

The Power of Discipline!

By

Stuart Goldsmith

Before I fell asleep last night, I was staring at the ceiling and thinking about wealth. Something had started me off...what was it? Ah yes, I read somewhere that 60% of the people in the UK reach retirement with a net worth of zero, or less than zero.

I am often shocked by reading something like this statistic. It starts me thinking. My mind reels at the enormity of the implications. Let's look at it again: Sixty percent of people retire, after working for 40 or 50 years, and they have... nothing... not a single penny piece. In fact most of them have *less* than nothing because they are in debt.

What this means is that if you add up the current value of everything they own (equity in house, furniture, car, jewellery, TV, camera, washing machine, 'fridge, etc) and subtract it from their debts (HP, bank loans, Visacard, mortgage outstanding, debts to family and friends, overdrafts, etc.) then for 60% of people, **the result is a minus figure.**

Unbelievable!

No, really, truly astounding, don't you think?

This is what kept me awake. This is why I couldn't sleep. I just couldn't understand it.

It made me want to wave a magic wand and instantly change people's way of thinking so that this didn't happen. Then I started to think that it wasn't so simple. It seemed so complicated this 'making money' business. Don't you feel that sometimes? There are so many elements and factors. So many different subjects to master. So many books, CDs and DVDs to absorb. So many different 'gurus' telling you different things at their seminars. Is it really transferable from me to you? Is there a single factor which I could seize upon and say: "This is what you must have. This is the starting point. Without this, you can forget about wealth, because it won't happen for you."

How can someone work all their lives and end up with NOTHING?

How the hell can that happen? They must have made at least a quarter of a million in that time; probably much more like half a million!

Then I realised that I was making the mistake of blaming older people and wondering what was unique about them - what made them such idiots to retire broke. Of course! It wasn't just older people. It's everyone (most people, I mean) of every age. It isn't unique to retired folk. This is an arbitrary dividing line and one which obscures the real situation. Take a cross-section of the population from eighteen to eighty-five and 60% (at least) of these people **have a net value of zero or less.** I haven't seen the figures, but I strongly suspect that as you move down the age range, towards the younger people, the percentage actually worsens. You'll probably find 90% of 18-year olds, 75% of thirty year olds, and 65% of fifty year olds are worth nothing. In other words, pensioners are actually *better* than the population at large, even though this is not saying much. They've merely had longer to drag themselves into solvency - even then, most don't make it.

Retiring Broke

So now I was onto something. If most people (of any age) are penniless paupers, then we are just seeing these people grow older, and retire penniless - so no real surprises there. If you're penniless at thirty, penniless at forty, and penniless at fifty, then it is not at all surprising if you retire penniless at sixty-five (or whatever). It is merely a logical progression of poverty.

So now the burning question in my mind was this: "Why do most people in the country have a net worth of zero or less?" Was there a single factor? Bad luck? The system stacked against them? They spent it all on a wonderful, fun-filled life? Nothing seemed to account for the sheer scale of the problem, and certainly people were not having wonderful fun-filled lives - the exact opposite, in fact. Most people live repetitious, miserable, joyless and trapped lives.

And...most people are BROKE.

Then, suddenly, I had it. A true 'Eureka!' experience. It's not original. It's not even new. I had read about it in countless books where it was always presented as 'one of' the factors involved in success. I now think it is THE factor. Without this, you can't succeed. Period.

Friends, I'm talking about.... (swishhh CRACK!)....

Discipline

I think the reason I hadn't realised the importance of this factor before was because I dislike the word 'discipline'. There's something Dickensian about it - more than a whiff of the workhouse and shades of 'honest toil for the bosses', etc. But there isn't a better single word. 'Will-power' is a close concept, but that's two words. Single words work better for concepts like these, so we're stuck with discipline.

I became really excited when this word popped into my mind. A lot of things fell into place. This was the key concept which differentiated the rich from the poor; the successful from the failures.

Discipline.

