present certain characteristics:

1. You have to really *want* it. Not just think you want it, but be passionate and competitive about it.
2. You have to *believe that you can do it*. You may want to start your own consulting business, but if you don't think you can do it, then don't include it as a goal. Maybe instead, set a goal of getting a job at a prestigious consulting firm.
3. You have to be able to picture the result of achieving your goal as having a *lasting positive impact in your life*. If buying a second home means you'd feel more misery taking care of it and worrying about it, then don't set this as a goal.
4. You have to be able to *build steps and achieve benchmarks* along the way. You are less likely to achieve the goal of buying a house if your goal is to buy a house. Instead, set a series of goals related to buying a house like:
    a. Place $500 per month in a money market account until we have $20,000 saved toward a down payment.
    b. Have cars paid off in 30 months by adding $50 per month to our principal payment.
    c. Accept the cash bonus from work instead of the sales-incentive trip to Aruba and save the cash in the money market account for a down payment.

If you have a financial goal that has these characteristics, now you can focus on building the "how-to" steps necessary to get there.

Posted by darren@wallfinancial.com at 9:43 AM Links to this post

MONDAY, AUGUST 29, 2011

Jean Chatzky's 10 Commandments of Financial Happiness

I like Ms. Chatzky's financial books and commentary because a) she's learned through personal experience and effort, b) she speaks sensibly, c) she renders thoughts related to a comprehensive and balanced approach to financial living, and d) I believe in what she says. In her book *The Ten Commandments of Financial Happiness* Jean analyzes the results of a unique survey in which she questioned 1,500 Americans about their financial attitudes and behaviors. The list of her commandments:

1. Get organized

2. Pay bills as they come in rather than letting them accumulate
3. Keep tabs on your cash
4. Save at least 5 percent of your income
5. Protect your family and your income
6. Minimize credit-card debt
7. Do unto others and budget volunteerism and charitable contributions
8. Spend sensibly
9. Start working toward your goals
10. Communicate

The key to success isn't identifying these 10, it's being focused and disciplined enough to live them. And I believe that if you want to do well with all of these, start with #10 first. Get your spouse, your partner, your financial advisor on board first and then commandments 1-9 get a lot easier to follow successfully.

Posted by darren@wallfinancial.com at 11:10 AM Links to this post

TUESDAY, AUGUST 16, 2011

Confidence that DOWN means that UP is coming

For anyone who has read the book Liar's Poker by Michael Lewis you will recognize this passage quoting a poetic muse called *Memoirs of a Trader* written by a man who made a living in the equities department of Solomon Brothers in the 1980s. In it, the trader describes the hopes and experiences that ride on the rise and fall of the stock market:

> The market, he had learned, was like the sea, to be respected and feared. You sail on its smooth surface on a placid mid-summer day; you were borne along by a favoring breeze; took a pleasant swim in its waters, and basked in the rays of the sun. Or you lolled in quiet currents and dozed. A cold gust of wind brought you to, sharply – clouds gathered, the sun had gone – there were flashes of lightning and peals of thunder; the ocean was whipped into seething waves; your fragile craft was tossed about by heavy seas that broke over its sides. Half the crew was swept overboard…you were washed upon the shore…naked and exhausted you sank upon the beach, thankful for life itself…

This doesn't sound at first like an optimistic enough quote to put in a Less Worry | More Happy blog, but I'd argue that it does prove the reason to maintain a positive outlook. First of all, this wasn't written in 2008 or 2011, but in the early 1980s. It could also have been written in the early 1990s, or the early-mid 1970s, or 1987, or the early 2000s. The point is, we've seen many moments where we feel like the sky is falling and that all of our savings held in the stock market have vanished forever. But we're still here and in order to have momentous crashes we must also by definition have to have moments of high points from which to drop. The bears need the bulls and vice versa.

This up and down nature of the market is inherent and nearly a law. We may not like the big downturns but we accept them and the risks associated in order to feel like our savings will grow over a long period of time at a rate better than other alternatives. If we failed to have that hope in the long term success of the market then we'd be doing something else with our money.

A diversified and customized portfolio that incorporates our objectives and our risk tolerance, combined with our understanding that markets are not guaranteed except for the guarantee that returns and prices are in constant flux is still, for most people, a place to be. We may feel that the reasons for recent ups and downs are different this time. We may feel that the time spent in a "down" is longer than normal this time. And we may feel that the prospect for a long-lasting "up" is too far into the future to see. But we believe that we've chosen wisely and that hourly movements of the market that have happened inside this last two-week time frame doesn't speak for our faith in the long-term viability of where we have placed our savings.

Posted by darren@wallfinancial.com at 12:34 PM Links to this post

WEDNESDAY, AUGUST 10, 2011

Market Volatility & Your Investments

When your car starts making a weird noise don't you turn your radio down and intently listen for the noise? Don't you become fixated on hearing the new rattle or sputter and ask, "what was that"? It seems like when there's worry about your car all you can think about is what will happen if your engine blows up and you're left stranded on the side of the road.

But even if we're listening for and worrying about that noise, most of us don't immediately drive straight to the car dealer and sell our car. No, we keep an ear on things and try to determine what's causing the noise, analyze the reasons for the noise, and interpret the noise to decide whether it's just a pebble in the tires or a sign of truly serious mechanical failure.

Stock market volatility and daily changes to our portfolio account values should be treated in much the same way. There are experts, media pundits, co-workers, neighbors, and financial advisors all willing to lend their thoughts as to why the markets are moving the way they are and to render opinions about what the economic noise is all about. Some will relate the recent volatility to an overreaction to the political handing of what is still a sound standing of the US economy and financial system. Others will related the recent volatility to a prediction of future problems and another economic slowdown.

But much like taking time to determine whether your car needs to be sold or just have its tires inflated, it is important to take some time to really interpret what is happening in the stock market before making a rash decision. We do not believe this can be done correctly based on only a few days of activity, especially when there does not appear to be any consensus as to its "cause".

We believe that most of the activity in the market is due to speculation and a discomfort with uncertainty and not a reaction to any strong indications or fundamental results. The recent string of economic news has centered on political wrangling, a lack of desire to make important decisions, and a total "miss" on comprehending the consequences of a short-term focus than it has on capacity, capability, and reality. We think that making decisions based on the former group is dangerous if done too rashly.

So our advice is to take some time to make conscious, careful, and intentional decisions. We still believe in devising an investment strategy that takes into account an appropriate time horizon and asset allocation even in the face of reactive ups and downs in the market. In other words, unless *you've* changed we don't think your investments should change.

Posted by darren@wallfinancial.com at 11:31 AM Links to this post

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