

# Chapter 3

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## Money, Work, and You

### 3.1 MONEY, MOOLA, THE BIG BUCKS

Money. Just the word has the power to cause us pause, to make us think. Many of us think our prayers would be answered and our lives would be at peace if only we had a little bit more money.

Unfortunately, it is rarely that simple; our feelings about money (or our lack of it) are often complex and sometimes mask much deeper concerns about our careers, our lives, ourselves. To be clear about this, and to set our sails to the future somewhat more confidently, we must investigate these concerns by examining the roads to wealth. A recent study of millionaires is extraordinarily revealing, and it helps us understand both the tactics and strategy of wealth creation. Some of the tactics we might dismiss as platitudes or common sense, but the strategic understanding of *vocation* and *courage* will be very helpful in formulating a sensible method for planning both the short and long term.

Now, all this talk about money, money, and money might be deemed overly materialistic if not a little bit coarse, but the endgame here is to turn the money talk on its head. I apologize if I'm engaging in a little Madison Avenue advertising hype and leading with "money" in the same way that leading with "sex" or "guaranteed weight loss" all but ensures an audience. More than a few engineers and engineering students come to the field with as much interest in material comfort as in science and technology. So to them, I lead with the "dollars" (euros, or yen), but throughout the chapter, we will work to take all this money talk to a higher plane. Indeed, once we've shifted from money to engagement and courage, it is more natural to talk about happiness, values, goals, and personal mission in life.

### 3.2 ROADS TO WEALTH: FOUR DINNER TABLE PLATITUDES

How do wealthy people get that way? Well, some get their money the old-fashioned way: They inherit it. Others win the lottery or are otherwise graced with good fortune, but we are less interested in these special cases than those where the fortunate have had more of a hand in amassing their millions. Those

working stiffs who find their way to financial security find many ways to get there. A study by Thomas Stanley (2001) used sophisticated geodemographic techniques to send surveys to 5063 individuals believed to be in a number of wealthy American neighborhoods. The survey had a total of 277 questions, and a total of 1001 of the 5063 surveys were returned and answered.

Stanley wanted to study people who accumulated substantial sums of wealth, not those who had substantial sums flowing through their fingers—what he called *balance sheet affluence* as opposed to *income statement affluence*. To this end, he screened the surveys and only considered those individuals with a net worth of \$1 million or more. After all the data collection, processing, and screening, Stanley was left with completed surveys from 733 people. To augment these quantitative findings, Stanley also ran a number of focus groups and personal interviews to build anecdotal evidence and further probe the quantitative results.

After crunching the numbers, sifting through the interviews, and analyzing the results, what did this group of 733 people have in common that might account for their ability to amass and keep wealth? Did they share a particular line of work, such as sales or real estate? Were they particularly good at investing? What was their secret?

Stanley's first answer may disappoint you. In particular, Stanley found that substantial wealth accumulation was associated with four attributes:

1. Integrity
2. Discipline
3. Social skills
4. Hard work

I don't know about you, but when I first read this list, I thought I was listening to mom or dad give Lifeishardwork Lecture 101. These four items are so absolutely part of the conventional wisdom that they cry out for a special name. They are so close to the things repeated around the family dinner table that we will call them Stanley's *four dinner-table platitudes* (4DTPs). But just because they are platitudes, and just because you have heard them a gazillion times before, does not make them useless.

To the contrary, conventional wisdom can be right, and the 4DTPs make a lot of sense. Integrity allows others to trust you with their business, their money, and the belief you will deliver. Discipline can keep you on task through the peaks and valleys that accompany any long-term enterprise. Social skills allow you to make and keep the relationships that support your wealth-creating activity, and hard work keeps you pushing toward success.

No, the problem with the four platitudes is not that we don't believe or understand them. The problem is that it can be so difficult to practice them well day in and day out. There must be other factors that differentiate successful people from the rest of us. What keeps them working hard with discipline while building their networks and being as true as honest Abe? The key to cracking the wealth code is to understand whether there is something deeper, some behavioral wellspring of the 4DTPs that keeps a person on track.

Fortunately, Stanley did not leave the 4DTPs alone. He probed and he studied, and here we concentrate on two of Stanley's *hidden lessons*, lessons that help explain not only the key habits of successful people, but also how they kept at them. In particular, we focus on two hidden lessons revealed in Stanley's work, engagement and courage.

