



Financial Advisor Magazine

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Return On Life Realities

Don't let your clients get fixated on a number.

By Mitch Anthony

"If hopes were dupes, fears may be liars."

– Arthur Hugh Clough

This is the second article in a series on the philosophical principles that an advisor must confront to make the transition from ROI to an ROL (return on life) lifestyle.

The ROL advisor understands that his or her purpose is to help clients get the most life they can with the money they have. The ROL vocation is the *raison d'être* for the ROI vocation. ROI is how we invest—ROL is the reason. We are exploring the philosophical framework that will help you help your clients harvest the greatest amount of significance from their money, or put another way—help them construct a bridge between means and meaning.

Let's explore the second ROL reality. It's the one thing guaranteed to give your clients' life meaning, focus, challenge and joy, no matter what is going on at any given time, and without fail. It has very little to do with where they are but everything to do with where they are at. If you were to take a survey and ask people, "What do you think it would take to make your life great?" there is a very good chance that many would begin describing places they would like to be, jobs they would like to gain (or lose), and amounts of money they would like at their disposal. If these are their assumptions for a great and fulfilling life, they are all mistaken.

Some would answer the same question with, "I can't imagine my life being any better." If you surveyed those people and asked them about their locales, their dwellings or their net worth, you would find they have very little in common.

Their actual numbers would likely be all over the ledger. The only algorithm that connects these individuals is the lens through which they view their lives. They understand the one thing that counts for true wealth, or what we might call a “rich life.” That one thing is ROL reality number two—the realization that disposition trumps position in the game of life. Where you are at (mentally) means more than where you are in terms of location or status or wealth.

Take, for example, people like these who you might have observed, up close or from a distance:

- The grump on the golf course who can’t enjoy his round. Ponder the irony that he might be living out the dream he held so dear just a few years ago.
- The person who has everything in terms of wealth, prestige, fame and position, yet demonstrates little to admire in life.
- The corporate star that is stressed and perplexed to within an inch of her sanity and therefore misses much of the enjoyment of her success.
- The person who frets constantly over the potential damage to things he possesses.

Our positions in wealth and locale are constantly in flux. However, it need not be so with our dispositions, especially when it comes to the ever-fluctuating state of our money, specifically our retirement account balances. Companies are obliged to send out statements about these accounts, but clients are not obliged to read them—or at least not to meditate upon them until their mood is poisoned for three months.

When we were going through the market trough in the spring of 2009 and people were walking around numb with shock over their eroding balances, I was asking this question: “What has changed in your life?”

If they had lost their jobs, plenty had changed. But for most people, the only thing that had changed was the blip on the financial radar screen, a number on a page, a digit locked in an anxiety safe in the back corner of their minds. A number somebody told them that they needed to achieve to have any sort of life. This “fin-sanity” has afflicted millions. Some imagined number—an artificial, ethereal finish line out in the distance—has robbed them of their joy in the present. Why should we let a transitory position, one that we know will be unrecognizable in six months, destroy our disposition for the interim? Yet millions of people do, and we in the financial services industry only exacerbate the problem by constantly pointing to the present account position instead of to the proper emotional disposition.

Now, more than ever, is the proper time for advisors to become disposition-oriented. Now is the time to advise—and not just to talk about financial tactics and strategies but also to discuss attitude, discipline, habits of mind and the perspectives that help our clients weather market storms. Warren Buffett once said, “The chains of habit are too light to be noticed until they are too heavy to be removed.” This axiom applies to our thoughts as much as it does to our behavior. By neglecting to observe and correct our disposition, we fall into attitudes that cloud our vision and fail to witness the extraordinary wonders in this daily miracle called life. All because of a number on a piece of paper.

Ultimately we are all defined by our disposition: How did we respond to something bad? Did we make the best of the situation? Did we strengthen what remained? Did we shift our focus toward what mattered most? Our wealth or status, on the other hand, never defines us (or our clients) unless we allow it to. What if when we asked clients about their “wealth,” we asked questions like these?

- Did you wake up today with your health, surrounded by people you love?
- Are you still challenged by the work you do?
- Do you have plans and dreams and experiences still posted on the drawing board?

If your clients answer “yes” to all three questions, they are in an enviable position in life simply because they have the proper disposition. Instead of asking, “Where are you at financially?” we ought to be asking, “Where are you at with your financial situation?”

If we (and our clients) are viewing the numbers from the proper perspective, we can cruise through each day (and statement) with assurance that the one thing that matters inside us cannot be taken or shaken by forces outside. Disposition trumps position. A settled mind trumps unsettled markets.

©2010 Mitch Anthony. All rights reserved. Mitch is the president of the Financial Life Planning Institute and Advisor Insights Inc. He is an industry leader in training advisors building life-centered relationships.