

BUILD YOUR FINANCIAL READINESS

Chapter Resources

A practical companion for all 15 chapters

Observation exercises • reflection prompts • printable worksheets

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Each chapter resource is designed to be used independently after reading the corresponding chapter. You may write directly on the printed worksheet or use it as a prompt for notes in a separate journal.

Your Money and Payment Habits

A seven-day observation exercise

Money is not only something we spend. It is something we trust. This exercise invites you to observe how you pay, why you choose one method rather than another, and how visible—or abstract—each payment feels.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- what you bought and how you paid
- why you chose that method
- whether the purchase was planned
- how clearly you felt the money leaving your control
- any thought about trust, privacy or security

After completing the exercise

- Which payment method did you use most often, and why?
- Which payments felt most tangible? Which felt most abstract?
- Did convenience ever make you less attentive?
- Which institutions, technologies or systems did you rely on?
- Would you like to preserve or change any of these habits?

A digital-payment pause

Before responding to an unexpected payment request, message or transaction, pause. Verify independently before you click, disclose information or approve a transaction.

My takeaway

The payment habit I would most like to preserve or change is

because _____

Your Money and Payment Habits

Seven-Day Observation Diary

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Day and purchase	Payment method	Why did I choose it?	Planned?	How visible did the spending feel?	Trust or security observation
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

A useful resource does not tell you what decision to make. It helps you see the decision more clearly.

Your Risk Reactions

A one-week risk-awareness exercise

Risk is not only a number. It is also the way uncertainty feels when outcomes matter. This exercise helps you separate the risk itself from your emotional reaction to it.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- a decision or event that felt uncertain
- what outcome you feared or hoped for
- how likely you believed each outcome was
- what you felt in the moment
- what action you wanted to take

After completing the exercise

- Which risks felt larger because they were vivid or recent?
- Did you confuse uncertainty with danger?
- Where did your financial capacity make risk easier to bear?
- Did your reaction change after you had more time or information?
- Which risks should be managed rather than avoided?

A risk pause

When uncertainty rises, ask two questions before acting: What has objectively changed? What part of my reaction is emotional rather than informational?

My takeaway

The risk I want to understand or manage more deliberately is

because _____

Your Risk Reactions

Risk Reaction Log

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Situation	What could happen?	My first reaction	Capacity to absorb it	Action I considered	What I learned
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

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Your Time Horizon Map

Connecting today with future choices

Time changes the meaning of financial decisions. The same amount of money can serve very different purposes depending on when it may be needed. This exercise makes your time horizons visible.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- one important financial need or aspiration
- when you may need the money
- how flexible that date is
- what could happen if the money were unavailable
- what you are doing today to prepare

After completing the exercise

- Which goals are near, medium-term and long-term?
- Which dates are fixed and which are flexible?
- Where are you asking short-term money to do a long-term job—or the reverse?
- Which future goal feels too distant to influence today's behaviour?
- What small action today would make that future easier?

A future-self pause

Before sacrificing a long-term objective for a short-term impulse, ask: Will my future self still consider this trade-off worthwhile?

My takeaway

The future objective that deserves more attention today is

because _____

Your Time Horizon Map

Time Horizon Worksheet

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Goal or need	When?	Date flexibility	Consequence if unfunded	Action today	Next review
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____
5.	_____	_____	_____	_____	_____
6.	_____	_____	_____	_____	_____

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:
_____	_____	_____
_____	_____	_____

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Your Spending and Saving Map

A practical budget observation exercise

A budget is not a punishment. It is a map of choices. This exercise helps you see where your income goes and whether your current pattern supports the life you want to build.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- one week of ordinary spending
- recurring commitments that arrive automatically
- amounts directed to saving or debt repayment
- purchases that were planned versus impulsive
- expenses that brought lasting value versus little value

After completing the exercise

- Which costs are fixed and which are genuinely flexible?
- Where is spending almost invisible because it is automated?
- Does higher income automatically become higher spending?
- Which expenses express your priorities?
- What amount could be redirected without making life meaningfully worse?

A budget pause

Before cutting an expense, ask what purpose it serves. Before keeping it, ask what future choice it may be displacing.

