PERSONAL GROWTH | PSYCHOLOGY | WISDOM

Overflowing Buckets of Wealth

See your life as a stairway to fulfillment. Put your dollars in the right buckets, in the right order.

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With a little discipline and patience, you can make your journey to abundance and personal fulfillment a downhill flow instead of an uphill struggle. The key is to use the "overflowing buckets" concept of creating financial independence.

Picture your life as a five-step stairway, with you standing at the top and Fulfillment waiting for you at the bottom. Complete this picture by placing a large, empty bucket on each of the five steps and labeling the buckets from top to bottom:

Survival, Financial Stability, Quality of Life, Financial Security, Financial Independence.

Your objective is to fill each bucket with dollars as you progress down the stairway, so that when one bucket overflows, it begins to fill the next bucket.

Survival:
The Survival bucket is how you can pay for your basic needs of food and shelter. Once you've taken care of these, any extra money flows into the second bucket, which is Financial Stability.

Financial stability is the ability to keep solvent in the event of sudden, unforeseen changes and emergencies in your life – insurance against catastrophic loss.

Financial Stability:
To be financially stable, you must have an emergency fund in a savings account equal to a minimum of three month's income, and preferably six months' income. You also must have adequate permanent and transferable medical insurance that remains in force, regardless of your employment status, as well as life insurance, including some whole life, in addition to term, that accumulates cash value and has a level premium

Another critical component of financial stability is non-cancelable, individual permanent disability income insurance, equal to at least 70 percent of your monthly pay, but preferably 100 percent.

> **One of the greatest financial blunders most people make is to forget that the possibility of loss of income resulting from an injury or illness is much greater than that of loss of life.**

Not only are you without income when you are sick or injured, you also do need to be cared for during that period, and the expenses continue even though you're not able to work.

Quality of Life:
When bucket two is filled with contingency dollars for your financial stability, you can sit down with your inner circle and determine what standard of living will give you the quality of life you want: your home, family, education, recreation, possessions, etc. These considerations should be budgeted with a monthly amount of savings, however small.

Financial Security:
If you can fill your Quality of Life bucket, a little extra discretionary income will trickle over the lip and fall into bucket four. This is the Financial Security bucket. Financial security is defined as the amount of assets that will give you the amount of after-tax income you need to maintain the standard of living necessary to have the quality of life you want, at some

predetermined point into the future, without having to depend upon day-to-day employment.

Less than 10 percent of Americans ever fill this bucket. Your goal is to be in this 10 percent. It is not based on salary. Many individuals in the top income brackets never reach financial security. Many middle-income Americans do.

> **To get in the top 10 percent, you need to put 10 percent of your spendable into an appreciating investment fund every month, just like a mortgage payment.**

Financial Independence:
The fifth and final bucket is Financial Independence. This is achieved when you beat the target date you set for retirement. The object of creating personal assets is to be financially independent of having to work, while you still have your health and are still young enough to enjoy those assets. Many individuals set their financial security target date at age 65. Using compound interest over time, you can beat your target date and set yourself free.

See your life as a stairway to fulfillment. Put your dollars in the right buckets, in the right order. You'll be amazed at the way cash flows from bucket to bucket, like a river down a mountain.

Denis Waitley is one of America's most respected and beloved authors, keynote lecturers and productivity consultants on high performance human achievement. He has inspired, informed, challenged and entertained audiences for over 25 years from the boardrooms of multi-national corporations to the control rooms of NASA's space program. Denis has been voted business speaker of the year by the Sales and Marketing Executives'

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