How to Relax about Money to Live your Life Fully

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Foreword

Our fascination with money is a curious thing. We spend so much of our daily life thinking of it, wondering how we can get more of it to do and get more things. There never seems to be enough of it, even to those perceived as wealthy as they endeavour to create more yet still panic about losing some.

So do we accept that it's only natural to be worrying about money or is there another way of doing things to diminish our financial concerns while living life the way we want?

To consider this properly, we are going to have to pare back our beliefs to identify the root of our concerns before offering solutions.

First of all, we need to answer honestly a very fundamental question that looks obvious but is in fact quite deceptive. The question you must ask yourself is simply:

"What does money mean to ME?"

Rather than go through stock answers (e.g. "money means being able to take holidays...buy food...stop working...help the kids out for... etc"), look beyond your responses for your answer.

In a nutshell; money means freedom.

Chapter 1
Money Means Freedom

Deep down, most people accept that money means freedom because, ultimately, money gives us the opportunity to enjoy our life to the full in the way we want or at least as best we can. Deriving from this freedom is an inner peace we strive for, the financial security, financial independence, life's comforts, life's basics- these are all categories covering what money means to us.

Therefore if money can give us freedom, by default it is also our Imprisoner.

Sounds funny, but true.

And it's being 'imprisoned' to whatever extent you are that causes the anxiety we feel, but not necessarily express, when we 'worry about money'.

SO there's the problem and there's the cause, so what's the solution? How do we get free?

Simple really: decide what we want in life and then manage our resources for it.

This can appear too simplistic to those who say "I want to be RICH and managing my resources right now is not going to make this happen!" That could be true if your definition of rich was an outrageous amount of unattainable money. But funnily enough, most of us do not strive to be rich in monetary terms but subconsciously we measure it more esoterically as a happier lifestyle that is financially unrestricted within reason.

This means being able to live and experience your life the way you want with the challenges you accept and being able to benefit others the way you want, without running out of money, no matter what happens. This lifestyle equilibrium has a different price or 'number' for everyone and therefore all advice must be different for everyone.

This is a fundamental point, because financial advice and financial products can so often be directed equally at a set market, despite the fact that everyone in that set has completely different wants, needs and circumstance. Therefore by extension, many may benefit and many may regret taking that financial advice and product because a 'one-size-fits-all' approach is totally inappropriate for informed financial decision-making.

A quick example is the current economic crisis where easy lending in an artificially rising property market was an inherently wrong investment choice for so many people. So why did so many make the investment mistake here? Because the set market (second-homeowners, predominantly 35-55 year olds, good earnings, equity in their own home, looking for opportunities to retire earlier, feel richer, etc.) were convinced on the basis of free transactional advice, potential product reward along with the herd mentality, rather than fully condensing their individual needs, profile and appropriateness.

Product benefits and those encouraging them should never form the basis for sound financial decision making. They should only be part of the basis of an agreed solution.
The basis for such decisions must be the measured differently before this type of investment decision is considered.
To do this you need to define what you want against your resources. Otherwise you have a constantly moving target leading to worry as situations and circumstances change.

Chapter 2
The Importance of Defining what you Want.

To begin this process, you really have to know what you want from life. Sounds like a no-brainer but this is not as easy as you may think.

I remember I always wanted to see the Grand Canyon and take Route 66 before I turned 30 and I didn't. But this doesn't mean I should have forgotten about it. I haven't and I will do it.

You have forgotten or discounted dozens of things you wanted to do in life as circumstances and money got in the way. You've changed your goals as you matured adding plenty more and discarded twice as many.

Don't do this too readily.

Tomorrow morning the clock won’t have turned back 20 years so you can do it all differently. It’ll be one day later than today and in 2024 you’ll be 20 years older than you were in 2004. You know this life is not a dress rehearsal for getting it right next time.

