

# Purposeful Impactful Wealth

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## **I believe that living a Purposeful Impactful Life**

**can be experienced by nearly anyone who wants to make it so.**

To experience life at such a level, it must be authentically your own. At its highest form, such a life must be imagined by you, envisioned with high definition clarity and articulated by you in writing. In other words, this type of authentic life cannot be prescribed by someone else. Not your spouse, parents, siblings or friends. You must be the author of such a life.

An almost certain prescription for a miserable existence is this; to live your life as imagined and designed by the mind, heart and ideology of someone else. Such a life is dishonest, a betrayal of your highest self. A life that is not authentically yours is a roadblock that will almost assuredly separate you from your highest self. A big void that no amount of money, power or influence can fill.

To serve another human being at my highest level of fiduciary awareness, I begin with an understanding of his or her own definition of a *Purposeful Impactful Life*. Most discerning affluent people already have a bevy of “advisors” in their lives. Accountants, lawyers, financial consultants, estate planners and even most fiduciaries do not possess a purpose of life defining document. A document like that can help elevate you and all of your advisors out of ambiguity and guessing into clarity of desired purpose, mission and impact. Such documentation either exists or it doesn't.

When well-documented clarity of purpose, mission and impact are missing, ambiguity reigns supreme. These days lots of people seem to prefer ambiguity over clarity. In part this is because ambiguity is a safe place to breed excuses such as, “Oh, I didn't realize that's what you wanted because you didn't make it clear enough.” Underperforming people love to hide in ambiguity because they can misdirect responsibility and accountability away from themselves over to the client or to some other advisor(s). In my opinion, advisors should achieve this level of understanding before rendering advice on financial strategies, tactics or tools. Exceptional people prefer extreme clarity and accountability.

### **My priorities of fiduciary conduct are as follows:**

- 1.** Know my clients' definitions of their *Purposeful Impactful Lives*
- 2.** Know my clients' best interests (Have them in writing)
- 3.** Protect my clients' best interests (List each strategy, tactic and tool in detail in writing)
- 4.** Further my clients' best interests (Have a mutually agreed upon list of strategies, tactics, tools, timing and benchmarks for accountability)
- 5.** Put my clients' best interests ahead of those of my company and myself



## Transcending Mediocrity

**If you want to achieve and sustain a well above average quality of life, it helps to have a well-articulated definition of what your ideal life looks like in writing.**

If you (and none of your advisors) have defined that life in writing, how can you or anyone else manifest that life? How would you or anyone else break it down into a list of best interests? Without a written list of best interests, how would you or anyone else know exactly what to protect and further? How would anyone know what to do, how to do it, or when to take any particular action? I can't represent your best interests if I don't know what your best interests are.

Replacing ambiguity with well-defined written clarity brings more focus and, if desired, greater accountability. Lots of people like to reduce or eliminate accountability for themselves. Unless consumers articulate and benchmark performance, it is unlikely that anyone will. Because I think and behave with an interdependent approach to life and business, I have identified highly skilled people inside and outside of my firm to help with this. When my clients (or their existing advisors) cannot create written documentation on their own, I introduce them to people who can help them create those documents.

You either have your personally authored authentic definition of a *Purposeful Impactful Life* in writing or you don't. Your advisors either have that document and its details in writing or they don't. Your advisors either have a clear understanding (in writing) of who and where you

are now and where you want to be next or they don't. It's hard, if not impossible, to protect or to further anything you cannot describe in writing. Every consumer of products and services ultimately determines:

1. How well they understand themselves
2. How well they are understood by their advisors
3. How much ambiguity vs. well-documented clarity and accountability they are willing to accept.

## Stewardship Over Self

**There is both light and darkness in all of us. All of us are fallible.**

We all make mistakes. In one way or another, as our awareness improves, we can recognize our own hypocrisy, character flaws and imperfections. Accepting our less than perfect nature allows us to become open enough to recognize higher ways of thinking, feeling, doing and being. As we see higher ways of being, we can take appropriate action to ascend into higher forms of self, of purpose and impact.

Stewardship over self is to recognize ones weaknesses and then take action to rise above them. Of course clarity, action and accountability are essential for such growth. Ambiguity like ego and self-delusion inhibits our availability for higher awareness, action and growth. Out-thinking our innate desires **1)** to be right vs. to be effective; **2)** to be safe; and **3)** to be comfortable – are essential for optimal performance in just about every aspect of life.



