Moneymax® Entrepreneurs

A chapter from the best selling book,

YOUR MONEY PERSONALITY

What It Is and How You Can Profit from It

Kathleen Gurney, Ph.D.

Financial Psychology Corporation

Entrepreneurs

People are always blaming their circumstances for what they are. I don't believe in circumstances. The people who get on in this world are the people who get up and look for the circumstances they want, and, if they can't find them, make them.

— George Bernard Shaw

GUIDELINES

Entrepreneurs

. . . Consider career achievements a top priority, even over their financial matters.

. . . Only moderately content with their financial status, even though they earn a good income.

. . . Will take risks in order to achieve a business and financial goal.

. . . Have a significantly high belief that their individual work efforts can bring them financial success.

. . . Believe that good luck will be on their side in attaining their financial goals.

. . . Enjoy the feeling of prestige and fame associated with having financial status and power.

. . . Like to be involved in financial decisions but will delegate money management to someone they trust.

Moneymax Entrepreneurs come in many shapes, sizes, and ages. Some are self-employed and have started large companies with many employees; others are self-employed with small businesses and few, or no, employees. Some, called "intrapreneurs," are salaried workers who have carved out their own entrepreneurial niche within corporations and businesses; some work full time but have second careers outside the office. While their average age is forty-five, some Entrepreneurs are as young as eighteen or as old as seventy. Some typify the public image of "entrepreneur" while others seem unlikely candidates for the label.

The Entrepreneurs are above average risk-takers (second-highest of all nine profiles) and have a strong belief in the work ethic, convinced that their individual energies and efforts contribute significantly to their financial success. The Entrepreneurs are comprised of a significantly high number of professional and managerial people. It is interesting to note that while they are accomplished both professionally and financially (the highest income earners), they have only moderate levels of higher education. The Entrepreneurs appear to have opened the doors of business opportunity with their individual efforts rather than with their diplomas.

They are predominately male. In fact, they are the most male-dominated group of all nine Moneymax Profiles. This is generally true of entrepreneurs in the business world as well. However, since the late 1970s, women have been joining the ranks of this group in much higher numbers than men. In fact, from 1977 to 1983, women started businesses at more than twice the rate of men and now own more than 3.25 million small businesses. Historically, women have not been conditioned to equip themselves with the personality traits and motives necessary to function optimally in the entrepreneurial world. The most significant factor which distinguishes them from their male counterparts is their inability to make an all-consuming commitment to provide for themselves, by themselves, and thus reach financial independence. Women have more conflicting emotions, guilt, and fears to overcome than do men. From a very early age men are taught self-reliance to venture out into the neighborhood and then into the world. They know that they will be the financial caretakers for themselves and most likely a family.

The women who are stepping out into the entrepreneurial world are doing so for the same reasons that men become entrepreneurs: they want to turn good ideas into profitable companies; they want greater job satisfaction; they want to be leaders instead of followers. Once the business commitment is made, many women do face a difficult issue-how to combine the traditional female, supportive and nurturing, role with the decisive, sometimes tough-minded, role of a successful businesswoman. In addition, some of the women must maneuver in formerly foreign areas supervising a staff, negotiating deals, securing business loans, creating business and financial plans. However, once women have conquered those arenas and adapted to their new roles, their behaviors, personal as well as financial, tend to alter their attitudes and greatly improve their money prowess.

Some studies show that women make better entrepreneurs than men. They are as ambitious as men, and their management style gives them an extra edge because they are more flexible, less hierarchical, and more progressive when handling employee conflicts between family and career. As one observer commented, "Women don't know the jargon and the rules of the business game as well as men so they develop innovative solutions to problems as they crop up." Others who have studied the growing trend of female entrepreneurs say that in general, women have an advantage over men in that they tend to be more experimental and are good decision-makers because they are not afraid to follow their instincts.

Also, women entrepreneurs usually move out a little slower than men. Many of them start their businesses in their homes and carefully assess the marketplace before they expand. This slower, more calculated approach, according to some experts, seems to make them more successful over the long term. If women continue to outpace men in starting up their own companies, women may own half of all businesses in the United States by the year 2000, according to one business research firm.

The Moneymax Entrepreneur is dominated by individuals driven to excel and win in everything they do. They are driven to compete for concrete, objective goals but also for personal and emotional satisfaction. Some Moneymax Entrepreneurs have never clearly articulated or defined what it is that is driving them or exactly what they are seeking. Is it the opportunity to start their own business? Or, if they already have a business, do they want a 20 percent increase in profits? Or, if they work for someone else, perhaps it is a $10,000 raise and a promotion to vice president?

The people in this profile who have not clearly identified a business vision or goal are still motivated by an internal definition of excellence and success. The clarity of the vision may elude them, but they know that they are driven to perform better and better. They are driven to win. All Entrepreneurs, however, share a unique combination of personality traits which equip them to excel financially and in their chosen careers.

Entrepreneurs are possessed by a business vision. Extraordinary energy and passion are directed at making this vision real. They are confident of success. It is clear to them that what they labor to build is valuable-worthwhile to them and to society at large. Single-minded and self-reliant, they have the power to instill in others their own passion and purpose. The urgency of that purpose and their total commitment to it is what allows them to achieve. Steven Jobs, founder of two computer companies-Apple Computer and NEXT-says, "In the early days of Apple, we built from the heart but didn't use our heads in the process. We're wiser now. We're going to built NEXT from the heart and head. We have a passion about it. We really care about it, but not because we want to make a buck."

Success may bring the Entrepreneurs wealth, yet money is not their primary motive. Not necessarily driven to accumulate wealth, the Entrepreneurs view money as a by-product of achievements concrete measure of their progress. Typical of the entrepreneurial attitude toward money is a statement by H. Ross Perot, founder of Electronic Data Systems (EDS): "Money is the most overrated thing in the world. . . . When I came to Dallas, everything I owned was in the trunk of the car and I feel personally that I have always been rich in the things that count. I've had wonderful parents and I have a magnificent wife. I have great children. That's real wealth. Young people who make money their god are inevitably in for a big disappointment."

"Getting rich," the most common measure of success, is not the guiding light for Entrepreneurs. Some say, "I started the company not to make money but to help people." Some say, "Enrichment is more important than being rich." Others say, "Now I have control over my life." For the most part, they seem happy and fulfilled-sometimes frenetically so, since they are people who truly enjoy and thrive on work.

Ron Rice, an ex-lifeguard who founded Tanning Research Laboratories (makers of Hawaiian Tropic suntan lotion), typifies the work ethic of the Moneymax Entrepreneur. In winners, a book about entrepreneurs, author Carter Henderson quotes Rice, "I can remember times when I didn't feel like I worked a day unless I had mixed the product, filled hundreds of bottles by hand, loaded the trucks, done the paperwork, turned off the lights, you name it. I had to kill myself physically and mentally or I didn't feel like I'd done a full day's work. My buddies in the old days used to go out and party and drink while I was home working. I'd never go on dates. I just didn't have a social life at all. For years I'd just eat, sleep, and work. Now my buddies are all working, and I'm going out and having a good time."

