



THE  
ELEPHANT  
IN THE  
ROOM

*Sharing the Secrets  
for Pursuing*

*Real Financial Success*

BARRY BRIDGER



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*It was six men of Indostan,  
To learning much inclined,  
Who went to see the Elephant  
(Though all of them were blind),  
That each by observation  
Might satisfy his mind.*

—John Godfrey Saxe



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# PREFACE

If you've ever heard me speak, you know that I'm a pretty regular guy. I don't use fancy words or tell people how to keep up with the Joneses. But I do believe that most people can achieve more than they think they can. Whether you want to improve yourself financially or get an education well beyond that of your parents or start a business or rise up the corporate ladder, anything is possible—provided you set goals for yourself and continue to work toward those objectives.

You're in control of your destiny. Of course, there will be bumps along the road, sometimes serious ones that you didn't anticipate. There are natural disasters such as hurricanes and floods that have a dramatic impact on daily lives as well as on the economic stability of cities, states,

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and regions. There are medical crises that mean you or another family member can't work even though you have to find the money to pay for hospital stays or other treatments.

Then there are financial calamities that impact the entire country, such as the mortgage crisis and the dramatic sell-off in the stock market of 2008. A few people predicted these economic woes but their warnings generally were ignored. Many, many people continued to spend and use credit cards without thinking about whether they would be able to pay their bills. Others bought homes which they were objectively not qualified to purchase.

But in the fall of 2008, the financial crisis reached a climax. The government had to take steps—in the form of an unprecedented bailout of the banking and financial services sector. More than 2 million jobs were lost over the course of a year. Even worse was the reduction in Americans' retirement account values. Some \$2 trillion of retirement holdings was lost, with most 401(k) plans losing about 20 percent in value!

That's why the messages of *The Elephant in the Room* are especially important today. The recent financial instability of the country has impacted so many people that we all should be going back to the basics. That means thinking about your finances and talking with your spouse, parents, and children. It means not buying that latest gadget just because your neighbor across the street has it or your kids keep seeing it advertised. It means not pulling out your

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charge card whenever you go shopping. It means recognizing there is a difference between *wants* and *needs*.

The causes and consequences of negative financial behavior have been studied and debated extensively in recent years. Too many people don't know how to choose an investment or an adviser, or where to turn for help. Millions of American households will fail to achieve one major financial goal in life. Why? They lack a basic financial plan. Even among low income earners, those with a plan tend to have considerably more savings than those without a plan.

So you need to have a plan and a strategy to meet your objectives. Your goals may be different than your neighbors' or your parents'. That means you need to develop a financial plan that will meet *your* needs, not someone else's. You need to understand that this plan will change—as you get older, have children, or develop other priorities. That means you have to reassess your plan and make adjustments. You may have a trusted adviser, but you need to communicate your changing goals and adjust your investments or your insurance coverage if necessary.

This book has no charts or figures about the stock market or home values. It doesn't have budgeting spreadsheets. It is a story. It's the story of a young man who learns how to gain control of his future. In learning how to take charge of his finances, he learns about himself and the values that matter to him. This journey is ultimately satisfying because the man understands that his future and that of his family will be far more secure than he expected.

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As you read *The Elephant in the Room*, I'm certain that you will begin a journey of your own. You may be young with many years of employment ahead or you may be retired and drawing on your savings. But if you're mindful of your values and goals, you will be able to make smarter decisions about your financial future. And the peace of mind and comfort that come from controlling your destiny are priceless.

Barry Bridger  
Ambassador at Large  
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# INTRODUCTION

**M**y name is Michael Davidson. I never imagined I'd find myself looking for advice at a time in my life when it seemed I had already achieved so much. Sure, I had needed advice during my younger years and in college, but now I was facing down 30, with a wife and two kids. Madison was five, and our baby, Alexandra, was about to turn two. Time was flying by, and life was good. Jennifer, my wife, had been very supportive of my new career. From the beginning of our marriage, it seemed she had always been in my corner, cheering me on through every job interview, promotion, and new project. Despite the late nights and travel my job required, she was always there, taking care of the kids, juggling schedules, and managing our life. So what was the problem?

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The problem is hard to pinpoint. The arguments started small, a purchase here, an expenditure there. She'd buy something, I'd question it, and she would get defensive. I'd buy a new suit for work, and it seemed as if she'd resent it. She wanted things for the house; I needed things for my job—a new briefcase, a tie. There never seemed to be enough money at the end of the month, despite the long hours I worked. I suppose if there had been, we never would have argued at all. Sometimes Jennifer resented working, but at other times, she seemed to love her teaching job. I just wished we had more options and more money.

It was after one tense discussion that I decided I had nowhere else to turn. I had to start making some changes, fast, before Jennifer and I grew apart. I had to take care of my family, develop a plan. I was bound and determined to make it all work, and I decided to call Aunt Katherine.

Aunt Kath was in her seventies, and she was about the only person I knew who was completely content and comfortable. By *comfortable*, I mean that she didn't have to worry about money. It seemed as if she had planned well. Most of the retirees or widows I knew of were just barely getting by, but Aunt Katherine was taking amazing trips to South America, to Europe, and to Hawaii with a seniors group she was involved in. Aunt Katherine had it together, and I wanted to have it together, too—but, as hard as it was to admit it, I didn't. I figured that if anyone could help me, she could.

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