

## Money Personality Quiz

Everyone has a personality blind spot when it comes to money. This quiz that was created by two behavioral specialists and published in MONEY Magazine. There are 4 categories of financial behavior and while you have elements of each of them, usually one or two strong characteristics appear. Take the quiz and ask your spouse or significant other to take it too. Make copies for your family and friends too. The details of the 4 financial personality types are listed on the back of this page.

- 1) **I feel best about my investing and myself when I...**
  - a. Act quickly on opportunities
  - b. Help others as well as myself
  - c. Have a solid financial plan
  - d. Am successful at implementing a complex strategy
- 2) **When the market and my stocks go up, I often feel...**
  - a. Excited and stimulated
  - b. Enthusiastic and inspired
  - c. Cautious and prudent
  - d. Skeptical and calm
- 3) **I am most likely to spend my spare time...**
  - a. Mastering the skill
  - b. Helping people in need
  - c. Organizing and planning ahead
  - d. Figuring out how things work
- 4) **When it comes to my financial affairs, I tend to be...**
  - a. Practical and opportunistic
  - b. Compassionate and empathic
  - c. Dutiful and diligent
  - d. Efficient and pragmatic
- 5) **I most respect very successful investors when they...**
  - a. Are bold and adventurous
  - b. Use wealth to better society
  - c. Are frugal and responsible
  - d. Are independent-minded
- 6) **When evaluating a certain investment, I most trust...**
  - a. My gut
  - b. My friends
  - c. Bottom-line facts
  - d. Logic
- 7) **When I retire, I intend to seek out more...**
  - a. Adventures
  - b. Self-development
  - c. Time with family
  - d. Knowledge
- 8) **When advising a friend who lost money on an investment, I would tell him...**
  - a. "These things happen. It will turn around soon."
- b. "It's best to stick with what you truly believe in."
- c. "You should fully explore the risks before investing."
- d. "If it seems too good to be true, it probably is."
- 9) **Which position in a financial firm would you want if the pay and prestige were equal?**
  - a. Dealmaker
  - b. Client relationship manager
  - c. Chief executive officer
  - d. Director of research
- 10) **I'm most self-confident when I can be...**
  - a. Adaptable and flexible
  - b. Genuine and authentic
  - c. Honorable and respected
  - d. Consistent and precise
- 11) **I am most likely to spend a tax refund on...**
  - a. My favorite hobby
  - b. Helping my friends
  - c. Strengthening my financial security
  - d. Buying a tech gadget
- 12) **I appreciate it when others...**
  - a. Surprise me with generosity
  - b. Recognize my true self
  - c. Express their gratitude
  - d. Ask me what I think
- 13) **Financial advisers deserve our trust.**
  - a. Strongly agree
  - b. Somewhat disagree
  - c. Somewhat agree
  - d. Strongly disagree
- 14) **I feel compassion for the needy.**
  - a. Somewhat disagree
  - b. Strongly agree
  - c. Somewhat agree
  - d. Strongly disagree
- 15) **In my portfolio, I prefer to have a...**
  - a. Somewhat higher proportion of stocks than bonds
  - b. Somewhat higher proportion of bonds than stocks
  - c. Much higher proportion of bonds than stocks
- d. Much higher proportion of stocks than bonds
- 16) **Regarding socially responsible stocks, I...**
  - a. Somewhat prefer stock of conventional companies
  - b. Strongly prefer them to conventional companies
  - c. Somewhat prefer them to conventional companies
  - d. Strongly prefer stocks of conventional companies
- 17) **Do you agree with the statement "I can pick stocks that will earn higher than average returns?"**
  - a. Somewhat agree
  - b. Somewhat disagree
  - c. Strongly disagree
  - d. Strongly agree
- 18) **Becoming rich is a common goal. Not becoming poor is another. How do you weigh the relative importance of these goals?**
  - a. 40% becoming rich / 60% not becoming poor
  - b. 20% becoming rich / 80% not becoming poor
  - c. 60% becoming rich / 40% not becoming poor
  - d. 80% becoming rich / 20% not becoming poor

### What Type Are You?



A's    B's    C's    D's

If you mostly answered A, then you're an Artisan. If B, you're an Idealist. If C, you're a Guardian. And if D, you're a Rational.

