

It's Not About the Money

**UNLOCK YOUR MONEY TYPE TO ACHIEVE
SPIRITUAL AND FINANCIAL ABUNDANCE**

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CONTENTS

Introduction	xiii
It's Not About the Money	xv
Financial Planner by Day, Yogi by Dawn	xvi
Why This Book?.....	xviii
Financial Freedom for Your Soul.....	xx

Part 1: The Nature of Mind

Chapter One: You Will Never Have Enough	3
The Wanting Mind.....	4
Wired to Want.....	6
If Only.....	7
In the Flow.....	9
But It Feels Good!.....	10
The Financial Toll of Wanting.....	11
Diminishing Returns.....	12
The More We Want, the More We Want	12
Financial Planning and Great Investment Advice Won't Get You "There".....	13
Wanting Better Investment Returns	16
At War with Yourself	17
Not Wanting.....	20
Chapter Two: The Unconscious Wins Every Time	23
We Get What We Think We Deserve	24
Your Core Story	25

The Script Is Written	26
The Seeds of the Core Story.....	30
Understand Your Story.....	31
To the Very Core	33
No Quick Fix.....	35

Part 2: The Eight Financial Archetypes

Introducing the Archetypes.....	39
Our Stories Change.....	42
Chapter Three: The Guardian.....	45
The Guardian's Core Story.....	49
What the Guardian Feels	51
Seeds of the Guardian: Survival Mode.....	51
What the Guardian Thinks	55
The Payoff.....	55
Breaking the Guardian's Death Grip.....	57
Chapter Four: The Pleasure Seeker	61
The Pleasure Seeker's Core Story	62
Seeds of the Pleasure Seeker—"Why Suffer?"	64
The Payoff: Death-Defying Buying.....	65
What the Pleasure Seeker Fears	66
The Dark Side of Pleasure-Seeking: Buy Now, Pay (Big) Later	68
A Different Kind of Pleasure	72
My Hands Are Empty	74
Chapter Five: The Idealist.....	77
The Idealist's Core Story.....	78
Seeds of the Idealist—"The Eye of a Needle"	80
"Money Just Sucks"	81
Heads in the Sand.....	82
Hippies with Money	84
The Payoff.....	85
Breaking Free.....	86

Chapter Six: The Saver	89
The Saver’s Core Story.....	90
The Dark Side of Saving.....	93
The Payoff.....	95
Breaking the Saver’s Death Grip.....	95
Chapter Seven: The Star	99
The Star’s Core Story.....	100
Seeds of the Star—Bring on the Bling.....	101
The Payoff.....	103
A Painful Chasm.....	104
Freeing the Star.....	105
Chapter Eight: The Innocent	109
The Innocent’s Core Story.....	110
What the Innocent Believes.....	111
Seeds of the Innocent.....	113
The Payoff.....	114
Get Comfortable with Money.....	115
Chapter Nine: The Caretaker	119
The Caretaker’s Core Story.....	120
What the Caretaker Believes.....	121
Seeds of the Caretaker: “He’s Not Heavy ..”.....	122
The Payoff.....	123
The Dark Side of Caretaking.....	125
A Different Kind of Caretaking.....	128
Chapter Ten: The Empire Builder	135
What the Empire Builder Believes.....	137
The Wanting Mind and the Empire Builder.....	138
The Payoff.....	139
Treat Yourself Like You Treat Your Business.....	140
Removing the Blinders.....	141

Part 3: In the World and of It

Chapter Eleven: The Middle Way with Money	151
Think More.....	154
A Four-Year-Old Runs Your Financial Life.....	156
Your Money Mask.....	159
Your Innate Financial Wisdom	161
Hold Both	163
This Is Depressing!.....	165
The Middle Way for Each Archetype.....	165
Heart Racing?.....	175
Opposites Attract	175
Go Slowly.....	177
Play!.....	178
Your Divine Nature and Your Human Nature.....	178
Chapter Twelve: The Conscious Investor	181
Holy Investing!.....	183
What Investing Is	183
Interconnected Versus Isolated Wealth.....	184
Investing as Though We're All One.....	187
Does It Really Work?	188
When the Past Does Not Equal the Future	189
Doing Good and Doing Well.....	190
The Middle Way for Investors	191
True Diversity.....	193
So How Does a Diversified Portfolio Perform?.....	196
Unearthing the Hidden Fees and Costs of Investing.....	198
Time Is on Your Side	202
Prepare Yourself	205
Chapter Thirteen: The Yoga of Money	211
Self-Centeredness	213
It's Not Just for Saints	216
Right Motivation	219
If Not Now, When?	220
How Much Should You Give?.....	221

