

Your Return on Life Part 1: How to Make the Most of Your Money

A well-funded retirement. Seeing the kids through college. Adequate insurance to handle any future health problems. Some wealth left to pass down to loved ones. When we meet new and prospective clients, that's often what they talk about in terms of their financial goals. And we can't blame them; after all, an insufficient retirement pot is certainly not something any of us would choose by design. They are really important elements of a financial plan, but there is much more to it than that.

Are you that person who worries about where each penny goes? That person who frenetically clips coupons, chases savings, nervously watches for balances to go up and can't bear any kind of big outlay? While we certainly have an amount of respect for people who live their lives in that way, we have to admit that we worry for them. They are living their life for the future – a future that may not come, a future that you cannot possibly predict. What about the here and now? Is that not the only bit of life you *really* ever live?

So when we get to know new clients, we tell them that our journey together will involve them asking some questions of themselves. And if you want to know how to really make the most of your money, you should do the same. Here's how.

The Return on Life Investment

Strategy

A good financial plan is one of the most fundamental elements of living a fulfilled, purposeful life. It definitely helps you to reach goals and ultimately get where you want later down the line. It means that you are prepared for the unexpected, and that gives you a sense of stability and safety. But the best kind of financial plan also helps you to make the most of your money right now, too.

People often ask us about the best [investment strategy](#) for the best return on their investments. And, like the sensible financial goals they have in mind, that's a good question and certainly important to factor in. But have you ever thought about your return on life?

You're working hard, you're saving hard, you're investing hard. Measuring, or at least monitoring your return on life means that you're always in touch with what you're getting back for your efforts. It means that you are aware of aspects of your life that are most important to you, and where you might need to divert more resources in order to live a more contented and purposeful life.

That's why we begin every new client relationship by asking them to complete our [Return on Life Index](#). This is a simple questionnaire that evaluates 10 chief components of a quality life tied directly to financial decision-making. These 10 aspects of life are tied to financial discretion and prudence, and are organized within 3 categories of what most people would agree is a "quality life."

Put simply, these categories are: (1) a sense of well-being; (2) the sense that you're making progress; and (3) the sense that you have freedom to live life the way you want. Your answers

will help you determine if your money is really helping you live the best life possible, today. Why not try the Return on Life Index for yourself? It's quick, easy, and free, so [get started right away!](#)

Divert Resources Where It Will Mean the Most

Let's have a closer look at the three areas of wellbeing, freedom and progress. You'll find there are several new questions you can ask yourself to challenge your current mentality around your money and how you use it.

By really drilling down into these areas and asking yourself some key questions, you can identify precisely where your financial plan may need to be adjusted for you to feel the maximum benefit of it, and to truly make the most of your money in the present day as well as for a stable future.

Wellbeing

The Return on Life Index will help you to consider your wellbeing in terms of:

Your Return on Leisure

Are you able to spend enough money on your leisure time for it to be rewarding? Can you fund your hobbies? Can you take the trips you want to take? Can you do fun and fulfilling things with the people you love and want to spend time with?

Your Return on Your Health

Does it cause you financial stress to keep yourself in good

health? Do you check your health regularly? Do you eat well and exercise? Do you have adequate health insurance?

Your Return on Relationships

Are any of the important relationships in your life affected by financial stress? Have you been able to teach your children about finances? Are you and your spouse on the same page about money management? Are you able to spend money or time on gifts for and time spent with loved ones?

Freedom

This section of the Return on Life Index relates to freedom, focusing on giving, autonomy, and security.

Your Return on Giving

Are you free to give your time and talents generously? Are you comfortable with your charitable contributions? Are there causes to which you'd like to devote more of your time, energy, or money?

Your Return on Autonomy

Are you using your money to free up your time and allow you to do things you want to do? Do you have time to attend to the things that mean the most to you?

Your Return on Security

Do you feel secure financially? Are you confident about your financial future? Are you comfortable with how your financial resources are invested?

Progress

Looking at progress is divided into your return on work, residence, achievement, and learning.

Your Return on Work

Do you feel good about the contributions you make? Are you well-compensated for the work you do? Does your work give you satisfaction? Do you feel energized by your work? Appreciated? If you do volunteer work, does it bring you a sense of satisfaction?

Your Return on Residence

Do you feel like your home is the right place for you? Are the costs of your residence easily managed?

Your Return on Achievement

Are you able to fund your needs and pursue your aspirations? Are you happy with your accomplishments? Are there things you would try to do if you had the financial resources?

Your Return on Learning

Are you effectively using your finances for you or your children/grandchildren's education? Are you involved in lifelong learning through reading and training with others? Do you enjoy learning new things?

Challenge Yourself to Live Your Best

Life

By asking yourself some challenging questions, you'll quickly establish which areas of your life are lacking, and which you are feeling successful in. It will become clear to see where you need to spend some energy, and most likely some money, improving things for yourself. The Return on Life Index gives you an overall score, as well as breaking it down into the three main component parts.

You may feel as though your bank balance and portfolio value is going up, which is fantastic for the future version of yourself. But on reflection, are you really getting what you need out of life right now? Would freeing up some cash actually be the best decision for maximizing your return on life? Or would more aggressive investing help you to achieve your long term goals, if your short term circumstances are well provided for?

In just the same way that you would monitor and review a [financial plan](#), you can periodically review the questions and see if your answers have changed. Does that change take you closer to achieving your financial goals AND living a fulfilled life? Or are there now different gaps that need addressing? The perfect complement to your financial plan, the Return on Life Index serves as a guide around which your financial plan can be built – and tweaked as necessary.

Receive Your Return on Life Index Score

[A comprehensive financial plan](#) has lots of moving parts. It is about far more than the value of your [investment portfolio](#). It's about your wellbeing, your stability, your security and about the enjoyment of your life as you are able to live it. It's

about knowing that the here and now is just as important as the future, and you need to be able to reap the rewards of your hard work. Otherwise, what is life besides a treadmill, with no meaningful destination?

We invite you to take 5-10 minutes to [complete the Return on Life Index and receive your personalized report](#). You'll quickly see which areas of your life you are less satisfied with, and which may benefit from some attention. You'll see what you need to focus on and how, in order to make the most of your money and make it really work for you.

If you have any questions about the return on life concept, or would like some help to improve your index score in any area, please do [get in touch](#). We love to help our clients make the most of their money so they can live their life as they are supposed to – feeling good about their money management and getting everything they want out of life.