So focus on what you can do now while you are always younger than tomorrow and use it as part of dissipating money worries. Let me show you how:

Knowing exactly what you want from life involves cataloguing your needs, wants and goals for yourself within the context and compromise of what you also want for others you care about and what they also want. To do this you have to be honest, realistic and hopeful. Many people have forgotten the hopeful element unfortunately, by accepting their lot and resolved to accepting fate. To begin to stop worrying about money you have to be *realistically* hopeful.

This is not to say we don’t already earn, save, invest, run a career / business / profession / family and sacrifice while still enjoying life. We do, but we still ‘worry about money’ – about getting more, better returns, getting bargains, and so on- all in the pursuit of ‘*not* having to worry about money’ or more correctly : ‘not having to worry about *running* out of money’ if we could do what we want to.

When you think about it – our concern is NOT to have millions so we can do what we want but in fact to HAVE ENOUGH so we can live the life we want and leave what we want to others.

We don't need millions; we need enough. Finding this is out is critical because we all know those who had to work longer than planned or curbed their lifestyle unexpectedly from ill-decisions or ignorance when better choices were available.

We also know those family members who unwittingly thought they could never afford to enjoy life; yet surprisingly were in a position to bequeath so much to their heirs who have no problem enjoying it. How many houses have been done up and holidays taken alone when the spouse who thought these things were unaffordable is no longer there to share the experience? After all, who wants to be the richest corpse in the poorest coffin?

It's the quintessential problem of perceived scarcity.

Both scenarios are worrying. Both are regretful. Both cause us to worry about money.

Thankfully both scenarios can be guided by information; beginning with information about our plans, fears, hopes and wishes.

When we know the life plans we want, we can gauge its price and timing of when we want it. This gives us a target to aim for financially achieving our lifestyle. This forms the basis for making truly informed decisions such as realising it is better not to move your money because you are still assured of getting the lifestyle you want. How many times have you been told this by a transactional adviser- unless it was an official from the institution your money happened to be in at the time? It is not the movement or static of the money that matters, the value is the information that at your given circumstances and goals, you don’t have a need to move it. How much would that information have been worth to so many in early 2007?

A financial client of mine thanked me awhile back from dissuading him in ’06 from taking my available mortgages for a major property punt and re-focus instead on his business. And he’s not the only one. Deeper down though I know, that he knew it wasn’t the time or thing for him and ultimately the decision was his fully informed decision incorporating also what he wanted from life.

Imagine if you didn’t have to rely on anyone but yourself to be aware of that information and decision. Imagine being able to know when to go and when to stop. Imagine if you were in control.

The power of full information leads inevitably to fully informed decisions. All else is fluff and bluster.

Knowing yourself and what you want; properly and honestly, is the first step to relaxing about money, and so it cannot be diminished or dismissed.

Then you can see what you can do about it.

We do this by taking in what you have, can have and what you cannot have.

Chapter 3
The Need to Define your Resources

The second component is being realistic about our current, future and potential resources.

A current resource example is your income, a future one is the State Pension, and a potential one is maybe a career change or increasing your business turnover marginally / taking a promotion to be able to put more into your pension.
There are things that are possible and those that are not. There are rules, tax laws, business and career resources and restrictions that can be accounted, measured and tried. These stretch from your property, assets, age, income, entitlements, debts, financing structures, rents, expenses, your tax status to your expected inheritance and little known ones like the over-80s additional pension boost.
The list is not exhaustive but each factor is measurable.

And everything counts. EVERYTHING COUNTS.

For example, the family disposable income will be reduced when you start or increase your family resulting in a greater expenditure from daily food costs along with lower family income from career break, job-share, part-time work or full time family caring. These are goals, sacrifices and achievements. These are income and lifestyle spending factors. These are measurable. Is significant pension provision appropriate at this time?
Do you sacrifice now to benefit later?

Or do you live now affordably as your future income and asset possibilities could make retirement provision more acceptable at a different time for you?

Your pocket may say no.
Your instinct, transactional and professional advice may say yes.

The bigger picture may say different.

So this is a money worry for you. Worrying about the present, worrying about the future, even worrying about the markets if your money goes into them.