Three Buckets	224
What Can You Give?	226
What's Your Cause?	229
Teach a Man to Fish	231
So You Want to Leave a Legacy	232
Don't Wait until You're Dead and Gone.....	233
Chapter Fourteen: You Have Arrived	237
Don't Do, Be.....	239
As Good as It Gets	241
Appendix: The Nuts and Bolts.....	245
Ready-to-Go Investment Strategies	246
Cash Flow	249
Debt and Mortgage Management.....	250
Retirement Planning.....	253
Taxes	254
Annuities.....	255
Insurance.....	256
Estate Planning.....	260
Financial Planners.....	263
Socially Responsible Investing (SRI).....	263
Smart Philanthropy.....	263
Debt Reduction.....	264
Donor-Advised Funds	264
Characteristics of and Practical Recommendations for Each Archetype....	264
The Guardian.....	264
The Pleasure Seeker	267
The Idealist.....	269
The Saver	271
The Star.....	273
The Innocent.....	275
The Caretaker	277
The Empire Builder	279
Resources	283
Acknowledgments	289
Index	293

LIST OF EXERCISES

Knowledge Is Power	xix
Detach	9
What Are Your Heartfelt Goals?	15
Letting Go.....	18
What You Want.....	22
Look Within.....	29
Your Story at Work.....	32
My Money History.....	33
Inquire.....	35
How to Relax.....	53
The Worst-Case Scenario	56
Creating Safety for the Guardian	58
What Has Motivated My Recent Purchases?	67
Pleasure Redefined.....	73
A Day of Rest.....	74
One Thing at a Time.....	75
The Skeptic's Lens	83
Some Things to Try.....	87
The Number	95
Breaking the Saver's Death Grip	96
Freeing the Star	106
Freeing the Innocent.....	116
Truthfulness.....	127
Not Doing.....	128
Caring for the Caretaker.....	131

Removing the Blinders	142
Finding Your Financial Archetypes	146
Your Dominant Archetypes.....	153
Let the Four-Year-Old Speak	157
Uncovering Your Mask.....	160
Your Innate Financial Wisdom	162
Holding Both.....	164
Buying Low and Selling High	197
Hidden Fees	200
What's the Right Mix of Stocks and Bonds for You?	205
I'm Going to Lose It All!	208
When Have You Been Touched by Your Own Generosity?.....	213
Share the Pain. Share the Gain.	218
Obligation or Inspiration?	220
How Much Have You Given, and Why?	223
Give It Away.....	224
Create Your Personalized Giving Policy.....	230
Will They Remember Me?	232
Write Your Own Obituary.....	233
Loving-Kindness Meditation	234
Be Still.....	238
“Who Am I?”	240
Presence and Contemplation of Death	241
You Have Arrived.....	243

WIRED TO WANT

All beings in nature have a biological imperative to survive. Without this imperative, they die. A tree grows toward whatever available sunlight is piercing through the forest canopy. Whales migrate thousands of miles to birth their calves in the warm Sea of Cortez. A human baby screams with hunger until she is fed. Without this inherent drive for survival, living organisms would die and evolution would cease altogether.

This drive is the very core of our wanting. Our physiology is wired to constantly deliver messages about what threatens us and what will make us more likely to survive, more secure. We naturally want to eat until we are no longer hungry, and usually a fair way beyond that. Our skin senses a drop in temperature, and we want to be warmer. Pain and suffering, or even mild discomfort, are taken as warning signs that our very survival may be threatened.

Nothing in modern society is as closely tied to our survival as money.

“When you begin to really understand how wired you are to want pleasure and to want to avoid pain, that sort of basic instinctual wiring—when you start to see through that clearly, you begin to take it less personally.”

—WES NISKER,
MEDITATION TEACHER

Is it any surprise that when we find ourselves wanting to buy a new pair of jeans, a portable DVD player, or a vacation we've been longing for, we exclaim, “I've just got to have it!” as though our very survival depended on that one purchase? Even though our rational minds know it isn't the case, the Wanting Mind attaches a certain life-or-death urgency to objects we crave. In fact, we often can't get something we want out of our minds until we've bought it. This is the same kind of focus and intention that was biologically programmed into us over millions of years. But today,

this physiological, reflexive response is carried over into all but the most mundane purchases we make.

Wanting more is a universal phenomenon. If you pay attention, you'll find that there isn't a whole lot you can do to stop this desire—you just go on and on wanting material things or better emotional states, wishing the people around you were different or that the weather were a bit better, or wishing you were less stressed out, more generous, or kinder. There is no way out when we are seduced by our mind's endless chatter for more, better, bigger, faster.

