

Del Mar Times

What does wealth mean to you?



George Giguere, who teaches a course on entrepreneurship at Brown University, recently asked this question to a group of students: “What does wealth mean to you?”

Not surprisingly, wealth meant different things to everyone. However, all wanted to be philanthropic at some point in their life and did not believe money would buy them happiness.

How much money would it take to make you wealthy?

While responses varied, the students were challenged to think further. Giguere, a successful entrepreneur, has seen more people make it and then lose it, than make it and keep it. He teaches the importance of keeping one’s word in business and treating people right.

“In creating wealth, you develop relationships along the way. If you don’t treat these relationships well, there is a probability that there is going to be a time to cash in on those relationships again and it is not going to be there for you when you need it,” said Giguere.

“You create a history in your life, and if you don’t treat people with respect, you will pay the price for it one day.”

Serious factors in determining whether someone is wealthy or not include how much he or she wants to spend, how the money will be used, and what needs are not being met. Real estate tycoon Donald Trump, who may seem to have unlimited needs, requires a lot of money to be wealthy by his own terms. Someone else with limited needs may be wealthy in his own right.

Giguere notes the origin of wealth is important to mindset. People who win the lottery but have no concept of money tend to lose it right away. People who feel lucky by inheriting a trust or earning it themselves tend to be more cautious in spending it.

People who deal best with wealth are those who gain it with confidence, did it themselves and know they can recreate themselves if things turn sour.

Here are some things to consider if you acquire sudden wealth:

1. Take a deep breath before spending this money. Consider your options. During this period, do not to make significant changes to your lifestyle. You may encounter pressure from relatives and others for gifts and donations. Let them know you are not making decisions yet.
2. Assess what is important to you and what your goals are. Before you run out and buy your cousin a house, make sure that it fits your long-term goals.
3. Develop a team of trusted advisors that includes a financial planner, an attorney, an accountant, and perhaps a therapist or life coach. Let your trusted advisers be the gatekeepers.

The words “success” and “wealth” are often used interchangeably. “It takes persistence and patience to achieve success. One does not work with the other,” says Giguere. It is important to set goals even at a young age—to help make you successful within your own definition.

How is it that people can treat money in such different ways? Most of us can think of examples where one child is saving toward retirement and working on career development. The other child is a spendthrift, cannot put any money away, and lives with Mom and Dad well into adulthood. How can they be so different yet come from the same home? These are extreme examples of course, but it comes down to differing values.

Financial planners have understood this for years. Many use processes to help clients understand their own values so that they can make the best choices with their money.

Understanding what’s important to you allows you to set goals that are meaningful. Values also don’t change, while behavior can change. But since behavior is based largely on what our values are, you can quickly understand the importance of understanding your values. This is not a judgment call, just the realization that everybody is different.

For those interested, the bible has much to say about wealth and money. Proverbs 17:16 (NIV) “Of what use is money in the hand of a fool, since he has no desire to get wisdom?”

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“Once we become adults, we often lose track of life’s simple pleasures and of our own personal goals,” said Mark Eisenson, author of ‘Invest in Yourself: Six Secrets to a Rich Life.’ “We take a wrong turn or two, and spend a good part of our lives doing things we’d rather not...we don’t focus clearly on what we can do to change the situation, how we can invest our time and energy, and, yes, our money to consciously create the life we want.”

So, what does wealth mean to you?

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