



FINANCIAL PREPAREDNESS

"One of life's most painful moments comes when we must admit that we didn't do our homework, that we are not prepared." ~ Merlin Olsen

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Black Hole Focus

I just finished reading Black Hole Focus by Isaiah Hankel. It's the best book I've ever read (and I've read a lot), and I highly recommend it. The pages are littered with truth bombs. The book contains 36 short chapters, which I've summarized below.

1. Make Your Purpose a Matter of Life or Death. "The two biggest risk factors in human mortality are birth and retirement....A study found the early [age 55] retirees had a 37% higher risk of death than [those who retired at age 65]....People who retire at 55 are 89% more likely to die in the ten years after retirement than those who retire at 65....People who did not have a clear purpose in life had significantly faster rates of mental decline....These studies also linked not having a purpose in life to decreased longevity and a higher risk of Alzheimer's disease....Your purpose—your ikigai—is fuel for your internal engine."

My original goal was to retire at age 35, but in recent years I've decided that I never want to retire, mainly because living my purpose will extend my life- and healthspan for as long as possible.

2. Make Your Purpose an Escape Plan. “Finding a purpose for living is the only way to escape from a life of mediocrity and meaninglessness....Whether you find yourself held captive by your circumstances, your relationships, or your own emotions, you can take back control by harnessing the power of purposeful living.”
3. Ask Why. “A strong WHY will show you HOW....Knowing why you want to accomplish a goal is more important than the goal itself. A strong WHY will support your efforts, giving you the stamina...and the creativity necessary to overcome any obstacle....Your worst pain is your strongest WHY....The key to changing your life is to use pain to your advantage. Every rags-to-riches story is the result of pain and a strong reason to never experience it again....The only way to fulfill a worthwhile purpose for your life is to focus on what is causing you pain, and then make a decision to never experience that pain again.”

One of my theories of life is that everyone overcompensates for the deficiencies of the previous generation. There are things that I experienced earlier in my life that I never want to experience again.

4. Know Your Needs. “Your prime needs are the desires that drive you to take action in your life—the things you want beyond your physical needs. All behavior is simply an attempt to meet your prime needs....there are three [prime needs] that sit at the top of the pyramid: growth, connection and autonomy....If you're experiencing pain, it's because you're not meeting one or more of these prime needs....Growth is the master of your prime needs. Happiness is experiencing growth in every area of your life simultaneously....but growth requires energy.”
5. Energize Your Dreams. “The more you define your purpose, the more energy you'll have to achieve it....Purpose equals hope equals energy. Defining the path in front of you will give you the energy you need to complete it. The key is to positively visualize the end at the beginning....Vision creates hope....”
6. Start at the End. “All great people are ordinary people with great purposes. The only way to become the person you want to be in life is to find your purpose and give it a name. Naming is power.”
7. Ruthlessly Evaluate Your Current Position. “...find opportunity in your current situation....your biggest obstacle in life is always yourself.”
8. Create a Wish List of Actions. “I made a list of the things I wanted to be *doing* in my future....I made a list of *actions*....This list [is] where my purpose started.”

He didn't make a list of objects he wanted to own, or to “retire at age 65.” Your purpose has nothing to do with things like that because it requires action. The human body is not designed to sit around watching TV and drawing a pension.

9. Name Your Future Position. “You can climb *any* mountain once you name its peak....life really is a journey, not a destination. Human beings are 5% matter and

95% constant will. And constant will, or constant desire...is never satisfied. No matter what you succeed in doing, you will want to succeed at doing something else afterwards. And if you don't, you'll retire and slowly die....the best course of action is to choose a massive purpose and work your entire life to fulfill it....even if you fail to reach the summit, the climb itself will fulfill you....Start writing down... everything you want to do, and everything you want to be....Focus on things that involve creating something....Your goal is to find your mountain peak, not the hiking path you will be using to scale the mountain.”

Naming the mountain peak you want to scale allows you to determine a general direction in which you should start traveling, but life isn't really about reaching that summit, it's about experiencing the journey along the way.