I recall a retired dentist who sat at our conference room table at Abacus. Sporting a polo shirt and khaki pants, he looked down through gold-rimmed reading glasses at his portfolio report. It clearly showed that his original \$4 million net worth had grown to almost \$8 million in just under five years. He looked up at me and said matter-of-factly, “I know that I’ll feel truly financially independent when I have \$15 million. That’s my number.”

To those who have less money than this dentist, his statement probably seems absurd. “I wouldn’t be saying that if I had eight million!” you might retort. It is quite easy for us to peg others as having extreme desires. But in labeling others, we may miss the ways in which our own interactions with money are almost always motivated by a desire to move beyond our innate sense of scarcity and insecurity.

The numbers really don’t matter. The truth is that we all have the experience of “not enough” thousands of times every day. In fact, many of the thoughts that arise in your mind have a component of “not enough,” and each of these thoughts wants you to do something, to change your experience in some way. Our thoughts are constantly telling us, “This moment, just as it is, is not enough, and so I want _____.” Underscoring every thought is an outcome that the mind believes will make us happier or more secure.

**“There is never
enough in the
world to satisfy the
dissatisfied heart.”**

—CHRISTINA FELDMAN,
MEDITATION TEACHER

IF ONLY

Almost everyone I’ve ever met, whether rich or poor, has at one time in their life had an experience of not having enough money. For some people, the most horrific experience of their life involved the family running out of money just before the rent was due and going through the trauma of being evicted. For others, there were feelings of social inferiority in school in the face of kids who could afford better clothes, vacations, or cars. Because these experiences are so painful, many people compensate by making sure they will always have more than enough money in their lives. Even people who seem to have enough money find their inner thoughts focused on their finances, on how things could be even better. Just like all our thoughts, those that concern money are almost always targeted at rejecting our present experience. Do any of the following examples sound familiar?

INTRODUCING THE ARCHETYPES

No matter who you are, you come to your financial life with remarkably unique life experiences, all of which have conditioned you to respond to money in particular and sometimes peculiar ways. Your life experiences caused you to develop certain financial beliefs and habits and to avoid others. The good news is that you are not alone! In my professional work with people from all financial walks of life, I have noticed that although the details of people's behaviors and problems are unique, there are great similarities among certain groups of people. Drawing on the work of various teachers, mentors, and philosophers, as well as my own observations, I've created some broad definitions of these groups, or archetypes, so that people can learn from others who have gone through similar experiences.

Archetypes can be thought of as energies within us. They are not personal but more like collective patterns that are manifested within us and recognizable in others. The value of defining these archetypes is that they give us a basis for understanding how we got the financial life we have today, as well as a plethora of tools with which to create the financial life we most want.

To this end, the coming chapters define eight of the most common sets of behaviors and beliefs about money. These Core Story archetypes can help us to identify the powerful internal forces that affect us in our daily lives. If you

haven't yet identified your personal Core Story, read on. These archetypal forces, which are so ingrained in our culture and personalities, can affect us

“All of our conditioning is to get away from the hole, the abyss of being human. We avoid facing this edge in complex, myriad ways. A whole lifetime is spent in avoiding because it feels like death, and the whole organism is designed to avoid death.”

—GANGAJI, SPIRITUAL TEACHER

in balanced, healthy ways as well as in unhealthy ways. As we'll see, there is no getting rid of our predominant archetypes, but it is certainly possible, and fundamental to a fulfilling financial life, to cultivate a healthy balance.

Coming chapters will teach you strategies that can strengthen the desirable qualities of the archetypes already present in you, and awaken dormant archetypes. Many of the most successful people I know are a combination of at least three or four types; in fact, everybody is a combination of more than one. One or two are probably dominant, perhaps even in a power struggle. Depending on our past conditioning and current circumstances, certain patterns emerge or even erupt suddenly, while others recede into the background.

In my opinion, the optimal human being would be balanced among all eight of these archetypes. Who wouldn't want to be the person whose financial life was experienced as secure and abundant, pleasure-filled and joyous, powerful and creative, self-sufficient, significant and worthy, relaxed, generous, and compassionate? Chances are you'll find yourself and your behavior when it comes to money in at least one of these archetypes:

- **THE GUARDIAN** is always alert and careful.
- **THE PLEASURE SEEKER** prioritizes pleasure and enjoyment in the here and now.
- **THE IDEALIST** places the greatest value on creativity, compassion, social justice, or spiritual growth.
- **THE SAVER** seeks security and abundance by accumulating more financial assets.
- **THE STAR** spends, invests, or gives money away to be recognized, feel hip or classy, and increase self-esteem.
- **THE INNOCENT** avoids putting significant attention on money and believes or hopes that life will work out for the best.
- **THE CARETAKER** gives and lends money to express compassion and generosity.
- **THE EMPIRE BUILDER** thrives on power and innovation to create something of enduring value.

