ICE BREAKER: WHICH ONE ARE YOU?

35% The Real World
Trying to figure out how to earn a living and have some fun in the process

26% Survivor
Trying to survive financially and every day is a struggle

16% The Amazing Race
Feeling confident and in good shape

4% Wipeout
You get knocked down with big money problems, but hey, you chose to do this.

4% Temptation Island
Live for the moment and think about the consequences later.

10% The Apprentice
Want a high-powered career and all the money that comes with it.

5% None or Don’t Know
ATTITUDES ABOUT MONEY

Introduction


As you can see, we place a lot of emotion onto money. Money inspires love, hate, and envy.

Our attitudes about money develop over time, and research shows that most of these attitudes originated with our parents and how they felt about money.

Did your parents talk to you about responsible spending or were they irresponsible in the way they spent money? Did you view your parents as savers or spenders?

It’s not hard to see how other people use money to express their power and success, even when the money they are using is not their own. Many people who appear to have “money to burn” are living beyond their means with credit cards, car loans, and big mortgages. They are hurting their own financial future to impress you.

It is also not rare to hear of people who appear to have no money at all, wear second-hand clothing, and live simply with millions of dollars in the bank.

Most people are somewhere between these two extremes.

The attitudes you formed about money early in your life probably affect how you save, spend, and invest today. Think about how your money habits differ from your parents, or are they the same?

The first activity will help you identify the money characteristics that drive you.

The Attitudes about Money workbook will:

• *Help you identify the attitudes about money that drive your financial decisions.*

• *Identify the five negative attitudes people have toward money and find ways to overcome those attitudes.*
“WHAT’S MY ATTITUDE” PROFILE ACTIVITY

Complete the following activity. Read all the statements in each category and then rank them from 1 (least like you) to 6 (most like you). Try to use each number just once in a category. If you read a statement that you feel is absolutely not like you, place a “0” next to the statement. You can use the “0” option more than once in each category.

1. GENERAL
   a. ___ Watching my savings grow gives me great pleasure.
   b. ___ Wandering around stores puts me in a good mood.
   c. ___ Making my own financial decisions makes me happy.
   d. ___ Being free of rules and stereotypes is my dream.
   e. ___ The more money I have, the more I’ll be able to do what I want.
   f. ___ I work hard and I want to be valued for the work I do.

2. LIFESTYLE
   a. ___ I spend money when I need something rather than when I want it.
   b. ___ Spending now is definitely more important than saving for the future.
   c. ___ Having things that I want is my goal.
   d. ___ Possessions tend to drag me down so I don’t own much.
   e. ___ Saving money gives me the freedom to do things that cost money in the future.
   f. ___ Having things helps people know who I am.

3. EATING OUT
   a. ___ When I eat out with others, everybody pays for his own food.
   b. ___ I order whatever I want.
   c. ___ I like to buy food for others because I have the money.
   d. ___ I prefer paying my own way.
   e. ___ I like to pay for others to impress them.
   f. ___ Paying for others helps me feel good about myself.

4. SHOPPING
   a. ___ I know a real deal when I see one because I shop around.
   b. ___ I like everything I try on, it’s hard not to buy it all.
   c. ___ Name brands fill my closets and drawers.
   d. ___ I like to make my own fashion statements.
   e. ___ When I go shopping, I buy something that will help me accomplish my goals.
   f. ___ I go shopping to make myself feel good.

5. SAVING
   a. ___ I have a secret stash of money just in case I need it.
   b. ___ Saving money is hard for me. I always have something I want to buy.
   c. ___ When I take charge of my money, I feel in control.
   d. ___ Saving money is easy because I’d rather be doing things that don’t cost a lot.
   e. ___ The more money I have saved, the more options I have open to me.
   f. ___ Having a large amount of savings makes me feel valuable.

