Finance

AARP

The Pledge

Michael Masterson

Digital Edition

The Pledge

Your Master Plan for an Abundant Life

MICHAEL MASTERSON

AGORA

New York Times bestselling author

MAKING YOUR MONEY WORK FOR YOU

Maybe you're thinking it's time to review your investment strategy and make the most of the money you have today. Maybe you've already built a financially successful retirement egg and want to protect what you've built. Or maybe you need to bulk up your earnings to ensure your family's future.

Welcome to money for grown-ups. Where do you turn for credible information?

Dedicated to helping you protect your assets, stretch your dollars, and bolster your longterm security, AARP can offer you powerful solutions. Whatever your strategy for managing money, we've got suggestions that will help – from saving money on that next big purchase to planning your charitable giving. If you're taking your job to the next level or building up a second career, we've got strategies that will help you make your mark.

You may think your money — or your financial advisor — should be working harder for you. You may be watching market trends and seeing new opportunities. And, of course, you want to protect yourself and your loved ones from scams and data breaches. We can give you the support you need.

And turn to us for fun, too. (Is it time for that car, that trip, that weekend home you've always wanted?) Because that, too, is what this time of your life is about.

AARP®

AARP is a nonprofit, nonpartisan membership organization that helps people 50 and older improve their lives. For more than 50 years, AARP has been serving our members and society by creating positive social change. AARP's mission is to enhance the quality of life for all as we age; lead positive social change; and deliver value to members through information, service and advocacy. This information in this book is for educational purposes and does not constitute financial advice.

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Your Master Plan for an Abundant Life

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To Stephen Covey and Dale Carnegie, who helped me learn the art and science of prioritization, planning, organization, and getting things done.

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Introduction

HOW TO LIVE YOUR ABUNDANT LIFE STARTING TODAY

We all want better lives, but too few of us are willing to make the changes necessary to have them.

Take my old friend Joe S., for example. Every time I see him—which is not very often these days—he complains about his (a) wife, (b) job, (c) kids, (d) body, and (e) friends. Usually he manages to complain about all those topics before he finishes a single beer. In the past I used to encourage him to change.

"Go to a marriage counselor," I suggested.

"They don't do anything," he assured me.

"Then get a divorce."

"It's cheaper to keep her."

All our early conversations went that way. Then I stopped making suggestions. Nowadays, when we meet, I have one beer and then get going.

Joe is an extreme example. He says he wants to change, but he doesn't really. He prefers to keep doing what he's always done. To lead a miserable life and waste his spare time complaining about it.

Joe is stuck. So is John K., a UK-based electrical engineer who had been reading my daily e-letter *Early to Rise (ETR)* for about three months when he wrote me. John said that although he regularly found "excellent" ideas in *ETR*, he couldn't get started. His problem: He "lacked motivation."

As an educated man, John could "recognize the opportunities present in . . . real estate, import/export, online, etc.," but couldn't get started on any of them unless he was "absolutely, 100 percent sure" that he would be successful.

He recognized that he was disabled by a fear of failing. But knowing you have an emotional problem doesn't mean you can solve it. "How can I get by this obstacle?" he wanted to know.

This is a book for people like John. People who want to improve their lives, but—for whatever reason—find they have been unable to do so.

HOW GOOD IS YOUR LIFE? TAKE THIS TEST AND FIND OUT

One of my favorite maxims is this: The quality of your working life can be determined by answering three very simple questions:

1. What will you do?
2. With whom?
3. Where?

I like the simplicity of that. And it makes sense. The amount of joy you have every day depends so much on making three wise selections:

1. The career you choose.
2. The business associates you choose.
3. The place you choose.

Chances are you've already made those three choices. You may have made them without much thought or made them passively by not choosing. But you are living with your choices.

Before we do another thing—and there are all sorts of wonderful things I'd like to do together in this book—let's review the decisions you've made.

Take the following three-part test. Then see what I have to say about your score.

What You Do . . . Your Career

Rate your business or career by assigning a number between 1 and 10 for each of the following questions. A 10 means it describes your business perfectly. A 1 means it doesn't apply at all to your business.

