



It Will Take More Than Money

By

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As one approaches that unique time of life where one's career and other professional or vocational pursuits are in ones' past and the individual is facing 20 – 30 years of "to be determined" life (some call this "Retirement"), there are many things to consider. One of the issues that weighs on many people is "Will I have enough money?"

In this paper, I'm going to propose that the reader consider putting financial concerns in their proper place and focus on those things that provide the greatest meaning. Money is important, and for some it is especially important. Without a clear understanding of where one is or where one may be in the future, it is often difficult to stay focused on those things that provide greater value to life. It is important to do one's homework in order to advance to the Next Stage.

Abraham Maslow¹ developed the concept of a hierarchy of needs that include the following in order of their progression:

1. **Physiological Needs** – The needs for food, water, warmth and rest
2. **Safety Needs** – The needs to feel secure from injury or pain, to have financial security and well-being, and to have minimal risk of emotional, physical or personal harm
3. **Belonginess Needs** – The needs to be accepted by others, to feel warm, caring relationships, to feel affiliated and affection from those to which there is a bond

¹ One of the original citations is here: Maslow, A.H. (1943). "A Theory of Human Motivation". In *Psychological Review*, 50 (4), 430-437.

4. **Esteem Needs** – The needs to feel a sense of accomplishment, being valued by others, appreciated and respected for something one has done, and having a personal sense of achievement
5. **Self-actualization Needs** – The need to realize one's full potential, to utilize one's full capabilities, self-awareness of all that one is, and acceptance of what one has become, the sense of fulfillment

While critics of Maslow argue that needs do not always follow a hierarchical growth pattern, one can easily see the categories and building blocks this list describes. It is hard to feel a sense of acceptance by others when you live in fear; it is hard to feel a sense of personal accomplishment without having felt affiliation and appreciation by others. So, the question is where does one's financial security needs fall? Are the financial security needs considered as part of one's "Safety Needs" or do one's financial conditions reflect a sense of affiliation (or being accepted by one's desired peer group) or is it a statement about what one has accomplished in life? What type of needs do your financial conditions reflect?

In my book, *Next Stage*, I dedicated a chapter on this issue: *Chapter 5—Will You Have Enough Money?* While the chapter focuses on information and tools for assessing one's current financial condition, it ends with a question about where you are. After conducting an analysis of current and future income, and an analysis of current and future expenses, you are asked to determine where you are on a scale:

1. Significant deficit – your expenses exceed your income by 20% or more
2. Moderate deficit – your expenses exceed your income by 5% - 20%
3. Balanced – your income and expenses are within +/- 5% of each other
4. Moderate surplus – your income exceeds your income by 5% - 20%
5. Significant surplus – your income exceeds your expenses by 20% or more

While the math is important in determining the accuracy of this assessment, a more important question is how you feel about your income and your expenses, and whether there is more for you to consider than just the numbers. Perhaps you are one of those individuals whose basic living expenses frequently exceed your income and you need to often make difficult choices about how to meet your monthly bills. You probably know this without having to do much analysis. Your life will likely be one that requires your continuous diligence to manage your expenses and seek ways to improve your income. You will have a life that is simple, focused on family and friends, and doing those things that bring you joy and happiness. Take heart and care for most of the world is in your situation.

Perhaps you are one that will never need to worry about money or have the financial resources to do whatever you want. For those in this situation, your philosophy may shift from accumulation to protection and distribution. Obviously, you will have both legal, estate

planning and tax professionals helping you with this change. Your interests are now about your legacy and planning for what happens to your estate for the next generation or for those philanthropic organizations that you value. What do you intend to do with your assets and, more important, why?

Perhaps you are somewhere in the middle. Your income may generally exceed your planned expenses, in which case you pay attention to investments, risks and diversifications as well as potential or planned expenses. You may be challenged by the shift in how you think about your source of income once you shift from “earned-based income” to “investment-based income”. This is often a struggle for many because they have been working hard to provide a secure source of income and contributing to savings all their life. But now, they may no longer be working and earning income or at least working in the same capacity as before, and now need to draw one’s income from the accumulated assets. You also may be facing Required Minimum Distribution as required by the IRS from your retirement accounts and then paying taxes on this income. It often takes time to make this transition. What happens to most people is that they start thinking about their assets as the accumulation of sacrifice, savings, investments and perhaps a little luck. You may be able to live off the income that is generated from these investments or you may be slowing reducing the principle with the plan that it will continue to support you for the rest of your life. You need to monitor and manage both income and expenses, but in general, you can (and should) focus your attention elsewhere.

Then, there are those who need to manage their expenses to living within the income that is possible. You may have the strong belief that you need to live within your means. And, while this may imply that you will not be able to go and do all that you had planned when you were younger, you can still have a wonderful life. You plan for careful and important “adventures” and can make them happen. These are usually major trips or excursions that create lifelong experiences. This is the time in life to create these memories and you, perhaps more than others, will appreciate them because of their special nature to you. If you are careful and thoughtful, there may be several of these experience events; you’ve earned them and appreciate them.

We all have different financial conditions depending on many factors. Some of these factors are within our control, were in our control, or were not. As the old saying goes, “you cannot change history” but you need not be controlled by it. Your future is more in your control than you may think, and with an in-depth understanding of your financial conditions, you will be able to consider other “needs” that you face. Your money can be your means to the desired end, and enable you to do those things that you most cherish. The important message here is that it takes more than money to find the happiness you seek in this next stage of your life. This is where a financial planner may be especially helpful if he or she enables you to better understand where you are and what you must do to protect and live within your available resources.

From all the research and interviews that went into creating my book, one lesson that I remember was most important was this:

“Happiness comes from those things that give you meaning, but meaning does not come from those things that just give you happiness.”

As you approach or are living within this new Next Stage of life, consider those things that give you the greatest meaning. What are they? What is it about those things that give you this sense of meaning? As you understand more about gives you meaning, you will find a renewed sense of purpose, peace and a deeper experience of happiness. This opportunity is available to everyone regardless of your financial condition. So, consider this message as you go about your day, and find the freedom and responsibility that you have to live your life you want.

Let me leave you with an important quote from Henry David Thoreau, “Life isn’t about finding yourself, its about creating yourself. So, live the life you imagined.” Explore, dream and discover.