RISK-THE BLIND SPOT

The Moneymax Entrepreneurs do, however, sometimes have a blind spot. Risk. They have a penchant for tolerating, even seeking, high levels of risk if it will help them reach a goal. Their comfort level with risk can be, at the same time, a financial asset and liability.

It works to their advantage by allowing them to climb hurdles, real and imagined. It helps them feel confident and assists them in continually outperforming their own standards of excellence. However, the Entrepreneurs' desire for stimulation, their capacity to handle more than the average person, can get them into trouble. They have a tendency to feel they can control situations, often beyond reasonable expectations. It's not that they don't calculate the odds and weigh the risks. They just have a tendency to believe that they will be the recipients of good fortune. For them, lady luck will be on board, assisting them all the way. In some cases, it is a false sense of financial omnipotence. They can do it; they will do it. That may indeed be true but it is misleading and self-sabotaging to believe that you can always win without understanding the reality of the total situation and carefully weighing the odds.

Robert is typical of the Entrepreneur who runs up against this blind spot. At forty-seven he was founder and president of an architectural firm with thirty employees. In business for ten years, he had been very successful. Married and the father of three children, Robert took great pride in his firm and also considered himself very savvy in the investment world.

The stock market was his primary interest. Before investing, Robert analyzed various companies and industries, compared their track records, and looked for undervalued stocks. He made a purchase, watched the company rise to profitability, and sold when he felt that the value of the stock had peaked. He then took his money and invested it in a new stock scenario. This process gave him a real sense of perceived control-important for the Moneymax Entrepreneur. He was confident of his ability to call the right shots and he did profit handsomely.

His business grew; profits from his investments grew; his income soared. Because of the increasing burden of higher income taxes, Robert began searching for alternative investment opportunities that not only would make him money but would also help reduce his income taxes.

That's when he discovered the oil and gas investment. At that time oil and gas investments looked like they couldn't lose. Oil was twenty, twenty-five, thirty dollars per barrel and rising. The price at the gas pump was exploding and some experts predicted an inexorable rise to new heights while at the same time the supply of natural gas was diminishing. New drilling for oil and gas was expanding at a rapid rate as was the price that these precious commodities would bring in the marketplace. Big profits were in the offing and delusions of wealth and grandeur filled the minds of many investors.

Here was an opportunity, Robert thought, to make substantial profits, reduce his extremely high tax bill through big write-offs, and put up only a little capital. The debt he would have to assume didn't worry him because the cash flow from the newfound "black gold" would pay it off in plenty of time.

As is typical with the Entrepreneur, Robert was very analytical and began reading about oil and gas investments, consulted with friends, and then sought out an investment adviser to find a good oil and gas investment. The fact that he would be unable to control the outcome of this investment decision was only an afterthought. Unknown to him, and to the experts as well, was the financial bloodbath that was to follow in the oil and gas industry.

The price of oil took a precipitous drop and natural gas prices declined as well. That calamity, accompanied by a decline in the utilization of natural gas, caused revenues in Robert's investment to slow to a trickle. Finally the gas pipeline was shut down and the bank called in his letter of credit for $250,000. The sudden demand for cash unnerved him. This outcome did not seem possible at the time he made the investment. Anxiety set in as he was forced into raising a quarter of a million dollars to pay off the bank. A resourceful man, Robert came up with the money through a number of sources. He paid off the bank and was left with an investment worth 20 cents for every dollar he paid in and a financial statement reduced by more than $200,000.

What a mistake he had made and how he criticized himself for it. Years of hard work had pushed him far on his performance yardstick, but now he had slipped back to under the one-foot marker. How could he have been so foolish? He knew he was too smart to let this kind of thing happen to him. His emotional distress grew and affected both his business and personal life. His only thought: "I must rebuild my financial position. I'll drive myself even harder in my work and my family will just have to understand."

Preoccupied with righting the wrong he had committed, Robert withdrew from his family. His workdays stretched from ten to fifteen hours. Weekends, usually devoted to family activities, were spent at the office. He became distant, couldn't sleep, and experienced difficulty in making clear and decisive business decisions. His business stopped growing; in fact it began to decline. At the same time, problems at home increased at a rapid pace. His relationship with his wife and children became strained and hardly a day went by when he didn't lose his temper.

Robert's desire always to outperform himself became a trap which led to a poor investment decision. He lost sight of who he was emotionally and what worked best for his money personality. Like most Moneymax Entrepreneurs, Robert was usually a calculated risk-taker but this time he had stepped over the edge. His eagerness to make a big profit and at the same time reap a substantial tax advantage made him lose perspective on the risk that was involved.

Usually Entrepreneurs benefit greatly from the combination of ambition, diligence, and the willingness to take risks. But Robert allowed himself to become overzealous and overconfident. He believed himself to be both smart and lucky because his past investments had always paid off. Since he had such an enviable track record, why shouldn't he reach out a little further? Unfortunately, Robert's one investment mistake was a very costly one. It did, however, lead him to the conclusion that he was most satisfied and successful when he was an active, involved participant, as he was with his stock market investments, and when he carefully counterbalanced potential profit with potential risk. Even though they have a desire for involvement, Entrepreneurs don't necessarily need as much control as the other two Moneymax Profiles with similar levels of affluence (the Achievers, the Money Masters), but Robert had given up too much control and had taken too great a risk.

Interestingly, while the Entrepreneurs are the highest income earners, they rank third of all nine groups in total net assets. This may be due to the fact that they tend to assume significantly more risk than the Money Masters, who were ranked third as income earners yet first in assets. The Money Masters are only two years older, on the average, than the Entrepreneurs. Of all Moneymax groups, the Entrepreneurs have the largest number of investments in commonstock, commodities/options, and futures contracts. commonstock.

In general, Entrepreneurs are more reflective than impulsive. They do give thought to financial decisions and calculate the odds, but they can get carried away with their own need to excel and the belief that they will be the recipients of good fortune. That combination can, and did, in Robert's case, create financial havoc. His investment in oil and gas didn't complement his financial personality. Even though Entrepreneurs can tolerate risk, they need control. The oil and gas investment didn't allow Robert the degree of control he needed to give him peace of mind.

Even though the Moneymax Entrepreneurs are the second-highest risk-takers of all nine groups, they are not gamblers. They want to win, but they are challenged to win by personal effort, not by luck. They are interested in moderate risks, calculated risks. Even if they gamble, they usually get little satisfaction from their winnings if they don't personally contribute to the effort.

