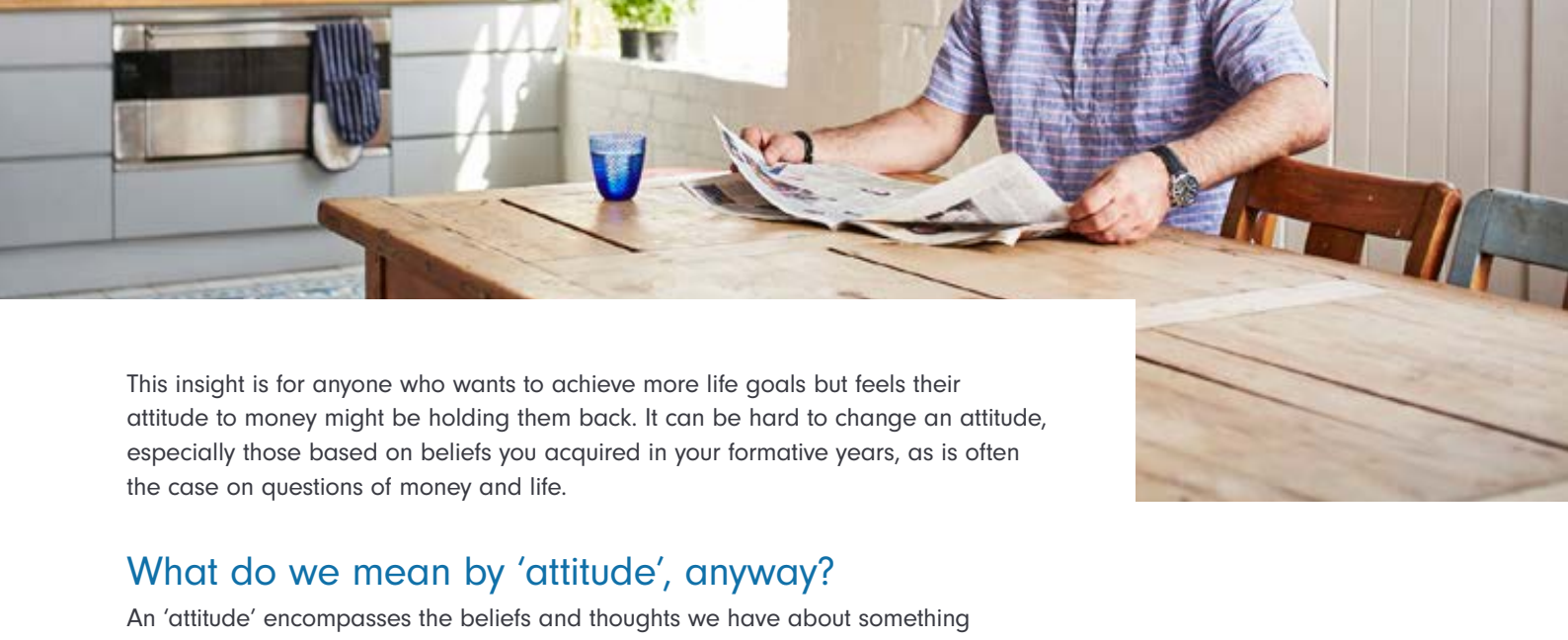


# Exploring your life story...

...and how it affects your attitude to money



This insight is for anyone who wants to achieve more life goals but feels their attitude to money might be holding them back. It can be hard to change an attitude, especially those based on beliefs you acquired in your formative years, as is often the case on questions of money and life.

## What do we mean by 'attitude', anyway?

An 'attitude' encompasses the beliefs and thoughts we have about something (an object, person, event or idea) and the resulting emotions and behaviours.

We each have a unique mix of positive and negative attitudes towards most things, big and small. From what we eat and drink; to government policies to how we feel about our colleagues at work or the behaviour of loved ones at home!

Our attitudes vary between money questions too, from the importance of saving to the value of certain financial products or professional advice.