The market proponents and product benefactors may point to the right time to get into, or out of say, a property or money investment. The bigger picture may say you can if you want, but you absolutely don’t need to.

This is a money worry for you.

Pension provision is wise and usually needed if you intend to live part of your life in comfort without a wage. That is not the question. The nagging doubt rests upon the need for sacrifice today against the relative assurance of retirement provision.
There is so much to take into account because everything is a compromise as well as assertive action.

Everything counts.

Determining all your resources and understanding how and when they come into play allows you to measure what you have and will have compared to what you want and will want.

This gives you the bigger picture to make informed decisions rather than isolated decisions.
This helps puts you in control of your financial future.

You do not worry about money when you are in control about your financial future.

Let’s take these components of being able to

- define what money means to you with

- what you want from life along with

- knowing and understanding your resources

and we move to the next stage which is using this information with other information so we can ‘stop worrying about money’.

Chapter 4
The Collective
(the bigger picture plus the possibilities)

Would you go to a Chemist or a Doctor with a pain in your chest?

Me?-I'd prefer the Doctor on this occasion because I'd like to be diagnosed completely and have a prescription if I need to go to the Chemist.
Of course, I could go to a Physiotherapist or ask the Pharmacist, but this time I'd prefer a full diagnostic from a Doctor first.

The diagnosis looks to the collective taking everything into account- my health, medical history, what I ate recently, when I noticed the pain, where I was, what I was doing etc.
It also takes into account what I want to do in the future; for example is it okay to run the Marathon tomorrow, can I fly out on a business or holiday trip?

The diagnosis tells me the problem, the solution, the dos and don'ts without an expected sale.

The obvious point of this analogy is: when we think about money, we tend to go for quick-fixes because we haven't the time or the patience to dig further. Often this is enough for the time being. It's the way of the world and we assume there's not much difference between one adviser and another so we stick with who and what we know. If it's more complex, we may contact a professional like an Accountant or Solicitor to help resolve the issue.

These are the things that normal people do and wealthy people do. Yet still they worry about money?!

The answer's back there- we need to start by looking at the collective if we want to stop worrying about money. Then we can take our 'prescription' to whomever we want to be part of the solution.

A chest pain often has a root problem.

Worrying about money is a root problem.

The correct treatment diffuses the problem and replaces worry with relief.

So let's look at how to stop worrying about money through diagnosis and treatment.

Chapter 5
What have you got v What do you need

When we consider our money we tend to think about the savings, then what we own less what we owe. The majority of people's wealth is actually in their earnings and earning capacity but the financial industry advice focuses on the available money and a slice of the future income. Even those who built their own wealth did this through their earning and capacity to accumulate further assets to earn while very few built from capital growth alone.

Financial advice is so often based on potential growth of available capital – liquid assets like savings and investments which really only form a part of your financial picture. And that's not even the half of it because a major omission of managing our wealth growth is the managing of our wealth distribution in lifestyle, rules, restrictions and risk.

This is one of the missing links leading to why people question and change advisers and wealth managers as they continue to worry about money. The conversations focuses on what you have and could have with your moveable money, but not on what you want - outside of looking for 'more'- whatever that means!

'More' is just another euphemism of your worry about money.

Because you haven't defined and measured what you want in the context of your collective financial world you continue to look for this 'more' without looking at the bigger picture to see if it is needed and more importantly, to see if other options not considered could render the risk unnecessary.

Isolated decision making such as using a resource like savings without a definitive target can cause increased money stress whilst looking for ‘more’. Financing that decision to further your quest increases it exponentially unless the balanced repercussions are acceptable and the target justifiably adds to fulfil your lifestyle needs. Too often the need was never there, just the continuing search for ‘more.

Unrealistic expectations

You see most people don’t realise that they will never be as wealthy as they think they will be, never mind as they would like to be. It’s not that they are delusional, it’s just that maybe they watch too much TV or something. Essentially they don’t know how much they’ll need to be happy.