Mark, a Los Angeles restaurant owner, would never buy a lottery ticket, never spend a weekend gambling in Las Vegas. But he loves the racetrack. Within driving distance of three racetracks, he enjoys the thrill, the "challenge," of a day at the races. Before venturing out, he spends the morning studying the racing form, using a multitude of different-colored marking pens to note significant facts and figures about the various horses and jockeys. When he arrives at the track, he buys two or three of the available "tip sheets" and the day's racing program.

Mark never takes more than a $300 "investment" with him to the track. When he wins, he chalks victory up to a hard day's work and skillful interpretation of the facts. When he loses, he is not anxiety-ridden. He did the best he could and sometimes luck beats out reason. Besides, he was prepared to lose the $300 he brought with him. For Mark it is "play money" and is an insignificant loss that doesn't impact his financial lifestyle. A total loss, however, will keep Mark away from the track for weeks, maybe months. Mark, a typical Moneymax Entrepreneur, knows how to set limits on his risk tendencies, how to make risk work for him and not against him. His approach to risk is quite different from the Moneymax High Roller (discussed in Chapter 7) who risks money for excitement and adventure-for the thrill of it all.

The Moneymax Entrepreneurs are surprisingly fatalistic (average scores in the trait of self-determination), meaning that they do believe in good luck to some extent. Other Moneymax Profiles with similar levels of affluence have higher scores in self-determination and do not credit good luck as having an impact in their financial lives.

How could the Entrepreneurs possibly consider good luck as an integral part of success? They are exceedingly confident and motivated; they are the captains of their ships. The fatalism component may seem perplexing and quite out of character, but the answer is simple: they are convinced that luck is on their side. The Entrepreneurs' passion and confidence are so strong that they can't conceive of losing. Dedicated to the pursuit of their goals, they won't let anything get in their way. They can win; they deserve to win; they will win. The creation and actualization of the dream, or vision, is such a powerful and positive force that it assumes an infusion of good luck. In the back of their minds is the thought, "I know I'm right. I'm working damned hard. Surely the 'fates' will cooperate."

These fatalistic tendencies feed right into the risk-taking personality of the Entrepreneur. If the fates will cooperate, why not step out a little further? And then maybe a little further. Fortunately, Entrepreneurs are calculated risk-takers and for the most part their risk-taking tends to be a plus, not a minus.

HARD WORK-AND SMART WORK-PAY OFF

How is it possible for the highest income earners, the Moneymax Entrepreneurs, to be motivated more by a sense of work achievement than by the prospect of profits? The Entrepreneurs do not require money incentives to make them work harder. They work hard, provided there is an opportunity to achieve something. Financial rewards or profits are the concrete feedback which tells them how well they are doing. Yet, they still earn significantly high sums of money in the process.

It is the task at hand that rewards this high-achieving group. They are willing to take personal responsibility for solving problems and achieving goals. They are more concerned with achieving success than with avoiding failure. Successful Entrepreneurs cannot conceive of failure. Obstacles will not stop them. "I'm going to do it anyway" is their attitude. Courage is entirely consistent with the Entrepreneurs penchant for taking the complex-and making it simple.

Entrepreneurs are self-reliant, independent, and action-oriented. Courage and confidence counterbalance fear. Entrepreneurs realize that any business venture may meet with failure but usually formulate contingency plans to ensure success. They understand their value in the marketplace. They become bored, restless, and impatient with bureaucracy and routine chores. These traits often cause Entrepreneurs to leave structured businesses and corporations and strike out on their own.

Jennifer typifies the Entrepreneur locked inside a bureaucratic system. A college graduate with a liberal arts degree, she came from a small town, middle class background. After graduation, she worked for ten years in a publishing company and five years in a public relations firm. Both firms were small, creative environments. Hard work and long hours paid off for Jennifer. She found it easy to excel and rise through the company ranks. At age thirty-seven she landed a plum job — Director of public relations with a Fortune 500 company in New York City.

After a year, the glamour began to fade. While she was praised for routine projects and assignments, Jennifer wanted to create new concepts and plans. Working sixty hours a week, she turned out proposal after proposal. While many of her ideas and plans were innovative and exciting, they rarely survived the corporate system and were approved. The usual response from senior management, handed down to her through her boss, was: "Nice but not for us; well executed but out of line with the company image; good job but let's do this the way we did it last year." Jennifer's file cabinet was overflowing with proposals that were going nowhere.

In addition, it was clear to Jennifer that she was going nowhere in the company. Of the five hundred corporate employees, not one woman held the title of vice president, the next level up from her job. For a while she tried to convince herself that it didn't matter. She was making $55,000 a year; she enjoyed the travel; she liked having a prestigious job.

However, Jennifer was convinced that her ideas were good, her plans were solid. With optimism and energy, she plunged in again. For another year, she worked long weekdays and weekends. Finally, one of her proposals, with a $5 million budget, was approved. Her elation was quickly dowsed upon hearing that her boss claimed credit for the project, acknowledging that she had been a fine "support" person.

Jennifer was at an impasse. Most of her plans never saw the light of day. When they did, she remained in her boss's shadow. Maybe she needed to polish her skills at corporate gamesmanship, but she didn't want to win at the corporate game. For two years she had poured enormous energy into her work but only felt overworked and frustrated. It was during this time that Jennifer participated in a seminar that featured the Moneymax Profile and learned that her profile was that of an Entrepreneur.

Jennifer wasn't particularly surprised. She had always been a hardworking, achievement-oriented person and, like most Entrepreneurs, Jennifer had a difficult time adjusting to slow-moving bureaucratic systems and rules. When she had a good idea, she wanted to formulate a plan and put it into action. As we discussed her Entrepreneur personality traits, she admitted that starting up her own company was a venture that excited and energized her. The Moneymax Profile had confirmed that Jennifer did indeed exemplify the Entrepreneur-independent, self-reliant, confident, visionary, and willing to take the risks necessary to reach desired goals. She had been all of those things in the Fortune 500 company but those assets had not been fully appreciated or rewarded.

As Jennifer began to formulate a plan to leave the company and start her own business, she sought out the advice of family and friends. The feedback she received was mixed. Her father, recently retired, had worked as an auditor for a state government for thirty years. Never particularly satisfied or happy with his work, he nonetheless was proud that he had been able to provide financial security for his wife and family.

He had survived the bureaucratic system, had put two kids through college, and now had a comfortable pension. He was delighted that Jennifer had a good job and was making more money than he had ever dreamed of. He cautioned her to reassess her situation and not to make a rash decision.

Jennifer's mother was more encouraging. She had taught Jennifer to be independent and always pushed the adage, "Nothing ventured, nothing gained." Jennifer's brother didn't have much to say except: "I understand your frustration. Your problems aren't all that different from mine. I'm frustrated too, but I earn less than half your salary. If I made as much money as you, I could learn to live with your problems. Don't take everything so seriously. You're doing just fine; hang in there."