My takeaway

The budget change most likely to increase my freedom is

because _____

Your Spending and Saving Map

Spending and Saving Worksheet

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Category	Weekly/monthly amount	Fixed or flexible?	Planned?	Value to me	Possible change
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

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From Goals to Financial Priorities

Turning wishes into usable financial goals

Money becomes meaningful when it supports something that matters. This exercise helps you translate broad wishes into a small number of goals with purpose, horizon and priority.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- a goal stated in life terms, not as a financial product
- why it matters to you
- when you would like it to become possible
- how much flexibility you have
- what would make you change its priority

After completing the exercise

- Which goals are utilitarian, expressive or emotional?
- Which goal matters most if resources are limited?
- Are any goals inherited from other people's expectations?
- Which goals can coexist and which compete?
- What would progress look like over the next twelve months?

A priority pause

When two goals compete, do not ask only "Which earns more?" Ask "Which choice better protects what matters most?"

My takeaway

My highest-priority financial goal is _____

because _____

From Goals to Financial Priorities

Goal-to-Priority Worksheet

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Goal	Why it matters	Target horizon	Priority 1-3	Flexibility	Next action
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

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Why Are You Investing?

Clarifying the purpose behind taking risk

Investing is not an end in itself. It is a way of moving resources through time so they can support future goals. This exercise helps you connect each investment decision to a reason.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- the goal the money is intended to support
- the time available
- why cash alone may be insufficient
- what level of uncertainty you can realistically tolerate
- what would make you stop or change the strategy

After completing the exercise

- Are you investing for growth, income, protection or a mix?
- Do you know what risk you are being paid to accept?
- Is the time horizon long enough for the strategy?
- Are you investing because of a plan or because others are doing so?
- What would success mean beyond a high return?

A purpose pause

Before buying an investment, complete the sentence: “I am using this investment because it helps me...” If the sentence is unclear, the decision may be unclear too.

My takeaway

The main reason I invest—or would invest—is _____
because _____

Why Are You Investing?

Investment Purpose Worksheet

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Objective	Horizon	Why invest?	Risk I accept	What success means	Review trigger
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

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Giving Each Investment a Role

Building an investment toolkit by purpose

Different investment categories do different jobs. The objective is not to own everything. It is to understand what role cash, bonds, equities and other assets can play in your plan.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- the investment categories you currently use or are considering
- the purpose each category serves
- its expected return and main risks in broad terms
- how easily it can be converted into cash
- whether you understand how it behaves

After completing the exercise

- Which assets are there for liquidity?
- Which are there for stability or income?
- Which are there for long-term growth?
- Do any holdings have no clear role?
- Are complexity and cost justified by a genuine need?

A complexity pause

If you cannot explain what an investment is for, what could make it lose money and when you may need to sell it, pause before adding it to your plan.

My takeaway

The investment category whose role I understand least clearly is

because _____

Giving Each Investment a Role

Investment Role Map

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Category	Role in my plan	Main risk	Liquidity	My understanding	Keep/review?
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

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Your Diversification Map

Finding what your financial life depends on

Diversification is the discipline of not letting one outcome decide everything. This exercise extends the idea beyond securities to income, property, geography and other sources of financial dependence.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- your largest investment exposures
- the main source of household income
- major property or business exposure
- currency or geographic concentration
- other areas where one event could affect several parts of your finances at once

After completing the exercise

- Where are you most concentrated?
- Do several holdings depend on the same economic outcome?
- Is your job exposed to the same risks as your investments?
- Does diversification reduce a meaningful risk or merely add complexity?
- Which concentration is intentional and which is accidental?

A concentration pause

Before increasing an exposure that has recently performed well, ask: Am I improving my plan, or simply becoming more dependent on one story?

My takeaway

The concentration I most want to review is _____
because _____

Your Diversification Map

Diversification Worksheet

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Exposure	Approx. importance	What drives it?	What else shares this risk?	Intentional?	Possible response
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

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Your Behavioural Triggers

Observing emotions before they become decisions

Good financial decisions require knowing more than markets. They require knowing yourself. This exercise helps you identify situations that repeatedly trigger overconfidence, fear, simplification or hindsight.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- the event that triggered a strong reaction
- the emotion you noticed
- the story you immediately told yourself
- the action you wanted to take
- what you thought after some time had passed

After completing the exercise

- Which emotions most often precede financial action?
- Do gains make you more confident than your knowledge justifies?
- Do losses make you focus too narrowly on the recent past?
- Which information confirms what you already believe?
- What helps you regain perspective?

