



Personal Finance: Another Perspective

# Your Personal Financial Plan: Planning your Financial Future Early

Updated 2020-01-07



# Learning Objectives

- A. Understand the importance of planning your financial future and the process of creating your Personal Financial Plan (PFP)
- B. Understand how to catch your vision and the different types of goals
- C. Understand and create your plan for life
- D. Understand and apply the principles of effective goal setting





# Your Personal Financial Plan

- Section I: Introduction ([Introduction](#) LT01-01)
  - Get a binder with a clear cover TODAY!
    - Get a family picture or one of you doing something you enjoy and put it on the cover
      - Personalize this binder with a heading, i.e. “Personal Financial Plan of . . . .” and make it yours
  - Get 16 tabs for each of the 16 sections listed in the [Financial Plan Roadmap](#) (TT01)
    - Label the tabs (use printed and not hand-written or numbered tabs – [Fin418 Tab Template](#))
      - Avery 11453, 11417, or 23285 printable tabs are good, inexpensive and easy to use



# Your Personal Financial Plan

- Section II: My Plan for Life ([Vision/Goals](#) LT01-02)
  - Create your vision and your Plan for Life
    - Use your [VMV Statements](#) (LT38) assignment as a starting point, then write your obituary
    - What does Heavenly Father want you to do or be—what is your mission in life?
  - Decide your top three goals?
    - Develop plans and strategies for each goal
      - Short-term plans and strategies (1 year or less)?
      - Medium-term plans and strategies (2-10 years)?
      - Long-term plans and strategies (10-100 years)?
    - Include constraints and accountability



## A. The Importance of Planning Your Financial Future and your PFP



Email from Mike



Phil's roof



# Planning Your Financial Future (continued)

- How do you plan for your financial future?
  - You do financial planning!
    - It helps you become a wiser steward of the blessings God has blessed you with, so you can achieve *your personal mission and individual and family vision and goals*
      - It helps you prepare for the storms that are here and the bigger ones that are coming



# Planning Your Financial Future (continued)

- Will it help you make more money?
  - It may not, but it will help you to:
    - Set your vision and goals higher
    - Develop better plans and strategies
    - Be better and more informed stewards
    - Make wiser personal and financial choices
    - Make sure at the end of your life you feel success, as you did those things that were most important to you



# Creating Your Personal Financial Plan

- What is the process of creating your Personal Financial Plan (PFP)?
  - 1. Catch your vision of your life and what you want
  - 2. Decide how you will measure your life
  - 3. Create your Plan for Life, including goals, plans and strategies, constraints and accountability
  - 4. Evaluate your financial health
  - 5. In each of the remaining 15 areas, develop your goals, plans and strategies and constraints in light of your vision for your life and accountability
  - 6. Implement your plans and revise as needed





# Your Personal Financial Plan (continued)

- Step 1: Catch your Vision for your Life
  - Catch your vision of your life and what you want?
    - Work to understand who you are, what you want to accomplish, and what you want to become (from an “eternal perspective”)
    - What do you feel Heavenly Father wants you to do or be, your mission in life? Are you on the path to accomplish it?
  - These are the most important questions you will answer here. The [VMV Statements](#) (LT38) may help you think through this process





# Your Personal Financial Plan (continued)

- Step 2: Decide how you will evaluate your life
  - What is the criteria you will use to evaluate your life?
    - What is truly important to you?
      - Will it be money, possessions, relationships?
  - What measure will you use to determine if your life is a success?
    - Be careful, “for where your treasure is, there will your heart be also” ([Matt 6:21](#))
  - A good read for this section is Clayton Christensen, “[How Will You Measure your Life](#),” Harvard Business Review HBR.org, July–August 2010.







# Your Personal Financial Plan (continued)

- Step 3: Create your Plan for Life
  - These will flow from your vision of who you are and what you can accomplish. This includes your goals, plans and strategies, constraints and accountability
    - Write your goals for the next 1-80 years
      - Develop your plans and strategies for each of your major goals (I recommend 3 major goals)
      - Attach a cost to goals in terms of time, money, and effort, and set a date for completion
      - Determine your constraints and how you will avoid these problems
      - Determine who you will share these goals with<sup>11</sup>





# Your Personal Financial Plan (continued)

- Step 4: Evaluate Your Financial Health
  - Understand where you are financially
    - Create Savings, Income and Expense plans (budgets), income statements and balance sheets
      - Determine where you are financially
      - If you don't know where you are, how can you get where you need to be?
  - Understand your current situation in regards to income, spending, and wealth?
    - Are you financially healthy?