10. Determine Your Core Priorities. “Your core priorities qualify you for your purpose....you can change your priorities to better qualify you for any new position you want to attain in life....Examples of core priorities...include freedom, security, love, connection, intimacy, health, success, significance, vitality, productivity, contribution, wealth, patience...and wisdom.”
11. Define Your New Core Priorities. “My long-held priorities were what got me to my current position, but they were not going to get me to my future position.”
12. Set Short-Term Benchmarks. “...attach one aggressive goal to each of your core priorities. The key is to make each goal exciting and immediately actionable.”
13. Tell Yourself an Inspiring Story. “You will live whatever story you tell yourself.... align your story with your priorities and purpose....You will never fulfill a good purpose by living a bad story....Storytelling is the oldest method of communication....the human brain...is predisposed to think in terms of a story. The story of your life is made up of many little stories....In order to change your big story, you have to change the little ones.”

I'm currently reading The Difference Maker: Making Your Attitude Your Greatest Asset by John Maxwell to my son, and in it he relates how Norman Vincent Peale once came upon a tattoo studio in Hong Kong where he saw, among the hundreds of options, one tattoo that said “Born to Lose.” He was appalled that anyone would actually want to get that permanently written on his skin. The tattoo artist explained, “Before tattoo on body, tattoo on mind.”

14. Be the Hero of Your Story. “Stories are incredibly powerful....They can create or destroy your future. If you want to fulfill your purpose in life, you have to make sure you identify yourself as the hero....start seeing yourself as an adventurer, teacher and connector of ideas and people. Actively choose the stories influencing your life....”
15. Re-Write Your Story. “Create a giant list of all the things that really inspire you.... Identify at least a dozen words and short phrases...that trigger an intensely positive

emotional response....In the end, you should have a galvanizing personal story you strongly identify with. Your new story should be so inspiring that it fills you with confidence and an uncontrollable desire to act.”

16. Question Your Focus. “Questions focus the mind and inspire action....Change the questions that you are asking yourself and you will change your focus....Every goal I ever achieved...was simply the answer to a question I was obsessively asking myself....If you ask yourself a difficult question enough times, you will find a way to answer it. Questions have the power to...fill you with energy and inspiration.... Throughout the day, ask yourself, 'What is my purpose? What are my core priorities? And what is my story?' Avoid distractions by asking, 'What is the most important thing I can do right now? And will this matter in a year from now?' Stay positive by asking, 'What's great about this situation right now?'”

That last question is so brilliant that I put it on the edge of my pickleball paddle. Asking that question has the power to immediately and completely change your attitude. It's like magic.

17. Create a Personal Slogan. “Your life is a statement....Your personal philosophy is the unabridged version of your personal slogan....Having a philosophy of life, a credo, dramatically clarified my purpose of living....A personal slogan will help fully develop the bond between your purpose and your identity. Your slogan is a personal mission statement for your life. It will help you make major, life-changing decisions, and it will help you make daily decisions....Your slogan is a...beating drum that keeps your life in cadence with your life's task....your slogan should be brief and bold, totally exposing who you are and what you want....use powerful action verbs that arouse your emotions.”

I'm working on this right now. Two slogans I've thought of are “I'm a pro” and “I help people.”

18. Start a Meme. “The meme is the new mission statement....You need a word or phrase that is simple and mobile. You need a word that cuts deep into your psyche and will immediately impact your decisions and actions.”
19. Put a Compelling Vision in Front of You. “You have to make room in your thinking for your biggest goals before your life will make room for them....[Your vision] should include things that you want to have, be, and do.”

The author discusses (and shows) the vision board he created, which includes a sports car, motorcycle, private jet and yacht. But as Heidi Grant Halvorson writes in [Nine Things Successful People Do Differently](#), if you're going to use a vision board, instead of including photos of things you desire, it should include photos of people actually *doing* the activities that you need to do if you want to have those things. I would say that it should include photos of who you want to become, doing the things you want to be doing in the future.

20. Turn Your Vision into a Decision. “It’s not enough to decide on a goal; you have to decide to reach it....you have to completely engross yourself in extreme feelings of confidence....A decision is the link between wanting something to happen and making something happen. Your vision will remain a fantasy until you decide to transform it into reality....This is how most people live their entire lives, hoping for something to happen but never deciding to make it happen....By making your decision, you will automatically raise your mind's expectations. You will bring the full breadth of your mental powers to attention.”