## Fueling and Empowering Your Purposeful Impactful Life

**As a Portfolio Manager and fiduciary, I encounter uncertainty, doubt, ignorance, fear every day.**

They are all around us and these things exist within each of us. Unless we exercise stewardship over ourselves, we cannot outgrow our ignorance and the doubt, fear, distrust and anxiety that spring from it. In lower levels of awareness, we are more easily coerced into fear and anxiety. As we replace ignorance about people and markets we don't understand with knowledge, we can discover new ways of getting positive returns. Education can broaden our perspective. As our awareness of how to produce positive returns in different ways broadens, our comfort with and confidence in new ways of prospering overtakes the ignorance that caused us to *feel* fear, doubt and distrust in ourselves, other people and markets that used to be outside of our awareness.

As a fiduciary, I do not encourage clients to invest in things or markets they do not understand or have confidence in. What I do is this; I help my clients grow their awareness of additional means for gaining positive returns and avoiding losses. The broader and deeper my clients understand ways to prosper and manage risk, the stronger they become. As their strength through knowledge improves, they are able to make better-informed decisions. I am not in favor of

blind confidence. I prefer the kind of confidence that is earned as we increase in our knowledge and have experience with new ideas, people and markets.

Risk is an ever-present condition in life, relationships, business and politics. Risk is a constant factor in every aspect of accumulation of wealth as well as the performance and preservation of wealth.

Understanding risk is easier when we see it well articulated in writing. Just as it is easier to understand what a *Purposeful Impactful Life* means to people when each person defines it for him or herself in writing. Being clear about what is wanted and what is not wanted beats ambiguity and ignorance pretty close to every time, with nearly every topic.

Those learning to swim can be frightened by how deep the water is. Learners often ask, "How deep is the water?" Accomplished swimmers don't ask that question because they know it is irrelevant.

As we practice swimming and become stronger more confident swimmers, the depth of the water loses relevance. What we thought was relevant and frightening before we became knowledgeable and stronger no longer scares us at all. Similarly we can strengthen ourselves as investors by swimming in a variety of markets and conditions. False confidence can be deadly. Earned confidence imbues us with a feeling of strength that less knowledgeable people cannot experience. Accomplished investors can earn profits and proactively avoid losses in ways that are incomprehensible to less knowledgeable people.

Would you prefer to become more knowledgeable about different ways of investing and proactively managing or mitigating risk? Would you rather be a “stronger swimmer” in more environments and circumstances? Would you be more comfortable if you had a stronger base of knowledge and experience that brings well-earned confidence? Would it be better if you and all of your trusted advisors possessed a written description of your *Purposeful Impactful Life* and everyone was working towards achieving and sustaining that? Should your wealth be strategically aligned with fueling and empowering your *Purposeful Impactful Life*?

When we become clear about what a *Purposeful Impactful Life* means to each of us, we can become more committed to acting above the ignorance, fear and anxieties that bind people to less significant and mediocre lives. In that state of being, one is less likely to waste time, energy or money on distractions that do not support their purpose and impact.



## Stewardship With Others

**Being a parent and raising a child stretched me in ways that I could not imagine at the beginning.**

Most of my clients are parents and grandparents. I had not thought much about the word ‘Stewardship’ but parenthood helped me realize that I had long been the steward of my own life. It also helped me view parenting as stewardship *with* but not *over* others. I think of this as more than a job. It is a way to help people in a noble and impactful way.

In the highest form of *Stewardship With Others*, we help people discover and express themselves at their highest selves. We do not tell people who they are and what to be or to do. We help people discover and get clear about who, what and where they really need to be to experience life in the most joyful and significant way for *them*. This must be defined by them.

As a prime example, consider the following hypothetical scenario that completely disrupts the status quo estate planning. This is a prime example of higher thinking.



## Seeing it in Action

Some time ago, a lawyer sent a couple to a friend of mine, Bruce, for some guidance. We'll call them Marilyn and Doug. Here is a peek into only one of their many concerns and issues.

Marilyn's father Bob had hired one of the west coast's top tax and estate planning lawyers to create a trust. The trust was providing income to his granddaughter Becky, who was age 21 at the time. This trust contained approximately six million dollars in diversified assets. Bob had also appointed Marilyn and Doug as the trustees over the trust.

Marilyn and Doug were somewhat overwhelmed by the details surrounding their oversight responsibilities. They were aware of their own limitations and lack of core competencies on such matters. They were hoping my friend could teach them how to deal with this and a myriad of other complexities, both financial and non-financial. The lawyer knew that simply meeting with the existing advisors would not resolve anything. Countless previous interactions with those advisors had yet to resolve any of the core issues.