## Your Personal Financial Plan (continued)

- Step 5: From your vision, develop your goals, plans, and constraints in each of the 15 areas
  - Find balance by starting with principles and doctrines
  - Then develop your plans and strategies. Make them:
    - Flexible: they should change as your situation in life changes
    - Liquid: they should have the ability to convert non-cash assets into cash with relative ease
    - Protective: they should be able to meet the unexpected large expenses without difficulty
    - Tax efficient: they should pay Uncle Sam all that is owed and no more





# Your Personal Financial Plan (continued)

- Develop your plans including your:
  - Tax Plan
  - Cash Management Plan
  - Credit Plan
  - Insurance Plan
  - Housing Plan
  - Family Financial Plan
  - Consumer Loans/Debt Plan
  - Saving, Income and Expense Plan
  - Investment Plan
  - Retirement Plan
  - Mission Plan
  - Education Plan
  - Advance Plan
  - Giving Plan
  - Auto/Toy Plan



## STEP 6 >

# Your Personal Financial Plan (continued)

- Step 6: Implement your Plans to Achieve your Vision and revise as needed
  - Put your plans and strategies into action
    - Use common sense and moderation, and remain positive about your Plans
  - Re-evaluation is critical
    - Your vision and goals may change
      - Periodically review your progress
    - Make sure your plan still matches your vision
      - Reevaluate each year (at a minimum)



# Your Personal Financial Plan (continued)

- What will we do in this class?
  - In this class we will do Steps 1 – 5 and start 6:
    - Step 1. Catch your vision for life
    - Step 2. Decide how you will measure your life
    - Step 3. Create your Plan for Life
    - Step 4. Evaluate your financial health
    - Step 5. Develop your plans, constraints, and accountability in each of the 15 areas
    - Step 6. Start living your plan today (in some areas)





# Questions

- Do you understand the structure of your Personal Financial Plan?



## C. Understand how to Catch your Vision and the Different Types of Goals

- Once you have a correct perspective and understand the key doctrines, principles and application, the next step is to catch your vision
  - Why is vision so important?
    - The scriptures teach, “Where there is no vision, the people perish” ([Proverbs 29:18](#))
    - Tad R. Callister shared “With increased vision comes increased motivation” (“[Our Identity and our Destiny](#),” BYU Speeches, Aug. 14, 2012)





## Catch Your Vision (continued)

- What is your vision for what you want out of life?
  - Michael Gerber wrote,
    - The difference between great people and everyone else is that great people create their lives actively, while everyone else is created by their lives, passively waiting to see where life takes them. The difference between the two is the difference between living fully and just existing (American Farrier's Journal, 1998, p. 61).



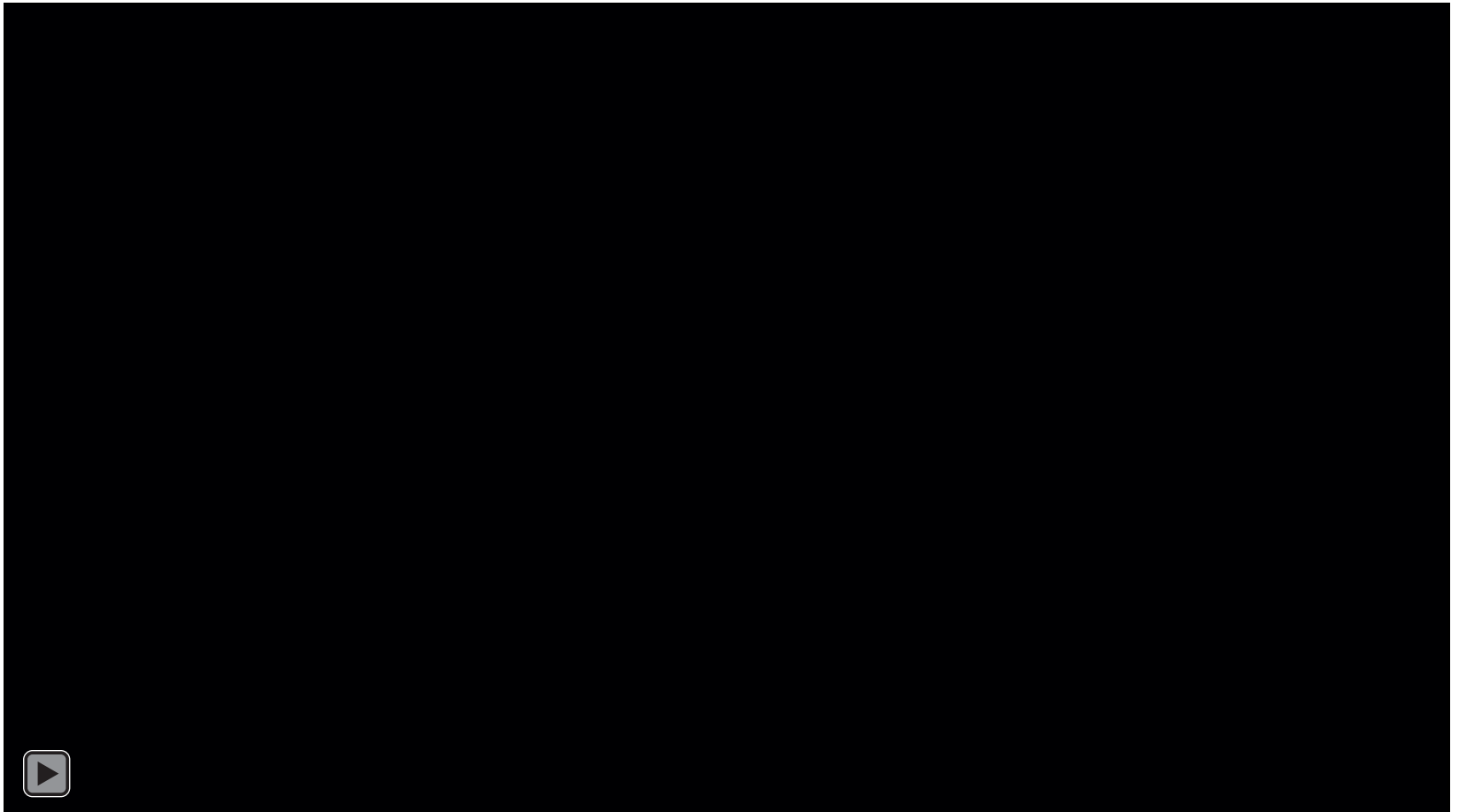
## Catch Your Vision (continued)

