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5 KEY STEPS TO REACHING YOUR FINANCIAL GOALS THIS YEAR & BEYOND

The definition of insanity is doing something over & over again and expecting different results.

~ Albert Einstein



What things have you been doing over & over the last few years that have not moved you closer to your financial goals?

Why even bother with new years' resolutions if you've usually just abandoned them after a few weeks?

WHY BOTHER? BECAUSE NEW YEAR'S FINANCIAL RESOLUTIONS DO HELP!

A recent survey¹ of people who made New Year's financial resolutions showed the majority of respondents who achieved at least 80% of their goals say are better off financially and carried less debt compared to the prior year.

¹The 2016 Fidelity Investments *New Year Financial Resolutions Study* finding #3: Of the respondents who completed 80% or more of their intended financial resolutions: (https://www.fidelity.com/bin-public/060_www_fidelity_com/documents/executive-summary-new-year-resolutions.pdf)

- o 56% say they're in a better financial situation vs. 34% who didn't reach their goal
- o 51% say they are less in debt this year vs. 40% who didn't reach their goal



WHAT'S MISSING AND WHY FINANCIAL RESOLUTIONS FAIL

I think that there are three main reasons why financial resolutions fail:

- lack of alignment with a vision,
- counter intentions, and
- limiting beliefs.

1. LACK OF ALIGNMENT WITH A VISION

I think that many financial resolutions go by the way-side because they are based on what you think you “should” or shouldn’t do, i.e. spend less, save more. This often causes subconscious barriers such as resistance and resentment, and can lead to ultimately sabotaging or abandoning your resolutions.

So rather than “shoulding” on yourself, a more effective base would be **having a clear inspiring vision** of your future and having those **goals clearly aligned with that vision**.

For example, “spending less and saving money” as goals can seem restricting. In contrast, saving with a vision of a fun vacation to your favorite destination can help make it easier to bring your lunch to work rather than spending more money for something at the food fair, or another purse you don’t need. Creating an inspiring vision of your dream retirement can make financial planning more inspiring, and saving on taxes more important.



TIP: If you’re not sure what you really want, start with a list of what you don’t want and the opposite can usually lead you to what you really want. You can also look at pictures in a magazine to see what sparks interest or inspiration.

2. COUNTER INTENTIONS

Another reason why people get off track or fail is due to hidden and/or subconscious intentions. These often overrule what we say we want to do or have. I think of these as our “auto pilot” and they are usually in our blind spot.

I learned a while back that there is no such thing as “not being able to commit to something”. Instead, we all spend our time, energy and money on what we are truly committed to (which can be our hidden or counter intentions).



TIP: If you’re not able to commit to what you say you want, for example, saving for retirement or paying down debt (even though you know in your gut that you really should have started a while ago), you likely have some hidden intentions that are getting in the way.

For me, my blind spot was my overwhelming drive for freedom. For many years, I said I wanted to save money and pay down debt, but those thoughts only hammered in “LACK OF FREEDOM” so I sabotaged those goals for a long time in my younger years. Of course, I always justified my actions by telling myself that I work hard, so I should be able to buy myself that cute pair of shoes, especially if they were on sale. Never mind that I already had a closet full of shoes that I wasn’t wearing.

Once I recognized “freedom” as one of my “basic needs” or “basic drivers”, I created goals and visions instead that gave me that same feeling of freedom, which made it easier to stay on track. For example, freedom to spend that money on what I really want - like a trip to Italy or the feeling of freedom I get when I pay my credit card in full.

3. LIMITING BELIEFS



A belief is defined as: an acceptance that something is true.

Some of these may not be based on facts, but we can always find lots of evidence to support our beliefs, or we subconsciously make them happen to make them “true”. For example, have you ever known people who make things more complicated that they need to be, sabotage good relationships, go binge-eating when they really want to lose weight, or do something “stupid” that affects their job? I think most of these actions are ruled by some limiting beliefs such as: I’m no good with money, relationships are hard work, I never get what I want, bad things always happen to me, I always mess things up and so on.

As much as you can find evidence supporting your limiting beliefs, I suggest that if you were honest with yourself, you can find just as much evidence or more of the contrary. For example, if you believe that you have to have lots money to make money, then read about all the people who started with very little, and some even failed a few times who are now considered some of the most successful people in the world. Think of people who you’ve met who pursued a basic idea and succeeded.



TIP: Thoughts that give you negative feelings such as fear can be from limiting believes, so find evidence to replace your limiting believe with ones that empower you towards achieving your goals. Don’t give in to the temptation of hanging on to limiting beliefs that weigh you down and hold you back. Note that a funny feeling in your stomach can also be from excitement (like the feeling I get before an exciting trip), or a natural reaction to going outside your comfort zone, so be careful not to squash those.

COMMON EVERYDAY FINANCIAL GOALS

If you search the internet on financial resolutions, you’ll see that the common financial resolutions are:

- Spending less
- Saving more - for your emergency fund, for retirement, to buy a home, for children’s education, etc.
- Learning about finances
- Preparing/updating your will and estate plan

REAL FINANCIAL GOALS IN A NUTSHELL

I think though that it’s not really about the money, but what money provides. So instead of more money, I think that **what everyone really wants** can be boiled down to 2 things - financial freedom & financial security.



- **Financial Freedom**
 - The freedom to do or have what’s important to you,
 - when you want it,
 - with the people you care about and want to spend time with.
- **Financial Security** - The feeling of security knowing that you & those you love will be ok whatever happens.

This may include:



- Having enough to maintain your desired quality of life in case of a medical emergency or job loss.
- Being able to afford the lifestyle you want at retirement.
- Covering additional medical costs that typically comes with older age or unexpectedly at a younger age.
- Having enough money to send your children to post-secondary school.
- Learning about finances and teaching your family about finances - to find strategies that work for you, fit with your lifestyle, and align with your values.
- Teaching your children about money to help them be financially independent adults.
- Having an estate plan (your will, living will, power of attorneys, etc.) to ease the burden on your family and ensure your wishes are communicated in case of unexpected illness or death.

5 KEY STEPS TO REACHING YOUR FINANCIAL GOALS THIS YEAR & BEYOND



1. **GET CLEAR** - on your vision, your hidden intentions, **and** your limiting beliefs.
2. **CREATE A FINANCIAL PLAN** - to allocate your spending & savings towards your short and long term vision for all aspects of your life. This should also include looking at your starting point and your target & stretch target goals.
3. **MONITOR YOUR ACTIVITIES** - to make sure you're on track, identify where you've deviated from your plan and understand why (maybe because of more hidden intentions or beliefs). Note that it's human to get off-track, so make sure you don't "beat up on yourself" when you do.
4. **CREATE A SUPPORT STRUCTURE** - that will help keep your vision clear, and reduce distractions or sabotaging behaviour. This may include having an inspiring picture, quote, reminders on your daily calendar, sharing your vision with your friends, using apps or software, getting help from a finance professional, etc.
5. **RE-ALIGN YOUR ACTIONS** - with your vision (e.g. what you really want to see by the end of the year) to put you back on track or adjust strategies that are not working as well as you thought they would.



For more information on this topic and other areas of financial planning, see our library of articles found in: www.DytucoFinancialServices.com. Also watch out for our other posts on:

- Easy but uncommon places to look for savings and extra income
- Tips on teaching your children about money
- TFSA vs. RRSP

Please share this with a friend, family member or co-worker who might get value out of this information.

Also feel free to contact us for a complimentary financial planning review. We can help you implement some strategies that meet your specific needs for covering your risks and saving for your family & your retirement.

Remember, *the time to repair the roof is when the sun is shining* (John F. Kennedy).