### 3.3 HIDDEN LESSON 1: ENGAGEMENT

The first hidden lesson is what we will call *engagement* or what Stanley called *vocation*. After careful analysis of the results of his study, Stanley found that many of the 733 millionaires worked in areas they found profoundly engaging, work they profoundly loved. Over and over again, the millionaires answered their questionnaires, interviews, and focus groups with tales of love for their work. Their work was not a job; it was a vocation or a calling.

Stanley's work in the literature of financial success is corroborated by work in the psychological literature of optimal experience. In particular, vocation may be mapped to Csikzentmihalyi's notion of *flow* (Csikzentmihalyi, 1990). Csikzentmihalyi studied high-performing individuals in a variety of occupations, from white collar to blue collar, artist to professional, scientist to humanist, and found commonality in the *intricacy* and *interwoven* nature of their activities. The common sports expression of being *in the zone* captures the feeling of flow for those who have played a sport and have felt that special feeling of doing no wrong. For our perspective here, the added idea of flow research is that optimal experience results from a complex of interwoven, engaging activities. Flow is engagement on steroids, but it is the accumulation of a large number of interrelated competencies that result in the sustained, high level of achievement.

The lessons of engagement and flow are rather interesting, and some might be tempted to call them yet other platitudes. Yet, love of work (engagement) and interwoven complexity (flow) are not particularly common themes. In fact, many people get it exactly backward. Many people say that they will work at jobs and tasks they don't like so they can earn enough money to do what they love; millionaires and successful, happy people the world over know this to be largely 180° out of phase.

To crack the code of engagement, and start toward a life full of flow, first we consider why engagement matters so much, and then we examine how to actively pursue engagement in our lives through the use of a simple, practical, yet reliable, test.

#### 3.3.1 Why Engagement Matters

Once we acknowledge engagement as important, we need to question why it matters so much. Two explanations come easily to mind:

1. Time flies when you're having fun.
2. Details aren't annoying when they are part of an enjoyable bigger picture.

We've all had the experience of time "flying" when we were engaged. When was the last time it happened to you, and what were you doing? For me, my most recent time-flying experience is this current one: As I write these lines, the hours are passing, but I hardly notice. In other words, for me writing is engaging, and being a college professor is probably a good line of work for me.

How about you? Maybe time flies for you when you work with your hands, program a computer, read, write, do a tough problem, or participate in a favorite sport or hobby. It really doesn't matter which activities cause time to fly for you (within the bounds of legality and morality); it does matter that you know which ones they are and try to find ways to make them a part of your work life.

Of course, the knowledge that time does fly when you're having fun is no secret, but why is it a determinant of success? Time flying breeds a kind of unconscious patience that keeps you on track and makes the 4DTPs work for you. Whether you build a business or climb the corporate ladder, you must develop your personal and organizational competence before success will knock on your door—and that development takes time. Considering how impatient human beings are, it is that much easier to stick to the task at hand if the passage of time doesn't seem so tedious.

Another thing about being engaged is that it takes the devil out of the details. All jobs worth doing have myriad details that need to be done right—and guess what? People who are engaged with their work don't mind doing them because they are involved with getting the total job done and therefore have a good attitude toward what otherwise could be tedious labor. By way of contrast, the disengaged worker finds the details annoying and wishes the work could be delegated away. Although this lesson applies to all jobs and all workers, as individuals we can only exercise reliable control over ourselves (and even that is often in doubt). Therefore the best bet is for each of us to strive to find a work situation that offers the opportunity to make a contribution to an effort that engages us. Situations that match our inclinations aren't altogether easy to find, but they needn't be that difficult either.

### 3.3.2 Matching your Vocational Impedance

The lesson of engagement is both liberating and vexing. It is liberating to know that the road to wealth is paved with happy effort, but it is vexing to try to find our way to work that makes us happy. How can we better match our inclinations to the work we take up? This question is important in finding what we'll call our *vocational impedance match*. Just as electrical engineers know that systems work best when the impedance values of two interconnected subsystems match, in the real world we plug into life better if our interests and inclinations are consonant with the demands of our work. Here, we briefly examine a practical method to help inventory the activities you might want to consider in finding engaging work.