- Do the scriptures encourage us to have vision?
  - “These all died in faith, not having received the promises, but having seen them [visualized] them afar off, and were persuaded of them, and embraced them” ([Hebrews 11:13](#)).
  - “Do you look forward with an eye of faith, and view [visualize] this mortal body raised in immortality” ([Alma 5:15](#)).
  - “Ether did prophesy great and marvelous things unto the people, which they did not believe, because they saw [visualized] them not” ([Ether 12:5](#)).



# Catch Your Vision (continued)

- Then work on your mission





## Catch Your Vision (continued)

- Start your thinking with the [Vision, Mission, and Values \(VMV\) assignment](#) (LT38)
  - Write your Vision Statement
    - What is it you want to become? What things do you behold “with an eye of faith?” (Ether 12:19)
      - Separate it into four different perspectives and have a vision for each perspective:
        - Spiritual
        - Temporal
        - Family
        - Individual
    - The write your vision in 15 separate areas



## Catch Your Vision (continued)

- Finally, work on your Values assignment (LT38)
  - What values you will live by to help you accomplish your vision and mission?
    - This is only a starting point. You can also include other things such as family mottos, family mission statements, what you stand for, etc.
  - Note that these will change as you think them through and work on them carefully
    - The Spirit teaches us “line upon line” ([2 Nephi 28:30](#)) as He did the prophets