Learning about these archetypal energies and patterns gives you the insight and power to change. This is not intended as a system to objectify, diagnose, or limit yourself or others. It's not so important that you peg yourself as one or two of these archetypes—you may recognize parts of yourself and other people in all eight. For instance, we all worry to some extent when it comes to money, so we all have some Guardian in us. We all experience the pleasure of buying things, so all of us are familiar with the Pleasure Seeker.

In real life, however, we usually lean too much in one direction. We fixate on one set of beliefs and strategies—one archetype—in response to our particular life experiences. It is most often the people who find themselves firmly rooted in just one or two archetypes who feel the least freedom to choose and create the financial lives they want.

In addition, people are imbalanced to varying degrees within each archetype. Even though behaviors may manifest in imbalanced ways in our adult lives, there is something very intelligent at the source of each archetype's coping strategy. For example, a dysfunctional Saver might be penny-pinching or saving much more than he or she needs to, but at heart this person is focused on financial self-sufficiency, which is a reasonable goal. What follows is a list for each archetype with a few words describing its lower-functioning attributes, or pitfalls, as well as its higher-functioning attributes, or gifts:

ARCHETYPES	PITFALLS	GIFTS
The Guardian	Worry, anxiety	Alertness, prudence
The Pleasure Seeker	Hedonism, impulsiveness	Enjoyment, pleasure
The Idealist	Distrust, aversion	Vision, compassion
The Saver	Hoarding, penny-pinching	Self-sufficiency, abundance
The Star	Pretentiousness, self-importance	Leadership, style
The Innocent	Avoidance, helplessness	Hope, adaptability
The Caretaker	Enabling, self-abandoning	Empathy, generosity
The Empire Builder	Greed, domination	Innovation, decisiveness

A DAY OF REST

Pleasure Seekers need to make a paradigm shift, finding different ways to experience pleasure in their daily lives. Rabbi Harold Kushner, author of many best-selling books, including *When All You've Ever Wanted Isn't Enough: The Search for a Life That Matters*, reminds us of the importance of taking a day of rest from wanting. Many religious traditions have a sabbath, which can also be a time to take a break from money. Try this: once this week, whatever day you choose, commit to twenty-four hours in which you will not handle money in any way. Buy groceries ahead of time; pay your bills another day. Avoid handing out cash or using credit. But this should not be a day when you become an ascetic. Find other ways to enjoy life. Why not play with a child, get out in nature, listen or dance to music you already own, or read a great book? Whatever it is, find sources of pleasure that don't require you to transact. There are many ways to feed your senses without ever spending a dime. Be creative!

MY HANDS ARE EMPTY

Plum Village is a lovely Buddhist community in the Bordeaux region of France. Founded by the Vietnamese monk Thich Nhat Hanh, it is set among lush forests and rolling green hills and provides a permanent home to about three hundred monks and lay practitioners. People come here for retreats and to learn to practice Buddhist principles. On one such retreat I had the opportunity to speak with Brother Phap Ang, a former engineer from Vietnam who had been educated at some of the top schools in the United States before giving up a successful career to become a monk. For over forty years, Ang has lived a simple life devoted to prayer and meditation. Like all Buddhist monks, he abstains from alcohol and remains celibate. He does not own anything. As I sat with this unassuming man, I couldn't help but ask him about how money worked at Plum Village.

He answered readily, explaining that the people who lived at Plum Village had no possessions but were given forty euros for spending money per month.

"And what do you spend that on?" I asked him, calculating that this amount was less than some American families dole out in allowance to their school-age children every week.

He paused to consider the question. “Oh,” he said. “I might spend a few euros in town on this or that.” But he usually has a lot left over each month, which he gives to orphanages and schools in Vietnam that Plum Village supports. His attitude toward money is simple: “I don’t keep it. So most of the time, my hands are empty.”

I sat, considering his words. I was struck by the fact that the inhabitants of Plum Village had little money, and yet what they received they gave away. They seemed to me to be the happiest people I’d ever seen. As they sat in silence, not doing anything in particular, they simply beamed from deep inside.

What was their secret?

The answer, Brother Ang explained, was that they had learned to “be with one thing.” Although they don’t drink alcohol or have sex, they are by no means sensorily deprived. They pay attention to one thing at a time. If they walk, they pay attention to the path in front of them, the trees they encounter along the way, or the flowers. I got a taste of this at Plum Village. When you walk there, you pay attention to one thing at a time, not a hundred things at once. Sitting down in the forest, you feel the wind on your face, smell the spring essences, the dampness of the soil, the oaky mustiness of the trees. Indeed, I experienced as much sensory pleasure in the week I was there as I had in years.

