

WITH JENNIFER LANE



ON COURSE

MAY/JUNE 2004

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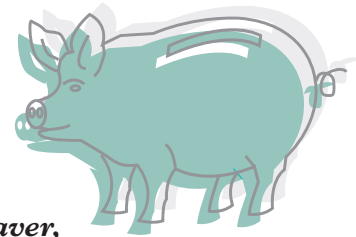
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MONEY TYPES AND TIPS

Are you someone who likes to save? Or, are you someone who freely spends your money on the things you want? Do you seem to attract money, or do you repel it?



What I've noticed when I'm working with my financial planning clients, is that people gravitate towards four basic Money Types: **saver, spender, attractor, or repeller**. By knowing which Money Type you lean toward, you can build your own money power and bring greater balance to your financial situation.

For this issue of On Course, we've interviewed a few people and asked them to tell us something about their practices and strategies with money. A longer version of Money Types and Tips is available on our website, www.CompassPlanning.com.

SAVERS AND SPENDERS

The first two Money Types are *savers* or *spenders*. Now, you can easily imagine that *savers* have different habits from *spenders*. But habits are just the tip of the iceberg – *savers* and *spenders* have very different ideas about the value, purpose, and use of money.

ATTRACTORS AND REPELLERS

In addition to *savers* and *spenders*, there are two more

Money Types we can identify. People are either *attractors* or *repellers*. The popular opinion is that luck – either good or bad – attracts or repels money. But the whole story is about more than just luck.

Money Type: SAVER

Chris is a *saver* and he hates malls. "Spending money has no appeal to me," he says. Chris and his wife share the same attitude toward money. They don't buy things they

▲ don't need, and they don't need a lot. "I
▲ learned about money from two parents who
▲ went through the Depression era. I want
▲ to maximize my money, and I'm willing to
▲ save up for a great vacation and occasional
▲ theater performance in Boston. I'm careful
▲ with money most of the time so we can
▲ spend our dollars on enjoyment together
▲ as a family."

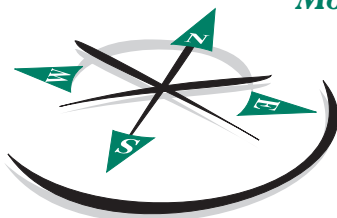
Money Type:

SAVER MARRIED TO SPENDER

▲ Doug is a *saver* – and his wife is a *spender*.
▲ "I'm tight-fisted on discretionary spending,
▲ and my wife is not. Before we had children,
▲ she loved to shop for herself and buy lots of
▲ clothes. I'm the kind of guy who reads unit
▲ pricing labels at the grocery store. You can
▲ imagine that this was a source for conflict.
▲ We agreed that I would take charge of the
▲ checkbook, because we have a growing family
▲ and have to manage our resources carefully.
▲ My wife is still tempted to buy more than
▲ is needed, but she is buying clothes for the
▲ kids now, not for herself."

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INFORMATION

**MONEY POWER TIPS
FOR SPENDERS
AND REPELLERS:**

- § **Be deliberate**
- § **Create a saving and spending plan with small steps**
- § **Track your expenses in an easy-to-follow system**
- § **Use a financial planner**
- § **Initially, give an emergency fund more importance than retirement investing**
- § **Wait 48 hours (or walk around the block) before making a purchase**
- § **Review your accounts as they come in and pay bills right away**
- § **Set up an automatic savings plan**

**MONEY POWER TIPS
FOR SAVERS AND
ATTRACTORS:**

- § **Be balanced with your investments; Don't be overly conservative or overly aggressive**
- § **Balance fun life activities with investing**
- § **If your partner is a spender or repeller, be patient**
- § **Stay closely involved with your money/ investment manager**
- § **Beware of long work hours**
- § **Plan for a "change of luck"**
- § **Teach children financial independence**

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Money Type: SAVER/SPENDER

Tom is a *saver* until his nest egg reaches a certain amount – then, he becomes a *spender*. “Once I have a comfortable margin in my savings account I switch to being a *spender*. I might buy that item or two with a high price tag without considering the big picture. When the credit card bill comes in and I have to draw on my nest egg, I know it's time to apply the brakes and start saving.”

Tom admits his system wouldn't work for everyone. “My system is the rearview-mirror approach. When I look back and see my nest egg cracking, I stop spending and get on a plan to build it back up again.”

Money Type: ATTRACTOR

After many years as a single parent and saver, Deborah has become an *attractor*. She says, “I inherited some money from relatives and this gave me the freedom to become a home owner – but not a typical home owner. I couldn't afford to buy a home on my own, and a friend of mine also was looking for a home. We joined forces, hired a lawyer to draw up an agreement, and several years ago, purchased a home together. This has worked so well, that we recently purchased in partnership a vacation cabin on a lake. I can't believe I own all

this property after years of counting pennies. Now, I'm saving for my retirement, but I have the property as an asset in my portfolio.”



- ▶ **Does your Money Type need some tweaking? Call us for a financial checkup.**
- ▶ **We love new clients...thank you for telling your friends about us. Send us a referral this month and we'll send you an autographed copy of *The Everything Get Rich Book* by Jennifer Lane.**
- ▶ **Jennifer appears on NECN every Tuesday at 6:30 and 7:30 pm.**
- ▶ **Streaming video files of Jennifer's recent segments are available at CompassPlanning.com**

Money Type: REPELLER

Kathy, a *repeller*, helps out her adult children by giving them money for essential things they cannot afford on their own. She says, “I sacrifice myself and my needs to help my daughters. One daughter is 19 years old and in college and the other is 23 years old and has a child of her own.”

Kathy wants to help her daughters, but realizes that she needs to make a shift in her spending habits. She has a new commitment to saving for her own needs and has begun carrying a small notebook with her to track expenses. “When I see where my money is going, it makes a big impression. I've stopped eating lunch out and instead bring my lunch from home. I ended my cell phone contract, and saved \$125 each month.

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These are all examples of people who have learned to spend more consciously. Each Money Type (or hybrid) has its own challenges. I am grateful to Chris, Doug, Tom, Deborah, and Kathy for sharing their stories in *On Course*. More details and more stories are on our website, www.CompassPlanning.com

Best wishes.
Jennifer

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