I had never really thought about how there's a difference between *wanting* something to happen and *deciding to make* it happen.

21. Move From Decision to Conviction. “The Pygmalion Effect is a phenomenon where the greater the expectation placed upon a person, the better he or she performs....In order to fulfill your new purpose in life, you must dramatically increase your expectations....You have to expect to achieve your goal....[It] requires a much higher level of commitment and emotion....This belief has to be backed up with irresistible intensity: you will not fail; there is no other option; this is the mountain you will die on.”

I think you get what you tell your brain to expect. If you challenge your brain with high expectations, it will figure out how to make them happen.

22. Celebrate Your Progress. “Inspiration is perishable; celebration is the best way to keep it alive....You need to find ways to motivate yourself daily....At the end of every day, review your accomplishments and acknowledge that you are one day closer to achieving your goal. Keep setting and annihilating new benchmarks so that you can always have something to celebrate.”

The book One Small Step Can Change Your Life: The Kaizen Way discusses how achieving small wins creates momentum. When I write a check mark next to the daily habits I track in my habit tracker, I get a little dopamine hit that motivates me to do that again. And once you get a streak going, you don't want to break it.

23. Run the Numbers Behind Your Vision. Management guru Peter Drucker says “What gets measured gets managed.” A few months ago I was not happy with my body composition, so I moved my scale where I almost have to trip over it in the bathroom and designated a specific time every day when I would weigh myself, making it part of my morning routine. The data gets sent to an app on my phone where I can see my progress on graphs. Since I started doing this, my body fat percentage has declined to a one-year low.

24. Pursue Mastery. “You have to apply the principles you learn [from reading] and take action: specifically, purposeful action, in a single direction, for a long period of time....Failing firsthand once will teach you more than reading a thousand books about other people succeeding. The risk of looking stupid or incompetent in a real-life situation has a way of snapping your brain to attention. There are immediate

consequences. Your brain gets immediate feedback....”

I have decided to pursue mastery in reading (growth, knowledge and intellectual stimulation), writing (vocation, helping and sharing) and pickleball (exercise, physical challenge and fun). How about you?

25. Acknowledge the 10,000-Hour Rule, But Don't Follow It. “The key is to increase the quality of each hour that you spend in deliberate practice. There are six different ways to do this:”

(a) Association. “You are the average of the half-dozen people you hang out with the most....Start boosting your average by creating small tribes or mastermind groups that enhance your perspective, keep you focused and inspire you....If you're the smartest person in your group, it's time to get some new members....The key is to form a tribe with people who push you outside of your comfort zone and, most importantly, have strengths and perspectives that you lack.”

(b) Convergence. “Converge your efforts so that everything you do brings you closer to mastering your chosen pursuits....The key is being more flexible in the process you use to achieve mastery. Start seeing everything you do as an opportunity to add hours of deliberate practice.”

For example, since I want to pursue mastery of reading and writing, one way to do that is to write about books I've read, which reduces the number of practice hours I need in each area.

(c) Metamorphosis. “Stand on the deliberate practice of others....Creativity is the practice of connecting things you already know in new ways. The key is that you can't connect things you don't know exist....Start increasing the quality of your hours by increasing your knowledge base. Learn everything you can about your chosen pursuit and then transform the work of others into your own.”

(d) Ritualization. “Ritualization is the process of creating rituals, or habits....so that you no longer have to actively concentrate or make decisions. In this way, your brain conserves mental energy. Ritualization saves willpower....The more rituals you can build around your hours of deliberate practice, the more mental energy you will have available for those hours.”

An example of this is how some people wear the same outfit every day, which helps prevent decision fatigue. They save mental energy for decisions that are far more important.

(e) Automation. “Start automating as much of your life as possible....Automation... doesn't involve any direct action by you.”

For example, there are certain consumable products I use on a regular basis. Instead of having to remember to manually order more periodically, I just set up a

standing order with the vendor so it happens automatically.