ONE THING AT A TIME

You don’t need to go to a remote village in France to have this kind of epiphany. In your everyday life, learn to resist the mind’s tendency to jump and shift, seeking a better experience through things you buy or do. When you eat a meal, chew your food a little bit longer, and don’t talk. When you walk through your city or town, pay attention to your breathing, and notice how your senses respond to the people and things you encounter. When you talk with someone, listen deeply, noticing their expression, their words. When you do something, “be with it”—give it your full attention, putting aside for a time all thoughts of what’s next on your agenda. Allow your senses to relish the world around you, just as it is. When your experience is pleasing to the senses and you give it your full, undivided attention, the joy you experience will be multiplied many times over. Full attentive presence enhances pleasure in a way that money never can.

have had. If you can't remove this subjectivity on your own, a professional advisor might be just what the doctor ordered. For some, trying to follow their own financial and investment plan is as difficult as trying to perform psychotherapy on oneself—there's just too little objectivity.

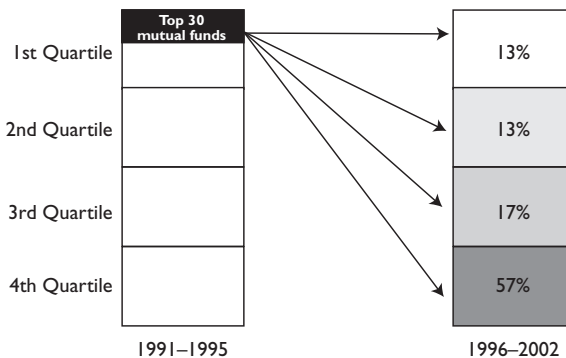
Bottom line? *Use a pro or some other objective third party to temper your emotional impulses.*

WHEN THE PAST DOES NOT EQUAL THE FUTURE

As we saw in the coin-flipping example above, there are always better-performing stock-pickers and worse-performing stock-pickers, whether we're looking at actual money managers with their computers and MBAs or coin-flipping monkeys. As the following chart shows, even if you employed a strategy of buying the top thirty performing funds over a historical five-year period, the likelihood is that none of them would be among the stellar performers in the subsequent period.

This chart shows us that of the thirty top-performing funds in the period from 1991 to 1995, a full seventeen (57%) dropped into the bottom quartile (the quarter of all funds with the worst performance) between 1996 and 2002. Only 13 percent, or four funds, were even in the top quartile, even after their stellar performance in the first time period.

Subsequent Performance of the Top Thirty Mutual Funds



Source: Micropal™ (excludes international, balanced, and specialty funds).

“To buy when others are despondently selling and to sell when others are greedily buying requires the greatest fortitude and pays the greatest reward.”

—SIR JOHN TEMPLETON

(Just in case you're wondering, looking at ten years of historical performance rather than five doesn't provide better results. In fact, the winning managers tend to drop even further.)

Bottom line? *Great past performance is not predictive of better-than-average future performance.*

DOING GOOD AND DOING WELL

Some of you may be cringing at the thought that a book on conscious investing would suggest that you buy the S&P 500, given that it includes several companies that social activists deem to have dismal environmental or workers' rights records, or whom our court system has forced to pay huge damages for intentionally trying to get our kids addicted to nicotine. There are indeed too many examples of companies that build products that many people believe are useless or even harmful, as well as wealthy investors who enhance their fortunes at the expense of others. In the mid-1980s, socially responsible investing (SRI) began to become a large-scale movement in the investment markets, with major players like California Public Employees Retirement System (Cal-PERS) and large university endowments deciding to withdraw their investments from companies that still did business in South Africa, which at the time was led by the Nationalist government and its racist system of apartheid. Mutual funds began to spring up with a variety of social screens, including funds that avoided investing in South Africa, tobacco companies, and environmental polluters, to name but a few. Though these mutual funds broke new ground by incorporating their shareholders' values into the investment management process, they unfortunately exhibited the typical behaviors that have hurt investors' performance for decades, including subjective stock-picking, high expenses, and tax-inefficiency. In other words, doing good came at the cost of doing well financially.

In 1991, Amy Domini, a former stockbroker who was one of the earliest proponents of SRI, combined passive indexing and social screening and created the first socially screened index fund, the Domini Social Equity Fund. Then, in mid-2000, Vanguard teamed up with Calvert to offer the

refinanced the mortgage, or sold it. Compared to the information readily available on stocks, there's just a lot less data flowing into one's brain when it comes to home ownership. If the newspaper or TV news told you the value of your home as often as it does your stocks, people would likely exhibit very similar financial behaviors with their homes as with their other assets.