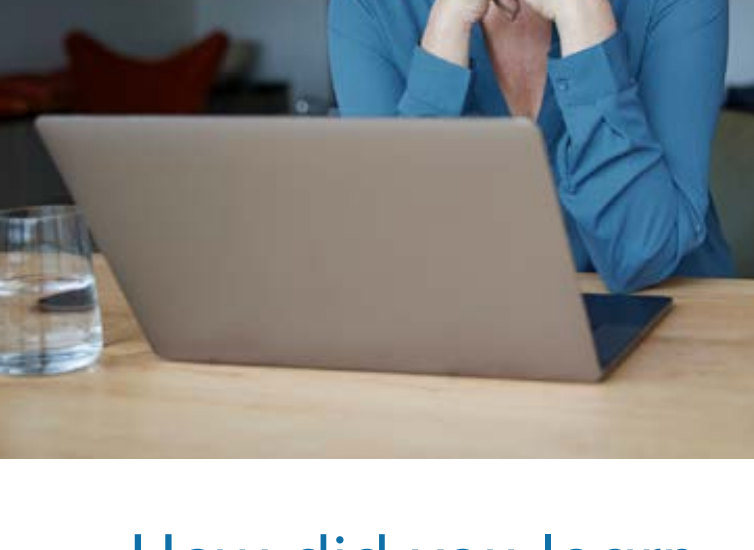
The good news is that attitudes aren't fixed. We learn them: at school, at work, at home, in our local and online communities.

So, we can unlearn or change them too, if necessary. And to do that, we must first explore our attitudes and how we acquired them.

## Exploring your money scripts may help

To help us understand how we think about money, psychologist Brad Klontz identified a list of 'Money Scripts' - or unconscious money beliefs - and grouped them into four categories:

- 1 Money Worship**  
Money Worship scripts include beliefs that money is vital to happiness and the solution to most problems. Unfortunately, those with high money worship scores tend to carry more credit card debt, are prone to buying things to achieve happiness, put work ahead of family, and lend money to others when they can't afford to.
- 2 Money Status**  
Money Status seekers tend to link their self-worth to their net worth and prioritise outward displays of wealth, which causes overspending. They may also be prone to gambling, be financially dependent and hide their spending habits from their partner.
- 3 Money Vigilant**  
Money Vigilant types are watchful about their financial health, believe saving is essential, and don't expect to win the lottery. They believe people need to work for their money, and they spend what they can afford. They value a bargain; they don't flaunt their carefully saved wealth and rarely keep financial secrets from their partners.
- 4 Money Avoiders**  
Money Avoiders are typically wise and educated and often work in the helping professions of nursing, psychology and social work. However, they may believe that money is intrinsically bad, that they don't deserve money, that wealthy people are too often greedy or corrupt and that there's virtue in living with less money.



Money avoiders can be their own worst enemy and may frequently give money away in an unconscious effort to have as little as possible. They may try not to think about money, ignore financial statements and have difficulty managing a budget.

You can take the **Money Scripts test** to assess yourself against the four categories and obtain tips for dealing with the challenges that arise with each script.

The Money Scripts test (like self-assessments of your strengths or personality traits) will likely show that you adopt a mix of the scripts. Indeed, it's quite common to have contradictory money scripts, like believing that 'money corrupts people' while also believing that 'things would get better if I had more money'

There's no suggestion that there are good and bad attitudes to money. The Money Scripts tool simply helps us recognise our attitudes and reminds us that our way of thinking is not the only way.