Greg, Jennifer's husband, was an engineer who worked for a large firm and earned $60,000 a year. His advice was filled with confusing signals: Go ahead and step out on your own, but remember that you aren't getting any younger and it might be hard for you to get back into the corporate world; we can certainly live comfortably on my salary, but no more European vacations for a while; I wish I could leave the engineering firm and start anew, but two of us can't be taking that kind of risk.

Whether or not to leave her job was not an easy decision for Jennifer. But she had to admit that she was beginning to loathe her every day at work. As she put it: "I asked myself a hundred times why I stayed in a job that was making me so miserable. I worked long hours, had no social life, and was totally stressed out. Obviously, the money had something to do with it. I was earning a good salary and didn't want to give it up. So I said to myself, 'You just gave up a year of your life for $55,000; how many more miserable years are you willing to endure for that kind of money?' Then I asked myself the bigger questions: 'Was I confident that I could start up a company and make it successful? And what if I failed?' Once I started to concentrate on what I wanted and what I could do, instead of what I was giving up, the decision was easier."

Jennifer decided to leave her corporate job and begin her own company, a research and writing firm that specialized in business communications-annual reports, newsletters, speeches, staff publications. Before handing in her resignation, she formulated a detailed business plan and looked at all the costs that would be involved. Although she investigated the possibility of renting an office, the costs were too high. Instead, she decided to convert a second bedroom in her home into an office-that would give her a tax advantage and keep her overhead down. She figured that she had six months' living expenses saved, enough to support her as she launched her business.

For the initial months she would have to do everything - court the clients, do the projects, handle all money negotiations and accounting. As soon as the business was on its feet financially and she had built up a solid client following, she could afford to hire independent contractors to help with the work. Eventually, she reasoned, she would be able to have full-time help and rent an office.

Jennifer knew she was gambling on her talent, business savvy, and dedication. That didn't worry her. The Entrepreneur is self-assured and willing to accept responsibility. But, as Jennifer said when talking about her Entrepreneur profile: "I know that I have to watch how much I risk when it comes to money. I would love to have a beautiful office to go to every day and I'm tempted to hire a few people so I can concentrate on getting more business, but right now I think I'll have to work very hard and do practically everything. However, as soon as the business really starts to show a good profit, I won't hesitate to expand. Right now, I know I can get clients and do excellent work, but I don't want to get ahead of myself by incurring too many money problems. I would hate to be running an excellent company that was overextended and in serious debt."

At the end of a year Jennifer was able to hire independent contractors to help her on the company's projects and a part-time assistant to schedule and track her various jobs. At the end of two years she was able to rent a small office and hire a full-time secretary/bookkeeper.

As her profits began to accumulate, she knew it was time that she give some attention to investing her money. Referred by a friend to an accountant with some financial planning expertise, Jennifer made an appointment. Since she had no retirement plan, Jennifer chose to put $5,000 a year into a Keogh plan, which would help build a nest egg for the future and help decrease her taxes. In addition, with $10,000 she purchased common stock of two companies that had consistently high earnings over the past eighteen months. She liked the stock market and was willing to take risk because the more her investments paid off, the faster she could keep expanding her business. However, if she gambled too much, she would jeopardize her future business plans.

As Jennifer entered her third year of business, she was more convinced than ever that her decision to become an entrepreneur had been a wise one. She had created for herself all the elements formerly missing from her corporate job and those elements were the same that satisfied her entrepreneurial spirit: independence, control, innovation, personal and emotional and financial satisfaction.

Not all Entrepreneurs choose to trade one career in for another. There are some who choose to remain at their salaried jobs but also work independently outside of those jobs. Alan was one of those two career workers. A computer programmer, he had worked for county government for fifteen years. His job was sometimes bogged down in red tape, but he was the manager of a small special unit and was usually immune from the hundreds of rules and regulations that plague government workers.

Alan had, on several occasions, considered leaving his job and going into business for himself. If he were single, the choice would have been fairly simple, but he was married and had five children. The financial responsibility for his family weighed heavily on him. He was ready to take some risks, but he had to make plans and execute them over a period of time. Before marrying, he had not been particularly security conscious but his head of household role forced him to make some compromises.

To vent his creativity, Alan wrote a book on computer programming. Even though he had never made a living at writing, he was confident that he had found a unique way to teach the art of writing computer programs. It took him a full year to find a book agent and sell the book to a small publisher. The book sold only 1,000 copies; certainly not enough to reimburse him for the time he had invested in it. However, he felt encouraged and used his earnings to buy a computer system to facilitate the writing of his next book. The second book was bought by a major textbook publisher and sold much better than the first book.

Juggling a full-time job, family obligations, and a writing career had not been easy. Alan's work week often exceeded seventy hours. Despite the lack of free time, he was motivated, content, and confident. His books have led to several invitations to speak at college campuses and he is actively pursuing invitations before major computer seminars and conferences. In addition, he has taken on a few consultant jobs with small companies. Eventually, Alan hopes that the books and the consulting will enable him to leave his government job and still provide a comfortable living for his family.

His "grand plan," as he called it, is to eventually get several companies to put him on retainer as an independent consultant so that he can count on a certain amount of fixed income a year. When that income and his book income add up to his government salary, Alan plans to strike out on his own.

Alan's wife got very nervous when she heard him expound upon his future business plans. As is true with many Entrepreneurs, their spouses tend to experience anxiety when Entrepreneurs talk of leaving the security of permanent jobs and moving out into independent ventures. The tension over money security can be particularly troublesome when children are involved.

To ease his wife's concerns, as well as his own, Alan sought out the services of a financial professional who could map out a strategy to provide college education for each of his five children. Together they looked at the issues involved: the ages of the children and how long it would be before each was of college age; how much money Alan would need to accumulate to put the children through school; how long it would take him to accumulate the college fund; how much money he could afford to invest; how often he would invest. At first, the plan seemed somewhat awesome to Alan, but the financial professional charted the plan into easily understood segments.

When looking at the amounts of money he would need to save, Alan felt confident that his job salary plus his outside income could handle the savings commitment and would not put too much of a strain on the family budget. After considering a number of investment options, Alan chose to accumulate the money in an interest-bearing account initially and planned to move the money into an appropriate investment vehicle at some point in the future.

Once Alan and his wife made a decision about providing for the education of their children, both of them felt more comfortable when discussing Alan's plan for someday leaving his job and working for himself. The stress of family financial responsibility was alleviated and Alan was better able to concentrate on writing a new book and expanding his consultant services.

CONTENT OR NOT CONTENT?

Are the highest wage earners content with their money? On the contentment scale, the Entrepreneurs have moderate, or average, contentment. As a matter of fact, some Entrepreneurs will probably never be content with their money.

The Entrepreneurs use money as an achievement benchmark, a way of keeping score with themselves and their peers. Their high standards of excellence and competition have a significant impact upon money attitudes. It's not that they perceive themselves as financial failures or unable to accumulate a vast amount of money. Quite the contrary, they are very proud of the way they handle their money.