The other retort to my statement about every investment losing money at some point could be that if you invest in CDs, they never lose value. But this leaves out the effect of taxes and inflation. If you earn 5 percent on a CD and then pay 25 percent tax on that return, you're down to 3.75 percent. Higher tax brackets would reduce your after-tax interest rate even further. What's more, cost-of-living increases have averaged 3–4 percent over the long term, depending on which basket of costs you're counting. In the case of our CD investor, then, he might actually be losing real purchasing power, slowly but surely, even though he believes he's in a no-risk investment.

Bottom line? *The more risk you're willing to take in the short term, the greater the chance that you will have enough to fund your long-term goals.* In the last hundred years in the United States, there have been virtually no ten-year periods and absolutely no fifteen-year (or longer) periods in which stocks have underperformed bonds, so if your goal is that far out (and most are), you're taking far less long-term risk by having a portfolio that is tilted to stocks and real estate rather than bonds. To put it another way, would you rather face the upset stomach of seeing your portfolio decline 25 percent next year and staying invested or the emotional distress of running out of money in your eighties or nineties?

The following graph illustrates how both the upside and downside risks decline the longer we are willing to stay in an investment. (Note that for this table, I'm using the S&P 500 for stocks.)

“There’s one interesting piece of research around on behavioral tendencies—it should be put into a little red book and circulated to everybody. This says that people who trade a lot, on average, gross the same amount as everybody else. And net, of course, they do a lot worse, because excessive trading leads to excessive fees and costs.”

—DR. HARRY MARKOWITZ,
NOBEL PRIZE-WINNING
ECONOMIST

ASSUMPTIONS

Desired value of gift: \$10,000

Cost basis in her assets: \$0*

Capital gains tax rate: 15%

Income tax bracket: 25%

	DONATE CASH	DONATE THE ASSET
Sale of asset:	\$11,765	\$10,000
Capital gains tax (15%):	(\$1,765)	\$0
Amount donated:	\$10,000	\$10,000
Charitable deduction (25%):	(\$2,500)	(\$2,500)
Net cost of donation:	\$9,265	\$7,500

This shows that it effectively would have cost my client about \$0.93 for each dollar had she given cash, but only \$0.75 for each dollar of the highly appreciated asset she gave. This means that she could give about 25 percent more in highly appreciated assets than cash with the same net after-tax effect. You might retort that she didn't need to sell the asset, and so she wouldn't have paid the capital gains tax. But she (or her heirs) may well sell one day. And many people will die with highly appreciated assets in their estates. If they're subject to estate tax, the rate will likely be much higher than the capital gains tax rate, making the comparative value of contributing the appreciated asset even greater. If your cost basis is above zero, you will still likely be better off than if you gave cash. Basically, the lower the cost basis the better.

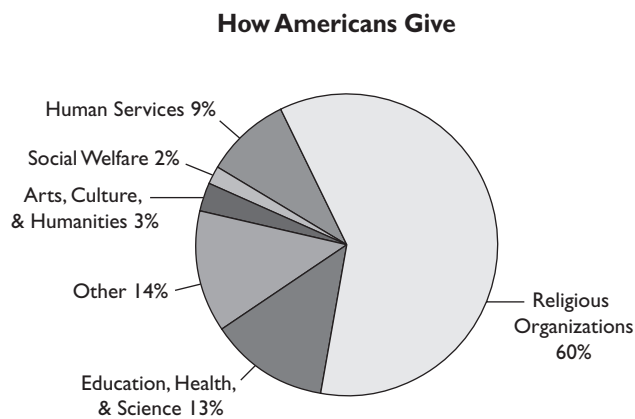
If the asset you own is much more valuable than the amount you'd like to give to charity in one specific year, there is an alternative, called a donor-advised fund. With a donor-advised fund, you are able to donate cash or other assets into the fund, which is usually administered by a local community foundation, and then slowly distribute your charitable funds over time, at a pace that is comfortable to you. This is much more convenient if,

* Note: The cost basis is almost never zero for an asset we bought as an investment, but can often be zero for stock inherited or gifted a long time ago or for fully depreciated real estate.

for example, you are thinking of selling a piece of real estate, a business, or another less liquid asset and don't want to donate the whole amount at one time (if, for example, the piece of real estate is worth \$500,000, but you only want to give away \$25,000 a year). See page 264 for more.

WHAT'S YOUR CAUSE?