(f) Adjustment. “Adjustment is the process of restructuring your internal and external environments to increase the quality of your deliberate practice hours.... the ability to successfully use willpower for self-control is dependent on physiological factors, most notably your blood glucose levels. Decisions involving willpower deplete your blood glucose stores and when those stores run low, you have a hard time using willpower to inhibit your behavior....The key here is to make your body less reliant on blood glucose by restricting your carbohydrate intake.... The less your insulin levels fluctuate, the less your willpower fluctuates....Control your environment or it will control you. Your external environment can crush your hopes and dreams....By keeping temptations and negative influences out of sight, you take away the need to make a good decision. As a result, you save your decision-making units for deliberate practice....Restructure your environment so that it fits with your pursuit of mastery. Align every part of your life with your overall purpose in life.”

When we decided to change our diet after my heart attack, we went through our pantry and got rid of all of the unhealthy food so we wouldn't be tempted by it. Fortunately I was able to get my wife on board with this lifestyle change, or it probably would have been harder to stick to it if I was constantly tempted by the unhealthy food that she was eating. Eating food that has a low glycemic index also reduces fluctuations in your insulin level, thus reducing hunger pangs.

26. Avoid the Life Hack Lie. “There are no shortcuts to greatness or fulfillment.... Becoming truly great in a field requires massive action in a single direction for years.”

27. Avoid Willpower Depletion. “Reserve your willpower for your pursuit of mastery.... the human mind has a limited reserve of willpower...[which is] the ability to control your own behavior...[or an] instinctual override; a way to interrupt your brain's automatic processing in order to do something else....willpower is your ability to make good decisions....[it] is depleted by mental effort....Deliberate practice relies on willpower...[which] affect your ability...to focus and concentrate....the amount of mental strain you can put yourself through each day is limited. Once you reach your personal limit, you will lose your ability to concentrate and make good decisions....deliberate practice requires a person to be completely engaged in a task, to repeat the task over and over, and to receive and respond to immediate feedback. This kind of effort requires constant decision-making....As a result, deliberate practice results in a high level of mental strain.”

This is why you should do your daily Deep Work (AKA Two Awesome Hours) in the morning, before you've made a lot of decisions or have had to resist a lot of temptations.

28. Develop a Can-Do Mindset. “A can-do mindset is one of bold, creative action. Someone with a can-do attitude is positive, a go-getter, upbeat, confident, keen,

self-reliant, and ambitious. A can-do person runs towards obstacles, enjoying each challenge and learning from each failure....a can-do person takes initiative....They have a bias for action. This kind of mental outlook is required to fulfill your purpose in life....experience is the best and fastest teacher. Experience requires action, and action requires visceral contact with reality. The only way to keep your life aligned with your new purpose is to maintain a sense of urgency and action....Taking action in the real world involves risk, which is why most people procrastinate obsessively....Make something happen right now. Be your own big break.”

29. Think Inside the Box and Move Laterally. “...[build] your dreams around your current position in life....The quickest way to change your focus is to change the questions that you are asking yourself....No matter what you're up against...you get to choose your focus.” I've started using my weekly Thinking Time to ask myself questions. It's a powerful tool.
30. Manipulate Reality. “A far-reaching knowledge base and a flexible belief system will help you see more opportunities....purpose equals hope equals energy....Supreme flexibility in perspective and process is the trade secret of successful people....If your perspective is too limited, you can completely miss what's right in front of you. If your perspective is unlimited, you can freeze up and fail to focus on anything. In order to fulfill your purpose, you have to be able to actively zoom in and out of any part of your life at any time....Be selective. Read and watch things that are going to bring you closer to fulfilling your purpose in life.”
31. Build Rome Around Your Safety Net. “Start seeing your job as a means of maintaining your new direction. Keep your job as a safety net and build your interests around it....limit your goals, not the ways in which you can accomplish them. Keep your mountain peak stationary, but keep your route to the summit flexible. Most people set a goal and then restrict themselves to one set way of accomplishing it....Set your principles in stone, not your processes.”
32. Generate Me Capital. “Spend your time, money and energy taking care of your most valuable asset: you....Start beefing up your self-R&D division....The best way to add value to your life is by learning as much as possible, and by having as many productive experiences as possible. Make knowledge and action your most valuable assets.”