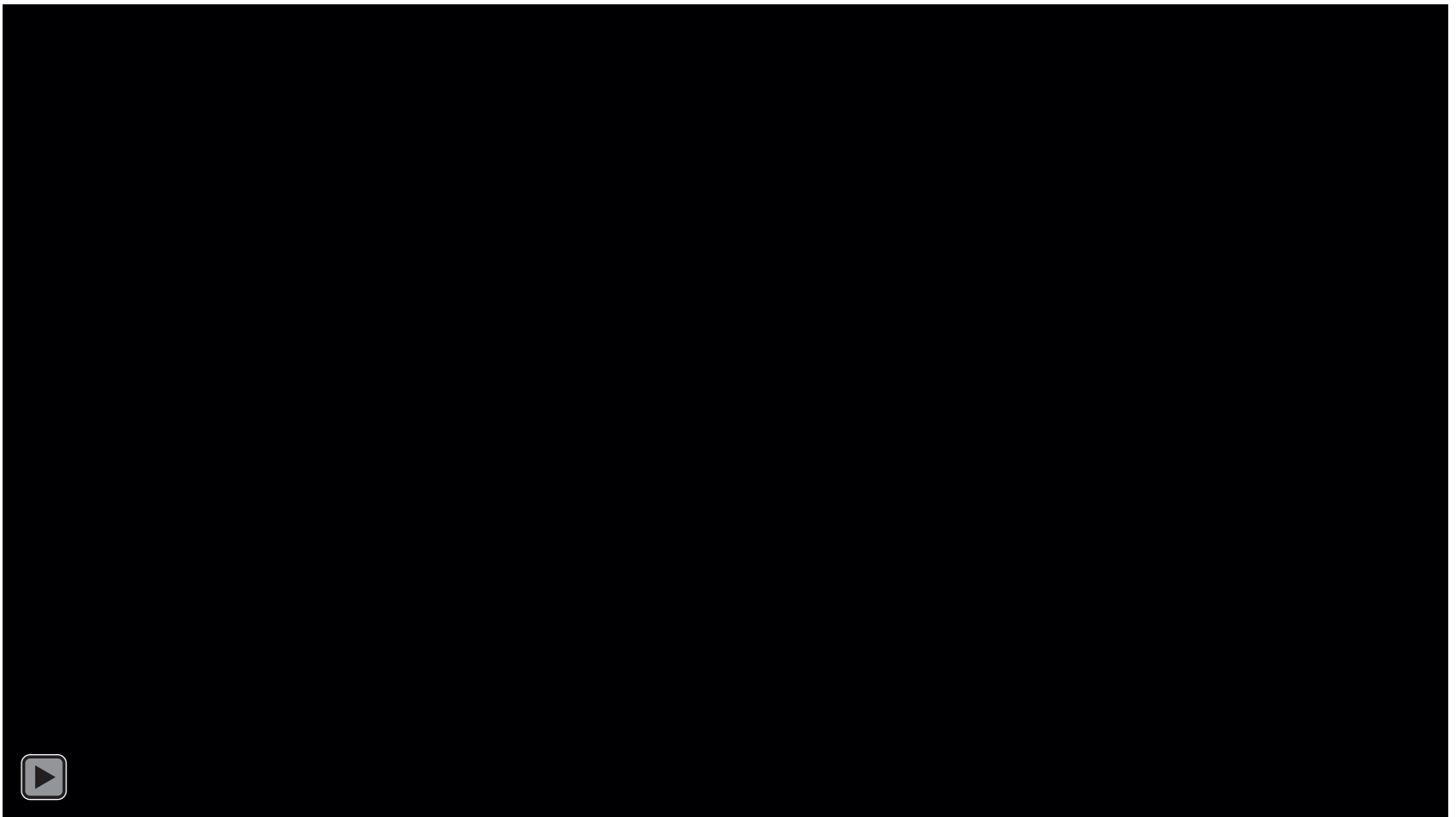


# Different Types of Goals

- How important are goals?
  - Ezra Taft Benson said:
    - Every accountable child of God needs to set goals, short- and long-range goals. A man who is pressing forward to accomplish worthy goals can soon put despondency under his feet, and once a goal is accomplished, others can be set up. Some will be continuing goals. . . Now, there is a lifetime goal—to walk in his steps, to perfect ourselves in every virtue as he has done, to seek his face, and to work to make our calling and election sure (Ezra Taft Benson, “[Do Not Despair](#),” *Ensign*, Nov. 1986, 65).



## Types of Goals (continued)



(As quoted in *Think and Grow Rich*, Napoleon Hill, 1960, p. 40.) Video used with permission of Simmerjeet Singh, 9/10/19.





## Types of Goals (continued)

- So how do we balance both the spiritual and temporal goals together?
  - We must understand the Lord's goals and guidance
    - “For behold, this is my work and my glory--to bring to pass the immortality and eternal life of man” ([Moses 1:39](#))
    - Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge him, and He shall direct thy paths. Be not wise in thine own eyes: fear the Lord, and depart from evil ([Proverbs 3:5-7](#)).





## Types of Goals (continued)

- What are there different types of goals?
  - There are three different types of goals
    - Steven Wheelwright who discusses goals related to identity, integrity, and temporal measures (Steven C. Wheelwright, “[Setting Worthy Goals](#),” Devotional at BYU-H, January 11, 2011).



## Types of Goals (continued)

- What are identity goals?
  - These are goals that relate to our long-term view of who we are and how we see ourselves
    - These goals help us be better in our long-term view of who we are and what we want to become
      - We are children of God
      - We are children of our parents
      - We may be spouses
      - We may be parents to our children



## Types of Goals (continued)

- What are integrity goals?
  - Integrity goals relate to the characteristics and standards you want to achieve in the work and service you provide
    - These goals relate to how we will work, what we will and will not do, and characteristics and skills we wish to attain
      - We will be 100% honest
      - We have integrity in all we do
      - We will always pay what is due
      - We will never skimp on our obligations



## Types of Goals (continued)

- What are temporal goals?
  - These are goals that relate to the temporal measures of success
    - Temporal goals relate to the professional or other things we want to accomplish
      - Money, title, and fame
      - Positions at work or in industry
      - Influence, rank or power
      - Assets, investments, or possessions



## Types of Goals (continued)

- Why should we have balance in our goals?
  - Temporal goals, if unchecked, might override more lasting and eternal goals of identity and integrity
    - “They also, if not balanced, may lead to trade-offs, such as working longer hours, spending less time with family, or taking assignments inconsistent with personal values due to “extenuating circumstances” (Clayton M. Christensen, “[How Will You Measure Your Life](#)”, Harvard Business Review, July-Aug. 2010.)





