

# ATTITUDES ABOUT MONEY

---

## INTRODUCTION

Money makes the world go round. Money is the root of all evil. Money can't buy you love. Time is money. Penny pincher. Tight wad. Spendthrift. Big spender. Money grubbing. Gold digger.

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.

### 2. 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.

### 3. 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.

### 4. 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.

### 5. 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.

# ATTITUDES ABOUT MONEY

## 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

# ATTITUDES ABOUT MONEY

---

## 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.

# ATTITUDES ABOUT MONEY

---

## 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

---

---

---

## 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](http://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-bearing (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."

"Is there a box for pessimist?," She asks.

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. \_\_\_\_\_

# ATTITUDES ABOUT MONEY

---

**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](http://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-bearing (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."

"Is there a box for pessimist?," she asks.

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. \_\_\_\_\_