An emotion pause

Name the feeling before naming the action. “I feel anxious” and “I should sell” are not the same statement.

My takeaway

The behavioural trigger I most want to recognise earlier is

because _____

Your Behavioural Triggers

Behavioural Trigger Log

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Trigger	Emotion	Immediate story	Impulse	Later view	Rule that could help
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

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Your Mistake Pattern

Turning past errors into better future decisions

Everyone makes financial mistakes. The useful question is whether the same pattern keeps returning. This exercise focuses on learning rather than blame.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- one financial decision you would now make differently
- what information you had at the time
- what emotion or shortcut influenced you
- what the outcome was
- what process would have improved the decision

After completing the exercise

- Was the mistake caused by fear, overconfidence or a shortcut?
- Did you judge the decision only by its outcome?
- Did luck look like skill—or bad luck look like incompetence?
- Were costs, taxes or liquidity ignored?
- What warning sign could you recognise next time?

A learning pause

Do not ask only “Was I right?” Ask “Was my process reasonable given what I knew at the time?”

My takeaway

The recurring mistake I most want to interrupt is _____

because _____

Your Mistake Pattern

Mistake Pattern Worksheet

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Decision	What I knew	Bias/pressure	Outcome	Better process	Early warning sign
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

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Your Decision Rules

Using discipline to protect long-term choices

Discipline is easier when important rules are written while you are calm. This exercise helps you create a small set of rules for moments when markets, news or emotions make patience difficult.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- when you will normally review your portfolio
- what changes genuinely justify a strategic change
- what events should not trigger immediate action
- which decisions deserve a waiting period
- who you may consult before a major irreversible decision

After completing the exercise

- How often do you intervene simply to reduce anxiety?
- What facts would justify changing course?
- Which routines can be automated?
- Where would a 24- or 48-hour pause improve decisions?
- How can you distinguish patience from stubbornness?

A discipline pause

Before changing a long-term strategy, ask: Has my objective, circumstance, horizon or investment assumption changed—or do I simply feel pressure to act?

My takeaway

The decision rule that would protect me most is _____
because _____

Your Decision Rules

Decision Rules Worksheet

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Situation	My usual impulse	Rule in advance	Waiting period	What would justify action	Who can help
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

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Your Liquidity and Optionality Map

Protecting the ability to wait and choose

Liquidity is not only idle money. It can protect your long-term strategy from short-term shocks. This exercise helps you see how much flexibility your current financial structure gives you.

How to complete the exercise

Use the worksheet on the next page. Focus on ordinary decisions rather than exceptional situations. Record enough detail to notice a pattern, but never include passwords, account numbers or other confidential information.

- essential monthly commitments
- readily accessible resources
- possible unexpected needs
- investments you would prefer not to sell under pressure
- important future options you want to preserve

After completing the exercise

- How many months of essential commitments could you cover?
- Would an emergency force you to sell long-term investments?
- Is some liquidity supporting your ability to take long-term risk elsewhere?
- Which future option matters enough to protect?
- Are you optimising so tightly that you have no room to adapt?

An optionality pause

Before committing cash permanently, ask: Which option does this create—and which option does it close?

My takeaway

The option I most want my financial position to preserve is

because _____

Your Liquidity and Optionality Map

Liquidity and Optionality Worksheet

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Potential need/option	When might it arise?	Amount/flexibility needed	Current source	Would I need to sell?	Action
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

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Your Financial Readiness Map

From resources to real possibilities

Financial Readiness asks a broader question than “How much do I have?” It asks what your resources actually allow you to do, and whether your strategy and habits help you turn possibilities into outcomes.

How to complete the exercise

Use the worksheet on the next page to trace one to three outcomes that matter to you. Start with the life outcome, then work backwards: identify the resources you have, the real capability those resources create, the agency that helps you act, and any constraint that blocks conversion into a real choice.