## Types of Goals (continued)

- What has been our counsel on goal setting?
  - First, align your goals regarding your personal identity with those the Lord has for each of us as a beloved son or daughter of God, and then pursue a righteous lifestyle consistent with that identity. Second, set standards for your own efforts, endeavors and work that are consistent with the integrity exemplified in the life of our Savior. Third, seek heavenly counsel and guidance as you make choices regarding temporal goals and accomplishments. Be diligent in "seeking the Kingdom of God first," serving the one and only true master, and "laying up treasures in Heaven" (Steven C. Wheelwright, "[Setting Worthy Goals](#)," Devotional at BYU-H, January 11, 2011).





## Types of Goals (continued)

- Do you understand the three types of goals and why balance is important?



## D. Understand the Principles of Effective Goal Setting

- M. Russell Ballard said:
  - I am so thoroughly convinced that if we don't set goals in our life and learn how to *master the techniques of living to reach our goals*, we can reach a ripe old age and look back on our life only to see that we reached but a small part of our potential. When one learns to *master the principles of setting a goal*, he will then be able to make a great difference in the results he attains in this life (italics added, [\*Preach my Gospel\*](#), Intellectual Reserve, Inc., 2004, p. 146).





# Goal Setting Principles (continued)

## 1. Know yourself, create your vision and goals

- “Where there is no vision, the people perish”  
([Proverbs 29:18](#)) What is your vision? M. Russell Ballard said:
  - Over the years, I have observed that those who accomplish the most in this world are those *with a vision for their lives*, with goals to keep them focused on their vision and tactical plans for how to achieve them. Knowing where you are going and how you expect to get there can bring meaning, purpose, and accomplishment to life (italics added, “[Return and Receive](#),” *Ensign*, May 2017.

