

**Financial/Insurance Management**

# Discovering your financial type



**ON THE MONEY**  
BY JOHN OTTE

AMERICANS have a wide range of financial habits. But only a few traits play a major role in determining who becomes financially secure and who doesn't.

Americans fit into four distinct and diverse financial personalities based on attitudes and behaviors that most impact their long-term per-

sonal financial achievement. They are:

- informed but cautious
- skilled and confident
- carefree and fearless
- overwhelmed

People showing what could be considered the most mature financial behavior are not, on average, the oldest, according to Putnam Investments research interviews. The research showed the most important beliefs and habits for achieving financial security are:

- realistic expectations
  - resisting the temptation for quick rewards and fads
  - patience in the face of adversity
  - greater satisfaction from saving rather than from spending
  - tolerance to above-average risk
  - receptivity to investment advice
- "Healthy financial behavior, like healthy physical behavior, must be learned," says William Connolly, head of Putnam retail management.

## Four personalities

HERE are the characteristics and demographics of the four personality groups:

### Informed but cautious

Avoids investing fads. Excels at living within their means. Has realistic expectations. Defers gratification. Focuses on the long term. Is receptive to investment advice. Has greater satisfaction from saving than from spending. Is risk averse. Average investable assets of \$288,000. 30% of adults. More women; average age.

### Skilled and confident

Has realistic financial expectations. Defers gratification. Focuses on the long term. Has greater satisfaction from saving than from spending. Is receptive to financial advice. Is risk tolerant. Is likely to have a financial plan. Average investable assets of \$250,000. 24% of adults. Mostly younger, well-educated, working males.

### Carefree and fearless

Is risk tolerant. Below-average receptivity to advice. Below-average satisfaction from saving instead of from spending. Below-average focus on long term. Average investable assets of \$212,000. 20% of adults. Predominantly males, least educated, working.

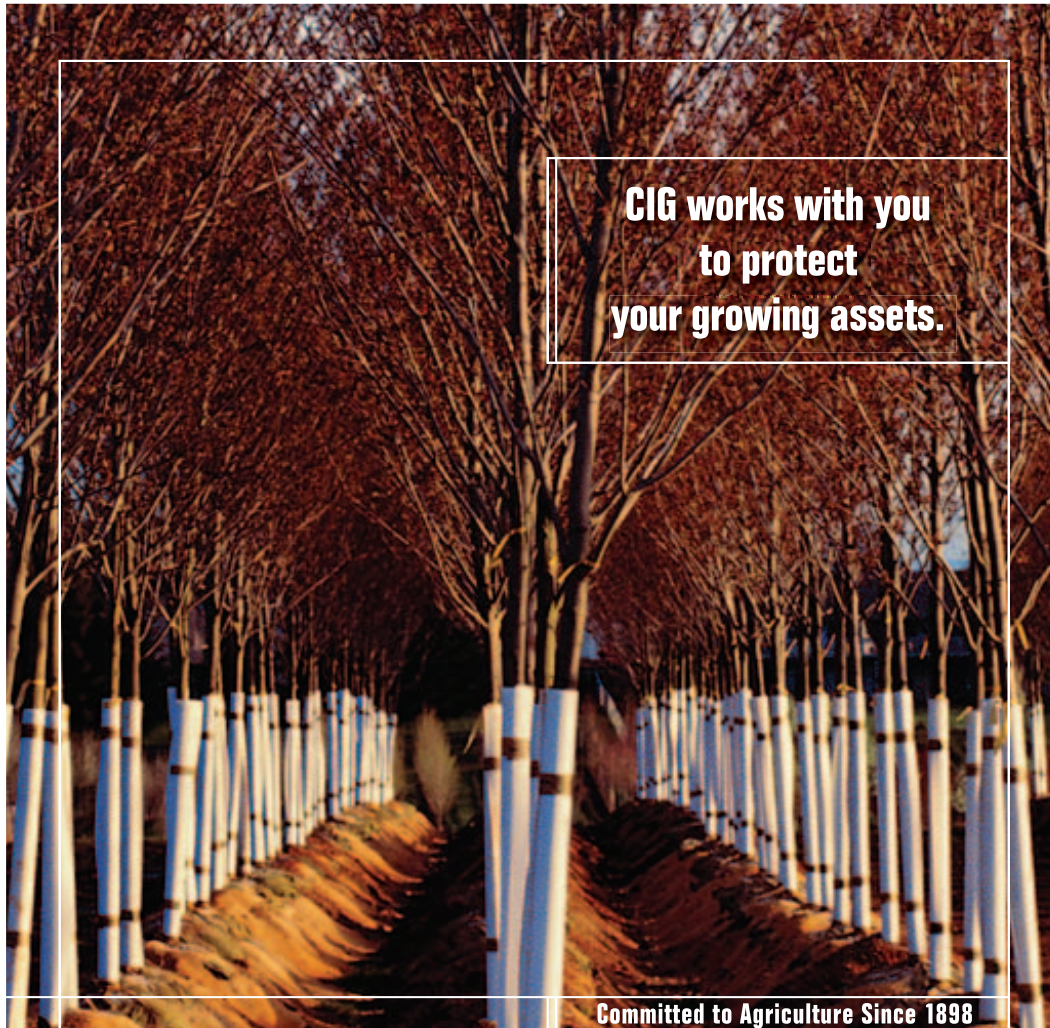
### Overwhelmed

Is most likely to avoid dealing with finances because they're intimidated and constrained by low financial resources. Has below-average confidence in financial planning for retirement. Is very concerned about running out of money in retirement. Avoids investing fads. Is most risk averse. Average investable assets of \$166,000. 26% of adults. Predominantly older females, below-average educational attainment, likeliest to be retired.

## Take the test

IN conjunction with Brightwork Partners, Putnam has developed a free, online, 15-question quiz that matches your financial traits to those of each of the four personalities. "We want to give investors a tool for understanding how their financial habits impact their financial health. If they choose, they can use this information to change traits standing in the way of their success," says William Connolly, head of Putnam retail management. To take the test, go to [www.putnam.com/survey](http://www.putnam.com/survey). Your responses will be automatically calculated to find out which personality profile fits you most closely.

"Improving financial behavior usually isn't easy," notes Connolly. "Your first step is convincing yourself that doing so is essential to your future. Then, get expert advice and set up a disciplined plan."



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