Time flies when you're having fun; but what activities keep you jolly, and what skills or tasks make up those activities? An entire aptitude-testing industry

has arisen to answer such questions, but our approach to uncovering our inclinations will be much simpler. Let's write our way to an answer with the following exercise.

### *Exploration Exercise*

Write an essay that explores three specific instances when time flew and three instances when time crept. Do not limit yourself to work activities. Include activities around the house and leisure activities as well. Explore the various skills and activities involved in each instance, and try to assess which contributed to time's flying or creeping.

The "time flying and creeping" criterion is the key to this exercise because it gets you to focus not on whether you were consciously happy but on whether you were engaged enough that you did not notice the passage of time. As a secondary criterion you can evaluate how annoying details seemed. These two guidelines should help you perform some meaningful introspection.

## **3.4 HIDDEN LESSON 2: COURAGE**

Engagement with one's work was a key lesson behind the success of the millionaires in Stanley's study, but it wasn't the only one. Stanley found that millionaires are often courageous in moving forward in the face of criticism, risk, or other obstacles that might make others flinch.

On its face, courage isn't a particularly surprising attribute because many of the millionaires took risks to start businesses, walk away from successful jobs, persist in the face of failure, and persist when others told them they were being foolish. But the label "courage" doesn't really explain *why* some are able to ignore these difficulties and why others are not. Fortunately, psychologists have studied this topic under the rubric of locus of control.

### **3.4.1 Locus of Control: Internal versus External**

Julian Rotter's work on *locus of control* (Rotter, 1954, 1966) is part of a larger *expectancy value theory* that argues that behavior is determined not by the size of reward but by a person's beliefs about the likely outcome or results of behavior. Although finer distinctions can be made, Rotter argued that two large categories of belief can be discerned. People can be classified as having internal locus of control or external locus of control depending upon whether they believe behavior is largely determined by their own actions or by the actions of others or some outside agency.

Various tests have been devised to measure whether a subject is an internal or an external, but the issue here is to map locus of control to courage and understand the connection. Ultimately, courage is a form of internal locus of control. When someone is courageous, they are largely betting that (a) they are right and (b) they can control events sufficiently well to succeed. If someone is constantly buffeted by outside agencies or the beliefs of others, they are unlikely to make a decision that goes against the received wisdom.

Seen in this way, internal locus of control is a precondition of courage, but perhaps the more interesting issue is whether courage can be learned. To turn the question around, we know that helplessness can be learned from Martin Seligman's pioneering work (Seligman, Maier, & Geer, 1968). While studying the relationship between fear and learning, Seligman discovered that dogs could be taught that to try to escape an electric shock was futile. Dogs were first restrained while receiving the sound of a tone directly followed by an electric shock. Next Seligman and several of his colleagues left the dog unrestrained and expected the dog would flee at the sound of the bell, but to their surprise the dog remained at the signal and took the shock. The results of this experiment, applied to humans, led Seligman to conclude that what one expects determines one's behavior. Seligman referred to this as *learned helplessness*. The dogs could be conditioned fairly quickly to believe their own actions mattered little and that their comfort was determined entirely by an outside agency. In Rotter's terms, Seligman discovered that dogs could be taught to become externals quite easily.

This is interesting, but we are less interested in helplessness and more interested in whether we can learn to take better charge of our lives, and Seligman and others have been concerned with these more positive aspects of human behavior for the last several decades. The take-away lesson of the *positive psychology* movement (Seligman, 1998) is that people can change their beliefs and explanations for the events that happen in their life. A growing body of research supports the notion that a primary determinant of our behavior and our happiness is our *explanatory style* and that those of us who habitually explain matters optimistically are happier and more successful than those who are habitually pessimistic. In a similar vein, it isn't much of a stretch to conclude that human behavior can be modified toward a form of *learned courageousness*. Although Stanley's data doesn't address whether his millionaires learned to be courageous or merely had a natural propensity toward it, given the mental flexibility of our species, it seems reasonable to assume that marginal increases in courage can be learned and may be important to increasing our chances for future success.

### 3.4.2 Exploring Courage

In general, do you believe you largely control your own destiny, or do you believe that your destiny is largely shaped by others? The following exercise asks you to explore these matters by writing a short essay.