Therefore unrealistic expectations justify unnecessary risks.

If this is not recognised then you’ll always worry even though others from the outside might envy your circumstances. To manage your expectations you must define what you want from life, what you have and will have, and then take the next step.

Ongoing search for good returns

When we think about financial security we tend to think of secure places for our money, saving a bit, look for good returns, bargain asset buys, insurance and advice from so-and-so.

Then we scout the market or hear of (or are approached about) a good deal, take a deep breath and away we go. This is so typical of our problem with money because we don't know how to take a step back to see this bigger picture.

The problem has many layers
Looking for a good home for your money will never make you rich unless you get paid for doing the looking. Forget the product sellers with their transactional free advice about how their fund or deposit rates are so much better than the others.

This year's best deposit rates won't always be better than the others unless the bank is on a suicide mission, but they don't mind lowering the rate over time as most people couldn't be bothered moving deposits again and again. So the law of average gives them your money on a good rate and keeps it even when their special rate is reduced. Your inertia helps them.

Historical data will show how a particular fund is outperforming the market but another fund will always perform better in time so the current leader will drop in rankings- otherwise there might be only be two funds for everyone's money; the 'always leader' and the 'next best thing'.

Don't play the market- you won't beat it.
There is only one way of being in the best performing fund and that is to take the risk of putting yourself in the best performing fund if you can find it. You may want the performance but do you really need to take that risk?

Don't listen to financial verbiage about Alpha measurements, Sharpe ratios, Beta and Standard Deviations and the CoRelated CoEfficients as justification for stock choices and portfolio management strategies unless you understand exactly what they are talking about.

Also ensure *they* know exactly what they are talking about.

When they assure you that they do- get them to explain it to you again in plain English and ask what are the chances that you will lose some of your money and what is the average lenght of time expected to recover that loss and then achieve the growth they initially expect to gain for you.

Don't get me wrong- Volatility is part and parcel of all investing, but thanks to the recovering markets in the past couple of years, it is very easy to sit through a reasoned argument of how you can expect your investment to grow by 8-10% p.a. (you see 2013-2014 averaged a 16.7% gain). When you hear that- just leave the room and head for the bookies where your chances may not be greater, but could be a more enjoyable form of investing (jokes!).

The serious point is if you agree that a 6 or 7%+ p.a. regular rate of return will be needed with your money/pension etc. to sort out your future, you are talking to the wrong people or at least having the wrong conversation. The focus on your savings and investments should never be on 'making your money work for you'; a ridiculous expression accepted as normal - it should only be focussed on 'making your money be there for you'.

If you need that level of return, you have to go back to managing your expectations of the lifestyle you want with the resources you have and will have and make more realistic adjustments.

Ask yourself now; would you accept a 10% extra loss possibility for a possible extra 2% gain on money you may need in the short term?

I recall some clients who were being advised elsewhere about how to invest their retirement fund and savings. They wanted to have an income and some growth while trying to always be in a position to give their two sons a couple of hundred grand each as well as the house if they both died. They were well prepared to reduce their retirement expenditure to try to ensure their investments would always be there after their deaths.

They had been advised they would need a good return annually to achieve this goal for their sons and this was true- even into their old age they would still need this good return.

Funnily enough, a Whole of Life insurance policy fulfilled their wishes too and the policy cost was justifiably covered from available income allowing them to take a more conservative investing strategy and they could spend more on their lifestyle using their retirement funds properly. The two sons won't care where the money comes from.

And it still amazes me how many people are so poorly informed about their pension drawdown options and yet feel they have to make a quick decision without fully appreciating the repercussions and other alternatives.

Risk- a word of caution:
Too much of investment planning decisions rely heavily on a recommendation relative to what is known as your risk profile. This is supposed to calculate how much risk you are prepared to take for the returns you want with your given circumstances. What's funny about this is the assumption that you actually know the return you want and will want in the future. Sure, we all want 'more', but how many times has your adviser, transactional or otherwise, been able to tell you of the actual level of return you will *need* from that particular investment relative to what else you have in your financial life? This is not to be confused with the actual level of return you may *want* which will always be 'more'.