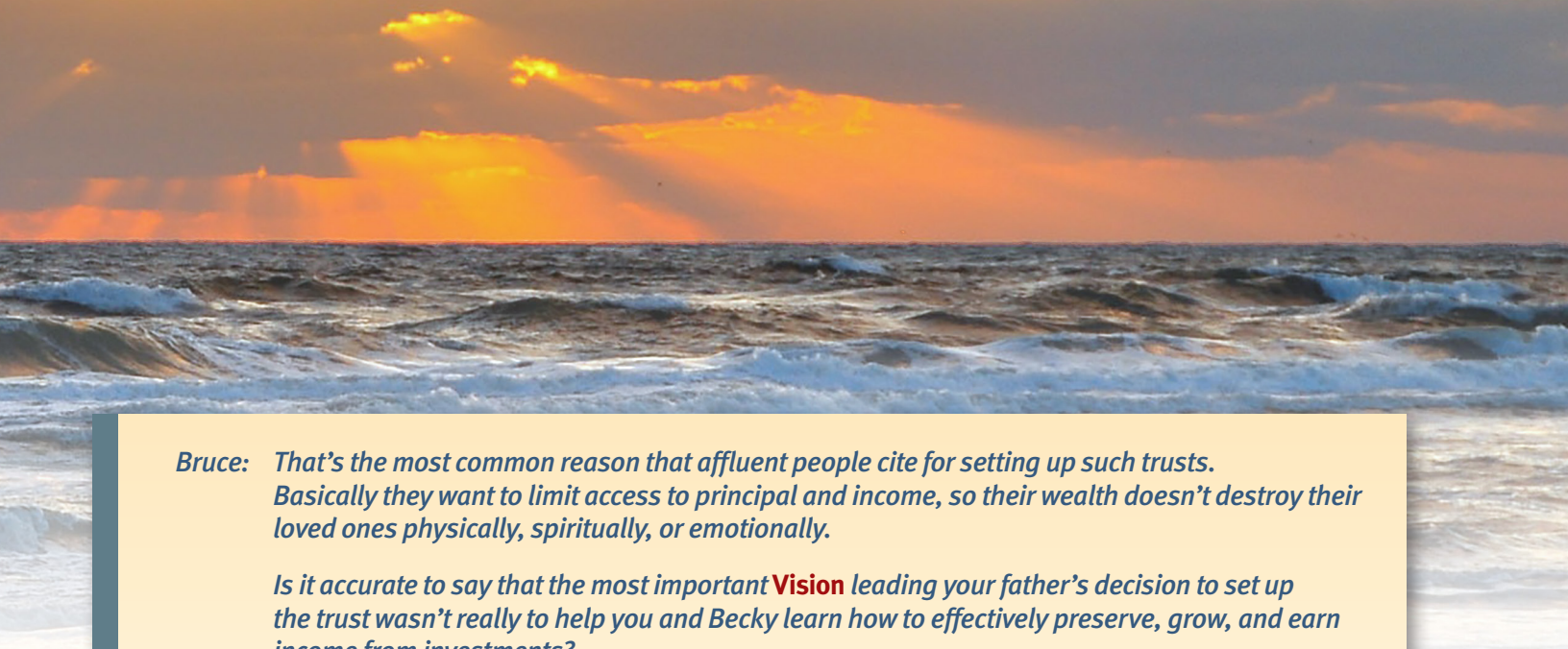


**Bruce:** *Tell me Marilyn, what was the **Vision** behind your father's decision to set up this trust for Becky?*

Marilyn: Well, he wants to give her some of his money now while he's alive rather than waiting until he dies. He also wants Doug and me to learn about how to handle money before I inherit 25 million dollars or so. Now that Becky is 21, he wants us to include her in the decision and oversight process so she will also learn how to handle wealth.

**Bruce:** *That's interesting. Why does he think it is so important that Becky's money is in trust rather than giving it to her outright?*

Marilyn: That's obvious isn't it? Becky's grandfather doesn't want his money to ruin her. Dad's worried that if Becky had 6 million dollars easily accessible to her, she would mishandle it.



**Bruce:** *That's the most common reason that affluent people cite for setting up such trusts. Basically they want to limit access to principal and income, so their wealth doesn't destroy their loved ones physically, spiritually, or emotionally.*

*Is it accurate to say that the most important **Vision** leading your father's decision to set up the trust wasn't really to help you and Becky learn how to effectively preserve, grow, and earn income from investments?*

**Marilyn:** You're right. He is more concerned about us spiritually and emotionally. He wants us to make our lives meaningful and fulfilling. The money is really just a tool which can buy us greater freedom to come and go as we wish. It gives us the freedom to pursue our "perfect calendars." We don't have to spend time working just to make a living. We can work at anything we choose without needing any compensation.

