

RAW

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Telling it like it is.



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Clients if we haven't talked, rates are at 3.75-4% fixed! If you are above 4.5% and have equity, we should be refinancing now.

From The Hip

Where did September go?

Yes, I skipped September. Not sure if it was writer's block, a lot going on, or me wrestling with this blog. At first I tried to crank it out, but then I thought, "really, why do I have to make sure that it goes out monthly?" Isn't it better to skip a month or be late, then send my clients something they don't want or won't read? September was filled with a lot of thoughts. We had the 10 year anniversary of the attack on the World Trade Center. 10 YEARS! (I can't believe it because that means that Erin I are coming up on our 10 year anniversary of moving back to California. As many of you know the story, when the World Trade Center was attacked, it gave Erin and I a moment to pause and evaluate where our life was and how we saw the next 10 years. We wanted a family, space, etc. so there in the shadow of what was once the World Trade Center, we left the ashes and the smell from the tower that had just subsided (you could smell the burn for almost two months) and drove across the country to Roseville. We moved from 5 miles off of Highway 80 on the East Coast to 5 miles off of Highway 80 on the West Coast.) Additionally, we had the sad end of summer, kids starting school, a conference... you know life. ☺

Over the last 12 years of financial planning, I have learned a few things about people and myself. One of them is what money is (which we are still working on that conversation), another is how people retire rich (and I don't mean in money. I mean retire like that old couple that you look at and think how cool it is that they still hold hands). It didn't just happen, they had to work at it... and from my conversations with some of them, they still are working at it. That being said, I give you...

How to Retire Rich...

How to Retire Rich - Part 1

When I begin working with new clients, the first meeting most clients go through is Goal Setting. This meeting is the best way I have found to make sure I am clearly understanding both what the client is seeking, as well as how I can best help them.

During the Goal Setting meeting, we go through 5 main topics: family history (because our past does affect how we spend/save today), 5 year goals, values, what is important to them, and they how they feel they are doing in the areas they have identified as important. It is that last step that often becomes a game changer for them. You see, often prospective clients and clients look at an advisor as a modern day Santa Clause. 99.9999% of advisors and people fail to realize the correlation between their beliefs, their values, and their actions. Most people are very inconsistent. Meaning, they know mentally what they want, but their actions often do not reflect their beliefs... well, I think this is the case for most of us.

In the world of financial planning, advisors often say that they feel that the client is putting down the wish list ("I want a new china set," "I want to vacation with the family"), and then the advisor is supposed to get the client there. The client doesn't need to do anything else.

For my clients, it is the last exercise where I help the client start drawing some connections of their wants, beliefs, values, etc. "I want a vacation", can mean, "I need more time with my family, spouse, kids" (or a break from all of them ;-). It can mean, "my relationships are not meaningful and I am not feeling like we are connected", etc. It is not a hard jump to make for the unspoken piece is something many of us could say together: "we are tired of putting in the extra work with our spouse, we are tired of doing the homework with the kids, we are tired of listening to friends complain, we are tired of putting in long hours of work and not having it noticed, or we are tired of our customers' or

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Spouses’ negative attitude and not valuing what we do for them.” – We are just drained.
 [Classic Mike brain interlude follows... ☺]
 I can remember when I first started to like girls. I was in the 2nd grade. I started to play *Charlie’s Angels* with these three girls that were in my grade. One of them was really cute and I think liked me (who am I kidding, she liked me. I was a dumb kid that didn’t know squat ;-). I never cared whether I was Charlie or Bosley as long as I got to play the game with her. As I grew up, like most other boys, I was shy and took too long to talk with girls, but every grade going back to second, I can remember the girl that I liked.

As the story goes, I found my “one” girl and married her. Now not to sound too sappy, but think about this, I fawned, gawked, drooled over girls/women, all my life and now that I have one, what do I do? I put her at the end of my list. It is not just us men, I know a lot of women that have done the “switch” as we men call it. “She was a ‘tiger’ before we got married, but nothing now” has been said to me more than once. We all know the excuses, “ I don’t have enough time.” “He doesn’t show any love towards me” etc. The list goes on and on. Let’s be real, when did anyone go forward by waiting for the other person to act? It just doesn’t happen.

Have you ever made soup or chili before? What was it like the first time you made it? If you are like many people that have tried, you probably sought out grandma, ma, or even the internet doing a search for “the best chili.”

Life is like soup. You start out with an idea of how it should be, but it takes a lot of work to really get it right. And like soup, if you leave it in one place too long its flavor will change. Some of the herbs that you put in will start to “open-up” and meld into it. While that can be good, some can really take over the flavor (bay leaves left too long can do this). So it is the right mixture of spices, vegetables (meat if you eat it), time on the stove, heat, etc. And as Grandma would say, “and a little bit of love.”

We all have our own soup. Our friends may be the spices (they are often the flavor in our life). Some people, like me, like lots of flavor, so I have a good portion of friends. While some others don’t, they might have a few “tight” relationships. If you have kids, they might be the meatballs (I think that is what mine are...the fun whimsical part of the meal). So that leaves us with the main ingredients. It could be water, tomatoes, vegetables, or even beans. While the spices are going to add character to the soup, you would never just pick up a sage branch and start eating it.

