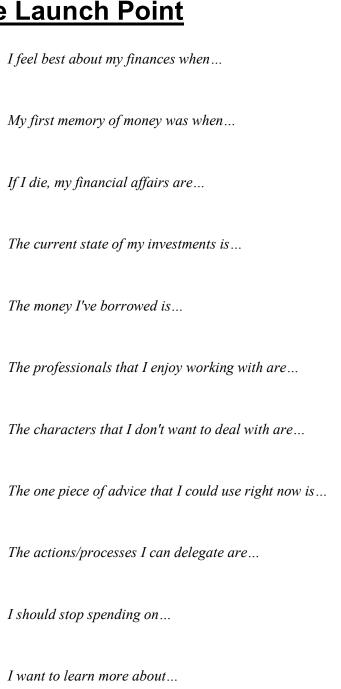
# MY PERSONAL ECONOMIC **VALUES**

## **Step 1: The Launch Point**



I am most proud of my...

What keeps me up at night is...

# **Step 2: How I See Myself and My Future**

	Over my lifetime, I would like to achieve:
	1) 2) 3) 4)
1	The adventures and experiences that I would like to have:
	1) 2) 3) 4)
	Assets that I would like to acquire over my lifetime:
	1) 2) 3) 4)
Step 3:	My Financial Skills
Skill #1:	
	ple/Experienced/Proficient
Description:	
Skill #2:	
Knowledgeab	ole/Experienced/Proficient
Description:	
Skill #3:	
Knowledgeat	ole/Experienced/Proficient

Description:
Skill #4: Knowledgeable/Experienced/Proficient Description:
Step 4: My Beliefs about Money
<ul> <li>Possible <i>financial</i> values include career, education, security, passive income, profit, trust, family, or balance.</li> <li>Possible <i>savings</i> values include consistency, regularity, maximization, passive income, blue-chip, conservative, or active.</li> <li>Possible <i>spending</i> values include generosity, frugality, leverage, worth, minimalism, essentialism, luxury, quality, name-brand, or discount.</li> <li>Possible <i>investing</i> values include accuracy, active, transparency, quality, taxsensitivity, innovation, social-minded, hedging, diversification, momentum, value, growth, risk-free, inflation protection, environmentally sensitive, stable, or cost-sensitive.</li> </ul>
Examples:
Values: Green living
<b>Description:</b> I believe that the essential factor in living life, running a business, and choosing an investment is the environmental impact that I'm making.
Values: Quality purchases
<b>Description</b> : I prefer to spend more on something that is made well and of higher quality, knowing that it will last longer.
Values: Conservative investing
<b>Description:</b> I am not a risk-taker and prefer to know that my savings will be there in the morning, even if that means that I only earn a small return.
I value: Description:

I value:

**Description:** 

I value:
Description:
-
I value:
Description:

#### **Step 5: My Risk Threshold**

**0% volatility:** I don't expect the value of my assets to increase. My primary goal is to know my money will be there when I need it

**0–5% volatility:** I can better protect my purchasing power over the long run by having some variability, but I prefer that most of my investments are reasonably stable.

**5–10% volatility:** Balance is an ideal mix for me. I understand market-traded assets fluctuate, but that by diversifying my holdings will limit volatility. Also, reinvesting recurring income produced by my investments and selecting higher-quality investments is expected to keep volatility lower than the broad investment market.

10–20% volatility: I want to earn as much or more than the broad stock market. I cannot tolerate mediocre returns, but I can't afford to throw caution to the wind, either.

**20%+ volatility:** I don't mind taking a chance if the wins are big. I don't have daily financial issues to worry about, so I can afford to take chances and I'm rarely rattled.

My feelings about risk are:

### **Step 6: What Is Holding Me Back?**

**Examples:** 

Bias: Overtrading/Loss Aversion

**Description:** I check my investments every morning, especially when markets are volatile. I feel anxious when asset values drop and try to reduce my risk by selling when that happens.

**Habit to adopt:** I will keep a written log of my decisions, describing my rationale and how long I expect to hold the position to remind me of my long-term strategy.

**Bias:** *Disposition Effect/Selling the winners* 

**Description:** I feel terrible about the stocks in my account that have dropped, and I can't bring myself to sell them at a loss. I feel good about the ones that rise, so I have no problem selling those!

**Habit to adopt:** On my regular portfolio review date, I will sell stocks that are no longer suitable or do not offer prospects of growth, regardless of their current price relative to my purchase price.

**Bias:** 

**Description:** 

Habit to adopt: | will

Bias:

**Description:** 

Habit to adopt: | will

**Bias:** 

**Description:** 

Habit to adopt: | will

#### **Step 7: The Key Ingredient**

The single accomplishment that would most positively impact may financial status over the next 12 months is:

# Step 8: Bringing It All Together: My Personal Economic Values

To begin, complete the following statement. Consider your list of your critical values from Step 4, your risk appetite from Step 5, and your key goals from Step 2.

■ I will \_(action) \_for \_(audience) \_ by \_(doing something) \_ to \_(achievement) \_.

You may also wish to use your own free-form statement or adapt any of these:

- *I believe that a successful life ...*
- To achieve my priorities, I will...
- I am confident that I ...
- When financial decisions are challenging, I can consistently rely on...

**My Personal Economic Values Statement:**