Without it, you're one of the 60%+ - the failures in life. (Whenever I talk about failure, I always mean failure by your OWN standards, not someone else's.) With it, you've a good chance of rising above the crowd. But first, why am I so damning and condemn most people's lives as a failure? That's pretty harsh, don't you think? The reason is that I like to talk straight. These concepts are important and I'm not going to tip-toe around them. Everything I write is aimed at preventing you from reaching retirement with nothing. Look, if you reach retirement, as a penniless pauper dependent upon charity, having lived a life of quiet desperation, frustrated, never having achieved anything much of note, not really having had a good time (apart from the odd 'high point'), never having dreamed, never beaten a real challenge, in fact never done anything much, then your life is a failure by any standards, but certainly by your own. Of course, if you're happy, then none of this matters a finger snap.



Are you happy? Only you can answer. I merely pose the question...

When someone retains me for a consultation and I'm giving them a 'pep talk', I often say something like this: "There's nothing really special about me. I'm just an electronics engineer made good. You could do what I have done." I say this to try and remove the 'guru factor'. You can't get people to emulate you if they think you're the incarnation of a sun-god. So I tell them I'm just this guy, you know... Anyway, to a certain extent I have been lying to these people. Yes, I'm nothing special. I have an education and a certain amount of common-sense. But I DO HAVE DISCIPLINE. Often, the people sitting opposite me do not have discipline, or at least they haven't made it central to their lives because, heck, it takes discipline to be disciplined! I can see the lack of discipline in the way they dress, the way they sit, and the way they talk.

What IS Discipline?

Well, I guess one definition is being strict with yourself .

You know why discipline is important for a child or teenager, don't you? It's to help them with the concept of reasonable boundaries. It's to stop them getting out of hand - getting away with too much. Also, you discipline your children out of love, and not because you enjoy the power-trip (I hope!). Often, you hate to discipline your kids because it spoils their immediate gratification and enjoyment, doesn't it? But you do this because (and this is important, so pay close attention) **the long-term benefits and rewards vastly out-weigh the immediate greedy, thoughtless and short-term gratification of their desires.**

Correct?

So another definition might be 'gratification postponement'. Not eating the whole bowl of sweets right now. Eating some and saving the rest for the next few days. NOT because it's 'naughty' to eat all the sweets. NOT because it's 'wicked or sinful' to eat all the sweets and God will slap your wrists. It's because if you eat ALL the sweets now, your enjoyment will be 10 units (8 for the first few sweets, plus 16 for the rest of the sweets, minus 6 for the sick feeling, minus 8 for the realisation that you're a spineless worm with no will-power!). If you have some now, some tomorrow, and some the next day, you get $8+8+8 = 24$ units of pleasure, PLUS 6 units for feeling smug about your strength of will-power. That's 30 units of pleasure compared to 10 units.

I'm not fooling around with this sweets analogy. This is exactly the way it works.

The Savings Habit

Disciplined people save money. They don't spend every single penny they have in their pockets on goodies to consume right now, as fast as possible. They don't then rush out and borrow more money to buy more goodies to consume because they can't wait until next pay day. Such people are eating all the sweets in one sitting, then borrowing sweets from their friends so they can eat that too! What would you say to a child who did that?

Why, what a spoilt and greedy child that would be, don't you think?

Disciplined people don't save money out of altruism or because they are being good little boys or girls. They do it from a position of 'enlightened self-interest'. Selfishness, by another name. It's important that you realise this. You're doing it for you, nobody else. They know that if they take some pleasure now



(spend some money), then postpone the rest of the pleasure for a later day, they will get far more pleasure (in total) than if they spent all the money in one go. *Everyone knows this*. It's something we all learn at about age eight. It's part of the curriculum taught at the "University of the Bleedin' Obvious"! Disciplined people apply this knowledge (it takes will-power not to spend the lot right now), **undisciplined people just can't keep their hands out of the sweetie-jar**.

I've already talked about saving. Modest saving (10% of your wealth) means you can retire with a quarter of a million in the bank. Nice. Not saving means you retire penniless and with about £500 quid's worth of useless junk.

What a difference!

Disciplined people use their time and talents to create present and future wealth for themselves. This means getting out of the armchair and doing something. This is hard. This takes effort. This takes will-power. Undisciplined people watch soaps three times a week, go down the pub all the time (a net outflow of money), go out for meals (ditto) or generally fritter away their time and talents for thirty or forty years. Hey wow! HUGE surprise! They're broke when they retire! Startling, huh?