Your adviser's advice should only be based on what you need.
Your risk profile should only be the maximum risk you are prepared to take.
Your overall resources must always be teased to reduce that risk level further. Most people's earnings and future earnings will dwarf their pools of savings and investments. Clever use of those earnings with logical tax or distribution strategies for example can guarantee you much greater returns than the potential from risking your savings and after-tax income.

If the need involves increasing risk then you must resolve to continue worrying about money.
Before you say everyone knows you must "speculate to accumulate"- why do we assume speculate means extra risk? Would it not be more correct to assume we must *properly manage what we have* to accumulate?

Just think about it – how can you accept increasing risk while at the same time want to stop worrying about money?

Let me put it another way- is it sane to want to stop worrying about money while accepting you must take more risk with your money?

Are you getting this?- you've bought property, invested savings, pension planned and generally made financial decisions on thousands and hundreds of thousands of past, current and future euro to HELP YOU STOP WORRYING ABOUT MONEY WHILE ACCEPTING YOU MUST TAKE MORE RISK WITH YOUR MONEY!!!

And then you wonder why you are always pre-occupied about how much you can spend, will have, can do...

There is another way.

Chapter 6
Strategy is key

If you want to stop worrying about money, strategy is the key.
If you want to protect your more likely biggest asset- your earnings and capacity to earn, then strategy is the key.
If you want to stop working at a particular date, change that job, know the best way and time to cost-effectively sell your assets, your business interests, repay debts affordably earlier to reduce interest, use business laws to compensate for provision and protection of your family and lifestyle, reduce your exposure in the pursuit of better returns on your money... strategy is the key.

A client was given an excellent savings plan from her bank to set aside €400 a month for a ‘rainy day’ in case she got ill, was unable to work etc. If she got a serious illness after 3 years she’d have over €15k at her disposal in the bank. Not bad.
We put a strategy in place for the same €400 a month (net of income tax-relief on PHI and PTA), whereby for example, if she couldn’t work in three years from say a serious illness:
She’d have €7k saved in the same bank,
Plus she’d have €40k a year until retirement in 20 years time if she couldn’t return to work sooner- that’s €800k before taxes,
Plus she’d have €300k cash in tax-free Critical Illness cover immediately,
Plus if she died she’s be leaving another €300k cash tax-free to her family.

€15,000 or €1,407,000 for the same objective – something set aside in case something bad happens.
Strategy eliminated that particular money worry.

If you want to increase your "investment returns" then you must think strategy first before product promises.

A quick example is using tax-reliefs on say an affordable level of income you currently pay high taxes on and how it could be considered to be used as a pension contribution, invested in low-volatile fund of cash and bonds, where your after-tax encashment would be greater particularly if you encash as a 20% taxpayer after contributing as a 41% taxpayer. Low-risk strategy.

Look at the different PRSI treatment of Annuities v ARFs in pension rules at given ages. Look at staggered pension drawdowns to reduce income tax. Look at changing properties into spouse's names to reduce unnecessary taxes. Look at car allowance v BIK. Look to Gift tax rules as part of Estate Planning so you can afford to spend more now or provide better for long term care. Look at how you can use your business rules better to fund your life more efficiently and provide better for your future ambitions. Look at using your business to build the wealth needed rather relying on the hope of a sale to retire. Integrate your career opportunities by measuring a qualification cost in time, money and earning relative to the future income and retirement rewards. That's investing in you- a better chance of a good, sustainable return wouldn't you say?

I could go on, but the point is there are countless strategies with less risk than looking for best returns because you think 'more'.

The message is simple: you spent your life sacrificing for these pools of money- your savings, investments, pensions, properties etc. You could have spent your time out spending and having a good time but you didn’t. Maybe you had less going for you than others to start with and devoted your life to working or studying or having family; you curtailed on many luxuries, holidays, cars and clothes to have something put by for a rainy day and retirement. Then you are expected to lay years of sacrifice on the line in an investment environment that you know nothing about and where even the advisers are always uncertain about. And all for the sake of gaining a percentage or two!