But their financial personalities continually drive them to perform to their highest potential. Since they believe they can succeed, they are always moving forward. When one goal is reached, they move on to another. The Entrepreneurs can't stop themselves from pursuing the excitement of creating something from nothing. Some build better mousetraps while others create better services. Some climb the mountain to benefit others, as well as themselves. And yet another group will climb the mountain "just because it's there."

Basically, the end goal is never in sight. No matter how much cash and material possessions accumulate, money contentment remains linked to achievement contentment.

Frank was an inventor. At age fifty-five he had wound his way through a myriad of jobs-restaurant manager, appliance salesman, and construction worker. Since he was a kid, Frank had been obsessed with gadgets and toys and labeled himself a "master tinkerer."

For ten years Frank had been marketing and selling his inventions. He had crafted everything from water pistols and dolls to toy soldiers, board games, and kitchen utensils. While none of his inventions had attracted nationwide fame and popularity, Frank made a sizable profit.

He and his wife Marion lived in a comfortable home, had a late model car, and every year went on a two-week vacation. Royalties from three of his most successful products combined with family savings and profits from several good investments gave Frank and Marion sufficient money to live on.

When Marion and Frank argued, they generally argued about two things: Frank's all-consuming commitment to his work and Frank's reluctance to pay more attention to the money he earned. Marion complained that she was tired of spending so much time alone and resented the fact that she often had to turn down dinner and other social invitations. What bothered Marion even more was the couple's future financial picture.

Frank was somewhat blasé about money-he earned enough of it and didn't have the time to devote to managing it. His occasional investments in the stock market had been successful and a small apartment building the couple once owned, then sold, also reaped them a nice profit. They had a money market account, some life insurance, and Frank just couldn't be bothered with thinking about money when he was earning enough and planned to work for many more years.

Frank, like most Entrepreneurs, preferred to concentrate on work more than money. As long as income is sufficient and work is satisfying, Entrepreneurs are optimistic that money will always be plentiful and never a problem. This is not to say that they are not involved in money management. They certainly are, but it should be pointed out that they are the least involved of the three affluent Moneymax groups. Money is important but is only a measure of success. The same kind of equation holds true for money contentment. Entrepreneurs can only be as content as they believe themselves to be successful. Until they reach the top of the mountain, total contentment with money will remain elusive.

The Entrepreneurs like to zero in on their dreams, their visions, and the achievements that are still to come. In Frank's case, he had a board game that he believed was better than Monopoly and a building-block puzzle that was far superior to Rubik's Cube. He was convinced that it was only a matter of time before he could get a major company to mass produce and promote his games nationwide. On the shelves in his workshop were scores of successful games and toys which served as a reminder that his days of glory were imminent. According to Frank, "I didn't come from a rich family. Everything I have, I earned. You don't need a college degree to be successful-it takes a lot of hard work and mostly, you don't give up. I don't want to slow down. My work and my fun are one and the same thing."

While Frank didn't worry about the future, Marion did. If Frank should ever become seriously ill or disabled, what would they do? Or, if he died, what kind of financial position would she be in? Just how long would their money last? Marion wanted to consider possible investment options and make a long-range plan for financial security. Frank said she was needlessly worried and he couldn't spare the time to shop around for a financial whiz.

For years Marion had been sounding the same alarm and had gotten nowhere. Finally she decided to take some action on her own. After discussing the issue with several friends, she learned that Frank's best friend, a man who Frank liked and respected, had used the same financial adviser for more than ten years. She invited the friend to dinner one evening and skillfully turned the conversation around to finances and financial planning. Frank's friend was quite candid when talking about his investments and some of the strategies he had adopted. While Frank seemed impressed, he again remarked that he didn't have the time to be too concerned about money since he was so busy earning it. The friend then suggested that Frank and Marion call his adviser, whom he highly recommended and trusted.

Without too much maneuvering and behind-the-scenes tactics, Marion had used a third party to try to make Frank reconsider her financial concerns. Eventually, the couple did meet with the adviser and ended up with a diversified portfolio of investments that relieved Marion's anxiety about money. The investments they chose included current income vehicles, and some that provided tax shelter. With her money problems solved, Marion resolved to try to get Frank to leave his work more often and to take more vacations and develop some hobbies-a goal that is probably impossible for her to accomplish.

MIXING BUSINESS AND A PERSONAL LIFE

Entrepreneurs devote considerable time and effort to their work and, in some cases, spouses and friends are relegated to the sidelines. If forced to choose between a career and a relationship, the Entrepreneur may choose, like Alex, to forgo a relationship in order to single-mindedly pursue the business vision. A personal relationship can be particularly difficult if both parties are Entrepreneurs.

Alex was supposed to become a professional photographer. No one in his family, including Alex, had ever exactly stated that; it was assumed. Alex's father, Walter, was a noted photographer and the recipient of numerous awards and honors. The oldest of three children, Alex was snapping pictures at a very early age. His father made sure that Alex had the best camera, the best lenses, the best teacher.

Walter taught Alex the tricks of his trade, and as Alex grew older, his father often took him on weekend assignments. They spent some evenings developing the film and reviewing the quality of the prints. By age fifteen Alex was good; he was very good. He enjoyed photography, was the staff photographer for the high school yearbook, and had won a few local photography contests. While Walter seemed proud of his son, he always found something wrong with Alex's pictures. Alex should have used a different lens, a slightly different angle or composition. None of Alex's pictures seemed worthy of unqualified praise. Alex often wondered what his father really thought of him. Photography was their only common interest, and except for that subject, they had little to say to each other.

Graduation from high school forced Alex to think seriously about a career. Photography, the obvious choice, had a certain amount of appeal. He had some contacts for jobs-acquaintances met over the years when his father dragged him along on assignments. He was a recognized talent and he did enjoy the work. But he had too many misgivings. What if he never measured up to his father? Even if he did, his father would never acknowledge it. If he was able to ignore his father's indifference, people would still say, "Of course Alex is good. Look who he had as a father." And if he did gain more notoriety than Walter, his father would probably resent him. Somehow, much as he liked photography, Alex didn't think he could cope with being in the same profession as his father. He didn't want to be compared with Walter and he didn't want to be indebted to him either.

Six months after graduation, Alex got a job in a small advertising agency, owned by a friend of his father's. He worked in the traffic department with no title except "grunt runner." Nonetheless, he was a diligent worker and thrived on the daily dose of excitement and trauma. After a year, he was promoted; after two years he was promoted again. Then he moved to a larger agency, then to an even larger agency.

Finally, at age thirty-five, Alex was making his mark in the advertising world. An account executive with one of the nation's top firms in New York City, he was making $150,000 a year and had his mind locked in on the job of president. He knew he could get it. Nobody put in more hours than he did. Considered demanding and tough to work for, he was still respected and envied. His photography experience gave him an edge in graphic design and he was exceptionally good at courting clients and making presentations. His talents bridged both spheres of advertising, the accounting side and the creative side. The fact that he was good-looking and personable only added to the image that he carefully crafted.