*Exploration Exercise*

Write a short essay that explores two specific instances in your life, one when you went along with the crowd and the other when you went your own way. Consider the outcomes of both cases. Were the results favorable to you? Describe the ways in which the instances are or are not representative of the way you now generally handle such situations. Do you believe you have largely internal or external locus of control? If you could change this aspect of your personality, would you, how, and why?

### 3.5 TACTICAL LESSONS OF HANDLING MONEY

Engagement and courage may be thought of as key strategic dimensions of wealth creation, but what about the blocking and tackling of handling money? Here three issues draw our attention: How we spend money, how we earn it, and whether we save it.

#### 3.5.1 Spending and Earning Styles

What kind of spender are you? Do you get a couple bucks in your pocket and feel the urge to go shopping, or do you save and save and then have difficulty buying something you really need? Most likely you're somewhere in the middle of these two poles. However, to simplify matters, in the language of Las Vegas, we'll call the first category of spender a *high roller* and the second category a *low roller*. Although "high roller" and "low roller" may have negative connotations, here the terms are used merely to be memorably descriptive of spending style. As it turns out, the Stanley study does have something to say about the connection between spending style and the type of wealth one might accumulate (balance sheet or income statement affluence), but for now, our purpose is to consider spending in the light of earning.

Having considered the spectrum of spending styles, can we similarly categorize the ways in which we earn money? Some thought suggests that there are basically two ways people typically earn money: in *clumps* and in *trickles*.

For example, commission salespeople get paid in clumps: Make a big sale, get a big paycheck. Freelance writers, artists, and consultants are paid in similar lump-sum fashion. The person starting a business has periods of clumplike payment, although after companies get underway, they themselves may be divided into clumpish and tricklish types of companies.

On the other hand, salaried men and women see their wages in trickles; every week, every 2 weeks, or every month they receive a modest but regular sum of money. These are two very different ways to receive money, and neither is intrinsically better than the other toward the creation of wealth.

### 3.5.2 Spending–Earning Impedance

On the one hand, people can spend as high or low rollers and they can earn in clumps or trickles, but just as we attempt to match the tasks we find engaging with the work we do, it makes psychological sense to seek a match of our spending and earning styles. That is, high rollers should be more comfortable with clumps and low rollers should be more at ease with the trickle. High-roller engineering graduates working as salaried design engineers and low-roller engineers who chase the big bucks in technical sales may be equally unhappy because both types ignore important personality facets in their career decision making.

Of course, there are hybrid earning styles combining both clumps and trickles, and these can be satisfying in providing both the consistency of the trickle with the upside potential of the occasional clump. For example, regular jobs that permit outside writing, speaking, and consulting offer this hybrid combination, as do regular positions combined with outside investing in real estate or financial markets.

#### *Exploration Exercise*

Write a short essay where you consider three recent purchases: one minor, one moderate, and one major. Consider the decision-making process that went into each purchase. Was it impulsive, considered, or agonized? How long did the decision take? Did you comparison shop? Did you buy top of the line or bargain basement? After considering the three purchases in some detail, classify yourself as a high or low roller.

Exploring vocational and earning–spending impedance are challenging matters, and I should warn that preferred skills and activities—and spending style—can change over time. Old dogs can learn new tricks; but even so, performing an analysis such as this, now and at intervals throughout a career, can be helpful in making effective adjustments.

### 3.5.3 Investing, Saving, and Thrift

For some reason that I’ve never understood, there’s a lot of pressure to invest one’s money in stocks, bonds, puts, calls, futures, bellies, straddles, or whatever the financial instrument *du jour* happens to be. Perhaps this pressure comes from a self-interested financial community, or perhaps it is natural in a capitalist economy—but, whatever the reason, the pressure is there. It is so ingrained that sometimes we are driven to the mistaken conclusion that investing is the primary way to wealth and that work is the way one sustains the habit of investment.