Don’t do it.

Use Planning Strategies not risk-balancing.

Do not try to beat the market.

Use suitably Passive Investment Strategies to retain most of your investable money so you can distribute it as needed in your lifestyle-costed plans.

Chapter 7
A penny saved is a penny earned.

Sounds naff I know- but here's the thing- watching where the money goes means you can get *greater* lifestyle spending, reduce taxes, plan financial outlays like college, holidays or holiday homes, golf trips and spending sprees.

I know it's a bit of a pain to do but watching the outlay (or Budgeting if I have to use the word that nobody likes) actually gives you more freedom and less worry about money. If you knew how much you can spend without concern you have alleviated a lot of your stress.

If you found out that with a bit of planning and strategies you could spend so much more and still look after everyone else, you'd be positively elated. That's elated, not worried about money. And I am NOT necessarily talking about cutting back- I am talking about strategic planning where EVERYTHING COUNTS.

Odd as it seems, this is the other half of it I alluded to earlier- people only look to what they have and earn to determine how wealthy they feel. But the fun is in the living and spending and it can be in the planning too.

For example, reducing taxes (which are a huge spending cost on income or gains) by utilising reliefs combined with knowing how much is enough and how much you want to leave, means you are now in a better position to decide whether you need to take a risk.

Chapter 8
How much is Enough?

For the past 6 years, the newspapers and News programmes have reported on many of the people and families who didn't know 'How much is Enough?'

They felt they had to go for 'more' (there's that word again) and finished up losing it all.

This is the big one, the question that is the biggest key determinant of how to stop worrying about money.

On paper, it seems simple- calculate what you need to live today, what you think you will need at a future date (after home mortgage cleared, retirement age, old age etc.) and off you go working on your expected incomes at those times and the returns you expect on your investments and savings. Unfortunately, while the financial industry and others employ this method as a Rule of Thumb, it is fraught with dangers. The biggest dangers are a lack of information and how to use the information.

Let me show you:
You have household and living expenses now of €80k p.a. At retirement, you expect that to be halved as the kids will have left, the mortgage is cleared and you are not driving to work anymore. On this basis, you are advised to put €10k p.a. into your pension and combined with the State Old Age Pension and growth of 5% p.a. in your pension funds; you think you'll be fine. But what if you are not? That's the worry:

- Inflation could be 3% while State benefit increases lag behind so reducing future cash
- Pension restrictions mean you cannot access this money if needed until later
- is your spouse entitled to a full independent State pension?
- your spending estimate could be exaggerated or conservative if not detailed and allowed for timeline changes,
- you have to build in goals like education costs,
- weddings,
- gifts,
- you may be eating out more in pub lunches and visiting others when you retire,
- you may want to improve the house, change car periodically,
- trade-up or down your home at a later age,
- expect to be in a different tax-band,
- unsure of your entitlements,
- conscious of leaving wealth to the children if you die,
- concerned about ill-health and the price of providing for it,
- questionable future assets or business values,
- income taxes, USC, PRSI, Capital Gains taxes, reliefs, Capital Acquisition taxes,
- having the luxuries you want,
- holidays and retirement plans
- look at how long people are living these days- what'll it be like in 30 years and will the money last?

I could go on...
So what you do is take one goal or concern at a time and deal with it or get Professional and even transactional advice when needed or listen to what so and so did. It could be investment

planning, protection, property, taxes, healthcare, pensions, ARF or Annuity, education plans, budgets, estate planning, succession planning, holidays... However every decision here affects every other issue to greater and lesser degrees, now and in the future as well as how they turn out. This is why you worry about money because you cannot measure the interaction and repercussions of those decisions and end up looking for ‘more’ because:

a. You still don’t know how much is enough to enjoy the lifestyle you want

b. You don’t really know the proper actions needed and how they interact with everything else.