- a life outcome that matters to you
- resources that support it
- capabilities that make it realistically possible
- agency—strategy and habits—that helps you act
- constraints that prevent resources from becoming real choices

After completing the exercise

- Where do you have resources but limited capability?
- Where do you have capability but weak agency?
- Which strength already expands your choices?
- What external constraint matters?
- What functioning would tell you that readiness has improved?

A capability pause

Do not ask only “Do I have enough money?” Ask “What does my current financial position make realistically possible?”

My takeaway

The capability I most want to expand is _____
because _____

Your Financial Readiness Map

Financial Readiness Map

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Functioning I value	Resources I can draw on	Capability: what is realistically possible	Agency: strategy & habits	Binding / conversion constraint	One useful improvement
1.					
2.					
3.					
4.					
5.					
6.					

What did I notice?	What will I protect?	What will I change?
The pattern that surprised me most:	A strength or habit I want to preserve:	One realistic next step:

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Your Financial Readiness Check-up

Turning the framework into a personal profile

The check-up is not a grade. It is a structured way to identify strengths, vulnerabilities and the constraint that most limits your ability to choose and act.

How to complete the exercise

Use the worksheet on the next page to summarise the six Financial Readiness dimensions from the chapter. Base each judgement on evidence from your own financial life. Treat risk preference separately: it describes how much risk you want to take, not whether you are more or less financially ready.

- financial capacity
- financial knowledge
- risk intelligence
- strategy
- habits
- behavioural self-management

After completing the exercise

- Which dimension is strongest?
- Which dimension most restricts an important functioning?
- Do low scores reflect a temporary condition or a persistent pattern?
- Which strengths should you protect rather than “improve”?
- What is the one next improvement with the greatest practical value?

A diagnosis pause

Do not average away an important weakness. One binding constraint can matter more than several strong dimensions.

My takeaway

The binding constraint I should address first is _____

because _____

Your Financial Readiness Check-up

Check-up Summary Worksheet

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Dimension	Strong / mixed / weak	Evidence from my life	Why it matters	First improvement	Review date
Financial capacity					
Financial knowledge					
Risk intelligence					
Strategy					
Habits					
Behavioural self-management					

Binding constraint Which one dimension most limits an important choice?	Strength to protect Which existing strength already expands your options?	Risk preference (separate) How much risk do I want - and can I afford - to take?

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Your Personal Action Plan

From diagnosis to deliberate action

A financial plan becomes valuable when it changes what you are able to do—and helps you act on what matters. Use this final resource to turn your Financial Readiness profile into a small, sustainable set of actions.

How to complete the exercise

Use the worksheet on the next page as a one-page implementation plan. Follow the seven steps in order. Keep the plan deliberately short: one priority functioning, one binding constraint, one strength to protect, no more than three actions, one protection rule, one option to preserve, and a clear review rule.

- Step 1 - choose up to three functionings and identify one priority functioning
- Step 2 - identify the binding constraint
- Step 3 - protect what already works
- Step 4 - choose no more than three actions
- Steps 5-7 - make good decisions easier, preserve optionality and decide when to review

After completing the exercise

- Is each objective stated in life terms rather than product terms?
- Does each action address a real constraint or support an important functioning?
- What strength must not be lost while you improve?
- What rule will protect you when emotions are intense?
- When will you review the plan—and what event would trigger an earlier review?

An action pause

Do not try to fix everything. Choose the few changes that expand your real options most, then make them easy enough to sustain.

My takeaway

My priority functioning is _____
because _____

Your Personal Action Plan

One-Page Financial Readiness Plan

Use short notes. The objective is to make your pattern visible, not to produce a perfect record.

Step	Your Financial Readiness Plan
1	Priority functioning: I want my financial position to make it realistically possible for me to _____.
2	Binding constraint: The main thing currently making this difficult is _____.
3	Strength to protect: I will preserve _____ because it enables me to _____.
4	No more than three actions: 1) _____ 2) _____ 3) _____
5	Make good decisions easier - my protection rule / automation / waiting period: _____.
6	Preserve optionality: The option I most want to create or protect is _____.
7	Review rule: I will review on _____. I will review earlier if _____.

First action What will I do first?	Start When will I begin?	Accountability Who or what will help me follow through?
_____	_____	_____

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