**Bruce:** *So now we see that Bob's **Vision** of what he wants us to accomplish is far bigger and greater than effective money management or estate tax reduction.*

When we look at Bob's **Goals**, we see there were many. Here are four of them:

- Provide financial resources so you can spend your time and talents any way you want.
- Limit access to principal and income while empowering everyone (Marilyn, Doug, and Becky) with first-hand experience managing some money before the really big transfers are made following his death.
- Legally protect the trust's assets from lawsuits.
- Preserve and grow the trust's principal while deriving useable income from the investment portfolios.

So let's explore what Bob is actually doing with the help of his existing advisors and see if they are on the best track.

Bob's **Strategies** to accomplish his **Goals** and **Vision** are as follows:

- Getting everyone involved at a reasonably comfortable pace rather than during a crisis. This is where **Timing** is important.
- Helping you interact with highly skilled advisors so your skills will improve.
- Deploying highly skilled advisors so they can help you learn what you need to know.
- Delegating certain details to highly skilled advisors, thus increasing the likelihood of positive results.

The **Tactic** deployed by Bob is the trust. When looking at financial related issues, the best way to describe **Tactics** is that they are entities or methods of holding title.

Bob has deployed a variety of **Tools** to fund his **Vision**. Those **Tools** are the typical investment products and real estate investments. Bruce's dialog with Marilyn and Doug continues ...

**Bruce:** *When we look at what has actually been implemented by Bob and his existing advisors, what do you see?*

**Doug:** Some of the **Goals** are being met but the most important **Vision** probably is not.

**Marilyn:** What are we missing?

**Bruce:** *Here are a few simple, yet very important questions for you to answer: Is it easy access to a lot of money that ruins people's lives or is it the lack of principled disciplined behavior?*

**Marilyn:** It is the absence of principled disciplined behavior.

**Doug:** I agree.

**Bruce:** *What are Bob, his advisors, and this trust doing to help Becky understand, embrace and apply the principles which lead to an effective, meaningful, and fulfilling life?*

**Doug:** Nothing.

**Marilyn:** Well, we have all tried to set good examples for Becky while we were raising her. I don't think there is much we can do now that she is 21, is there?

**Bruce:** *Yes, I think there is a lot you can do. As parents or grandparents, what are the most important and valuable things we can provide for our children?*

**Marilyn:** Well, while they are young we should:

- Love them unconditionally
- Provide a good home
- Provide food and clothes
- Teach them good values
- Send them to school for a good education

**Doug:** Plus we could also teach them to:

- Stand up for themselves and for what they believe
- Teach them a good work ethic
- Teach them to be good citizens

**Bruce:** *Marilyn, you said that good parents would help their children go to school to get a good education, right?*

**Marilyn:** Yes, absolutely.

**Bruce:** *What are the most important things parents might want their children to learn to do?*

**Doug:** Whatever they want. If Becky wants to be a doctor, lawyer, engineer, school teacher, artist, etc., she should pursue whatever she wants.

**Bruce:** *Let's look at the question another way. What are the universal laws or principles which empower a person to lead an effective, meaningful, and fulfilling life?*

**Marilyn:** I'm not sure. Are you asking about values?

**Bruce:** *No, values are often different from or even in opposition to universal laws or principles.*

**Doug:** Well, I'm not sure we know what they are, but I think we live some of them intuitively.

**Bruce:** *I'm sure you do live many of them, even if mostly by intuition. Does it seem rational to you that if we want to be of the greatest help and value to our children we would help them learn and apply universal laws and principles?*

**Doug:** Absolutely.

**Marilyn:** Yes, but we don't know how to articulate or teach those principles, and isn't it too late to start now?

**Doug:** It just occurred to me that my father-in-law has spent quite a lot of money and tons of time creating and maintaining *Below the Line* things without anything tangible or measurable happening *Above the Line*. When you look at this with a macro perspective, it seems like **nobody is doing** anything to assure his greatest **Vision**. Everything tangible so far has been *Below the Line*. I doubt any of the advisors could even articulate Bob's true **Vision**. They just focus on the **Tactics** and **Tools**.

**Marilyn:** I don't think our advisors really know how to address the *Above the Line* issues in any meaningful way. I don't think they get paid to do that type of work.

