

# BALANCED LIVING

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JANUARY 2019



## HOW TO DEVELOP A CAN-DO PERSONALITY

Some people handle tough jobs without breaking a sweat. Others seem to give up before they even get going.

What's the difference between a can-do and a won't-try person?

"It's usually a matter of bravery," says Paul Hauck, Ph.D., a psychologist in Rock Island, Ill. "Can-do people aren't any smarter than anyone else. They have learned not to let fear carry them away from success."

The most common roadblock is fear of failure, which is closely tied to two other big fears: losing respect and approval and losing self-esteem.

Fear of failure takes away one of your most valuable learning tools -- mistakes. "The only way you ever become good at something is by learning where the pitfalls are and how to avoid them," says Dr. Hauck. "If you never try, you'll still be stumbling around long after you should have moved on to other things."

To break the cycle, "choose to become fearless," he advises.

### Recognize fear

Becoming fearless isn't easy. But you can start by recognizing how fear is holding you back from what you want to do by asking these questions:

- Could I accomplish a lot more than I'm doing?
- Have I ever passed up an opportunity because I thought I couldn't handle it?

- Do I look for the safest way to do things instead of taking risks?
- Do I often wish I had another chance to do things better?

If you answered "yes" to any of these questions, fear could be keeping you from reaching your goals and living a happier life.

### Take control

Ironically, the best way to take control of fear is to let go of it. Here are some strategies for loosening fear's grip on you and your performance:

- *Focus on the task, not yourself.* It's easy to become so emotionally invested in something that you start to judge yourself by its success or failure. That's distracting and could keep you from trying at all.
- *Forget what other people think.* Instead of worrying about what might win approval, consider what it will take to make the task or project a success. Then, when you do a great job, everyone will recognize it, including you.
- *Sharpen your skills.* Nothing builds confidence and eliminates fear like capability. Get ahead by learning the skills you expect to need for future projects. When a task is assigned, take stock of what you know already, what you still need to know and where you can go for backup.
- *Do it.* "It's far easier to face a difficult task than to avoid it," says Dr. Hauck. Keep your

expectations realistic; don't try to achieve perfection on your first try. Enjoy the ride. Maybe you won't succeed in everything you do, but that shouldn't keep you from trying.

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## SETTING PERSONAL FINANCIAL GOALS

If you do not know where you are going, how will you know when you get there? This is very true about financial goals. You need to set financial goals to help you make wise financial decisions, and also as a reward for your efforts. Goals should be clear, concise, detailed, and written down. Unwritten goals are just wishes. Those who set goals and fail will find that they didn't set realistic goals to begin with. So, the first step in setting any goal is to determine what is realistic and what is not. In this article, you will learn how to set realistic and achievable financial goals.

You achieve your financial goals when you have the cash or assets available to satisfy some immediate financial need, want, or desire. The key is to be prepared to have the required cash or assets when the time comes to achieve the goal. For example, suppose you want to buy a brand-new car costing \$30,000 using cash five years from today. In five years and one day, you will know whether you achieved that goal. If you have the \$30,000 five years from today, you might achieve your goal. That is all pretty definite, but is it realistic?

You will have more than one financial goal to achieve. Besides the new car, you might be considering buying a home, funding higher education, paying for a wedding, taking a vacation, or accumulating retirement nest savings. Each financial goal has its own price and time horizon—when you need the money.

In order to achieve all your goals, you will need a plan. Starting from assets you already have available, you will need to determine how much more you need to accumulate and when you will need it. Don't neglect to consider that the price of your goal items might actually increase as well. Depending upon how you invest your savings over time, you might receive interest, dividends, or capital gains to help you along—you should consider this as well. Do you have the means to make additional investments necessary to accumulate the required assets? Don't neglect to consider the effects of taxes on your savings. After considering the foregoing, you might determine that you can achieve some goals in less time. Or you might find that it could take longer. The time horizon is important to setting realistic goals.

Consider how important it is to achieve your goals on time. Some goals are so important that not achieving them would be not only disappointing but also disastrous. When a goal must be achieved by a specific date, you must plan conservatively, save more money, and take less investment risk to ensure against loss. However, if the timing isn't as important or if you have discretionary assets and can take some investment risk, you might be able to invest more aggressively. Let's say you needed to save an additional \$15,000 in five years to buy the car mentioned above. After five years, you only manage to accumulate \$27,000—you're \$3,000 short of your goal. So, it will take you longer to buy the car. Had you invested more aggressively, you might have made the goal, but you might

also be worse off. In this case, let your risk tolerance help you determine your time horizon.

Goals should be grouped as short-term (three years or fewer), intermediate-term (three to seven years), and long-term (more than seven years). Generally, the longer the time horizon to achieving a goal, the more aggressive you can be in your investment approach. However, you should never exceed your risk comfort level—the amount of risk you can take without abandoning your goal. This is your risk tolerance. If you approach setting financial goals in this way, you will make better financial decisions about setting goals and ways to invest to achieve them.

You should always monitor your goals to be sure they are on track. Set up a way to measure your progress. If you see that you are lagging behind, you may need to make an adjustment in the amount or way you are investing. If you are way ahead, you may want to be more conservative, shorten your time horizon, or add a new goal.

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