



## Living Life on the Edge

SEPTEMBER 13, 2011

**S**ome people live life on the edge every day and love every minute of it. They get a rush by taking on seemingly insurmountable challenges and beating the odds, while others roll the dice with their finances, pursuing an insatiable, shark-like hunger for material wealth. Still others place bets on their personal invincibility by ignoring health warnings linked to their own bad habits. If this sounds like your modus operandi, any way you look at it, you may be betting your life as you know it.

Engaging in risky behavior is no different from gambling. Whether you bet the ranch on a get-rich-quick scheme, buy too much stuff on credit, or ignore your doctor's warnings — the result is the same — a willingness to risk it all. If your luck runs out, the downside can be devastating, resulting in failed relationships, financial hardship, or even death. Why do it?

### What Do You Have to Lose?

Let's look at some bets that are placed every day:

**Getting rich quick.** There'll always be get-rich-quick schemes and the people to fund them. Remember Phineas Taylor Barnum? While there is some dispute about the famous quote associated with his name, there is little doubt that gullibility and greed don't make for effective investment strategies. For those who think that landing the BIG ONE is only a matter of time, the prospect of losing just isn't in the cards. Whether it's the next gold rush, dot-com investing, or flipping homes, these **greedy** folks try their luck in the hope of "winning the lottery." Unfortunately, most of these schemes end the same way...disappointment, indebtedness, or worse. Like musical chairs, if you can't find a chair when the music stops playing, you're out of the game. In the game of life, you're also out of luck. Unfortunately, there's no way to make a quick buck without some risk. If there were, most everyone would be wealthy.

**Living large.** Some people, like sharks, spend their entire life hunting and consuming. All the oceans in the world can't satisfy these eating machines. When the sharks can't afford their buying addiction, they purchase their "toys" on credit. The problem is, if they're not careful, they'll be making hefty monthly payments without receiving anything tangible in return. Whatever happened to living within your means, much less saving money for a rainy day? According to a recent [survey](#), the *Wall Street Journal* reported that 22.2 percent of the survey participants were *probably* unable and 27.9 percent *certainly* unable to come up with \$2,000 if they were faced with an unexpected expense in the next month.

Keep the change.

**Betting the ranch.** Whoa, partner! People who try to increase their personal wealth without protecting their existing assets may be betting the ranch. If you don't guard against downside risk, it's a cinch that you're leaving yourself vulnerable to substantial loss and may not even know it. Just think about those entrepreneurs who fail to protect their businesses through a limited liability company or incorporation. They may wind up sacrificing all their personal assets if they happen to get sued and lose in court. A similar example comes from one of the

biggest causes of personal bankruptcy: the onset of serious illness without adequate health insurance coverage. And if that happens, there goes the ranch, and that's no bull.

**Taking care of business.** How many times do people receive advice to drop five pounds, stop smoking, exercise thirty minutes each day, or lay off the fried foods? Sometimes this advice is suggested as a preventive measure. Other times, it's given to someone rehabilitating from a serious illness. Why take the chance? If you don't listen to the experts' advice, there may be more dire consequences down the road. Don't wait till it's too late to heed the warning. Take care of business (it's your life) and be around to enjoy the payoff.

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**Facing the facts.** Some events are so far-flung that the chance of their happening is as likely as sighting a black swan. The truth is that some people also adopt this philosophy in life. Why purchase disability insurance? Who needs a will? Chances are it'll never happen — until it does. Some eternal optimists never see a cloud in the sky. As such, they fail to anticipate downside risks or the need to save for a rainy day. Then, if something unexpected occurs, it creates havoc in their life. That's why they make umbrellas.

**Putting all your eggs in one basket.** If you place all your eggs in one basket, any fall will be a messy one. This truism applies, for example, in cases where one client represents too great a percentage of your company's sales, where most of your money is concentrated in a handful of investments, or even where all your attention is devoted to a single job opportunity at the expense of other promising [job search](#) situations. The fact is, even if everything looks rosy today, nothing in the world is a sure bet. Diversification protects you against downside risk.

### Is It Worth the Gamble?

People place small bets every day — such as running out to an appointment at the last minute or leaving home without an umbrella. Even though the consequences are small, you're still rolling the dice — sometimes you'll win, other times you'll lose. The danger is that after you get a few small wins under your belt, you'll develop a false sense of security and feel you can double down. It's very easy to convince yourself that you're unbeatable. And, like a gambler, your bets get bigger and bigger...until you lose.

Did you ever stop and think of the effect that risk taking is having on your life? For example, is the stress having an impact on your health? Are you losing needed sleep worrying

about the future? Does your life feel like an emotional roller coaster?

Think of the consequences of your actions: What if the BIG bet doesn't go your way? How would the loss change your life? What would the loss mean to your family? What impact would the loss have on the relationships that you hold dear? Will you ever be able to recover from it?

So remind me again...why are you risking it all? Is it the thrill and the adrenaline rush? Are you trying to impress your friends? Does it make you feel that much better to have one more toy than your neighbor has?

Living on the edge isn't the "be-all and end-all." It doesn't take a brain surgeon to realize that there are no guarantees in life — which means that playing the odds through excessive risk taking is like playing with fire. Unfortunately, when you get burned, there may be serious consequences. As author Ray Bradbury once said, "Living at risk is jumping off the cliff and building your wings on the way down."

The key, then, is to take calculated risks, and only place bets on things that you're willing to lose. As the saying goes, "Take risks: If you win, you will be happy; if you lose, you will be wise." Make sense? You bet. ●

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