We could look at dozens of examples but that’s not the purpose here. The point is that even though we plan for our future; the complexity and variables means we do them one at a time. And these actions and inactions perpetuate the problem, leaving us with the constant worry about money, the very thing we want to alleviate.

The solution is *comprehensively* finding out ‘*how much is enough*’ through *finding out* information and *analysing resources* to identify needs and shortfalls required for the lifestyle you want to maintain and *what can be done* to achieve it through *strategies* that may or may not require products.

You see the difference in the approach- financial products must come last and only if needed.

It should always be the people first, then problems, then plans, and then products only if needed, similar to the Doctor analogy.

Chapter 9
What to do to stop worrying about money

It doesn't matter if you have 5 or 25 contacts for financial advice from transactional ('free!') advisers like bank representatives and brokers to professional chargers like Accountants and Solicitors, you should always approach the financial aspects of your life from the same perspective-
What's in it for me?
How will it affect my other plans?
Will it bring me closer to my goals?
What are the options if it goes right and if it goes badly wrong?
How can I reduce risk in all its manifestations (market losses, extra tax, investing, losing earnings and capacity, inflation, bombing out...)?
What are the strategies and how do they fare out on the other elements of my life and plans?

On the face of it, this may seem overcautious but it is the context that matters. Many people have entered into agreements that they now regret because the benefits sounded so good and they thought it was the right thing to do and necessary. They relied upon advice for the product without knowing if the action was needed or better alternatives were available.

Many others regret not taking action from very sound advice because they felt "they didn't know any better at the time."

There is another way. Use comprehensive information for better decisions.

What you need is a determinant of your current and future money-flow with agreed assumptions for all aspects of your money.

These assumptions will have to include inflation, income and capital taxes with PRSI USC, rates of return on everything from deposits to investments, current and future incomes, rules and restriction in relation to taxes, laws and products, benefits like State Pensions and children's allowances, inflows and expenses plus when they will rise and fall over your lifetime, incorporating your debts and their structures as well as all your assets and their values with incomes and write-off expenses, succession plans, CAT criteria, etc.

Your goals and their timing also must be priced and recognised when they are due to happen e.g. plans for education, holidays, retiring, selling business or business succession.

While you can use connecting spreadsheets on different financial aspects of your life, this comprehensive analysis is achieved more accurately using Lifelong Cashflow Modelling software. This gives you the actual Collective 'number' or your Lifemoney as I call it that was spoken about earlier to determine the exact amount what will be needed and when.

This comprehensive analysis allows you to see your situation and future.

It tells you ‘How much is enough’ so you know what’s needed and not needed.
It allows you to use your resources effectively and realistically.

You can then run scenarios for financial planning strategies such as those mentioned earlier to fulfil shortfalls, reduce risk and find out how much (including how much more) you can spend on your lifestyle, given your circumstances. You can see the expected outcomes from ideas and advice before action is taken and how they affect everything else in good times and bad such as;

- Buying or selling a property or continuing to rent one out/ selling at a later date;

- Likely outcomes of moving your money and different savings routes and investment, dividends, rental, interest returns pre- and post-tax as well as the difference they make, if any;

- Putting money aside to protect household income for inability to work or death incorporating State and Personal entitlements and benefits;

- Integrating best education opportunities, special purchases and occasions when they are expected to happen;

- Different options integrating your business or career plans offer;

- Different Retirement Planning from scenarios at earlier or later retirement, semi-retirement earnings, benefit drawdown choices, product choices e.g. Annuity v ARF, drawdown, guaranteed regular income or drawdown as needed to reduce taxes, income level at one rate of return or the lower more securable rate of return

- Estate Planning to reduce unnecessary taxes and distributing according to your plans, eradicating issues (what's to happen with the property(s), business interests, pension(s) etc.) for others as well as providing yourself a much sounder footing to make future personal lifestyle plans, knowing the resources you have available to fully use and what will be left to others if something happens to you. etc. etc.