If you are an entrepreneur or professional, use this set of questions:

____ It is difficult to knock off because it has a unique selling proposition.
____ It is scalable: It can grow much bigger without my doing much more work.
____ It has a low overhead with low rents and no requirement for large capital investments.
____ It can be marketed well through the Internet and can take advantage of full direct marketing.
____ It has little or no inventory.
____ It is subject to few government regulations.
____ It is cash-flow positive. It can fund its growth through its own cash flow.
____ It has minimal labor requirements: It takes no more than four employees to generate $1 million in revenues.
____ It has an unlimited capacity to create wealth for me.
____ It challenges me fully—creatively, intellectually, emotionally.

If you are an employee, use this set of questions:

____ It takes advantage of my skills.
____ It challenges my logical brain fully.
____ It challenges my creative brain fully.

____ It meshes well with my lifestyle.
____ It surrounds me with interesting, intelligent people.
____ It gives me the opportunity to excel and advance.
____ It encourages independent thinking.
____ It offers mentoring.
____ It gives me a chance to learn new skills.
____ It makes honesty and providing value to customers a top priority.

WITH WHOM YOU DO IT . . . YOUR PARTNERS, VENDORS, AND MAIN CLIENTS

Rate your business associates by assigning a number between 1 and 10 for each of the following questions. A 10 means it describes your business associates perfectly. A 1 means it doesn't apply at all to your business associates.

____ Share my value system.
____ Appreciate my strengths.
____ Forgive my weaknesses.
____ Make business deals beneficial to all parties.
____ Share my ideas about what is right and wrong.
____ Bring skills I don't have to the table.
____ Are willing to talk through disagreements or misunderstandings.
____ Do not exhibit bad behavior, such as verbal abuse of colleagues.
____ Aren't prone to endless planning and preparation.
____ Embrace new technology and techniques.

Now rate your key employees:

____ Share my value system.
____ Are productive and hardworking.
____ Bring skills I don't have to the table.

____ Support my business goals.
____ Treat everyone, including competitors, with respect.
____ Trust my judgment.
____ Follow directions and advice.
____ Are receptive to change.
____ Do not panic at the first sign of defeat.
____ Are always willing to learn . . . and teach.

WHERE YOU DO IT . . . THE PLACE YOU LIVE AND WORK

Rate the location where you live and work by assigning a number between 1 and 10 for each of the following questions. A 10 means it describes your location perfectly. A 1 means it doesn't apply at all to your location.

____ Has my perfect climate.
____ Has the physical qualities I love: mountains, seaside, etc.
____ Has the population density I like: urban, suburban, rural.
____ Has more than enough cultural/recreational activities for me.
____ Allows me to enjoy a full life without a lot of traveling.
____ Allows me to have a short commute to work.
____ Has a comfortable, safe, and productive office environment.
____ Has plenty of windows or an outdoor area.
____ Has amenities such as gyms and restaurants close by for after work.
____ Is well equipped, allowing me to do my job to the best of my abilities.

HOW TO SCORE

Each category has a total score of 100 (10 career questions times 10 points each; 10 business associate questions times 10 points each; and

10 location questions times 10 points each). Tabulate your scores and compare them to my notes:

- **90 to 100:** Congratulations! You have what you need. Improving your life in this category will be just a matter of tweaking the levers.
- **70 to 90:** You have accomplished a great deal. More than most people. But you can enjoy a better life in this category. Our master plan process will give you what you need to make the changes you want.
- **50 to 70:** Your life is better than most. (Most people rate their lives at between 40 and 50.) But you have a lot of room to improve. You need to master plan a new and better life.
- **Below 50:** You have made some bad choices. You may have to make some better ones.

Don't worry if your scores are lower than you hoped. Everything can be improved very quickly if you have the willingness to change. In this book, we'll talk about how you can have your best life possible.

OBSTACLES TO ACHIEVEMENT: WHY YOU CAN'T GET STARTED

John says he believes part of his problem is that he is not absolutely, 100 percent sure that if he starts working on some specific opportunity, he will be successful. How does he get past this obstacle?

> *Life takes on meaning when you become motivated, set goals, and charge after them in an unstoppable manner.*
>
> —*Les Brown*

The single biggest reason that people fail in life is that they *never take effective action*. Poverty is a problem, but not an insurmountable one. Countless successful men and women began their lives in poverty. Ignorance is a problem too, but that can be overcome by anyone willing to learn. Indecision and fear (of failure or success) are common obstacles to success. But all of these obstacles can be overcome, easily, by the individual who makes a commitment to take action, to figure out where he wants to go, and then to set one foot in front of the other in that direction.

