The formula for wealth is simple, and it's non-negotiable

One key factor is the difference between reaching your goals and just getting by in retirement.

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Wealth Planning That Transforms Your Life

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There is no shortage of intelligence among investment experts on the formulas you should follow to build wealth: saving for college, evaluating exchange-traded funds, determining how long your money will last, for example.

These are the kind of mathematical-plus-analytical insights you pay a good wealth-management professional to understand on your behalf. They include modeling based on inflation rates, rates of return and percentage of stocks vs. bonds, among other variables. Ideally, unless you are truly interested in getting in the weeds, you shouldn't need to understand the specifics of algorithms.

In my experience, there is a much easier formula for building wealth, and it doesn't take an advanced degree for you to understand it. In order to successfully build and maintain wealth, the following must be true:

Money (x) Time (x) Strength of Plan (x) Discipline > Poor Choices

There's a reason this formula includes so much multiplication. If any of the values representing the four key ingredients — money, time, strength of plan or discipline — equal zero, then the product of the formula also will be zero, and you will not be successful.

Money and time are obvious ingredients; the more money you invest and the more time you leave it invested, the better your chances. The strength of your plan matters a great deal, too, and that's why it's so important to choose a wealth manager who understands your situation and your goals.

But the fourth ingredient, **discipline**, often is the difference between just "making ends meet" in retirement and leaving a legacy that ensures your family is secure for generations to come. If there is zero discipline in your approach, you will end up with zero wealth.

Remember: Zero multiplied by any number equals zero.

When wealth managers talk about discipline, we talk about trust, intentionality and focus:

- Investors must **trust** the investment plan and the planner's capability to stay on top of the markets, the economy and the outlook as it pertains to each client.
- Investors must be **intentional** about following the plan, about living within its parameters and about recognizing changing life circumstances that might alter the outlook.
- Investors must **focus** on what they can control — and not on what they can't control, keeping the big picture in mind as the market moves up and down over time.

As with any other human pursuit, the most successful people are the ones who have the discipline to follow their plan to reach their goals. They know themselves well, and they are honest with themselves always.

Every wealth manager has a list of former clients who wouldn't listen, who thought they knew better than their planning professional because they'd heard about a hot tip, an IPO or the latest trend in get-rich-quick trading. (Honestly, some of their schemes are just fancier-sounding versions of Beanie Babies and baseball cards).

You are paying your wealth manager to do a job for you, but you have a role to play as well. Emotion can cloud people's minds where their finances are concerned, and without discipline, even the best-laid plans will fizzle.

Which brings us to this hard truth: Money doesn't equal intelligence. Don't confuse being rich for being wealthy — or for being smart.

It's true that being smart can help you make money. But so can being born into a rich family. Money alone doesn't equate to wealth, and if it is not treated with a disciplined approach — one that removes emotion from the process — it will be fleeting.

No matter which formula you try to use.