



Practical Wealth Creation Ideas

...for Simplified Financial Success™

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The Psychology OF MONEY

Does thinking about money make you feel blissfully grateful or unhappily glum? Poor self-esteem may drive an extravagant person to shop-and-

spend relentlessly. Fear of making the wrong money choice may weaken the powers of decision. Mirroring fear-of-poverty expressed by Depression-Era or War-Era parents may lead one to hoard money. High rollers have an inner need to win and may be addicted to the thrill of business as they over-risk their cash flow. Another may be manipulative, using money to gain control over others. With your partner (if applicable) assess how you have used and saved money in the past in comparison to the following money personalities.

- **The Spendthrift.** If you are an obsessive spender you may randomly use your credit cards buying things you do not need with money you do not have. You tell yourself that you will begin investing once all your debts are paid off.

- **Possible Solutions.** Divert your spending activities by focusing on another self-esteem booster such as working out. Arrange for a financial advisor to automatically purchase a mutual fund from your bank account every month.

- **The Procrastinator.** If you delay making money decisions you may procrastinate about travel plans, buying a car, insuring your life, paying bills; or be afraid to invest for fear of purchasing the wrong mutual fund or buying at the wrong time.

- **Possible Solutions.** Establish times to plan how to achieve your financial goals, balance your cheque book, and pay bills. Meet with your financial advisor who can coach you on how to get started investing.

- **The Miser.** If you stash away money, typically in term deposits, you may fear poverty. You may hate paying for parking, drive an old car for years, maintain your own plumbing; refrain from dining out, buying new clothing, or paying for a much-needed holiday.

- **Possible Solutions.** A financial planner can help you allocate money for some safe investments while helping you to balance your portfolio for growth. As well the advisor may be able to help you limit your fear of spending by assuring you that your financial plan is on track, while allocating some cash for life's enjoyment. Some life insurance contracts offer long-term security. These offer term deposits with interest that is tax deferred (from which the cost of insurance is paid). Cash is accessible (with certain restrictions), and a guaranteed tax-free benefit is paid upon death to create new guaranteed wealth for your heirs.

- **The High Roller.** If you buy expensive cars, clothing and watches, you may seek to leverage prestige as you climb the ladder of success.

- **Possible Solutions.** Remind yourself that your business skills, honesty, and integrity, along with your ability to get the job done, are the most important assets you possess. As far as investing, your advisor will help you to minimize the risk in your portfolio.

- **The Controller.** You may use money to control people that are close to you, promising purchases or favours based on certain conditions. If you constantly remind people how much you do for them, chances are you are using money to manipulate their behavior.

- **Possible Solutions.** Reflect on why you use money as a carrot. Are you trying to buy another's affection with money? Partners or children may actually resent the use of money as power over them, despite how good your intentions are. Ultimately you can't buy affection. If you help them financially, do it to empower, not control their destiny.