6. GIFTS
   a. ___ It’s easier to give gifts to others than to buy them for myself.
   b. ___ I love buying the perfect gift for someone.
   c. ___ I buy expensive gifts because it means more.
   d. ___ Handcrafted/homemade gifts have more meaning; people think they are special.
   e. ___ The gifts I give others lets them know that I like them or I want them to like me.
   f. ___ The price of my gift earns me respect for being able to afford it.
DETERMINING YOUR SCORES

Your scores will help you identify your money personality profile. The higher the number for each profile, the more this tendency may motivate your money behavior. It’s okay to be high in several profile areas. It just shows that your financial decisions are based on a variety of motivators or beliefs. The closer together the totals, the more balanced you may be in your motivators. If you have one or two profiles that have high numbers, it may mean that your financial decisions are more strongly influenced by those motivators. Now, score your answers.

a. Add up the number of your “a” statements and put your total here:
   _____ Frugal Focus
b. Add up the number of your “b” statements and put your total here:
   _____ Pleasure Focus
c. Add up the number of your “c” statements and put your total here:
   _____ Status Focus
d. Add up the number of your “d” statements and put your total here:
   _____ Indifference Focus
e. Add up the number of your “e” statements and put your total here:
   _____ Powerful Focus
f. Add up the number of your “f” statements and put your total here:
   _____ Self-Worth Focus

This exercise is modified and reprinted from 4HCCS BU-07710 2002, Money Fundamentals; “Money Personality Profile”. With permission of the National 4-H Cooperative Curriculum System, Inc. © (2004) 4HCCS. Attitudes About Money

NOTE: ANY OF THESE “PERSONALITIES” MAY HAVE POSITIVE AND NEGATIVE TRAITS
DEFINITIONS

FRUGAL
• Loves to hold and save money
• Believes that money is security
• Saves money because it provides some protection against uncertainties
• Being good at budgeting, prioritizing, and waiting until things are on sale.

PLEASURE
• Loves to spend money on whatever will make them happy
• Doesn’t like saving
• Being generous to themselves and others
• Borrows money to spend now

STATUS
• Having money and “things” bring happiness
• Thinks more money and “things” will bring more happiness
• Believes that people can’t be happy without possessions

INDIFFERENCE
• Avoids money
• Feels nervous about money
• Rather spend time on things they enjoy doing, such as hobbies, sports, outdoors

POWERFUL
• Wants to make things happen
• Believes money is power, the more one has the more powerful he/she will be
• Believes money makes one feel in control of his/her life
• Takes risks to make more money

SELF-WORTH
• Measures own value by how much money one has
• Thinks people judge others on the amount of money they have
• Values how much they have accumulated, not relationships with other people
CHARACTERISTIC TYPES

You just learned that there are six major characteristic types in how people view money. They are Frugal, Pleasure, Success, Indifference, Powerful, and Self-worth.

**Frugal:** Frugal people seek financial security by living below their means and saving money. Frugal people rarely buy luxury items and some even have a hard time buying necessities. They save money because they believe money will offer protection from life’s uncertainties; money makes them feel more secure.

**Pleasure:** Pleasure seekers use money to bring pleasure to themselves and others. This money profile is more likely to spend than to save. Pleasure seekers often live beyond their means by spending more than they make. Pleasure seekers can find themselves in deep debt if they are not careful.

**Status:** Some people use money to express their social status. Having the best and buying popular brand names are important to people in this profile. Status-spenders like to “show off” their purchases.

**Indifference:** People who treat money with indifference tend to place very little importance on having money. Having money makes them nervous. They would rather spend time and resources being independent by growing their own food or making their own clothes. They are hobby-oriented and involved with arts and crafts.

**Powerful:** Some people use money to express their power. This profile may also use money to control other people, including their spouses, children and friends.

**Self-Worth:** People who spend money for self-worth tend to judge their own worth by how much money they have. They believe that people only judge them based on the amount of money they have. They value how much they have accumulated.
CHARACTERISTICS ACTIVITY

Choose one of the six characteristics listed on the previous page and answer the following question.

Which characteristic did you choose?
_________________________________________________________________

Define your understanding of how individuals use this characteristic.
_________________________________________________________________
_________________________________________________________________

Developing a Positive Financial Attitude about Money

Think of your money profile as a “diagnosis.” Now that you know what you are, what kinds of goals do you need to set to move toward where you want to be? Remember, these goals can be short, medium and long-term.

Does this scenario sound familiar: Cheryl lives paycheck-to-paycheck. She gets a raise every 1-2 years. Each time her salary is increased, she increases her spending. Her financial picture is stagnant. She never puts money away for a rainy day and constantly adjusts her living to her income. What should Cheryl do to change her financial future?