The image was very appealing to the women who pursued Alex. He had little time for a social life, but he dated a number of women and when he couldn't be generous with his time, he was generous with gifts-flowers and jewelry in particular. When he was thirty-seven, he married Joan, an attractive secretary who worked in his firm. Because of company policy, which prohibited spouses from working in the same company, Joan quit her job. She was quite content to remain at home and be Alex's wife. Two years later she and Alex had a son.

While Joan was not oblivious to Alex's ambition, she didn't realize what a peripheral role she would play in his life. He worked late almost every night and spent most weekends in the office. When they did socialize, the conversation always revolved around Alex's work at the agency. Joan was bored and angry and insecure. She resented his work and began to nag him about the way he was ignoring her.

Alex couldn't stand her chronic complaining and demands for attention. He was doing the best he could for both of them and for their son. Joan had once worked in the same office; she should understand his commitment and the kind of pressure he was under. She had dated him a year before they were married and knew the kind of life he led. Why did she expect things to change now? Alex asked her for a divorce and Joan reluctantly agreed.

With one failed marriage, Alex figured that marital bliss was not yet in the cards for him. Eight months later he met Susan, a business consultant with a firm that had national and international branch offices. Not only was she attractive, but she had her own life, her own set of ambitions, and didn't make unreasonable demands on him. They spent many hours discussing business deals and how they were advancing in their careers. If Alex had to work late at the office and had to cancel a date, Susan was rarely agitated or angry because she often had the same time constraints. The relationship was great for Alex; he was involved with a lovely, dynamic woman who somehow seemed to fit well into his frantic life. Three months later they decided to live together.

Their first big argument came after dinner at a restaurant with Alex's boss, Tom, and his wife Marsha. Since it was the first time Susan had met Alex’s boss, she was particularly charming and vivacious. Tom and Marsha were intrigued by the kind of work she did and asked Susan quite a few questions about her job and her company. The conversation never stopped, and at the end of the evening all agreed that they should get together again soon for dinner and the theater.

As soon as Alex and Susan got into their car, Alex erupted. How dare she embarrass him in front of his boss? Didn't she realize that Tom was one of his prime supporters in the agency and would have a lot to say about Alex's future?

How could she have been so stupid? Susan was bewildered and could only ask what she had said or done that had sent Alex on a rampage. He angrily retorted: she monopolized the conversation; she talked on and on about herself; she sounded arrogant and pushy; she laughed too much and too loudly. Susan defended herself. everybody had a good time, she spoke about herself in answer to questions-and anyway, why shouldn't she talk about herself? She didn't monopolize the conversation. What was Alex's problem? Perhaps, one evening out of the limelight was more than he could handle? Maybe Alex was so used to center stage that he was unwilling to share it, even with her? The next day at work, Tom raved about Susan-how wonderful, how intelligent, how lucky Tom was. Tom apologized to Susan but the next crisis came quickly.

Susan got a promotion and her new position required a lot of travel, frequently abroad. For the next three months, she was out of town on the average of twice a month. Mostly, she flew to the company's offices in Paris and Tokyo. The job was exciting and Susan was immersed in new challenges. Alex was unsettled. Susan was hardly ever at home-, he had no companion and no dinner. When she was home, all she wanted to talk about was her damn job. Finally, he gave her an ultimatum. Give up the travel and return to work in the home office or risk losing him.

Why did these two Entrepreneurs attract and repel each other? Susan and Alex, both strong-willed and independent, were attracted to each other because their energies and personalities ignited one another. They seemed to have it all. Susan said she couldn't believe they had so much in common. Alex remarked to his friends that he had finally met the perfect woman-he loved to look at her and he also loved to talk to her. In addition, Susan shared many of the same attitudes and ambitions about work as he did. She certainly was unlike Joan, who had nothing in her life except him. While Alex once believed he wanted a woman who was content to be a wife and mother, he found that Joan's dependency on him was suffocating.

However, the very qualities which attracted Alex to Susan were also causing him great stress once the couple began to live together and tried to work out a life together. According to Alex, Susan was too independent and her priorities often put her work before him. Alex was frustrated and angry, yet he didn't express his feelings because he was afraid of losing her. Instead, he sulked, complained a lot, and drowned himself in his work.

The distance between them became increasingly difficult for them to overcome. They were dancing to different tunes and neither one of them was quite sure how to change the rhythm. Alex and Susan were very much in love with each other yet couldn't deal with the critical issues that would allow their relationship to survive and grow. Alex had never felt out of control before and he didn't like the feeling. He remembered how he felt when his ex-wife nagged him to spend more time with her and he was not going to act like his ex-wife and grovel for attention. Susan felt she was doing her best to accommodate Alex but she wouldn't give up her job for him since she would never expect him to do that for her.

The time they spent together was either wonderful or traumatic or distant. Finally, Alex was unable to cope with the situation any longer. The stress was affecting his work and his confidence in himself. When Susan refused to give up her new position and return to the home office, he announced that the relationship was over, he was moving out, and he did not want to talk about possible reconciliation. His mind was made up; he was leaving so he could feel good about himself again. Obviously, Alex and Susan had some issues other than their work schedules to deal with, but they never reached a stage where either was willing to openly discuss their problems and make compromises.

Alex personifies another of the traits of the typical Entrepreneurs - the desire for a certain degree of power and prestige with money. He lived in an affluent section of New York, dined at the best restaurants, and knew how to impress women. He was generous with gifts to women and didn't hesitate to invite a female companion on a last-minute trip to the Bahamas or Puerto Rico. While he did earn a sizable salary, he spent much of it and rode his credit cards to the limit. However, while Alex paid all of his bills on time, he was not very good at accumulating money.

He was driven to become president of his advertising firm because he wanted the power and the control that came with being in first position. Like his father, who was recognized and admired, Alex too wanted to gain recognition-but he wanted to carve it out in his own way. Recognition, money, power, and achievement are all tied together for the Entrepreneurs, and Alex was no exception. The fact that he had captured some major accounts for his agency put Alex in a very strategic position for advancement. The president's job was definitely within reach and he would settle for nothing less.

Alex was interested in discovering his money personality primarily because he was concerned about how his lavish lifestyle was impacting his financial future. When I first met him, Alex assured me that for most of his life he had been a pretty diligent saver. However, since moving to New York, he explained, he seemed to have fallen victim to the glamour and glitter of the city. He felt that competing with his peers necessitated keeping up with them in terms of material possessions and it was essential that there be no question in any one's mind that he was successful. Most people, he continued, judge your success by what they see-where and how you live, what you have, how you dress. Overall, he was uncomfortable with his spending habits, but he was more concerned that people might not understand how accomplished he was.

