

Your Declaration of (Financial) Independence



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As you gather with friends and family this Fourth of July, remember what you are celebrating. Our nation is the land of the free and the home of the brave. We believe that all people are created equal, with “certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness”¹. Yet, I have found that people do not always give themselves enough freedom to pursue what truly makes them happy. There are many reasons why people might feel this way, but I have noticed three common explanations: limiting beliefs relating to money, people feel a sense of obligation to the path they choose, or they simply do not know if they can afford to make a change. Below are three steps to declaring your financial independence.

Step One- Free yourself from the limiting beliefs that rule your financial world

Our relationship with money starts at a very young age; we inherit certain beliefs about money from our family and we create our own beliefs throughout our upbringing. Over time and in response to our experiences, we develop certain patterns of thinking and behaviors relating to

money that can either empower us or prevent us from experiencing our full potential. Founder of The Money Coaching Institute, Deborah Price, outlines eight common Money Types in her book, *Money Magic: Unleashing Your True Potential for Prosperity and Fulfillment*.

Understanding your money type will help you discover why you act a certain way with money and is the first step to forming a new belief system of your choosing. At some point in your life, a belief may no longer serve its initial purpose and needs to be reassessed to determine if it still holds true. For example, one of my clients was raised by a single mother who worked several jobs just to make ends meet. Because her mother embodied The Martyr money type, she often made my client feel like a financial burden. As a result, my client started working at a very young age and developed many positive traits consistent with The Warrior archetype. She became a hard worker, was dedicated and fiercely independent, but she only felt appreciated when she contributed to the household's finances. Eventually she realized this need to feel loved and appreciated prevented her from focusing on her own growth because she was too busy helping other people. Once she realized her old money patterns were holding her back, she was able to create a new belief system that empowered her to feel deserving of success. She broke free from an oppressive belief system just like our forefathers did when they revolted against the British rule during the American Revolution.

If you would like to understand your money type, The Money Coaching Institute has a free online quiz. You can access it [here](#) [2].

Step Two- Pursue What Makes You Happy

The next step to declaring your financial independence is to ensure you are intentionally pursuing what makes you happy. Too many people view their careers as a means to an end, as if true happiness can only be obtained in retirement. One of the few silver-linings from the pandemic was the forced shutdowns that afforded people the opportunity for self-reflection. Some of my clients realized they enjoyed the slower pace of life with more time to focus on their families, improving their health and having fun. Life coaches often use the "Wheel of Life" as a tool for self-reflection because it helps highlight imbalances in one's life. Try completing the exercise for yourself to see where you are out of alignment, then ask if your money patterns explain the imbalances. Perhaps you are lacking in the "Money" area because you are an Innocent archetype, burying your head in the sand so you do not have to deal with complicated financial matters. Perhaps your romantic relationships are impaired because neither of you understand each other's money types and often fight over finances.

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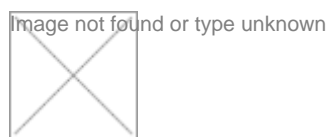


Another way to use the "Wheel of Life" is to rate how important each section is to your

happiness, then plot how much attention you are devoting to each of those areas of your life. Once you identify your imbalances, the real planning begins. You are free to arrange your financial lives to support your happiness, not determine it.

Step Three- Create a “Real” Financial Plan

The third step to declaring your financial independence is to create a financial plan that empowers you to pursue happiness. As the sketch below sums up perfectly, “Real” financial planning aligns your capital with what is important to you. Think of “Capital” as your time, energy, money or other resources. When we create a financial plan for a client, we often show multiple “What If” scenarios to quantify the impact certain variables have on their financial projections. If you noticed your “Wheel of Life” looks more like a jagged rock than a smooth circle, ask your advisor to include a scenario in your financial projections to see how they change if you were to take the steps needed to restore balance. I recently met with a couple who is already financially independent yet continue to work out of fear they will run out of money. During our conversation, both spouses explained they grew up in a household with very little financial resources and to this day they are still driven by a scarcity mindset. In addition, the couple had commented they are worried about their health and are growing jaded from the headaches of owning a business. By doing “Real” financial planning, we addressed their limiting beliefs about money and redefined their goals to address the imbalances in their “Wheel of Life”. As a result, they plan to retire earlier and agreed to start working less days, freeing them up to spend more time with each other and their family. In addition, they will have more time for travel and can focus on their overall well-being, both areas of their life they have been neglecting on account of their fear of running out of money. A “Real” Financial Plan empowers you to focus on what matters most and can help put you on the path to freedom today.



¹<https://www.archives.gov/founding-docs/declaration-transcript> [3]

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