



Are You Getting the Best Return on Life You Possibly Can?

When it comes to investing, the current standard of return on investment (ROI) can be self-limiting, adding pressure that is counterproductive. So much of ROI is not within our control. We can diversify investments—always a good strategy—but we cannot control how the markets perform or how global events affect the markets. Just as meteorologists can predict the weather but still be wrong, we can try to predict and plan for market upheavals, but we cannot control them.

It's important to balance return on investments with return on life (ROL). ROL is defined as, *'How well you are doing in living the life you want, with the money you have.'*

Here are some key ROL indicators:

- Living well within your means
- Investing time, energy, and resources in people and engagements that energize you
- Allowing yourself to have experiences and fulfillment whenever possible
- Not comparing yourself to others who may live with a different set of circumstances
- Living purposefully
- Not allowing your identity to be defined by numbers

Since money is a vessel that can help you navigate where you want to go in life, it is important to control your money, instead of letting your money control you. When you focus on ROL, your investments serve *you*, not vice versa. Too many people feel as if life is little more than “getting ahead” of someone else’s definition of what a successful life ought to be.

The best financial conversation you will ever have is to ask yourself, “Who and what really makes me happy in life?” and then arrange your finances to keep those people and experiences front and center in your life.

Too often, when it comes to our financial lives, we don’t look at the big picture. Instead, we move pieces around by replacing investments, insurance policies, debts, purchases, and the like—all the while paying too little attention to long-term and holistic perspectives.

You may have been told that every money issue should and can be solved through a formula: “Let’s take your age, the amount of money in your portfolio, run some calculations, and presto! Here’s the answer for your life.” With this approach—and if that number is out of your reach—your future can become a self-fulfilling prophecy.

How can you balance the books between quantitative and qualitative factors in developing a financial plan? By focusing on ROL—and ensuring you pay as much attention to your non-financial goals as your financial ones.

These calculations are important and necessary but work only if you understand the qualitative goals your investments are meant to fund. In the traditional financial planning model, the primary components include asset management, risk management, debt management, tax planning, estate planning, and income planning. While each area is essential to your financial well-being, there is an underlying assumption inherent in the solely quantitative approach used to

perform these functions: *everyone is essentially the same, and the only thing that really needs to change from one person to the next is which numbers get plugged into the formula.* This is probably not an assumption you would want someone to make about you.

Your values and principles with money are not the same as everyone else's, nor should they be. The most important aspect to be derived from the numbers is to achieve the quality of life you desire. The numbers do not exist to drive life but to support it.

Because many people view retirement as purely an economic cliff from which they will jump once they're in their 60s, they have done little—if any—work on all the life issues accompanying such a transition.

It is important that your life before and during retirement is both challenging and enjoyable. At some point, almost all of us will require help—meaning we'll have to make contingency plans. These contingencies include long-term-care insurance, in-home care, and the like. These investments are a natural part of ROL planning because they help you continue to live a full and balanced life as long as possible.

When you achieve balance—and as a result, true financial freedom—you will still be confronted with issues that organically arise with retirement. These manifold issues include the following:

- How you best spend your time and energy
- How you address your personal health and well-being
- How you continue to challenge yourself
- The role you play in your parents' and/or children's futures
- The kind of legacy you want to leave
- Your definition of success

It is important to understand the impact of money on every area of your life. By engaging in a financial planning process focusing on what's happening in *your* life—adjusted financially to facilitate those happenings—you will reach the ultimate goal of using your money to create a better life.

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