For many it is a costly habit indeed. As we’ve seen, wealth is often the result of sustained engagement when an individual is engrossed in his or her primary



activity. Subsequently, the now-wealthy people have money to invest and do so. The problem is that the rest of us observe the latter phase—nobody paid much attention to these people until they became wealthy—and mistakenly think that their current behavior is responsible for their great wealth. Investing as a primary way to great wealth makes sense for engaged investors, but for the rest of us, investing is more of a sideshow than the main event. This is not to say that we should not take care of our money, and we turn to the data to see what it tells us about savings and thrift.

As a group, Stanley's millionaires were a thrifty lot. They drove modest cars, lived in modest homes, and were conservative spenders. They preferred the established over the trendy. They preferred to resole shoes, reupholster couches, and stick to weekly shopping lists at the grocery store. Further, while millionaires invested in the market, often doing their own market research and stock and mutual fund selection, they frequently invested in their own businesses, and many of their investment decisions were driven by a love for their vocation. Moreover, the lifestyle of the millionaire is not that of the jet-setter; it is the opposite. Topping the millionaires' list of nonwork activities is time spent with family and close friends, studying investments, exercise, attending lectures, and do-it-yourself home improvement projects. These spending and lifestyle activities fly in the face of widely held stereotypes, and although nobody is suggesting that these behaviors should be slavishly copied to increase one's chances of becoming wealthy, it is certainly a mistake to copy stereotypes of the wealthy when those stereotypes are not statistically correct.

Perhaps the lesson for us here is that everyone can benefit by developing the habits of *savings* and *thrift*. Before taking a flyer on Peruvian grape futures or other exotic speculations, it makes sense to accumulate an amount of money that equals or exceeds a significant proportion of your annual salary as a way to protect yourself against unexpected financial problems. Moreover, having cash in the bank gives you a cushion should you choose to switch jobs, go back to school, or otherwise do something that interrupts your income stream. In thinking back to my own decision to return to graduate school after having worked for a number of years, I know that it was made easier because I had stashed away a nice nest egg.

Once you've saved some money, it's fairly natural to ask whether you are getting a reasonable return. One of the best returns on investment comes not from an investment but from smart shopping. To understand this, consider that if you can get 25 percent off the price of a \$100 pair of shoes you need, that savings is equal to the amount of interest you would have received had you invested the \$100 in an instrument bearing 25 percent per annum. There are few (legal) investments that regularly pay 25 percent per year, but there are many opportunities to save 20 to 50 percent on items that we need every day. Of course, one of the tricks to this is not letting your thrifty consumerism lead to unnecessary or unplanned purchases; nevertheless, thrift in purchasing certainly can help put money in the bank.

To understand what to do with your money once it is in the bank, it is helpful to develop mental models of financial investments and how they work. To do so requires reading, and *The Wall Street Journal* (WSJ) is a good place to start. The WSJ is a good newspaper on its own merits, but if you become interested in things financial, it is *the* newspaper. *Forbes* is a good choice among business magazines because the writing is lively, the news is current, and the tone is irreverent. The classic book in economics self-education is Hazlitt's gem, *Economics in One Lesson* (Hazlitt, 1979) and Sowell's more recent volume (Sowell, 2004) provides a somewhat more elaborate view in plain English. To get an overview of investing, read Tobias's sensible little book, *The Only Investment Guide You'll Ever Need* (Tobias, 2005).

While investing money is secondary to developing core competence at engaging work, there are basic decisions to make in the allocation of money. A good approach is to read and engage a number of the suggested references or other current texts on these topics.

### 3.6 GET A LIFE

Engagement with your life's work is important, but I should hasten to say that this does not preclude a family life or other outside interests. All work and no play does both a stale engineer and a lousy family person make. Of course, there will be times in your life when work will be quite demanding and outside interests will suffer, but such times will be balanced by others when family duties call and work has to take a back seat. Knowing how to manage this shifting balance is difficult, and there is little that can be said in general about these matters, except that we should try to avoid using one of life's facets (such as work or family) as an excuse for neglecting another.

Even when we are able to live a fairly balanced work-home life, the demands of juggling many balls require that we manage time well, particularly at work; the suggestions of another chapter can be helpful here. Many workaholics—far from being time efficient—base their long workdays on a foundation of poor use of time. Knowing that you're going to be around later takes the pressure off doing something now. On the other hand, a balanced existence that forces you to divide the day among various facets of life can actually help you to better allocate your time in each facet.

