

MY PERSONAL ECONOMIC VALUES

Date: _____

Step 1: The Launch Point

I feel best about my finances when...

My first memory of money was when...

If I die, my financial affairs are...

The current state of my investments is...

The money I've borrowed is...

The professionals that I enjoy working with are...

The characters that I don't want to deal with are...

The one piece of advice that I could use right now is...

The actions/processes I can delegate are...

I should stop spending on...

I want to learn more about...

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)

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: _____

Knowledgeable/Experienced/Proficient

Description:

Skill #2: _____

Knowledgeable/Experienced/Proficient

Description:

Skill #3: _____

Knowledgeable/Experienced/Proficient

Description:

Skill #4: _____

Knowledgeable/Experienced/Proficient

Description:

Step 4: My Beliefs about Money

- Possible *financial* values include career, education, security, passive income, profit, trust, family, or balance.
- Possible *savings* values include consistency, regularity, maximization, passive income, blue-chip, conservative, or active.
- Possible *spending* values include generosity, frugality, leverage, worth, minimalism, essentialism, luxury, quality, name-brand, or discount.
- Possible *investing* values include accuracy, active, transparency, quality, tax-sensitivity, innovation, social-minded, hedging, diversification, momentum, value, growth, risk-free, inflation protection, environmentally sensitive, stable, or cost-sensitive.

Examples:

Values: Green living

Description: 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

Description: I prefer to spend more on something that is made well and of higher quality, knowing that it will last longer.

Values: Conservative investing

Description: 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: I will

Bias:

Description:

Habit to adopt: I will

Bias:

Description:

Habit to adopt: I will

Step 7: The Key Ingredient

The single accomplishment that would most positively impact my 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: