

Comparing Approaches to Money

Disposition Approach

Growth Approach

1) How is my identity tied to money?	Money helps me connect with those I share life with	Accumulated wealth is part of my identity
2) What role does money play in my life?	Money provides me security and pleasure	Money gives me a sense of success and empowerment
3) How do I structure my financial resources to meet my objectives?	I meet my financial objectives with a combination of investments and insurance products that provide more predictability	I grow my wealth to meet all my financial needs: future spending and retirement, unexpected expenses, and provide for loved ones
4) What is the role of investments in my financial plan?	Grow steadily over time without the worry of large losses that could derail long-term financial plans	Grow as much as possible, accepting the possibility of investment losses in the short-term
5) How do I generate income?	Drawing on the interest, without "touching the principal," and predictable income strategies	Various means, including income-producing assets and selling off investments
6) What is my view of "Long-Term" related to my finances?	Part of my lifelong objective (or do you prefer "journey") for my finances to support my needs now and in the future; I have the "whole time" in mind	Retirement timeframe when I want my portfolio to meet all my financial needs; I have mostly the "end" in mind
7) What is my view of risk?	I would prefer to meet my financial goals with as little uncertainty (one of my definitions of risk) as possible	Risk is a relatively minor consideration as it is necessary to meet my long-term goals
8) How do I define financial success?	To what extent I was able to feel comfortable with my finances and not worry	How much wealth I was able to accumulate for myself and "leave behind"
9) What is my view of insurance?	An important way to reduce uncertainty and worry	Something to avoid if can cover risk through wealth
10) What causes me the most financial angst?	Experiencing investment losses	Missing investment opportunities
11) What is my view of debt?	A cost and obligation to avoid.	A means to acquire wealth and spending power
12) What is my interaction with money?	I have little interest in following it but may "out of necessity"	I enjoy spending my time tracking and managing it
13) How much skill and confidence do I have planning and investing?	I feel inadequate in my skills (but may be understating my financial abilities)	I feel I have sufficient skill (but may be overly confident in my financial abilities)
14) How much experience and exposure have I had working with money over my life?	A limited amount and in limited capacities and roles	Fairly extensive and in various facets and capacities
15) How do I view others when it comes to money?	I like to collaborate with whomever I can and involve financial advisors; I am not interested in comparing my finances with others	I like to handle my finances myself and avoid financial advisors; I may view financial success as a form of competition
INVESTMENT PORTFOLIO HOLDINGS	Some stocks (usually mutual funds) but also bonds, annuities and cash	Predominantly stocks (mutual funds and individual stocks)
INACCURATE STEREOTYPES	Unwilling to take risk; I have an "emotional" approach to investing	Unconcerned about risk; my decisions are purely "rational"