Inaction is John's problem—not the fear that he will work on some opportunity that doesn't materialize!

Successful people don't sit around waiting for everything to be "100 percent" right or to be "absolutely sure" they will succeed. They assess the odds. And if the odds are reasonably good, they strike out boldly and energetically. They don't need absolute assurance, because they realize life doesn't provide any.

The cost of failure, successful people know from experience, is very modest compared to the cost of inaction. Failure means you are smarter the next time. Inaction means there is no next time. There is only a lifetime of unhappiness—first of worry and then of regret.

John is living in a world of worry now. If he doesn't take action soon, he will settle into a retirement of regret.

My rule is *Ready, Fire, Aim*. I have written about it many times in *ETR*, and it is the title of one of my books. As I explain in Chapter 17 of the book:

> *Ready, Fire, Aim* means disregarding most of the obstacles and detours that waylay others. It means finding and following the fastest path to any objective you set for yourself, so that time and all the problems time brings with it don't defeat you. *Ready, Fire, Aim* achieves more in less time, because it puts the correct value on *action*. It is also a realistic approach, because it acknowledges human imperfection and failure in an intelligent way. In effect, *Ready, Fire, Aim* is a way of increasing the success you have in just about anything.

Key to understanding the *Ready, Fire, Aim* approach is the principle of *accelerated failure*. The principle of accelerated failure rests on the recognition that we learn the most—in any enterprise—by making mistakes along the way. The faster we learn the critical mistakes, the sooner we acquire the knowledge we need to succeed. In other words, don't fear failure . . . seek it out!

John recognizes that *any* of the opportunities regularly discussed in *ETR*—real estate, information publishing, Internet marketing, and so forth—can be viable avenues for financial success . . . *no matter what* *the economy is doing*. That being the case, what is he waiting for? He's not going to increase his odds by waiting and worrying. The sooner he gets going, the faster he will make the mistakes he needs to make in order to succeed.

I am very sympathetic to John. You may be stuck in the same place. His problem is exacerbated by his intelligence. Smart people are good at worrying. They are adept at conjuring up reasons to fear failure and delay action. They are the victims of their own IQs.

John has to compensate for this by making a greater effort to ignore his worries and put himself into motion. It really doesn't matter which opportunity he chooses. He knows he is resourceful enough to succeed at whatever he does. All he has to do is get going. Put one foot in front of the other and start to move.

I am going to make that process easy—not just for John but for you, too, if you are in his shoes. I'm going to tell you what you need to do today. And then I'm going to tell you what you have to do if you want to become successful—and not just financially, but in every area of your life.

Ready? This is what you have to do today: Fill out the following pledge.

> *Okay, Michael. I am with you. I have committed to creating a master plan that I can use to succeed this year. I commit to following that plan without question or complaint. I further commit to keeping a journal on my progress and investing the time and money needed to achieve my goals. At the end of the year, I promise I will write to you and explain exactly what I have accomplished.*
>
> *I hereby pledge* ______________________________
>
> *Name* ______________________________
>
> *Date* ______________________________

That's it! Do it now!

I can't offer you an "absolute, 100 percent guarantee" . . . but if you are willing to take my advice and follow the master plan outlined in this book, I am willing to guarantee—99 percent—that this time next year you will be well on your way to health, wealth, wisdom, and happiness.

Is that good enough for you? If so, let's get started!

Part One

YOUR MASTER PLAN FOR AN ABUNDANT LIFE

WHAT DOES IT REALLY TAKE TO CHANGE YOUR LIFE?

I was 13 when I first heard the word "underachiever." Mrs. Growe, my ninth-grade English teacher, used it to describe a student who had, in her opinion, failed to work to his potential. The student? Yours truly.

"Mr. Masterson," she announced to the class, "is the classic example of an underachiever. He doesn't complete his work assignments. He shows up late for class and then wastes his time daydreaming. As a result, he produces C work. From a child with modest potential, I would be happy with mediocre results. In his case, I am very disappointed."

I was not surprised at the assessment. It was accurate. I couldn't deny it. The female maturation process held my interest at that time.