On the other hand, you could just start your soup with some water and tomato paste. So that leads us to the last people which should be your first ingredients: your spouse (and your faith if you are religious). This is the cornerstone. It is the base of which you start, but it is also the essence of what you are seeking. Think about that for a minute. Most of you would agree that you don’t have chili if you don’t have the beans. And you don’t have tomato soup if you don’t have tomatoes... you get the point. Now what is *my* point?

It’s about the soup folks! Have you left the soup on the stove too long? Not put enough “love” into stirring it? If we want to move our lives towards a more fulfilling life, we need to start back with the basics. We need to focus on the soup. And, for clarity *you* aren’t in the soup. Let me say that another way. All the ingredients that are making up your soup are the relationships that add to your life, but you are not part of the soup. Why?

If you put yourself in the soup, then you lose the focus. Focusing on your soup requires you to think about everything but you. Love comes from this position. To flip this around, if you are seeking love, affirmation, connection, value, etc. from your partner, **first** find out where your partner receives value, affirmation, love, connection, etc. Then find out which adjective is most important to them.

You see we are all looking for these things. For married couples and for single people, the foundation comes from the person you receive so much of your value from. When we remove this little thing (love) from the equation, we try to fill it with all sorts of “things”: new cars, furniture, work, doing things for our kids/parents, etc. We get so focused on these other areas to fill this void, that we completely lose track of that little boy or girl that just wanted one thing. We over or under spice our soup... our meatballs get dry or fall apart, etc.

Over the years I have heard many reasons for a clients spending, but often I just want to shout, “who are you kidding?” Do you really think that I don’t know what is going on? A lack of savings can be derived from many areas (family history, lack of love, etc.). But there is one definite cure... feeling secure/admired at home.

Contrary to many people’s belief that the best security is to have money in the bank good, I can assure you that those dollars nothing next to the security which can be found in a good relationship. The feeling of being loved, admired etc, that is the feeling that is lasting. To make sure that everyone is getting what I am saying here, you should be reading this

"Take your calendar out and mark down an hour where you can work out how to work on your soup. Take time now, before the hustle of the holidays to plan out your goals with your spouse."

and thinking about how *you* can make changes, not your spouse. It is not a "both" of us situation. It's your soup which you need to tend to. Your partner has their own soup. And it is up to them to tend to their soup. They will quickly figure out if it is burning or too spicy.

Take your calendar out and mark down an hour where you can work out how to work on your soup. If you work on your soup first, you will surely change the flavor of the soup that others have put you in. Take time now, before the hustle of the holidays to plan out your goals with your spouse. Then think about the main ingredient. How can you move towards that person? What one thing can you do that they will enjoy... and don't look for them to respond or give anything in return. If you are making a change, or doing something new, you are re-writing the script. Keep stirring the soup and realize that with time and love it will get better.

This how you get "RICH." Do you disagree?

Events

Light the Night Walk
October 15, 2011



Cancer has long held a place in my heart. Both of my grandmothers died from it, my aunt is a 25+ year breast cancer survivor, and a very good friend of ours is battling lymphoma for the second time. This weekend we had the opportunity to participate in the "Light the Night" North Bay Walk in Santa Rosa. The walk is a fundraiser for cancer research and patient services. It was a great event. We took the dogs and the kids and met up our friends in Santa Rosa. What really brought things home was how my oldest daughter, Meg, got why we were walking and wanted to write about it for her 2nd grade class in the "Weekend News." In keeping with soup, I think the spices and the meatballs are starting to create some great flavor! ☺

Dinner Meetings Open For Clients & Prospective Clients

Our next dinner for clients to invite prospective clients to dinner (for free!) is scheduled for **November 16th**. Email Mike to reserve the date!

Are you next?

Local Gems

I am opening up my restaurant section to others to contribute. So the new name is "Local Gems." These are restaurants that may or may not be known- but the food is good, the atmosphere has something to it. While I would like to take credit for this brainchild, it actually transpired out of lunch with an estate planning attorney I have known for some time, Lynn Dean.

I first learned of her love for finding locally owned places when she popped into a restaurant I was part of a few years back. So a big thanks goes out to Lynn for this week contribution. I am sure you will be hearing about more from one of the area's best restaurant sleuths. Take it away Lynn...



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"Last night we had dinner at **Khobkoon Thai Cuisine**, located at 7452 Foothills Blvd., Ste. 150, Roseville, CA 95747. The restaurant is very pretty, and the food is very good. Lots of things on the menu that you won't find in your typical Thai restaurant. Some examples: deep fried catfish, salmon curry, sweet and sour roasted duck. Menu items run from \$6.95 to \$13.95. The second one is **Bravo Pastaria**, located at 1465 Eureka Rd., Roseville, CA 95661. Introduce yourself to Mark, the owner, and prepare for a treat. There are daily specials (including traditional Italian fare), as well as a Recession Menu for lunchtime. The food is prepared for you when you order, and the bread is baked on the premises. My usual is either Pasta Suzanna, or the Blue Ribbon Salad. Enjoy!"

- Lynn Dean

If you have a "Local Gem" in Roseville or elsewhere, send Mike an email.

Tweets & Updates

9.6.11 The largest hedge fund in the world's thoughts...great interview
<http://www.advisorperspectives.com/newsletters11/Bron.Wien.Reflects.on.His.List.of.Surprises.php>

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