One way to squeeze more out of your day is to rearrange your sleep schedule. For example, Ben Franklin rose at 5 a.m. (Franklin, 1791/2004); that same habit can be useful in more modern times. By rising at 5 a.m. and getting to work shortly thereafter you can (1) have uninterrupted time to write and think first thing in the morning, when you are freshest, (2) stay until a normal quitting time and squeeze more out of the working day, and (3) spend a full evening with your family or friends without worrying about work. Others rearrange their schedule for late-night activity, and there is some evidence of a physical basis

for both larklike and owl-like behavior, and decisions about scheduling are very personal matters. Nonetheless, sometimes our sleep habits are dictated by external factors or conventions rather than conscious thought; some thought about your own circumstances, followed by a conscious decision, might generate a schedule more suitable to your needs.

### 3.7 PLOTTING YOUR COURSE: VALUES, MISSION, AND GOALS

Television commercials and corporate annual reports are awash in “vision” and “mission” statements, and sometimes the main value of these public displays is to highlight unfavorably the difference between corporate word and deed. Nonetheless, at a personal level, shifting from a direct concern for wealth to one of engagement naturally leads us to think in terms of our own *values*. In other words, what set of concerns drives us in life? What categories of activity bring personal meaning and fulfillment. Articulating personal values is a useful exercise in self-knowledge, and once this is done, it is possible to write a *personal mission statement*. Just as companies write mission statements to inform stakeholders of their intentions and to drive decision makers to do the right things, personal mission statements can help guide individuals through the thicket of long-term temptations and opportunities to arrive at a more meaningful life. While a sense of mission helps us keep our eyes on the long term—mission is the strategic side of personal planning—*goals* keep us moving incrementally toward fulfilling our mission—goals are the tactical guideposts for near-term action. An understanding of the role of engagement naturally leads us to considering values, mission, and goal setting.

#### 3.7.1 Creating a Personal Values Statement

Seeking engagement by paying attention to those activities that make time fly for you is a reasonably reliable means to finding categories of activity or behavior that we *value*. The subject of values can be a difficult one because of its ties to deeper issues in moral philosophy, but here we simply seek to raise the stakes on the detailed explorations that arise from time-flying analyses to a somewhat more general listing of personally prized categories of behavior to create a *values statement*. In other words, given your preferences and proclivities, what categories of activity and behavior do you prize most highly (Seligman, 2002)? Of course, we need to be a little bit careful and move somewhat into the realm of moral philosophy. If you were to say that you prize murder for hire and its efficient execution most highly, few readers (or courts) would condone or even tolerate your choice. So, more to the point, a personal values statement is a listing of *virtuous* (at least legal) activities or behaviors that you value most highly (Peterson & Seligman, 2004).

A good template for a personal values statement is to have a short preamble followed by an amplified list of values in *newsletter format*:

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*Values Statement for John Q. Doe*

The following is a list of my core values in roughly decreasing priority:

**Family** Collectively, my family is the most important institution in my life, and individually Jill, Fred, Sam, and Roxanne are the most important people in my life.

**Security** The world is increasingly a dangerous place, and my family must have a secure home far from potential upheaval and unrest.

**Learning** I am a learning machine and am happy when I am engaged with unfamiliar or new ideas across a broad range of topics.

**Order** I seek order and try to leave things in better shape than when I first arrive.

**Fitness** I seek bodily health and fitness and bring balance to what would otherwise be a cerebral existence.

**Financial security** Although I am not driven to seek great wealth, I do not turn away from it, and I use money to advance other primary values to the benefit of my family, myself, and others.

**Spirit** I seek spiritual understanding and inner peace through reflection and religious practice.

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Creating your first personal values statement is a difficult exercise that should probably span several days, weeks, or even months. In writing the values statement, it is important to list things you truly believe in. Sometimes people have a tendency to write platitudinous values statements that pay homage to things *everyone* is supposed to believe in. Motherhood and apple pie have their place, but the writing of a values statement is no place for self-delusion. After creating a draft, ask yourself point by point whether each item really matters to you. Putting it somewhat differently, would you sacrifice something important to live up to the value, or are you merely mouthing words so that others might think better of you?