When Alex reviewed his scores on the Entrepreneur profile, he gained some insight into his behavior. First of all, Entrepreneurs are rational with money and are, by nature, savers more than spenders. Since Alex was an Entrepreneur, it is easy to see why he was unnerved by his spending. Recognizing that he also had a certain power need, it made sense to him that he was using money, and the spending, to assure himself of the power he desired. His power motive and his risk-taking tendencies, however, were causing him to live on a financial precipice. He really wasn't in control of his money. Even though Entrepreneurs don't need as much control as other financially successful Moneymax groups, they do like, and need, to be involved in money management.

Until he really analyzed his money personality, Alex blamed his spending on a need to keep up with his peers and on the women he dated-the kind of women he dated, he said, didn't like home-cooked meals or anything farther back than tenth row center seats at the theater. Once he honestly reviewed his behavior and attitudes, Alex was ready and willing to make some changes in his money life. What Alex really wanted to do was buy a house in the Hamptons but he lacked the capital to make the purchase. Recognizing that he needed a new money strategy, he decided to seek out investment advice.

Entrepreneurs, like Alex, are very good at juggling many aspects of their lives and coming out on top in most areas. This skill tends to make them think that they can keep adding more and more tasks and still manage to do everything well. Sometimes the time constraints, however, require a reordering of priorities. Once Alex felt that it was all right to let someone else enter his financial picture-he didn't have to be perfect in everything-he began to make financial progress.

After carefully selecting a financial planner, Alex embarked upon a new financial strategy. His initial portfolio of investments included limited partnerships in both a video production company and an office building complex-the second being more conservative than the first. Also, since he was eager to quickly acquire enough money for a down payment on a house, he invested in some high risk stocks that he hoped would turn some big profits in a short time. For more safety and liquidity, he allocated some of his money to conservative growth stocks that had had a good track record for at least ten years and put some money into a certificate of deposit.

The conflict between Alex's work and his relationships with women was not as easy to resolve. After the relationship with Susan ended, Alex made a commitment to himself to remain single until he was president of his company and all of his career goals were reached. As he put it: "I know the rules at work and how to design a winning game plan. In relationships, I lose all insight and emotional thinking. At work, I can call all the shots and there's something concrete to deal with. When you're in a relationship, you're dealing with two people who have different beliefs and feelings. I tried it two times with two totally different women and it still failed. At least my career makes me happy. While I'm single, I can conduct my life on my terms without feeling guilty about hurting anyone's feelings because I am not living up to their expectations. At this stage of my life, I prefer it that way. I negotiate enough at work, and I don't want to have to do it in my personal life too."

POWER AND PRESTIGE

Are you motivated by the prestige and status that your money brings you? Or, are you uninterested in receiving public recognition with your money? Entrepreneurs rank fourth highest of the nine profiles in the desire for power and prestige. They do want their financial success and achievements to bring them status in their communities, and often with the public at large. This desire for prestige and power with money is more pronounced in the Entrepreneur profile than in the other profiles with similar levels of affluence.

The desire for power and prestige is a rejection of the narcissistic culture that the Entrepreneurs live in. The average age of the Entrepreneurs is forty-five. This generation of Entrepreneurs has become accustomed to affluence-more than any other preceding generation. Postwar affluence has given them a sense of entitlement. Part of the "Me Generation," they subscribe to a new lifestyle, a new set of values and expectations. With unassailable optimism, they expect to be stimulated, challenged, and rewarded. The Entrepreneurs find no dignity in being poor. They have worked very hard to achieve success and feel no guilt in surpassing the financial status of their parents.

Money, and what it buys, is a constant reminder to the Entrepreneurs that they have made it; that they are respected and recognized for what they have accomplished. It signifies their personal merit their creativity and intelligence, their vision and fortitude, their ambition and courage. They deserve to have "the best" whether the best is a car, a bottle of wine, or a box of imported chocolates. And they want to pass on their competitive advantage to their children by sending them to the finest schools and buying them the latest computers and educational toys.

Money differs from other forms of social power in that it can be precisely measured. In addition, money is influential with a greater number of people and over a wider range of circumstances than any other social power. Money, by itself, has no power, but we respond to it as if it did.

The maitre d' of a small, but very elite, restaurant in Los Angeles was recently interviewed about how he decides which tables to give to his customers. The restaurant, which caters to the rich and famous, has five tables which are acknowledged as the most visible and prestigious. When recognizable celebrities, or regular patrons, arrive, there is no doubt as to where they will be positioned. But what about the lesser-known people, perhaps out-of-towners, who may not be instantly recognized but nonetheless are prominent, influential figures? How does the maitre d' know who is important and thus save himself the embarrassment of placing a VIP at an inappropriate table?

The maitre d' explains: "It's quite simple. I look at what they are wearing. The cut of the man's suit, the design of a woman's dress. It's particularly easy with women because they have so many accessories. I can spot a Gucci handbag and a Rolex watch a mile away. I can tell fake jewelry from real gems. For ten years I've been watching people go in and out of this restaurant. I don't need to see the car they arrive in to be able to tell where I should seat them. I'm getting so good that I can just about judge the women by their brand of perfume. No, it doesn't take a genius to figure out who's who-just a practiced eye. I've made very few mistakes."

Entrepreneurs are proud of their money and their possessions because they are proud of themselves. It's all right to prefer mahogany over Formica, cashmere over corduroy, a Mercedes over a Volkswagen. While some may be bargain hunters and shop the sales for appliances, furniture, and clothing, they do believe in rewarding themselves with the best products and services available. Because the Entrepreneurs place such a premium on time, it follows that they are likely to buy computers, microwave ovens, car phones, and gourmet frozen foods.

Some Entrepreneurs may flaunt their possessions, but they are just as likely to be against conspicuous display. Creature comforts, albeit nice creature comforts, don't have to be flaunted in order to be enjoyed. Entrepreneurs are amply rewarded by the power and prestige which their money confers upon them: they stand out from their peers and are recognized; they enjoy a good measure of self-esteem; they take great pleasure and satisfaction from their work.

EVOLUTION OF THE ENTREPRENEUR

The very word entrepreneur conjures up images of success, wealth, status, independence, and notoriety. According to Professor Karl H. Vesper of the University of Washington's School of Business Administration, "There's been a radical rise of entrepreneurial spirit. There's a latent lust for it in all of us-it's the American way." The word hasn't always evoked such reverence. Forty years ago entrepreneurs were considered egotistical, self-promoters, ness opportunities not because they were rugged individualists, but because they didn't have what it takes to make it in the business mainstream. Those who were truly talented and hard-working had secure, salaried positions in respectable companies. In 1950, only 19.5 percent of employed Americans were self-employed. By 1960 the number had dropped to 13 percent; by the early 1970s less than 6.5 percent were self-employed. In 1969 a study by the Institute for the Future predicted the demise of self-employment by 1985.