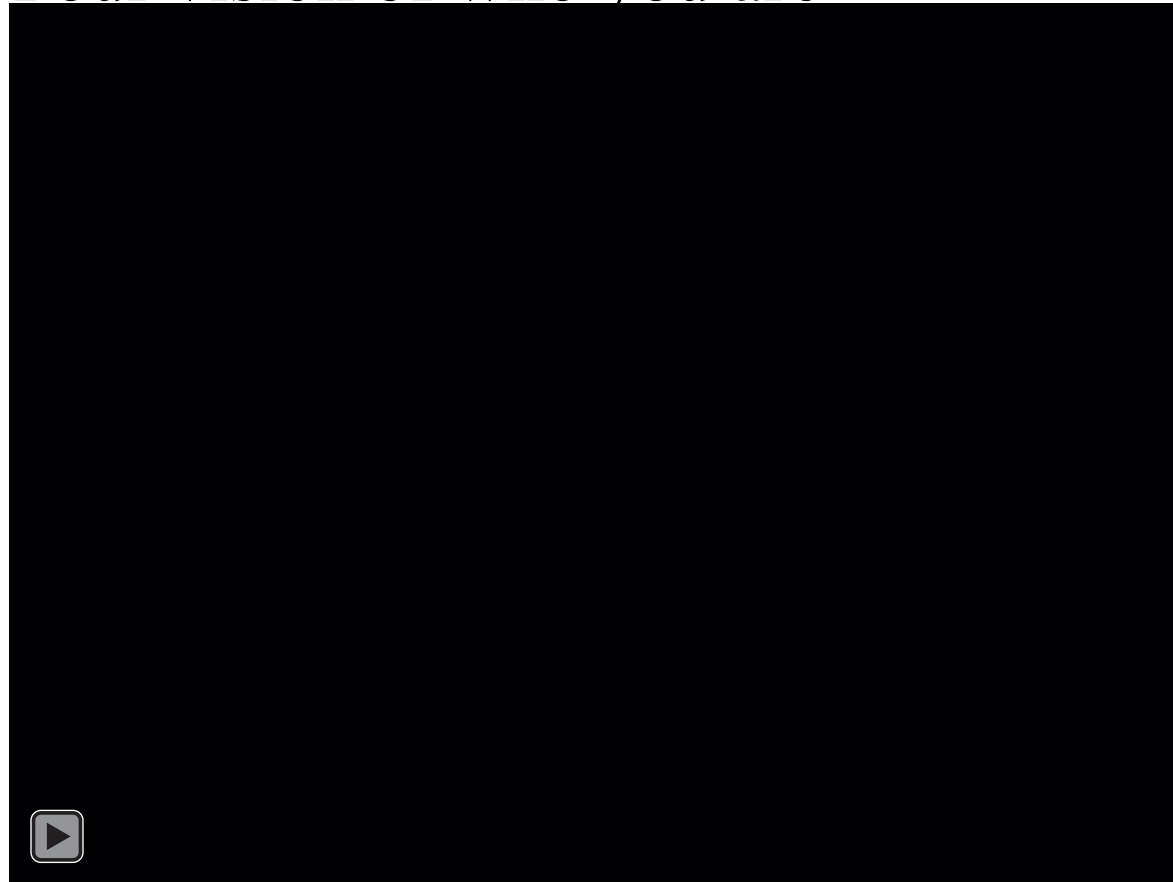


# Goal Setting Principles (continued)

What should that vision for your life entail?

- a. Your vision of who you are

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## Goal Setting Principles (continued)

- b. Your vision of what you can do
  - You will believe it you will see it. Ether taught:
    - “And it came to pass that Ether did prophesy great and marvelous things unto the people, which they did not believe, because they saw them not” ([Ether 12:5.](#))
    - “And there were many whose faith was so exceedingly strong, even before Christ came, who could not be kept from within the veil, but truly saw with their eyes the things which they had beheld with an eye of faith, and they were glad” ([Ether 12:19.](#))



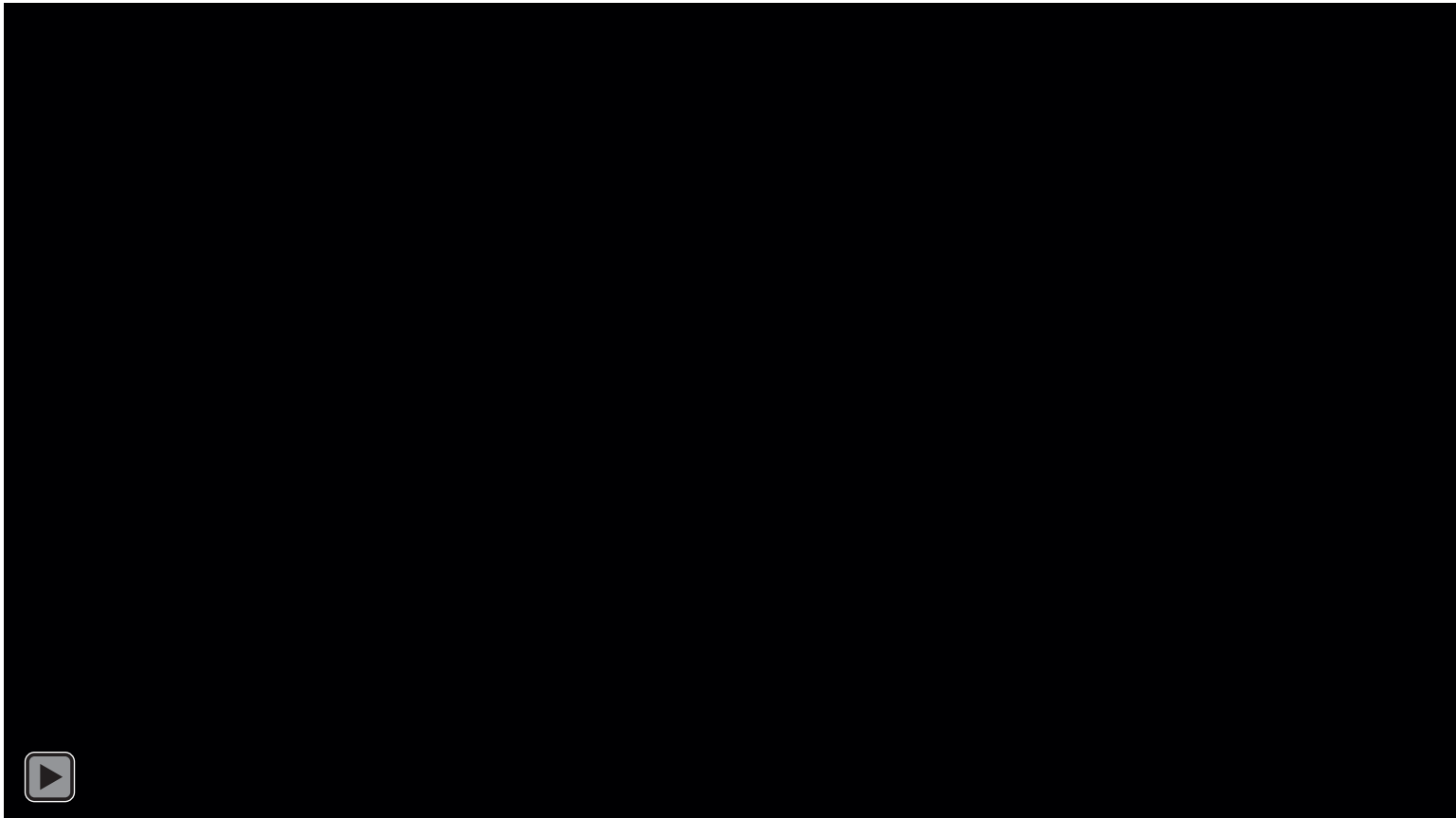
## Goal Setting Principles (continued)