Of course, values statements may be useful to try to change yourself, and you may write a value that you would like to emphasize in the future. Such items on your values list have a place, but be sure you are truly committed to doing what it takes to alter your behavior and embrace the value. Simply mouthing the value, placing it on your values statement, and pretending it is yours is not enough.

Once the list is created, it is useful to revisit it on a regular basis, perhaps annually. Where lists of objectives and specific goals will change frequently, your values probably won't change as rapidly over time. Of course, growing

older has a way of changing a person's perspective, and it is common to add items to your list as different values surface or simply become apparent over time. Additionally, at key junctures in your life, you may find certain values ascendant and others somewhat less important to you. Keeping and updating a values statement throughout your life can help you recognize these junctures and understand the forces in your life that are shaping the changes.

### Exploration Exercise

Write a personal values statement. Show the statement to a spouse or a very close friend and seek feedback on whether the values you have written reflect the person's knowledge of you. Revise the statement accordingly, taking into account the feedback you have received and how it accords with your knowledge of yourself.

## 3.7.2 Writing a Personal Mission Statement

The writing of corporate vision and mission statements has become so common place it has become something of a cliché. Yet, the impulse behind all the visionary and missionary ink is well intentioned. The best corporate mission statements succinctly reflect a corporation's values by articulating (1) the company's reason for existing and (2) the targets and aims of its activities. Many companies benefit from the writing and distribution of a mission statement and the reasons are mainly fourfold:

1. The thinking that creates a mission statement helps clarify what is truly important for future success.
2. Articulating mission creates a set of *ideals* to help guide future corporate conduct.
3. Articulating mission to employees and stakeholders announces clear targets to those whose performance is needed for success.
4. Announcing mission to customers and the public places pressure on the corporation to *close the gap* between corporate ideals and reality.

For an individual, a *personal mission statement* serves these same functions. Thinking clarifies values and targets, the announcement creates an ideal, telling yourself is a reminder of right conduct, and telling others encourages you to close the gap between the way you would like to be and the way you are.

A personal mission statement should be a *succinct, memorable* list of numbered points that are *broadly drawn*, yet reasonably *concrete*. The list should be preceded by a *preamble* that can be as simple as a single phrase ("My mission in life is to") or a more elaborate, yet brief discussion of key assumptions or background. Careful editing and word choice is necessary to embrace your mission succinctly, memorably, and accurately.

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### *Mission Statement for John Q. Doe*

My mission in life is threefold:

1. I must raise three citizens of the world who can thrive in an increasingly competitive, information-driven, and global economy.
  2. I must love and understand my life partner as we face life's challenges and grow together.
  3. I must create new products that have never existed using a balanced understanding of engineering knowledge, business skill, and markets and customers.
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As with a values statement, mission statements should not say things because they sound good or make you seem more high minded. Instead make sure you believe in the mission points by asking yourself what activities in your life you might be willing to forego to live up to the particular point you are considering.

Getting feedback from a spouse or a close friend on your draft mission statement is useful, and posting the mission statement with that person helps create external pressure for you to live up to your intentions. As you review your values statement and goals, you should review your mission statement to make sure that it remains a valid snapshot of where you believe you need to go.

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### *Exploration Exercise*

Write a personal mission statement as a list of mission elements preceded by a preamble. Challenge each mission element. Is it a platitude or is it something you believe in strongly? Give the draft statement to a close friend, parent, or spouse for feedback. Carefully edit the final statement so that it is accurate, succinct, and memorable.

### **3.7.3 Setting Goals**

At a strategic level of personal planning, value statements lead to mission statements, but to actualize the lofty aims of the mission statement, it is important to visit and revisit your *goals*. Goal setting feeds your to-do list with activities that are worth doing—with activities that help you accomplish your life's mission.

Goals are action-oriented statements describing desired behavior resulting in specific accomplishment. Goals should be *concrete* and *measurable*: They should describe the behavior or result desired not the process used to achieve it. Additionally, target dates should be given with each goal.

A good format for goal lists is newsletter format.