## How did you learn your money attitudes?

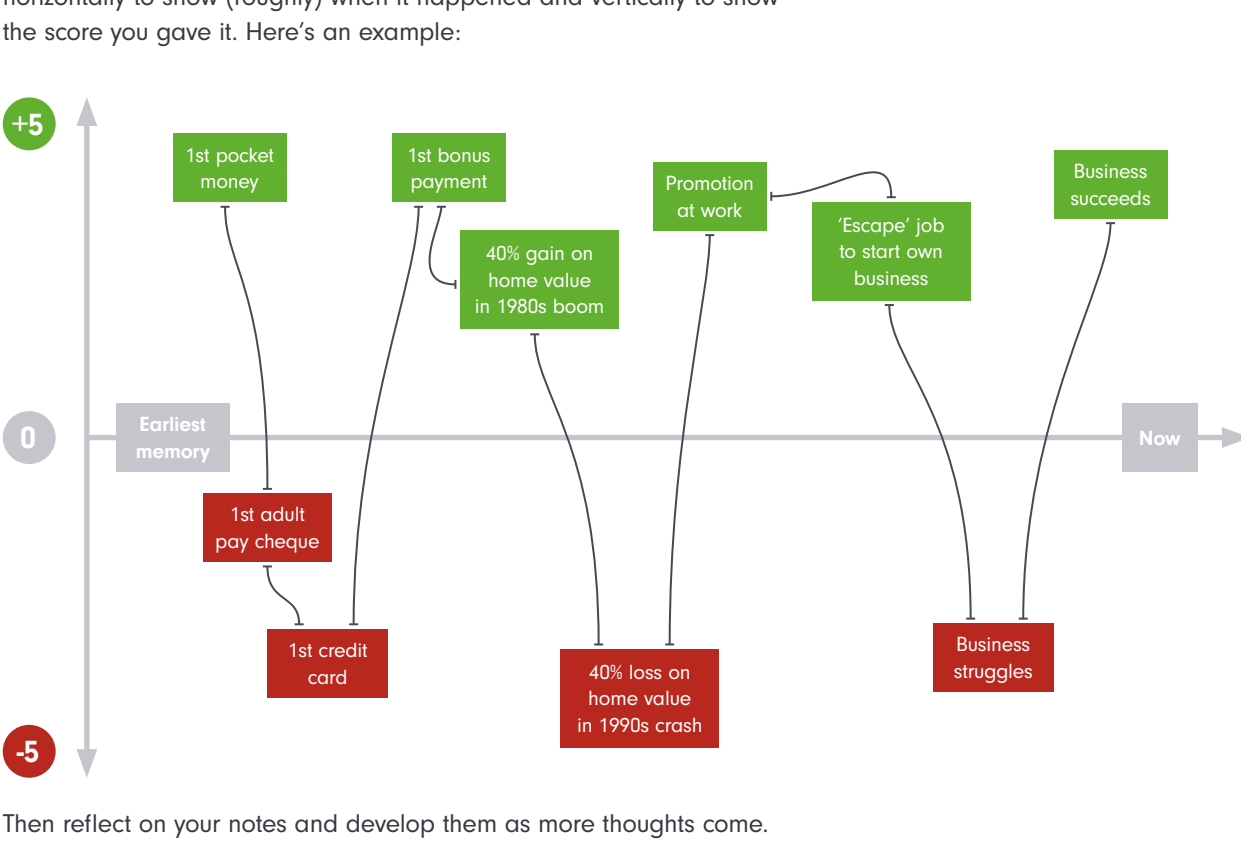
This next exercise will help you explore when and how you acquired your money attitudes over time. It's a remembering exercise and is best done alone. Of course, what you discover is for your benefit, and you can keep the findings to yourself, but they could be helpful when discussing your money attitudes with a partner or your financial adviser (you will normally pay a fee for financial advice).

The exercise can trigger both positive and negative feelings, like joy or sadness - and both at the same time. So, if you don't feel up to exploring your memories now, set this aside for later. When you're ready, all you will need is a pad of paper, a pencil and an eraser to adjust your map as you create it.

### Instructions...

- 1 On the left of a blank page...**  
List some events in your life (from your earliest childhood memories until today) in which you feel money played a key part - directly or indirectly.
  - You may have as few as five or as many as 20 of these events; everyone's experiences are unique.
  - Just start writing, and the events will come to you. Focus on the memorable money-related events that made you feel high or low.

