Investment Insights

Kevin Kennedy

Making Your Dreams A Reality

Editor's note: This is part two of a three part series on life/wealth planning.

For most of us, money is a means, not and end. We have goals and aspirations for ourselves, our family, and our community. Integral to the achievement of those goals is our financial wellness. Your goals are the foundation of your financial plan: they determine how you should direct your time and resources. Success is measured by attainment of these goals, and progress is measured relative to these goals. Ultimately, your ability to send your children to college, buy that vacation home in Tahoe, or fund that charitable organization close to your heart is how you'll measure your personal success.

Contrast that thinking to the approach taken by many financial advisors today. Their primary focus is on your money, and success is measured not against your personal goals, but relative to an arbitrary market index. Success comes in "beating the market", often a fleeting and unimportant factor for investors concerned about achieving vital personal goals.

An effective advisor will help you look beyond short-term distractions and worries, and build a game plan centered on reaching your personal goals. Uncovering and organizing your goals, by timeframe and priority, is essential in this process. In fact, once a client comes on board with us, our entire first meeting is devoted to discussing their personal goals and dreams. We literally put away the brokerage statements, balance sheets, and all other paperwork, and learn what the client wants to achieve: for themselves, their family, and their community. By doing this, we are able to go beyond just caring for a client's money, and begin to care for the client.

Let me describe the "discovery" meeting I had with a couple that recently became clients of our company. They came to us because they were dissatisfied with previous relationships with other advisors: they felt like they had simply been "sold" investment products, and in the process had lost a substantial amount of money. In this meeting, we focused on their goals: helping to fund college education for their grandchildren, maintaining their retirement lifestyle, and looking for creative ways to donate to their alma mater. This couple had never discussed some of the issues that arose at the meeting in their 30+ years of marriage! By asking the right questions, and then listening, I was able to learn more about them than even their own kids probably know. Did this put me in a better position to help them design strategies to achieve those goals? Absolutely. Could we have built as comprehensive, personalized, and understandable a game plan had we not first discussed and prioritized these important goals? No way.

The fact that you've taken the time to read this column indicates to me that you have goals and aspirations, and seek the knowledge and guidance to achieve those goals. Write those goals down, share them with your family, and find an advisor who will partner with you to achieve those goals.

In my next column, I'll outline how investment strategies can be build around your personal goals, bringing clarity and peace-of-mind to your financial picture.

Kevin Kennedy is president of Kevin Kennedy, LLC, a registered investment advisor firm in Alameda. Reach him at 510-748-1898 or Kevin@KevinKennedyLLC.com. Stocks, bonds, and mutual funds involve risk, including loss of principal. Past performance is no guarantee of future results.T