You can see if the consequences of taking action or not is the more suitable route, given all the other factors in your lifestyle and resources. This allows you to make fully informed decisions based on plans instead of product promises or gut instincts.

When you are dealing with your current and future collective resources and money distribution, you are dealing with a very considerable amount of money. A small strategic swing in your favour would have massive benefits on your lifestyle, easily compensating for the time involved in this exercise.

Without this type of comprehensive analysis, you are working on financial aspects and needs without taking cognisance of your collective and will continue to worry about money.

With it you are managing your expectations, reducing risk and using your resources in the most efficient manner.

This is the Bigger Picture spoken about earlier. You could say it is planning with foresight using the benefit of simulated hindsight.

The alternative is to keep worrying about money.

Chapter 10
The Next Step is up to you

The root cause about worrying about money is our lack of information of what we want, what we have, what we could have and what we need to do.

To resolve this we tend to take actions, one or two at a time. We rely on our sources for advice and services related to the particular matter of concern; yet we keep worrying about money.

This is akin to putting out bush fires one at a time in a heat wave.

The answer to stop worrying about money is:

- Define the type of **lifestyle** you want for yourself and those in your care.
- Determine your **financial** resources.
- Combine this information to find out **'How Much is Enough'**.
- Begin **planning** the solutions comprehensively.
- Make **informed decisions**.
- Agree **strategies** before considering product solutions.
- **Take action.**

This process is known as lifestyle financial planning. Do this accurately and you can relax more about money.

You are now in a position to take action to achieve and maintain the lifestyle you want without fear of running out of money, in any circumstances.

Afterword

We only get one shot at this life. As Shakespeare wisely said “the past is the preface”.

What’s gone before has put you in the position of where you are now. What lies ahead can be the life you want to have without needless worry about money.

It may or may not be a luxurious life, but it can be more relaxed. It can be as ideal as you want it to be. To do this you must resolve to structure your resources efficiently to achieve that aim or get help from someone who knows how to do this for you.

You read this material because the title and content resonated with you. This means you want to do something about it. Now is as good a time as any to begin.

If you want to speak to me about how I can help you, you are very welcome to contact me.

Good luck to you.

Peter

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Peter Reilly has extensive experience in the financial industry. Having previously served with KBC Bank from 1989 to 1998 in Asset and Corporate Finance / Mortgages he has being practicing as an Independent Financial Adviser since 1998 in the area of Financial Planning, Protection, Investments, Pensions, Asset and Personal Finance.

This financial expertise allows the firm to offer independent advice and solutions to Businesses, Business Owners, Professionals, Executives, Families, Individuals and the people they live with.

The introduction of a Lifestyle Financial Planning was a natural progression to provide a meaningful service to clients' needs. It gives clarity for decision making to help them achieve the financial security, independence and goals they want rather than just the product of choice or need at any one time.

Investment in the best financial planning methodology and technology tools, education, training, procedures and software has provided the platform for a fully comprehensive Lifestyle Financial Planning Service. The Wealth Management Service offers the best experience, expertise, advice, strategies, services, rates, products and savings available to a client to fulfil their needs.

Both Services form the basis for the business and have become an indispensable tool for clients to organise and manage their wealth and resources with complete confidence, independence and value.

Working with fellow Professionals in Accounting, Taxation, and Law to help their clients has proven mutually beneficial for all parties, especially the clients themselves. Hosting Seminars and Presentations has become a very relevant part of this work demonstrating valuable methods, strategies and techniques to help people financially achieve Financial Lifestyle and Wealth Management goals.

Peter was educated at Kells CBS, Co. Meath and NUI Galway where he attained a Bachelor of Commerce degree in 1985. He became a Qualified Financial Advisor (Q.F.A.) in 2002 and holds a Graduate Diploma in Financial Planning through U.C.D.

Peter has successfully completed all exams to be a Certified Financial Planner™, CFP® professional certification, which, internationally, represents the highest level of professional practice in financial planning.

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