An early example would be your first pocket money; a later one - your first pay cheque.
- 2 To the right of each event...**
  - Estimate your age at the time.
  - Give a score to each event (between minus five and plus five) to reflect how 'low' or 'high' you remember feeling about the event at the time.
  - Place a tick beside each 'low' that you feel has given (or could offer) you a valuable life lesson.
  - Write a word or two to describe how you recall feeling during each event. If you're stuck for 'emotion' words, this basic list may help: happy, ecstatic, sad, fearful, regretful, excited, angry, and surprised.
  - Write down the belief about money you think you formed from each event.
  - Write down how you feel your behaviour changed immediately after the event.
  - And write down how that same event affects you today - if that's different.
- 3 Now, sketch a simple timeline on a fresh piece of paper...**  
The vertical scale is for your (positive or negative) event scores.
- 4 Plot your events on your timeline....**  
Describe each event with a few words in a box and position each box horizontally to show (roughly) when it happened and vertically to show the score you gave it. Here's an example:



Then reflect on your notes and develop them as more thoughts come.

- 5 And finally...**  
Store your notes so you can retrieve them in the coming weeks and months as more insights come to mind - which they almost certainly will. Your attitude to money matters, and your experiences with them, will change over time.



## What can you learn from your money-life story?

Everyone's life story map is different, but most (like the example above) show an emotional 'roller coaster' of money-related life events. Just be aware that some of our biggest financial successes (and highest times) might not have taught us much about money, particularly if chance played a big part in that success.

On the other hand, our most challenging times and biggest mistakes may offer some of our most valuable life lessons. However, with many money challenges (like ensuring we have enough life insurance and saving for our later years), we may not get a chance to learn from our mistakes.

## What stops you from tackling your money challenges?

If you already manage your money well, have a sound financial plan and have set up any necessary insurance (on your life and health), you may not need to change your attitude to money. Otherwise, start with this list of money challenges that we all face, decide which areas you need to address and write down what you think are the obstacles to tackling those challenges.

## Start with a map of every money challenge you might face in life

We suggest attending to the blue boxes before thinking about investing any money and remember your adviser can help you plan for many of these money challenges

Just be aware that you're not alone if you struggle to engage with longer-term financial plans. Many beliefs can block us from dealing with these challenges, and it's common to feel any of these emotions around money:

- Anxious and fearful** - about our current financial situation and uncertain future.
  - Baffled or bored** - by all the numbers, charts and jargon around personal finance.
  - Embarrassed or foolish** - about our lack of knowledge on money and investments.
  - Fearful** - of repeating mistakes with money that we've made in the past.
- Thankfully, your financial adviser will understand these challenges and can support you through your financial review and planning process - so you come away feeling:
- Calm and confident** - clearly understanding your current situation and the work to be done to get your plan on track.
  - Fascinated** - by the plain English insights around money that your adviser will give you.
  - Motivated** - by your plan, which connects your money to what matters in your life - your goals for yourself and your loved ones.
  - Unafraid and equipped** - knowing that many people repeat basic mistakes with their money - until they engage with a professional adviser.

## How could you change your money attitudes?

Hopefully these exercises have helped you consider your attitudes to various money matters. If you feel some of your beliefs need to change, the question is what to do next?

The challenge is that we hold onto beliefs formed from life experiences, the advice of family and friends, or others we trust. Changing our attitudes can feel risky, and we may avoid doing so until the need feels overwhelming, and that time, as we've said on some money matters, may be too late. So, reviewing your finances with a professional adviser makes sense.

Most advisers offer initial discussions, so you can:

- Get to know each other.
- Ask the adviser to sense-check your attitudes toward money.
- Discover how they could help you design (or refine) your financial life plan.

Changing your attitude to money may take some time, but there's no need to beat yourself up for the occasional step back on that journey.

When making decisions about investing, we recommend that you always consult with your adviser (you will normally pay a fee for financial advice). As you will be aware, they work with you to understand your needs and then offer broad-based advice to help you achieve your long-term goals.