



## Psychoanalyze Your Wallet

The Motley Fool

By Dayana Yochim

How you drive (cautiously, aggressively, or anxiously), your dream occupation (poet, stuntman, Supreme Court justice), what you look for in a mate (stability, spontaneity, a hot car), and even how well you tip at restaurants reveal a lot about your money personality.

But come on. We all have our quirks. According to *Are You Normal About Money?* author Bernice Kanner's research:

To get to the heart of why we do the things we do, a quick *Cosmo*-style 20-question quiz at WIFE.org (Women's Institute for Financial Education) determines your money style.

For example, one question asks: "When tipping in a restaurant, you:

- A. Tip in accordance with the quality of the service. You reward good servers and punish bad ones.
- B. Tip lavishly. You expect to get the best service in the house next time.
- C. Tip well even if the service is mediocre. You don't want to embarrass the server."

Another requires a moment of soul-searching: "A quality that you admire in yourself is:

- A. Punctuality — you're always on time.
- B. Spirituality — you're not a money-grubber.
- C. Vivacity — you're the life of the party."

Your answers reveal whether you are a "Hoarder," "Avoider," or "Splurger."

Hoarders bask in a growing bank account, but are apprehensive about spending money — even when necessary. Avoiders prefer not to deal with financial issues rather than confront and fix them. They have trouble keeping tabs on their current spending and neglect investing for the future. Splurgers have a hard time setting limits and find that there's often not enough paycheck to cover expenses.

How do you cure your money quirks?



**Help for hoarders:** If you are a hoarder, learn to take some risks for greater rewards. You don't want all your savings to stagnate in a stodgy savings account and not even keep up with inflation. No matter what your age, you should always have a long investing time horizon. And, yes, that means you should always own some stocks, even if you are near retirement. (Take a deep breath, hoarders.) That might mean a mix of income-producing stocks (like the ones researched and recommended in our aptly titled *Income Investor* newsletter) as well as some mutual funds and stocks that will meet or beat the overall stock market's returns over the long haul. The right asset allocation in your portfolio will let you sleep well at night.

**Advice for avoiders:** Compared to life's other unpleasanties, managing the day-to-day details of your finances isn't so bad after all. A bit of financial education (we recommend starting with our 13 Steps) and soul-searching will help. Write down five goals for your near-term future. Yes, right now. Then map out a savings plan and start attacking, not avoiding. If it's debt that's got you putting your head in the sand, here's a heap of free help to get you out from under. If you are simply a dreamer, keep dreaming. If you save more now, you can play much more later. Here's how.

**Suggestions for splurgers:** Has your wallet sprung a leak? Are you an admitted shopaholic? Don't count on a financial miracle — winning the lottery, discovering you are Warren Buffett's long-lost relative — to bail you out. Instead, learn to reward yourself for reaching certain financial goals and invest in your future. (Yes, it is possible to be thin and rich.) And if you need a personal money trainer to keep you on track, consider a fee-only financial advisor, one-on-one call center support, or even group money therapy.

(Thanks to discussion boards, you don't even have to put on lipstick to participate.)

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