- c. Your vision of what you want to accomplish
  - We will get out of life what we are willing to have a vision for, set a goal for, and then work to achieve. M. Russell Ballard said:
    - “I believe that one important key to happiness is to learn how to set our own [vision and] goals and establish our own plans within the framework of our Heavenly Father’s eternal plan. If we focus on this eternal path, we will inevitably qualify to return to His presence” (“[Return and Receive](#),” Ensign, May 2017).



## Goal Setting Principles (continued)

- 2. Seek, Receive and Act on the Spirit's Guidance





# Goal Setting Principles (continued)

- We have been promised
  - Ask, and it shall be given you; seek, and ye shall find; knock, and it shall be opened unto you ([Luke 11:9](#)).
  - The key is acting on “small and simple things”
    - “Now you may suppose that this is foolishness in me; but behold I say unto you, that by small and simple things are great things brought to pass” ([Alma 37:6](#))





## Goal Setting Principles (continued)

- What are the “small and simple things” that we must do regularly to bring about great things?
  - My small and simple things are:
    - Scriptures
    - Sabbath observance and FHE
    - Prayer and fasting
    - Tithes and offerings
    - Father's, Priesthood and Patriarchal Blessings
    - Family history and temple attendance



## Goal Setting Principles (continued)

- 3. Decide how you will evaluate your life
  - How will you determine that your life is a success?
    - Decide the criteria that you will live by to determine success
      - Will it be power, prestige, privilege or pay
      - Will it be service to your spouse and family
      - Will it be striving to become like our Savior
  - How will you plan on judging your life?
    - Live so that when to leave for the other side, you will be successful.



## Goal Setting Principles (continued)

- Clayton Christensen shared his metric. He wrote:
  - This past year I was diagnosed with cancer and faced the possibility that my life would end sooner than I'd planned. Thankfully, it now looks as if I'll be spared. But the experience has given me important insight into my life. I have a pretty clear idea of how my ideas have generated enormous revenue for companies that have used my research. . . But as I've confronted this disease, it's been interesting to see how unimportant that impact is to me now. I've concluded that the metric by which God will assess my life isn't dollars but the individual people whose lives I've touched. I think that's the way it will work for us all. Don't worry about the level of individual prominence you have achieved; worry about the individuals you have helped become better people. This is my final recommendation: Think about the metric by which your life will be judged, and make a resolution to live every day so that in the end, your life will be judged a success ([“How Will You Measure Your Life.”](#) Harvard Business Review, August 2010).



## Goal Setting Principles (continued)

- 4. Start with the End in Mind
  - In 7 Habits of Highly Effective People by Steven R. Covey, he says “to start with the end in mind”
    - Start by writing your obituary
      - How do you want to be remembered?
        - Things: Money, fame, cars, toys?
        - Characteristics: kind, thoughtful, good?
        - Actions: helped family, friends, others in times of need?



# Goal Setting Principles (continued)

- Next, pretend you have a week to live
  - What things would you like to have achieved?
    - Write them down. Would it be work more hours? Would it be to buy that new car? Would it be to build that new huge house?
  - Now pretend you only had a month to live, what would you do differently?
  - 12 months to live
  - 5 years to live
  - A life to live. If you do this exercise, it will help you in prioritizing your goals



## Goal Setting Principles (continued)

- 5. Write Your Goals, Plans, Constraints and Accountability with Prayer
  - Write down your goals as you think about them
    - Will they bring you to your vision?
    - Remember, a goal not written is only a wish
      - What do you enjoy doing?
      - What makes you really love life?
      - What do you like doing with your spouse and kids?





# Goal Setting Principles (continued)

- 6. Make your goals SMARTER
  - SMARTER is an acronym
    - S = Specific
    - M = Measurable
    - A = Assignable
    - R = Realistic
    - T = Time-bound
    - E = Evaluated
    - R = Reassessed



## Goal Setting Principles (continued)

- 7. Review your goals often—your goals may change
  - That which we remember and review often, we are more likely to accomplish
    - Write down your goals and review them often
      - Set aside time periodically to review and update your goals: daily, weekly, monthly
  - Keep an eternal perspective

*“Let the solemnities of eternity rest on your mind forever” ([D&C 34:43](#))*

    - Keep your vision and goals in your mind, and work toward them, you will reach them.