**Bruce:** *I believe this is largely true and totally normal. Most of the country's famous tax, financial, and estate planning professionals do not address the Above the Line issues in a tangible, measurable way. There are five key reasons why:*

- *They do not think in terms of first resolving the Above the Line issues before proceeding to the Below the Line issues. They haven't learned how to "Begin with the Client's Best End in Mind."*
- *They have not learned the skill sets to be able to deliver anything truly meaningful, tangibly written, and measurable Above the Line.*
- *Virtually all but a tiny bit of the training and skill sets learned by most professionals revolve around Below the Line solutions or products.*
- *Most professionals are only compensated for Below the Line products or solutions. Most have no current business model or ability to be compensated for Above the Line service or deliverables.*
- *Many advisors are embarrassed to ask the right questions – even if they know what they are. The very questions that would clarify the client's greatest needs and best interests can be considered intrusive by some people.*



For example: Millions of people have hired lawyers, accountants, and financial advisors to draft, fund and manage trusts with this intent; “Let’s make certain our wealth doesn’t ruin our children and grandchildren.” What the client typically gets is a *Below the Line* series of **Strategies, Tactics** and **Tools** which do not satisfy the **Vision**.

Most parents and grandparents will agree on this **Vision**: the most important thing they would like us to provide for their loved one is this; the knowledge, skill sets, discipline and behaviors which, when applied, result in a happy, meaningful, effective, and fulfilling life.

Without the disciplined application of correct principles, people aren’t very likely to achieve that **Vision**. If we as parents do not know how to articulate, teach, and reinforce principle-centered living, perhaps it is time for us to learn. It’s never too late to begin such teaching or learning. Age has nothing to do with it. At this time, I am unaware of any college, university, high school, junior high school, or elementary school that provides such an education. It is up to each parent. Unfortunately, most parents, grandparents and employers cannot articulate those essential principles, let alone teach them systematically. That is why applying the principle of *other messengers* is very helpful. Once again, actions speak louder than words.

Generally, investment plans, estate plans, wills, or trust are not capable of teaching that type of **Vision**. However, with such a **Vision** in mind, investment and estate plans can be crafted to support and reinforce those who choose to pursue a meaningful, effective and fulfilling life. Nearly all of them were defective in that they failed to acknowledge, teach, support, or reinforce such **Vision** in definitive, measurable, and tangible ways.

It would be all too easy to blame Grandpa Bob’s advisors for failing to help him articulate and achieve his greatest **Vision**. But, the irony is that the advisors all claimed that they already had done it. “I call it ‘Life and investment Planning’ and incorporate it into our investment plans. My objective is to know everything about my client’s needs. My job is to protect their best interests.”

In the above scenario, Bruce asked the advisor if he could have a copy of the document(s) which articulated this family’s and each individual’s “best interests” so we could determine if everyone was on the same page. Neither he nor any other advisor I’ve encountered anywhere has been able to produce a document which articulates the client’s greatest **Vision** and needs or “best interests.” This makes me wonder, if they cannot articulate the client’s “best interest” in writing, how can they protect it or achieve it?

Is it:

**A)** easy access to a lot of money or wealth that ruins lives, or is it

**B)** the absence of principled disciplined behavior that ruins lives?



## Conclusion

***Purposeful impactful wealth is this; having all of your net worth aligned with and working synergistically in support of the best life you dare to imagine. That's my mission with every client.***

Lots of wealthy people are not living the best life they dare to imagine. On the surface it probably seems like this should be easier for independently wealthy people than it is for the billions of people who are not financially independent. But as it turns out, lots of really wealthy people either don't think this through or they mistakenly assume they are not rich (or worthy) enough to create a more amazing life.

Over the past few decades I have been blessed to work with quite a number of high achieving clients. Their accomplishments seem to have happened intuitively and because they were courageous. What if you could actually be very successful financially and live a more significant, fulfilling, joyful, and balanced life? What if such a life just requires some shifts in your philosophy and implementation of a few and transformative action steps? Without a universally sound repeatable disciplined process, including written details and commitment to accountability, we can easily become distracted and get off track. Again, exceptional people prefer extreme clarity and accountability.

Aligning your wealth with your greatest passion and purpose can be your next and perhaps your greatest adventure. You are invited to discuss this with me in as much confidential detail as you would like. I welcome the opportunity to work with your advisors. The journey begins as soon as you allow it to happen.

**Gregg L. Haglund**





Gregg Haglund has been a Financial Advisor since 1991 and a Portfolio Manager since 1996. Gregg provides fiduciary quality investment advice and his portfolio management skills to other financial advisors for use with their clients, as well as personally for a select group of his own clients. He is a student of the markets and from time to time authors timely industry related articles when warranted. Gregg finds that being a PIM® Portfolio Manager in addition to a Financial Advisor allows for greater transparency with his clients as the management of their assets is not “delegated” to third-parties or products elsewhere. This empowers Gregg with a greater depth of knowledge of his clients’ assets and the ability to provide timely insight on alignment with the realities of the markets.

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