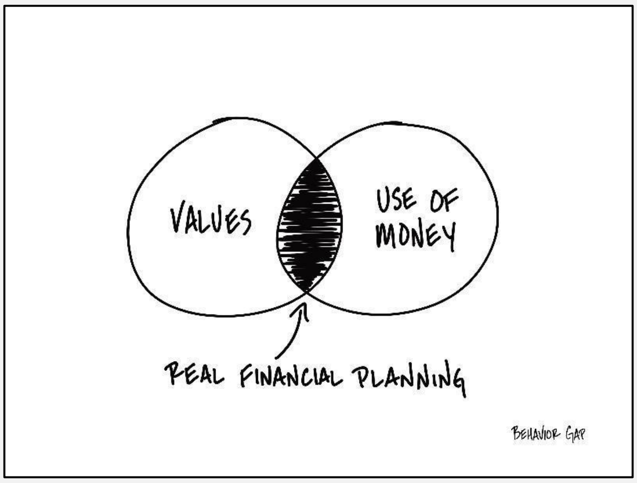
Values & Money[1]

Money is a means to the end, not the end goal. It is the use of your money for your values. Carl Richard illustrates this perfectly with his New York Times sketch



To work out these values requires an investigation(interrogation) of yourself. One method is asking, "What is important about money to you" and where the answer is the next question. For example, What's important to you about " money" --> enjoying life...So what's important to you about enjoying life--> experiences -->So what's important to you about experiences and continuing down the rabbit hole until you you can not go any further. See the below link for further explanation.

[What's important about money to you? - Behavior Gap]

Another method is asking the 3 Kinder Questions from the founder of life planning. It is better if I don't explain this and you go through the process(see below)

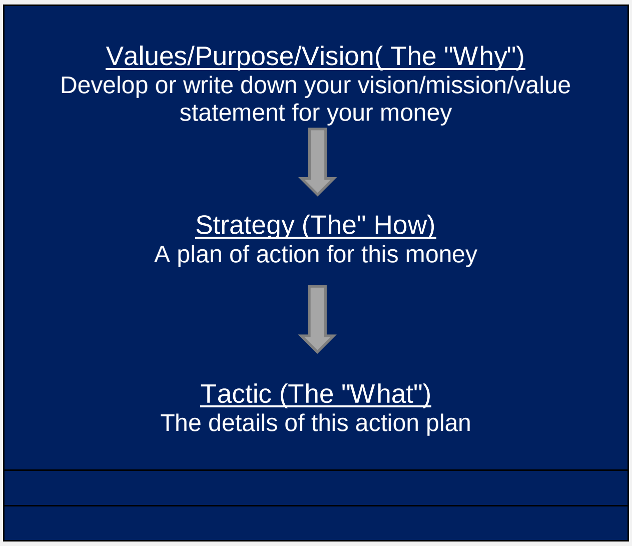
[Life Planning: The three kinder questions - The Physician Philosopher]

Once you identify your values, the next step is to make an Investment Policy Statement.

[1] For an up to date explanation and more resources see the article in the NZDA News March 2022 - Financial "Life" Planning for Dentist. http://www.thefinancialdentist.co.nz/resources

Investment Policy Statement(Values-Based)

An Investment Policy Statement(IPS) will create a plan for your investments as a whole to serve your objectives. The IPS uses your values/vision to develop your strategy and tactics to reach your goals. Thus your "Why" is matched to your "How" and "What"(See below)



This Statement will clarify your decisions for your investments and guide/remind you during uncertain times. Plans will always change, so the IPS will require reviewing and updating when changes occur.

For example, I spoke to a young colleague who was unsure how to invest her money for her retirement. We uncovered that time was essential to her, which meant she had the freedom to choose what she did with her time for her wellbeing and family. These values lead her to a goal of investing in a hands-off matter (see below)

PURPOSE:

Time for herself and wealth for her retirement.

↓

STRATEGY:

Investing for the long term for retirement.

↓

TACTIC:

Regular contributions to low cost aggressive managed fund

This plan is regularly looked at, particularly at times of turmoil or exuberance, to ensure that changes are not made during these emotional times.