## Goal Setting Principles (continued)

- 8. Remember, success is not measured by achievement of goals, but by our striving
  - Marvin J. Ashton said:
    - Set your goals—without goals you cannot measure your progress. But don't become frustrated because there are no obvious victories. Remind yourself that striving can be more important than arriving. If you are striving for excellence—if you are trying your best day by day with the wisest use of your time and energy to reach realistic goals—you are a success (["Choose the Good Part,"](#) *Ensign*, May 1984, 9).



# Goal Setting Principles (continued)

- | <u>Guiding Principles</u>              | <u>Doctrines</u> |
|--|------------------|
| • Know yourself, your vision and goals | Identity         |
| • Seek, receive, and act on the Spirit | Obedience        |
| • Understand how you measure your life | Accountability   |
| • Start with the end in mind           | Stewardship      |
| • Write down your goals                | Accountability   |
| • Keep your goals SMARTER              | Accountability   |
| • Review your goals often              | Stewardship      |
| • Set fun goals                        | Agency           |
| • Success is measured by striving      | Accountability   |



# Goal Setting Principles (continued)

## *From Obedience to Consecration*

I am a child of Heavenly Parents (identity), striving to live worthy of the Spirit (obedience), endowed with the ability to act and not just be acted upon (stewardship), with an understanding of God's plan for my eternal happiness (agency). Using my God-given talents and abilities (agency), I can plan for my life with vision (stewardship) and set goals for what I want to accomplish (accountability), use my available resources and talents wisely (accountability), to accomplish my personal mission in life (agency) and my personal and family vision and goals.



# Goal Setting Principles (continued)

## Having problems setting goals?

- I would recommend reviewing the following doctrines. These can have a significant influence on how well you envision, set and achieve your individual and family goals
  - Identity – We are children of a King
  - Obedience – We listen to the Holy Ghost's guidance
  - Stewardship – We are stewards over all we have
  - Agency – The right to choose is a great gift
  - Accountability – We are accountable for our choices
    - God has a plan for each of us. We are developing our Plan as well





## Goal Setting Principles (continued)

- Do you understand the principles of effective goal setting?



# Summary

- Personal Financial Planning may not help you to earn more money
  - But it will help you become a wiser steward over the things God has shared with you
- Create your Personal Financial Plan
  - 1. Catch your vision
    - If God created us with a Plan for our life (i.e., the Plan of Salvation), shouldn't we also have a plan for that life He has given us?



## Summary (continued)

- 2. Think about what is important to you and how you will measure your life
  - Seek Father's help in what you want to accomplish
- 3. Create your Plan for Life
  - Carefully consider the [VMV Statements](#) (LT38)
  - You have a taste of your vision, now decide your goals, and select your three most important goals and explain them in detail
    - Make sure to include identity, integrity, and temporal goals in your list and that there is balance



## Summary (continued)

- 4. Evaluate your financial health
  - Determine where you are in your finances
- 5. Now broaden this exercise to each of the 15 key areas. From your vision, write your goals, plans and strategies and constraints
  - Have balance--start with principles and doctrines
  - Then include your plans and strategies for your application
- 6. Implement your plans and revise as needed
  - Start today, and improve on just one area
  - Keep improving every day



## Summary (continued)

- Start your PFP TODAY!
  - Get an individual or family picture or one of you doing something you enjoy and put it on the cover
- Get [16 tabs](#) for each of the 16 sections
  - Begin working on your vision and goals
    - Share your [VMV Statements](#), choose your three top goals, and articulate them clearly
    - Answer the question: “What does Heavenly Father want you to become/accomplish, i.e. your mission in life?”
    - Determine your short-term, medium-term, and long-term plans and strategies, constraints, and accountability to get to your top three goals



## Summary (continued)

- Learn to set “real” goals
  - Real goals are those that you really want to achieve--goals that are set with Heavenly Father’s help
    - You cannot do better than becoming what Heavenly Father wants you to become
    - I have found that if I cannot ask for Heavenly Father’s help in achieving a goal, it has usually been because it wasn’t a real goal





# Review of Objectives

- A. Do you understand the role of personal financial planning in achieving your goals?
- B. Do you understand the requirements of your Personal Financial Plan?
- C. Do you understand what you want to accomplish in life?
- D. Understand the three distinct types of goals
- E. Do you understand the Principles of Effective Goal Setting?