Look, this hardly needs saying. There's nothing wrong with watching a bit of telly, going down the pub now and then and having the odd meal out. These are pleasures. This is sweets now. Then, you turn the TV off and get to work on projects which will make you wealthy. You stay in several nights and work through until midnight on the same thing. This is investing time in your future, and is an identical concept to investing (saving) money for your future.

A disciplined person does not 'spend' all his/her time now, in trivial pleasures, they 'save' some for the future. Time is funny stuff. You can't put it in a box and 'save' it for a future day, say the end of your life, and then haul it out and get extra days of life. The rule with time is that you have to invest it straight away. It multiplies and produces money in the future. You use this money to buy time from other people. For example, the money releases you from the need to work, and so that gives you a whole lot of time (much more than your original investment of time). Or, you use the money to pay someone to do your garden or your DIY, and that frees up a whole lot of time for pleasurable things.

So the analogy is exact. Undisciplined people squander all their free time now on trivial pleasures (eat all the sweets) and get, say, 100 units of pleasure. Disciplined people use a little of their time for trivial pleasures (eat a few sweets now), then invest their time for the future. This multiplies manyfold, and frees up vast amounts of time in the future. The net result is that they get (say) 1,000 units of pleasure in total over the years. This is their reward for being disciplined. I hope this makes sense.

Any failed or mediocre life is permeated through from top to bottom with lack of discipline, and it starts early.

Failed at school because of lack of discipline (always mucked around instead of working; always out with the mates instead of doing some homework). Due to poor school results, got mediocre job. Never had a decent pay rise because lack of discipline meant they were often late for work and never did the job properly; always clock-watching and never went the extra mile. Never saved a penny - always spent the lot (and more) as soon as it came in. Never invested time for a better future, 'spent' the lot on trivial pleasures. Always in debt, never solvent (it takes discipline to control your finances). Retires - broke, bitter, disillusioned and surprised at his poverty!

This needn't happen to you. Everyone has a sense of discipline. Heck, without it, you'd never get out of bed in the morning. Discipline is exactly that voice which says to you after the alarm has gone off: "Right, come on, up you get!". Without that, you'd just lie in bed all day. The trick is to start cultivating that sense of discipline - that small voice which nags away at you. Don't suppress it. Listen to it and follow it. This is the difference between success and failure. The 'secret magic formula' of getting wealthy (and hence free) can be encapsulated in the quality of self-discipline. It's little more than that.

As an example, if you were disciplined enough to go out cleaning windows on a Saturday (or a few evenings a week) instead of frittering away your time, then after ten years of doing this (and saving the money) you would have £100,000 in the bank! I mention this to prove that you don't need to start a stock-broking business, or open a chain of restaurants. A simple piece of self-discipline in a lowly profession makes you a £100K in ten years, £300K in twenty years! Imagine what would happen if you really applied your talents! The only thing which stops people doing this is lack of self-discipline, or laziness by another name.

Your future life is governed by a series of choices which you make. Little choices. Hourly, daily, weekly choices. Most people always choose the 'sweets now' option. This route leads to failure, I promise you that. Every little choice they make is an 'instant gratification' choice - to watch another hour of telly, to go down the pub again, to have some entertainment, to sleep in at the weekend, to buy some more goodies on credit, to book a holiday they can't afford, and so on. Successful people are disciplined. They choose some pleasure now, but will then choose hard work and effort over further immediate pleasure - this sows the seeds in order that they can reap a richer future harvest. They become successful and even wealthy people.

Are you willing to give this route a try?

Copyright Notice and Use of This Material

This article is copyright Stuart Goldsmith. However, if you wish to distribute the article in part or in entirety, you may do so with one proviso – that you acknowledge me as author. When using a part of the article, please say something like: "As Stuart Goldsmith says... 'Your future life is governed by a series of choices which you make. Little choices. Hourly, daily, weekly choices. Most people always choose the 'sweets now' option.' When using the whole article, quote me as the author. In both cases, it would be a kindness to point your readers to my web site to compensate me for the use of my writing. www.stuartgoldsmith.com. Thank you.

Stuart Goldsmith, c/o Alithea Limited, 12 Tilbury Close, Caversham, Reading, RG4 5JF
www.stuartgoldsmith.com (You can email me from that site.)