Each of us is touched by different causes, which is why philanthropy takes on such a wide variety of expressions.



Some of us are most moved to protect the environment. With the United States consuming 26 percent of the world's energy—especially in fossil fuel use—and the average American consuming 270 pounds of meat per year, environmental degradation is rampant.

Some of us are most touched by the arts or music and wish to support those causes. In the past five years, public funding for the arts has declined by over 60 percent, but solid research has shown that arts education greatly enhances learning across the disciplines, especially for children from low-income backgrounds.

Others are moved to help end global poverty. Three billion people in the world live on less than two dollars per day. A full 640 million children do not have adequate shelter, and 400 million children do not have access to safe water.

Still others are moved to give closer to home, either in our own communities or our own families. And as the chart above shows, the vast majority of giving is to religious institutions, many of which give in turn to such causes as protecting the environment, eradicating poverty, and supporting the arts.

CREATE YOUR PERSONALIZED GIVING POLICY

Whatever our causes are, and no matter how much we have to give, it is often helpful to form a giving policy, which is a written plan that describes the following:

1. To whom you're going to give (including either specific names of charities or general causes to which you'd like to give),
2. How much you're going to give to each one each year (in money or time), and
3. Whether and how you're going to measure the effectiveness of your giving.

As a start, write down all the causes that you've ever given to. In addition, focus on causes or people whom you have felt most touched by in your life. If you "ran the zoo," what would you change in the world?

Make sure to leave some percentage—between 10 percent and 50 percent of your annual giving budget—for spontaneous gifts. If you have Caretaking tendencies, this document will help you instill more discipline in your giving process and not overgive. When new causes or people ask for your help, you can agree to put them on your list for next year, or fund them from your spontaneous giving budget. If you are a Saver and tend to hoard your resources, this document will empower the inner voice that is suggesting you loosen up a bit with a concrete giving plan. (See p. 263 for further information on how to find out what percentage of your gift will ultimately reach the people you want to benefit.)

DEBT REDUCTION SERVICES

Consumer Credit Counseling Services (CCCS) is a nonprofit organization that will help you renegotiate all your credit card and other debts into one monthly payment. They are often able to obtain reductions in interest rates and minimum payments from financial institutions, who are willing to offer those reductions knowing that they are likely to get back more of their money because you're receiving help and advice. No matter how bad your situation is, CCCS has likely seen worse (www.cccsintl.org or 800-273-2227).

DONOR-ADVISED FUNDS

Donor-advised funds are similar to a charitable foundation, except that they are much easier to set up and maintain. These funds, generally run by community foundations or financial services organizations, allow you to donate cash or securities today but give the money to the end-recipient charities over time. Let's say you have \$10,000 in stock you inherited from your late grandmother that you're not attached to keeping. However, you're not quite ready to give away \$10,000 this year. A donor-advised fund will allow you to effectively fund in advance several years (or decades) of your charitable giving and receive the tax deduction today. You can generally give your fund any name you wish (for example, the Fillmore Family Charitable Fund), and some give you a choice of how the funds are invested. Go to www.BrentKessel.com for more information or check out the Schwab Charitable Fund (www.schwabcharitable.org/scf) or the Giving Back Fund (www.givingback.org).

CHARACTERISTICS OF AND PRACTICAL RECOMMENDATIONS FOR EACH ARCHETYPE

The Guardian

CASH FLOW AND BUDGETING Some Guardians keep meticulous records of their spending, keeping track of what categories have gone up or down. They are analytically astute, which leads them to live within their means. Other Guardians use “retail therapy” to calm their nerves, allowing short-term relief to take precedence over long-term sustainable well-being.

To relieve yourself of the hyperalertness you think is compulsory, set up a system to alert you if your situation deteriorates. If things get to a point

where action might really be required, you will be alerted; until then, you need not concern yourself. For example, hire a bookkeeper (or buy a bill-paying program like Quicken or Microsoft Money) so that you can be alerted by an outside party when you are not meeting predefined goals (i.e., when your expenses exceed your income in a calendar quarter). If you can't afford these measures, write down the major thresholds that you feel will require you to take action. For example, you might feel that if your investments have underperformed a major index (like the S&P 500) over the past three years or have had negative returns for two years in a row, it's time to make a change; or if you accumulate more than \$10,000 of debt to get through job training, you'll get a night job to supplement your income. These types of rules, along with the internal practices recommended in the Guardian chapter, will allow you to focus your time and energy on calming and rejuvenating activities. Schedule these activities so that they also become automatic!

INVESTING Many Guardians tend toward ultraconservative investing, or they bounce around between different investment vehicles in an attempt to avoid losses. For these reasons, they often earn a subpar return, which ironically increases the chance that they might really have something to worry about in the future.

