

APPRECIATE TEACHABLE MOMENTS AND WAKE-UP CALLS

*Not everything that is faced can be changed,
but nothing can be changed until it is faced.*

—James A. Baldwin

Despite expert recommendations by government agencies and splashy media campaigns, many people don't change their health or financial behaviors unless they absolutely have to. It's not that we don't know that future problems can be prevented or postponed by positive action. We do. But many people also live in a state of denial. They think, "Heart attacks...diabetes... obesity... inadequate retirement savings...mortgage foreclosure... etc., that will happen to other people, but not to me." Yet when it comes to health and personal finances, people generally reap what they sow.

You can either "pay now" by investing time and money in prevention (e.g., eating well, exercising, setting aside retirement funds, limiting debt) or "pay later" by suffering the consequences of poor health and financial behaviors (e.g., heart bypass surgery, bills for doctors and prescription drugs, inadequate retirement income, debt). In other words, if you're a sedentary, overweight smoker, your lifestyle could be compared to a train wreck that will happen sometime in the future. When experts use "you're at increased risk for..." warnings, they include *everyone*.

Life-changing events often provide the motivation required for taking positive action to improve health and increase wealth. In the education field, these events are called "teachable moments" because people often seek out information at times when they need to cope with a situation, make a decision, or complete a necessary task. Adult learners, particularly, need to see a reason for learning something in order to invest their time doing so. Teachable moments also exist outside the classroom in daily life and can result from both positive and negative life events. Table 13, right, provides examples of positive and negative teachable moments.

When you experience a "teachable moment," recognize it as such and take positive action. As a positive financial example, consider the receipt of a windfall. This

is "found money" that you hadn't planned on receiving such as an insurance settlement, inheritance, or contest prize. Windfalls have the potential to greatly enhance financial security, but only if they are managed wisely. Windfalls may also provide the motivation required to take an investing course or consult a financial advisor. Conversely, a negative financial example of a teachable moment is hearing retirement planning for baby boomers described as a "perfect storm" of simultaneous problems (e.g., uncertainty of Social Security, eroding employer benefits, low household savings). As a result, you may

— TABLE 13 —

Positive and Negative Teachable Moments

Positive Event Teachable Moments	Negative Event Teachable Moments
Health	
Shopping for exercise equipment	Cancer, heart disease, or other diagnoses
Improved personal health status report	Death of a friend or family member
Media reports about health-care advances	Health risk factor assessments (e.g., diabetes)
	Media reports/studies about health "issues"
Wealth	
Receipt of windfalls such as an inheritance	Financial problems (e.g., calls from creditors)
Marriage or remarriage	Loss or reduction of income (e.g., divorce)
Birth or adoption of a child	Poor financial assessments (e.g., net worth)
	Media reports/studies about financial "issues"

decide to start saving and not rely entirely on the government or your employer for future financial security.

Negative teachable moments in life are often referred to as “wake-up calls.” A wake-up call is a warning to take action on something that was previously denied, overlooked, or neglected. For example, the events of 9-11 were seen as a wake-up call to strengthen U.S. homeland security.

Here is a wake-up call from the *2011 National Diabetes Fact Sheet* (released Jan. 26, 2011) concerning the total prevalence of diabetes. 25.8 million children and adults in the United States—8.3% of the population—have diabetes. 18.8 million of these are diagnosed and 7.0 million are undiagnosed. 79 million people have pre-diabetes. 1.9 million new cases of diabetes were diagnosed in people aged 20 years and older in 2010. For more information: [HTTP://WWW.DIABETES.ORG/DIABETES-BASICS/DIABETES-STATISTICS](http://www.diabetes.org/diabetes-basics/diabetes-statistics)