## A) Artisans (Good instincts will prevail)

Your answers suggest that “trust your gut” sums up your financial decision-making style. An entrepreneurial type of performer, you enjoy the thrill of investing, act quickly on buying opportunities and are comfortable taking risks. When you retire, you’ll likely seek out an adventurous lifestyle. But you tend to lack interest in the long-term planning and discipline needed to reach the goal. If you get a tax refund, for example, you usually spend rather than save it.

- **Use your confidence...**63% of Artisans feel they can choose stocks that will deliver above-average returns – a number that’s second only to Rationals. Go ahead and build a portfolio heavy in stocks, but confirm your gut feelings with research and diversify adequately – just in case you’re wrong.
- **...But don’t indulge every whim...**Only 22% of Artisans strongly agree with the statement “I like self-discipline.” So guard against following every impulse, or you’re liable to get whipsawed by the market. You may also be inclined to take on too much risk. Nearly 40% of Artisans – more than any other money type – would jump at a double-or-nothing opportunity with 50% odds of success.
- **Course correction...**If discipline is your weak point, use automatic investing. And commit, say, no more than 10% of your assets to satisfying your yen for gutsier bets.

## C) Guardians (Discipline is the key to security)

Guardians, says Statman, place greater importance on financial security than on getting rich. Your test answers indicate that you are disciplined and patient, and that you enjoy organizing and planning ahead. Naturally, you’d rather invest a tax refund than spend it. And you tend to investigate investments thoroughly before committing. Caution is likely to rule your portfolio – you often prefer fixed-income investments to relatively volatile equities.

- **Deploy your discipline...**Statman and Wood’s study found that more than 50% of Guardians agree with the statement “I like self-discipline.” So make the effort to come up with specific goals and plot a long-term financial course because, unlike some, you have the temperament to follow through.
- **Conquer your timidity...**Guardians are among the least likely to invest in a double-or-nothing proposition with 50-50 odds. That’s not a bad thing, but you’re apt to play it *too* safe by keeping the bulk of your nest egg in cash or bonds – and risk being outpaced by inflation. You also tend to hold too little in foreign issues: Guardians greatly prefer domestic stocks.
- **Course correction...**Use an asset-allocation tool (like the one at money.com) to determine if you need more stocks or foreign equities, which can actually decrease your overall risk by adding diversification.

## B) Idealist (Money just isn’t the top priority)

Your responses show that you tend to focus on assisting others and improving society rather than on building personal wealth. 60% of Idealists agree with the statement “I feel compassion for the needy,” almost triple the rate of Rationals (23%) and higher than Artisans (38%) and Guardians (42%). The tax refund? You’ll probably use it to help friends (who are your most likely source of investment advice). The price for your relative lack of interest in money matters can be a failure to reach your financial goals – assuming you even set any.

- **Put your investing on autopilot...**Your lack of interest in money can be to your advantage. By not obsessing over your portfolio, you’re less likely to follow the crowd in and out of the market at the wrong time. You’re also less likely to take outside risks on a tip.
- **Have your cause and money too...**Pay scant attention to your finances and you’ll miss easy opportunities to save and invest for the future. And a deep aversion to risk holds the seeds of a common portfolio goof: too much in fixed-income assets.
- **Course correction...**Remember, you can do more for others if you’re financially secure yourself. Launch a plan – perhaps with expert help – that incorporates socially responsible funds, and sign up for automatic investing and bill paying. If you find most stocks too dicey, consider dividend-paying stocks, which offer an income cushion.

## D) Rationals (Cool reason conquers all)

Based on your test answers, you probably enjoy problem solving and fact-finding and have a deep interest in science and the latest technology advances. When the market moves, you tend to stay calm – but you’re also likely to be a bit too sure of your ability to outthink the market. In the late ‘90s, says Statman, many Rationals were certain that tech stocks would continue to climb and lost badly when the bubble burst.

- **Feed your taste for systematic thinking...**More than any other personality type, you’re naturally inclined to put together a financial plan and pick your own investments. Jump on the task – you’ll find it satisfying as well as profitable.
- **Remember: The market isn’t always rational.** You feel best about your finances when you’re “successful at implementing a complex strategy.” You’re also the group most likely to think you can outsmart the market. But remember, brains alone won’t do the trick. Many of the smartest economists favor index investing; a strategy that assumes beating the market is ultimately impossible.
- **Course correction...**You’re in the group most willing to “take a lot of risk with some of their money.” Keep that impulse in check. You can reduce risk simply by shifting 10% or so of your assets to bonds and cash.