Follow the recommendations in chapter 12 about long-term investing. The best investment program for the Guardian is one that requires no intervention or monitoring. For example, buy a collection of index funds or exchange-traded funds that track the market year-in and year-out, and just keep adding to your investment *no matter what*. Alternatively, go through a very careful process of selecting a financial advisor you can trust and then *trust your advisor!* Why? Because she is more objective than you can be. You'll have to summon up a healthy dose of inner discipline to pull it off, but if you're willing to do that up-front, you'll have much more inner peace over the years, as well as a strong likelihood of much better results than if you continue making investment changes in an attempt to alleviate your emotional distress. If you can't afford a paid advisor, there are free financial-literacy and credit-counseling services (see p. 264) that can give you objective, helpful advice.

INSURANCE Guardians in general have too much insurance. They are focused on catastrophes of all kinds, which unfortunately makes them easier targets for overcovering themselves. Alternatively, some Guardians get so

consumed by particular risks that they don't pay attention to other risks that might be more significant.

Some Guardians have no insurance. This is one of the surest ways of putting yourself in a situation that justifies your worry, and for a long time! Buy the minimum you need to be secure.

Allow a trained, objective professional to worry for you. Insurance is a wonderful tool when used appropriately. However, you need to be quite careful to select an agent who has integrity and who asks questions about your needs before recommending an amount of coverage or type of policy. Be wary of agents who make generalized statements like "You ought to have X times your annual salary in life insurance" or "Let's select the highest amount available from this company to make sure your needs are covered." These statements appeal to the Guardian's yearning for peace, but they're likely to provide either too much or too little coverage. If you want a completely unbiased opinion, hire a fee-only[®] financial planner through www.napfa.org or www.garrettplanningnetwork.com to do an insurance-needs analysis for you.

TAXES Guardians avoid putting the money they should into retirement plans, because they worry about not being able to touch their money until age 59½ without a penalty. Also, Guardians are more likely than those in other archetypes to prepare and file their own tax returns. Though this gives them a feeling of control, they don't have the professional training and continuing education requirements that CPAs and enrolled agents do, leading them to miss out on legal tax-saving strategies.

Delegate, delegate, delegate. Unless you're a CPA yourself, have someone else do your tax work. In fact, even if you are a CPA, barter with another tax professional. Chances are that if you're a Guardian, you can't be objective about your own situation. With very few exceptions, you should contribute the maximum amount permitted by law to retirement plans and rely on other means for your emergency funds. The economic benefits are just too great.

GIFTING AND ESTATE PLANNING Often worried about how the next generation will handle money, Guardians try to control from the grave. Many Guardians just can't get themselves to sign their wills or other estate-planning documents because they believe the people they've chosen as executors, trustees, or guardians of their kids won't be as careful as they themselves are.

Get an estate plan signed. You can always change it later. Yes, no one will be as good as you, or know your situation as well, but if you don't have an estate plan, the state will decide who plays these roles, which is far worse than any decision you could make. If you don't have the money to hire a lawyer, use a free legal service or buy forms from a stationery store or Quicken Willmaker Plus.

PHILANTHROPY AND GENEROSITY Most Guardians do relatively little philanthropically, commensurate with their level of income or assets. Their focus is on themselves, which unfortunately exacerbates their worries.

Start inquiring into how you might do something philanthropically now, no matter how insignificant in your mind. Volunteer time or money. What causes or people are dear to your heart, and how might you support them? Each time you write a check or volunteer, you send a subliminal message to yourself that there's nothing to worry about, because you have enough to help others.

The Pleasure Seeker

CASH FLOW AND BUDGETING Pleasure Seekers spend on credit cards with high interest rates

Don't buy *anything* on credit, period, unless your net worth has been growing more than 4 percent per year.

INVESTING Pleasure Seekers' investments are often concentrated in lifestyle assets, such as a nicer home than might be financially prudent. For the more affluent, investments might include second homes, country-club memberships, boats, and other assets that bring pleasure.

Because this archetype is more impulsive than most, if you do have stocks, bonds, or mutual funds, you are more likely to be plagued by frequent changes of investment vehicles or advisors, leading to drastic underperformance.

Only own assets that appreciate. Rent or lease assets that have a pleasure component to them (like cars or boats), as they often depreciate. Most people should rent rather than buy vacation homes because there are better financial assets in which to invest. Also, most Pleasure Seekers, when trying to justify the purchase of a second home, don't include, as they analyze the true cost of their purchase, the interest they would have earned on their down payment had they put it in higher-yielding investments.