To learn more about this strategy, read [The Last Safe Investment: Spending Now to Increase Your True Wealth Forever](#) and [The Education of Millionaires: It's Not What You Think and It's Not Too Late](#).

33. Invest in People, Not Ideas. “Building strong relationships is strategic....You can't outsource your health or relationships....No one can build an empire without staying healthy, both mentally and physically, and without building strong relationships....Human interaction is the only thing that can turn a dream into

reality....Your product can't buy itself. You need people. You need connections.”

I'm an introvert from a small town who attended (generally) small universities for two years or less where there were few opportunities to develop a lot of deep relationships. I have recently realized that developing and nurturing relationships is probably my greatest weakness and lost opportunity, so I've decided to make this a priority and schedule time to work on it each week. I realized that I had no way to keep track of my network and remind me to reach out (I'm not on social media), so I just checked out the personal CRM software/app space and plan to write about that in a future issue.

34. Connect Without Getting Lost in the Crowd. “Successful networking is a combination of creating deep connections and differentiating yourself.... Connection is the only way to bring ideas, actions and people together....The only way to keep yourself from getting lost in the crowd is to hold up a very distinctive flag. This flag, or brand, is a symbol of who you are and what you're about. The key is creating a flag that is both recognizable and memorable....connecting with other people is just as important to [your] progress as [your] individual work ethic.... studies have shown that networking...is positively associated with salary growth, number of promotions, perceived career success, and job satisfaction....connections crush qualifications. Your experience, job title, resume and skill sets are nothing compared to someone else's strong connections. Almost half of all job hires at top-tier companies are referrals...yet referrals only make up 7% of all job applicants.... One connection can change your life forever....Differentiate yourself in five seconds or less....When you first meet someone...you have a very short amount of time to get their attention....ask an engaging question and give the other person a chance to talk about themselves....Give them your attention. The key word is *give*. Networking is not about getting something from other people, it's about giving yourself to other people. Don't sell yourself....Effective networking comes down to asking good questions and listening....One minute of connecting equals 55 seconds of listening and five seconds of talking. But those last five seconds are crucial.”
35. Develop a Personalized Escalator Pitch. “...nowadays, you only have time to make an *escalator* pitch—a pitch that lasts from the time it takes someone to cross your path going down an escalator while you're going up the opposite side....[this is] a short statement used to define yourself, your profession, or your product, service, idea, and its value proposition.”
36. The Only Three Skills That Will Matter in Five Years. “We are now in the Idea Age....[but] ideas are already commodities....what adds quality to an idea? (1) The ability to communicate it effectively. (2) The ability to take action and turn it into physical reality. (3) The ability to choose the right idea in the first place....Your purpose will always be tied to oral communication, physical action, and mental choice. In the next decade, anything that doesn't require a significant amount of these three skills will quickly be replaced by a mobile app.”

“...the people at the top [of organizations] are the best oral communicators....oral

communication is the most direct way to share ideas, generate enthusiasm, and motivate others to action....Oral communication is the bottleneck through which all great ideas must pass....This makes [it] extremely valuable. It cannot be outsourced or automated.”

“It can take an entire lifetime to turn even one simple idea into a physical reality....This is why taking massive action towards your goals, or towards bringing your ideas to life, is so important....Our bodies and brains are built for action....The human brain loves oxygen and works best when the body is taking physical action....[which] helps pump oxygen into...the brain.”

“Mental choice is your most valuable skill. Your decisions will determine what you experience and accomplish in life....The only human skill that will never be automatic is mental choice....Your mental choices direct your focus and determine your attitude....Negative emotions...produce 'psychic entropy,' a state in which you cannot use your attention effectively to deal with external tasks. Conversely, positive emotions...produce 'psychic negentropy,' a state where psychic energy can flow freely into whatever task or thought you choose to invest in. Maintaining a state of psychic negentropy is critical to making good decisions....”

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I would love to hear from you! I thrive on feedback from readers. If you have any comments, suggestions, insight/wisdom, or you'd like to share a link to a great article, please [email me](#).

Generally, I don't have time to answer questions about your specific situation, but if you have a general question that I think other readers also have, [let me know](#) and I will provide an answer in a future issue.

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