Today that trend has taken a revolutionary turn. In 1985 more than 670,000 new businesses were formed-up by more than 25 percent from 533,000 in 1985. The number of new-start businesses has been staggering, especially in light of the fact that 50 percent of all new businesses fail within five years and eight out of ten don't survive to the tenth year. In addition, the previous statistics do not take into account the "subterranean economy," a term coined by Peter M. Gutmann, professor of economics and finance at the City University of New York's Baruch College. The subterranean economy, according to Professor Gutmann, consists of underground, "off-the-books" cash and barter business activities that could amount to as much as $420 billion a year.

More than 200 colleges and universities across the United States offer courses in entrepreneurship. In 1985, President Ronald Reagan, in a speech urging support for his new tax reform plan, called the eighties the "age of the entrepreneur." He said: "We have lived through the age of big industry and the age of the giant corporation, but I believe that this is the age of the entrepreneur, the age of the individual. That's where American prosperity is coming from now, and that's where it's going to come from in the future."

Corporate America, afraid of losing its talented and valued employees to the new entrepreneurial wave, has been making adjustments in its structure. According to one vice president of management development, "The challenge is to create islands within the organization where the creative spirit can flourish." Companies are altering promotion structures, increasing salaries, and putting a greater emphasis on flexibility, autonomy, and personal growth. "Intrapreneuring," stimulating entrepreneurial innovation within a corporation, is a term invented by Gifford Pinchot III, who wrote a book on the subject. One of the most popular buzzwords of the eighties, intrapreneuring and intrapreneurs made Pinchot an overnight entrepreneur. A former blacksmith and dairy farmer, he quickly parlayed the success of his book into a profitable consulting business and lecture tour. In the true spirit of the entrepreneur, Pinchot assessed his achievements: "There are some people who think intrapreneuring is the flavor of the month. If so, give me a few years off, and I'll come back with something else. Or, I can always go back to blacksmithing."

H. Ross Perot is an excellent example of a would-be intrepreneur, who, when thwarted, became an entrepreneur. Once a salesman for IBM, he always reached his monthly sales quotas early and was on the lookout for more work. When he got the idea to create a company division to service computer software, he took it to IBM executives. They weren't interested; they wanted to continue concentrating on hardware. Perot eventually left IBM and with $1,000 started his own company, Electronic Data Systems (EDS), in Dallas. Today, he is one of the richest men in the United States, worth over $2.5 billion.

"New-style entrepreneurs" or "lifestyle entrepreneurs" are terms designed to reflect the attitudes of the entrepreneurs who work to live instead of living to work. Unlike the archetypical entrepreneur who is on a fast track to create new products and services and to conquer unmapped territories, lifestyle entrepreneurs have a more humanistic approach to business. Their businesses tend to be smaller, conservatively financed, and easily controlled. Family, friends, and leisure time are as important, or more important, than the business. Sometimes the lifestyle entrepreneurs create their own products and services; sometimes they sell and market the services of others. Given the opportunity to "go big," they may refuse if expansion alters their original goals or interferes with their lifestyle. This prioritization of values does not imply that they are not totally dedicated to their businesses. Many have become very successful-and on their own terms.

The faces and success stories of entrepreneurs fill the pages of newspapers and magazines and flash across the screen on the evening news. Their names have become familiar-Steven Jobs, H. Ross Perot, Frederick Smith, Donald Trump, Mary Kay Ash, George Lucas, Liz Claiborne, Ted Turner, Lee Iacocca, and many more. Not so visible are the countless others who have ventured out to create their business and personal lives according to their own talents, convictions, and ideals.

They make, sell, and market everything from egg rolls and kitty litter to computers and exercise equipment. They run take-out restaurants, housecleaning services, cheerleading clinics, business seminars, telephone installation companies, gourmet catering services, and childcare centers. They put together mail-order catalogues, electronic databases, and traveling health clubs. Famous or not famous, each has carved out a distinct entrepreneurial niche.

MONEY MANAGEMENT STYLE

1. Although one might think that Entrepreneurs have so much drive and ability that they can make the best investment decisions on their own, the opposite is sometimes true. Entrepreneurs have a tremendous ability to build successful businesses but can fall short when trying to make their own investment decisions. Because they are so consumed with their work, they cannot be an expert in all things. They will find overall superior investment results by using competent investment advisers. With assistance they can make well-informed decisions, rather than expeditious ones. Sometimes they find time constraints forcing them into impulsive decisions, or no decisions at all, neither of which is comfortable for Entrepreneurs.

2. Entrepreneurs are the number-one investors in common stock, both individual and mutual funds, but prefer direct ownership of individual shares.

3. They are not very satisfied with fixed-dollar investments like T-bills, T-notes, and CDs; nor are they interested in investments that provide tax-exempt income like municipal bonds.

4. They also have not been particularly satisfied with the investment performance of insurance products. They are the greatest investors of, all nine groups in whole life insurance (60.5 percent), but of all their investment vehicles, they like whole life the least. Their dissatisfaction with whole life policies may stem from its performance before 1980. Historically, whole life insurance had not provided good returns in comparison with other investment opportunities. However, a major shift in the past few years in the insurance industry has fostered much better returns, which is having a positive impact on investors who were previously disenchanted. The tax-sheltered growth that is part of the cash accumulation in whole life has been very attractive to many investors, especially in light of the Tax Reform Act of 1986 and the current returns whole life is paying.

5. They are most satisfied with limited partnerships, along with the Money Masters, and are second to the Money Masters in highest use of this investment. Limited partnerships are attractive to the Entrepreneurs because the investment provides limited liability while they take the risk necessary to reap higher returns. Also, there are broader investment opportunities available in limited partnership form, thereby expanding the options to diversify-which is highly attractive to the Entrepreneurs who are opportunistic investors. Their satisfaction level might increase if they expanded their use of limited partnerships, but the investments should be carefully selected in order to maximize the new opportunities and find the best quality available.

6. Even though the Entrepreneurs are the number-one users of futures contracts and commodities, the High Rollers—the highest risk-takers are more satisfied than the Entrepreneurs with these investments.

7. The Entrepreneurs invest in coins and stamps more than any of the other Moneymax groups and share the highest level of satisfaction with this investment, along with the High Rollers.

THE ENTREPRENEURS-
FINANCIAL STATEMENT

The Moneymax Entrepreneur encompasses the traditional entrepreneur, the new-age lifestyle entrepreneur, the corporate intrapreneur, and others who don't fit into those categories. Regardless of their individual situations, they share common financial personality traits. They have an unrelenting drive to excel and are confident of reaching their goal or vision. They make their money through hard work and taking higher than average risks. They are proud of their achievement and believe that luck will always be on their side. Convinced that their own individual efforts are inexorably linked to their success, they enjoy the power and prestige that they have earned. They are predominately male, the highest income earners, and are moderately content with the money that success has brought them. Individual efforts and total commitment, more than college degrees, have unlocked the doors of business opportunity.