Here is a wake up call from the American Heart Association. Cigarette smoking is the most important preventable cause of premature death in the United States. It accounts for more than 440,000 of the more than 2.4 million annual deaths. About 25% of men and 21% of women are smokers. Cigarette smokers have a higher risk of developing several chronic disorders. These include fatty buildups in arteries, several types of cancer and chronic obstructive pulmonary disease (lung problems). Atherosclerosis (buildup of fatty substances in the arteries) is a chief contributor to the high number of deaths from smoking. Many studies detail the evidence that cigarette smoking is a major cause of coronary heart disease, which leads to heart attack. See: [HTTP://WWW.HEART.ORG/HEARTORG/GETTINGHEALTHY/QUITSMOKING/QUITTINGRESOURCES/SMOKING-CARDIOVASCULAR-DISEASE_UCM_305187_ARTICLE.JSP](http://www.heart.org/heartorg/gettinghealthy/quit-smoking/quit-resources/smoking-cardiovascular-disease_UCM_305187_Article.jsp)

With respect to health, red-flags for a need to change current behavior include the following:

- Body mass index (BMI) greater than 25 due to gradual weight gain over time.
- Sedentary lifestyle with little or no daily exercise (25% of Americans get no physical activity).
- Poor eating practices (e.g., high fat, low fiber, large portion sizes).
- Highly stressful lifestyle resulting in symptoms such as anxiety, insomnia, and migraines.
- Sustained elevated blood pressure (120/80 is considered normal; 140/90 or higher is a red flag).

- Chronic and/or life-threatening diagnoses such as diabetes, asthma, cancer, and heart disease.
- Family history of a particular disease or condition (e.g., colon cancer).
- Death of a close friend or family member with similar health practices to yours (i.e., smoking).

Unfortunately, many people take their health for granted, figuring they’ll “beat the odds” of risks associated with an unhealthy behavior. It often takes a personal-health crisis to prompt a change.

There are also a variety of financial wake-up calls. For example, after 9-11, some families were motivated to draft wills and purchase life insurance because they heard about the problems experienced by victims’ families that lacked these documents. After the Enron scandal, some workers reviewed their 401(k) plan contributions and reduced their employer stock weighting. Some financial red flags include:

- Low retirement savings and net worth (average baby boomers have only 12% of what they need).
- High household debt (average U.S. households with credit card debt carry a credit card balance of about \$15,000).
- Low (inadequate) or no life, disability, liability, and long-term care insurance to cover large risks.
- Use of high-cost “fringe” financial services such as payday lenders and check cashing stores.
- High percentage (more than 10%) of investment assets invested in a single company or industry.

— Action Steps —

Health

- Identify the most important health wake-up call in your life right now and take action to address it.
- Research the consequences of doing nothing about your health wake-up call (e.g., Internet search).

Wealth

- Identify the most important financial wake-up call in your life right now and take action to address it.
 - Research the consequences of doing nothing about your financial wake-up call (e.g., Internet search).
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- Consumer debt (excluding mortgage) to net (after-tax) income ratio of 15% or higher.
- Contact from creditors regarding overdue payments, charged-off debts, etc.
- Low credit score (under 720) and negative information (e.g., late payments) in credit report.
- Lack of a will, trust, or other estate planning documents by people with dependents and assets.
- Negative cash flow in daily spending (i.e., expenses greater than income).

- Stress resulting from financial difficulties that starts affecting physical health.
- Deteriorating marriage, spousal abuse, or a spouse who is disabled or in poor health.

Complete Worksheet 27 *Teachable Moments and Wake-Up Calls*, below, to determine whether you ignored or responded to teachable moments and wake-up calls in the past and how you would like to handle them in the future.

Worksheet 27		
Teachable Moments and Wake-Up Calls		
Question	Health	Wealth
What “teachable moment” have you experienced in the past?		
How did you handle the experience and what did you learn?		
What “teachable moments” do you anticipate within the next five years?		
What wake-up calls are you concerned about and why?		
What action can you take to address the wake-up calls in your life?		
What resources do you have to assist you in taking action?		
What obstacles do you expect to face and how will you address them?		
What are the consequences of doing nothing about your wake-up calls?		