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*Goals for John Q. Doe January 11, 2006*

**Weight and fitness** Lose 10 pounds of fat and gain 5 pounds of muscle. **6/2006**

**Host/client project** Finish host/client project for Mismara Corp. on time and under budget. **12/2006**

**Education** Educate children by seeking best schools, teachers, and extracurricular activities possible. **Ongoing**

**Promotion** Seek promotion to team leader through hard work, night classes, and pursuit of excellence in personal and team performance. **12/2007**

**Jill** Find activities to do together to keep marriage strong. Investigate ballroom dancing classes, co-ed yoga, and other active recreation. **3/2006 & ongoing**

**Graduate degree** Seek graduate degree combining technical and business-related subjects as credential for advancement and to build knowledge useful at work. **Start 9/2006–Complete 9/2009**

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The newsletter format makes the goals easy to review, and the imperative verb form at the beginning of each sentence gives the goals a kind of force that is useful in helping a person get off the mark and really accomplish the goals.

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*Exploration Exercise*

Write a list of personal goals using a time horizon of between 2 and 5 years. Review each goal and make sure each one is concrete, measurable, and time specific.

Goals should be reviewed on no less than an annual basis. Keeping a list of goals in a prominent place helps keep them in mind. Reviewing them each year helps you to see how successful you are in checking them off. Oftentimes there are good reasons why a person may need longer than anticipated to accomplish a goal, but if you make such lists and check them regularly, you will find that your life is better directed toward the things that you believe are important.

## **SUMMARY**

The chapter started by examining four common-sensical attributes associated with the wealthy: (1) integrity, (2) discipline, (3) social skills, and (4) hard work. But common sense is one thing and common practice is another, and the chapter continued by considering two hidden lessons of the wealthy: their engagement and their courage. The wealthy are able to reliably exhibit integrity, discipline, social skill, and hard work because they

often are fundamentally engaged with a life's work or vocation. Moreover, the wealthy are often courageous in the face of criticism and failure.

Learning to be more courageous is difficult, but by paying attention to activities that make time fly, all of us can better match our vocational impedance. By seeking career possibilities that match well with those activities we find engaging, we increase our chances of success.

After tackling the twin strategic issues of engagement and courage, the chapter turns to tactical matters of handling money: earning, spending, and saving. It also considered the importance of balance of work and home life.

Having flipped the money chase on its head and emphasized engagement, the chapter has gone a step further and considered the importance of exploring who you are through the systematic creation and updating of values statements, missions statements, and lists of goals throughout your life. These exercises can help beyond the day-to-day bustle of work and chart a course for career and life success on terms that are personally meaningful. Exploring and understanding these matters is not easy, but reasonably modest expenditures of time and effort in these activities can have a substantial payoff over the course of a career and a life.

## EXERCISES

1. Interview a successful person. Ask that person questions about his or her early years and about how he or she became successful. Ask questions about that person's present work life. Write an essay discussing the keys to his or her success. Compare and contrast levels of engagement and enthusiasm early and late in the person's career.
2. In a short essay, consider whether your current career or career plans help create a personal impedance match to your inclinations and spending style. If so, which elements of your goals should be emphasized to enhance the impedance match? If not, what career options might offer a better impedance match and why?
3. Form a team of two. Each of you should write a brief statement about time-flying activities and interests. Exchange lists, and then write a brief essay on specific career options that seem to match the other person's list. Read and discuss both sets of recommendations.
4. Form a team of two. Each of you should make a list of major purchases made over the last 2 years. Exchange lists and write a brief essay classifying the other person as a high or low roller. Discuss the essays.
5. Form a team of three or more and choose one individual whose career choices will be examined during a brainstorming session. Try to find alternative career paths or emphases that will help the individual to grow. This exercise can be repeated for each group member.
6. Form a team of five and have each person make a list of major purchases made over the last 2 years. Make copies of all five lists and circulate them among the group members. Rank the lists from highest to lowest rollers and discuss attitudes toward spending money.
7. Make a list of personal values and prioritize them.
8. Write a personal mission statement.
9. Make a list of personal goals over the next 5 years. Be specific. Project dates of accomplishment and, where possible, quantify the goal.



10. Consider whether you have ever known someone who tried to socialize his or her way to wealth. List the ways in which they were successful and whether that success appeared sustainable? List a specific example or examples when their efforts failed.
11. Consider whether you have ever known someone who tried to invest his or her way to wealth. List the ways in which they were successful and whether that success appeared sustainable? List a specific example or examples when their efforts failed.