



WHAT'S YOUR FINANCIAL PERSONALITY?

Understanding your psychological relationship with money can help you take stronger control of your financial future.

People often have hard-wired emotional responses to money that can affect how they approach their financial lives, based on how they were raised, how they saw their parents handle money and their own early-life financial experiences. Just as we have all had different life journeys, we all have different behavioral tendencies when it comes to money management. Knowing your embedded financial traits can help you take advantage of your natural strengths and address any potential challenges.

Which financial personalities describe you best?

SAVER

Savers got to save!

These people have to have money in the bank to feel secure. They are perfectly happy to save today — even without a specific goal in mind — so that they can have money later. They also tend to be very careful with their spending habits, to the point of being frugal (some might call them cheap). Savers are also generally great at paying down debt, if they even have it.



Typical strengths

- Understand the security money can provide.
- Constantly building their nest eggs and working diligently toward their financial goals.

Potential challenges

- May play it too safe with those pinched pennies, keeping their saved money in low-risk/low-return accounts, which may actually put them at a long-term financial disadvantage.
- May miss out on the things they enjoy. Remember, life goes by quickly!

Advice



Create a “bucket list”

Mentally separate different saving “buckets” for your short-, mid- and long-term financial goals. This can help you make your savings work harder by keeping each bucket’s risk/reward options better aligned with its objective and time horizon.



Everything in moderation

Save away, but also enjoy your life with an occasional splurge.

SPENDER

Let the good times roll!

Spenders derive a lot of pleasure from the purchasing power money can provide. These people like to enjoy life and get a thrill from spending money. They can often justify buying new things or experiences because “I deserve it” and may also fall into the “it’s only” trap, as in “it’s only \$20,” “it’s only a three-month subscription,” or “it’s only this one time.” They tend to live for today rather than thinking long-term when it comes to money and financial planning, telling themselves they’ll figure it out later.



Typical strengths

- Know how to enjoy money and usually see it as a means to an end.
- Tend to be generous and not afraid to spend money to help or treat others.

Potential challenges

- May get in financial trouble by overextending credit card and other debt.
- May have little or no savings — not even an emergency fund.

Advice



Balance wealth spending with a little wealth building

You don't have to give up spending entirely but take some steps to make sure you're staying in control of your finances. Start with the basics: Create a realistic budget to know where your money is going, pay down debt and build an emergency fund.



Make it easy

Take advantage of auto-saving options and company retirement plan contributions so that you consistently save and invest without even having to think about it. Even small amounts can really add up over time.



Transfer some of that shopping buzz to investing

Investing can be fun! You're just buying companies instead of stuff. Plus, you're building the wealth to help fund your future lifestyle.

WORRIER

Expect the worst!

Money can stress these people out. It doesn't matter how much they have; they are always worried about losing it. They often suffer from buyer's remorse after making purchases, which only adds to their financial anxiety. Worriers also tend to obsess over the "what ifs" — "what if I don't have enough money to pay my bills?"; "what if I lose my job?"; "what if I lose all my money with that investment?"



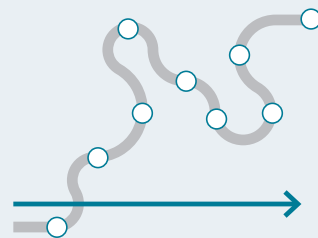
Typical strengths

- Fear can be a fantastic motivator if it's appropriately managed.
- Usually great at paying their bills and paying down debt.

Potential challenges

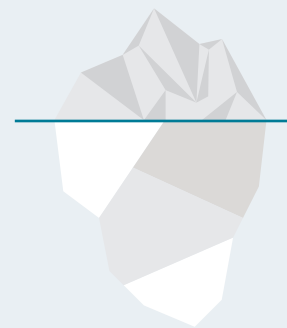
- Often lack confidence when making financial decisions.
- Anxiety may paralyze them into inaction or playing it too safe when it comes to long-term financial planning.

Advice



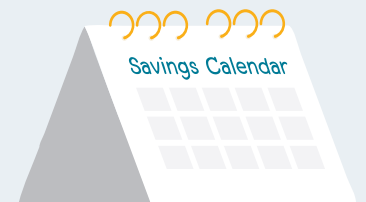
Make a plan — and a plan B

Take more control over your money by thinking about your financial goals and building a realistic plan to get there, including what happens when life inevitably throws you curve balls.



Keep it real

Remember, fears aren't facts. Separate real risks from unlikely ones when it comes to making financial decisions.



Reframe saving and investing as another monthly expense

But this time you're committing to paying yourself by making consistent contributions to your financial accounts.

ADVENTURER

Just do it!

Adventurers like to take action and that includes their financial lives. They derive a great deal of pleasure from investment success and love the excitement (and bragging rights) that can come with being part of a hot investment. These people generally aren't that concerned about details and usually move fast when they see an opportunity. They also tend to be fine with risk-taking, although they can get really depressed by losses, at least until the next opportunity comes along.

Typical strengths

- Appreciate the power of investing.
- Usually open to new ideas and approaches, at least until it comes to their way of investing and being open to diversifying.

Potential challenges

- May be impatient and blinded by possibilities.
- May let financial risks get out of control, which might also include debt.

Advice



Be introspective about risk

Make sure your risk profile matches the reality of your actual financial needs and goals.



Keep it balanced

Make sure you have savings in place before taking on large risks. Think about it as separating your "serious" investment money from your "fun" investment money.



RESEARCHER

Knowledge is power!

These people like to be informed before taking action and are happy to research on their own. They are often internet savvy and comfortable navigating online sources of content like YouTube, Reddit, Google and social media. They also may have been introduced to investing at a relatively young age, given how easy it is to access information these days.



Typical strengths

- Focused on gaining clarity to make smarter decisions.
- Strong self-initiative.

Potential challenges

- May confuse research with taking action and end up watching video after video without making any real decisions.
- May suffer from information overload.

Advice



Check your sources

There's a lot of financial- and investment-focused content on the internet these days. Make sure you're getting reliable information.



Know the full picture

A little knowledge can be a dangerous thing. Make sure you fully understand the financial topics and investments you're learning about before making any moves that might jeopardize your overall wealth picture.

INDIFFERENT

It'll sort itself out!

These people tend not to think too much about money. Maybe they haven't had to because it's always been there for them. Or they were never taught about it, and/or they just can't be bothered with the details. They may not even have a basic understanding of money's value or what things should cost — they just buy what they want to buy. They don't tend to let money influence even big decisions and generally avoid thinking about their long-term financial picture.



Typical strengths

- Often come from wealthier backgrounds and have never really had to worry about money.
- May feel that they only need a modest amount of money to be happy.

Potential challenges

- May feel financially invincible, even when they aren't.
- Don't know what they don't know when it comes to finances.

Advice



Be informed

Understand where your money is going and the role it plays in your life.



Be prepared

Things happen. Make sure you're financially and mentally ready to handle any of life's changes that may come your way.

MAKING A FINANCIAL PLAN THAT MATCHES YOUR PERSONALITY



It's likely you'll recognize yourself to various degrees in a couple of these descriptions. Now, the key is to turn these insights into an action.

That's where a financial advisor can help. At Lenox Advisors, we work closely with our clients to understand their specific financial situations and what they want to accomplish with their money. Together, we can build a plan designed to help you achieve your financial goals.

Interested in learning more?

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