By letting her paycheck dictate her monthly spending, Cheryl has lost control. Cheryl needs to create a budget and control her spending on her own, allocating money for savings.

For most people, money is a limited resource. Do you manage this resource or does this resource manage you?

Now is the time to take control of your money.

You can build a positive money attitude by overcoming five major obstacles:

1) Fear
2) Cynicism
3) Laziness
4) Bad Habits
5) Pride

Even if you feel you already have a positive money attitude, it is important to keep these obstacles in check.
**Fear:** Fear of losing what you have is the top reason why people struggle financially. Everyone has a certain amount of fear when it comes to his or her finances. There is uncertainty with employment, illness, or unexpected expenses (car and home repairs). People can become so fearful of their finances, that they live in denial. How can you turn fear into a positive motivator?

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

**Cynicism:** Cynics always see the glass as half empty. Does this statement sound familiar: “I’ll never get ahead.” Our friends and family can contribute to cynicism by saying things like “You will never amount to anything.” The key to overcoming cynicism is to combat negative thoughts with positive ones (remember the little blue engine who made it up the hill by chanting “I think I can”?). How can you keep cynical statements away from your daily thoughts?

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

**Laziness:** Laziness is failing to act, or saying “I’ll do it tomorrow.” People fighting the laziness obstacle fail to make financial matters a priority. This person fails to seriously review their financial situation, make a budget, or even pay bills. What are some steps you can take to cure laziness?

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

**Bad Habits:** Bad habits develop over time. Most bad habits are developed because of convenience or comfort. It is convenient to pay bills at the end of the month, no matter when they are due. On the other hand, it is comfortable to buy breakfast every morning rather than preparing breakfast at home. Our bad habits cause us to spend more than we should and miss important deadlines. What actions can you take to overcome a bad habit?

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

**Pride:** Everyone has an opinion about personal finance, but not all opinions are correct. As adults, we are expected to know how to manage our finances. It is difficult to admit what we do not know. Finance is a topic where many have strong opinions but few have knowledge. What do you recommend when someone doesn’t know or understand a financial issue, but is too prideful to ask for help?

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________
DEVELOPING A FINANCIAL ATTITUDE

The key to creating a positive financial attitude is to remain open to learning and putting new behaviors into action. The following are simple steps you can take to get started:

• Go to your bank and talk about your accounts with a bank representative. Ask questions. Go to financial seminars hosted by the bank. Don’t purchase or utilize costly bank services until you’ve compared against other banks.
• Have an open discussion with a family member about what you have learned in class.
• Balance your checkbook.
• Have lunch with a friend and discuss a financial product such as savings accounts.
• Watch a financial show on TV.
• Start using an online budgeting tool, like the one provided at mint.com or through your banks online checking.
• Find someone you trust who appears to manage money well. Ask them to be your financial mentor.

By taking action, you will develop a better understanding of finances.

THE JONES FAMILY ACTIVITY

Maria took your advice and has now saved $2000 in an interest-baring (no fee) savings account. She rests easy now knowing that she has several months’ rent put away “just in case.”

Maria is confused about her money attitude. “If I actually had some money, I might know what my money attitude was…” she tells you in your financial planning session. “But the fact of the matter is that I’ve never had money and I don’t think I ever will.”

“How can you help encourage Maria to envision a future with money in it? What advice can you give her to believe in her own abilities to improve her financial situation? As a financial planner, you need to motivate and inspire your client.

List five strategies for helping Maria envision a positive money future.

1. ____________________________________________________________________________

2. ____________________________________________________________________________

3. ____________________________________________________________________________

4. ____________________________________________________________________________

5. ____________________________________________________________________________
## FINANCIAL TERMS

Take a moment to review the list of personal finance terms on the proceeding pages. Write down your understanding of the below as well as any questions you may have regarding the term.

**Money Characteristic**
Term or Concept

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

**Money as Power**
Term or Concept

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

**Money as Pleasure**
Term or Concept

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

**Positive Attitude toward Money**
Term or Concept

_________________________________________________________________
_________________________________________________________________