3 KEYS FOR TAKING CONTROL OF YOUR FINANCIAL DESTINY
3 Keys for Taking Control of Your Financial Destiny

You.

That’s who is ultimately responsible for your financial well-being. Not your boss. Not the government. Not your spouse. Not your business partner. It all begins and ends with you.

Embrace this one simple fact and you are well on your way to becoming financially free. Reject it and you’ll have plenty of company with everyone else in the Rat Race.

When you depend on something or someone, you are at the mercy of that person or thing. If your financial destiny is built upon collecting a regular paycheck, then you run the risk of it falling apart when a pink slip crosses your desk. If you believe your financial destiny is under control because your spouse “is really good with money,” then you leave yourself exposed to having to start from scratch if you ever find yourself alone.

If you decide you do want to take control of your financial destiny, then you must take complete responsibility for every aspect of it. That means no excuses. You can’t blame the economy or the market. You need to believe that regardless of the situation, you can find a way to make it work. Whether it is becoming more educated, learning from your mistakes, or surrounding yourself with those that can help you, you have to assume and remain in control.

If you are ready to take control, below are three keys to help you do so.

Key #1 – Believe in Yourself

Henry Ford said, “Whether you think you can or you can’t, you’re right.”

If becoming rich were easy, then everyone would do it. However, some people stop before they’ve even started. They make becoming wealthy more difficult than it should be and most do it without even realizing it.

The main reason the poor and middle-class stay where they are is because they hold on to the phrase, “I can’t.” This phrase and its variations, like “that’s too risky,” “that won’t work here,” and “I don’t know how,” all are an excuse for taking responsibility for one’s financial future—and for that matter, responsibility for one’s life.
The real problem stems from the fact that most people don’t realize how quickly they discount their own ability. Years of listening to nay-saying friends and family, bosses who strive to keep employees under their thumb, and an overall fear of failure lead to an internal dialogue of doubt. This doubt manifests itself verbally with “I can’t.”

When you eliminate “I can’t” from your vocabulary, an amazing thing happens. You begin to start thinking outside of your mental ruts and begin to think more creatively. Without the autopilot reaction of doubt, you ask, “How can I?” You see possibilities and options begin to open up for you.

The truth is that you can do it! Through education, trial and error, coaching, and good old-fashioned hard work, you can make your financial dreams a reality. However, if you don’t even think it is within the realm of possibilities, then just as Henry Ford said, “you’re right.”

**How You Can Take Control**

- Sometimes people tell themselves they “can’t” because they are afraid to make mistakes. The only bad thing about making mistakes is if you don’t take time to learn from them. Write down the financial mistakes you have made and what they have taught you.
- If you are habitually telling yourself that you can’t, consider if additional education or the help of a coach would help you find the confidence you feel you lack.
- Sometimes, eliminating “I can’t” from your life means eliminate those relationships that tell you that you can’t. If there are people in your life who talk you out of pursuing your financial dreams or constantly express their doubt in your abilities, consider what you can do to limit their influence.

**Key #2 – Understand Which Investments Will Help You Reach Your Goals**

When it comes to taking control of your financial destiny, it is one thing to know “how” to invest and still another to know “why” to invest. And by “why,” we do not mean some esoteric higher-purpose—even though having a greater goal is important. No, we mean, “why did you invest $50,000 in option A instead of option B?”

There are two kinds of investors. You can be an average investor or a successful investor. An average investor is someone who either through study or street smarts only knows “how” to do deals. Whether it is from education, executing numerous deals, or a combination of both, the average investor understands the ins and outs of a deal. While being educated and experienced is good, the average investor never goes beyond the nuts and bolts of investment transactions.

Successful investors, on the other hand, understand “why” to do a deal.
Successful investors are also experienced, educated, and are always learning. The difference is the successful investor not only knows how to “do the deal,” but also understands how each investment contributes to their overall investment plan and strategy.

Without this knowledge, you are investing just to invest. You will move from deal to deal building a long and varied portfolio, but never go anywhere.

If you do not know why you are making a deal or investment, then it does not matter how great it is or how flawlessly you execute it. Education is important; but if you are aimlessly pursuing opportunities without thought for the bigger picture, you can easily find yourself holding a portfolio that does not allow you to realize your dream.

To be a successful investor, you need to know how and when will you rollover one investment into another. (This is the four green houses, one red hotel approach that rich dad taught Robert.) Some people think they can figure it out as they go along or that planning is wasting time that could be used for actually investing. But ask the same people if knowing how they will get where they want to go is a good idea, and you will get a unanimous response in the affirmative.

**How You Can Take Control**

- Part of knowing “why” an investment makes sense comes from a solid understanding of what a realistic return is for a given investment. To that end, take time to study markets, meet with other investors, and talk to a coach to become familiar with what are realistic returns from a particular investment in a given market.

**Key #3 – Know How to Set Effective Financial Goals**

Most financial plans do not work because people do not put much thought into constructing the plan.

People pick a number out of thin air; tie it to an investment vehicle, and think that is their plan. For example, they will say, “I want to have $2 million in my stock portfolio when I am 65.” Ask them how much they need to invest and at what rate of return to achieve that end and they will tell you that they do not know.

If you are serious about taking control of your financial destiny, then you must set goals with clearly defined steps and milestones along the way. If you have not set your goals already, breakout the spreadsheets and the calculator and determine how much your ideal lifestyle will cost. Do you need $3,000 per month? $10,000 per month? $50,000 per month? Whatever you decide, that dollar amount is how much passive income you will need to generate.
With a definitive dollar amount in mind, you are ready to begin identifying investment vehicles and assigning milestones to your plan. This is the difficult part and where most people give up. You will need to look at what you have or what you can leverage for investing, the needed rate of return, and what investment vehicle would provide that rate. In other words, if you are hoping a $2,000 investment in a mutual fund will yield a 40% return, you had better go back to the drawing board.

Keys #2 and #3 work hand in hand to help you take control of your financial destiny. When you construct financial plans that are set in anticipated dollar amounts, rates of returns, and timeframes, you will have the criteria with which to judge whether a certain investment is worth your time. In addition, as some investments perform beyond your expectations and others fall short, you will know how to adjust your plan to either get back on track or reach your goals sooner than you thought.

**How You Can Take Control**

- Using your personal cash flow statement, determine exactly how much passive income you need to cover your expenses.
- Using your research from Key #2, identify what investments and at what rates of return will you need to generate the passive income you require.
- Identify time-based milestones as to when you can and will make your investments.
- Continually revisit your plan and make adjustments as necessary.

**The Bottom Line**

Your financial future will happen either by design or by default. If you choose to do nothing, the results you will receive will most certainly be below your liking. However, design your financial destiny by taking control and the results will only be limited by what you are willing to make happen.