# Moneymax® Money Masters

**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**

# Money Masters

He who knows much about others may be learned, but he who understands himself is more intelligent. He who controls others may be powerful, but he who has mastered himself is mightier still.

— Lao-tzu

## GUIDELINES

. . . Are successful in accumulating assets.

. . . Are confident of their future financial security.

. . . Are very content with their money.

. . . Like to be highly involved in managing their money.

. . . Are proud of their financial accomplishments.

. . . Are wise financial decision-makers.

. . . Trust that other people are honest when dealing with their money

The Money Masters are just that — masters of themselves and their money. While they're third in income, surpassed by the first-place Entrepreneurs and the second-place Achievers, the Money Masters are first in assets. On the average, they're only four years older than the Achievers and the Entrepreneurs; (average age of forty-six for the Achiever and the Entrepreneurs; average age of fifty for the Money Masters), so age doesn't appear to be the major contributing factor for the difference in asset accumulation. The Money Masters do have fewer dependent children under twenty-five years of age (32 percent) as opposed to 40 percent for the Achievers and 38 percent for the Entrepreneurs. Thus, the number of dependent children could be a determining factor that allows the Money Masters to accumulate more; however, the percentages do not differ that significantly.

More of the Money Masters are retired or near retirement — 38 percent of them are sixty years and older — compared with 27 percent of the Entrepreneurs and twenty-four percent of the Achievers in the same age category. In addition, 53 percent of the Achievers have two spouses contributing to the family income while the Entrepreneurs have 50 percent and the Money Masters have only 46 percent. Those two factors, fewer two-income families and a greater number of older, retired members, might explain why the Money Masters are third in income.

One might argue that higher education is a direct link to higher income. However, we have already seen that the Entrepreneurs, who are first income, are only fourth in education behind the Achievers, who are tied with the Hunters for first place. Interestingly, the educated Hunters are fifth in income, sixth in assets. The Money Masters rank third in the number of college graduates and it is likely that, like the Achievers, the Money Masters have reaped tangible profits from their education.

If the demographics only partly explain the Money Masters' superior wealth accumulation, then the reason lies in their attitudes and feeling about money. And indeed, their money personalities do eliminate a lot of the mystery and explain the variance in wealth accumulation between the Money Masters are more attributable to their money attitudes than to age, education, income, and dependent children.

The Money Masters are in control; they know themselves and their money styles. They are aware of who they are, where they have been, and where they are going. Their money sense of themselves is both positive and secure. Of all the nine Moneymax groups, they rank the highest in involvement and contentment, are tied for first position with the Achievers in self-determination and pride, and are tied for first position with the Producers in work ethic and trust. Of all the groups, the Money Masters are the lowest in two traits that handicap wise and fruitful money management: emotionality and anxiety (tied with the Optimists in emotionality and anxiety scoring).

While even the Money Masters can fall short of total financial satisfaction, they have discovered the formula for both using and enjoying their money to their greatest benefit and pleasure. They have found the optimum balance between the control and mastery of money and the contentment and sense of security they reap from it. After making a decision to alter their money styles, many of my clients choose to model the Money Masters because they make optimal use of all of their personal financial traits. Likewise, they have nothing working against them to prevent a constant, steady climb to the top of their financial heap.

Master is defined as “a person with the ability or power to use, control, or dispose of something.” In terms of money, this Moneymax Profile epitomizes the definition. The Money Masters not only have the power to accumulate their money better than any other Moneymax group, but also they are able to use their money to provide self-satisfaction and contentment better than any one else. It makes no sense to have wealth if you can’t enjoy it and make it work for you. It makes no sense to work hard for money but wind up feeling insecure because you have no accumulated assets like some of the Moneymax Profiles, the Producers and the Perfectionists to name just two. Because the Money Masters exemplify an ideal blending of the thirteen financial traits, it is worthwhile to take a look at how they score on each trait and to compare and contrast those scores with the scores of other Moneymax groups.

*Involvement* — the degree you desire to be personally responsible and involved in managing and investing your money (first place). The Money Masters desire involvement with their money to an even greater extent than the Achievers. The Money Masters are involved and remain in control because they enjoy money management, while the Achievers have to be highly involved because they don’t trust others with their money. The Moneymax groups lowest in involvement are the Safety Players and the Optimists.

*Trust* — the level of honesty you believe people have in dealing with money (tied for first place with the Producers). While both the Achievers and the Money Masters have confidence in their money management skills, the Money Masters would trust someone else’s financial advice long before the Achievers would. Since the Achievers score second-lowest in trust (the Safety Players trust even less) they tend not to relinquish control of money and investments, while the Money Masters have a much easier time listening to others, be it a knowledgeable broker, accountant, financial planner, banker, or friend. This does not mean in any way that Money Masters can be victims of blind trust; they are savvy with money and scrutinize all angles before making decisions. Even though the Achievers and Money Masters might use a discount brokerage house to execute their own trades, Money Masters are more likely to use the services of a broker who has won their confidence by making sound investments. While the Money Masters would not allow a broker or financial planner to make a unilateral financial decision, they do not turn a deaf ear to advice that might be profitable for them.

It should be noted that this difference in trust does not imply that the Achievers never employ brokers or financial planners. They certainly do, but Achievers are more skeptical than Money Masters and have a more difficult time sharing control of their money. It is likely that Money Masters can trust others because they trust themselves. It is much easier to trust others when you trust yourself, no matter what the currency of the transaction. Because Money Masters count on themselves to treat everyone else's money as if it were their own, they believe that the money road runs two ways. After the Money Masters and the Producers, the other Moneymax group that scores high in trust is the Optimists.

*Reflectivity* — the extent to which you reflect upon past financial decisions while making current decisions (tied for second place with the Perfectionists). The only group that outscores the Money Masters, and not by a significant difference, is the Achievers. While the Money Masters and Achievers use reflectivity for solid financial gain and growth, the Perfectionists use it to overly criticize themselves and whatever financial opportunities are presented to them. The lowest scores on reflectivity belong to the Safety Players and the Optimists.

*Self-determination* — the extent to which you feel in control of your financial destiny (tied for first place with the Achievers). The Money Masters do not rely on fate to help them make money. They believe that their talent, knowledge, and skills will ultimately lead to financial success. Long-term as well as short term thinkers, the Money Masters analyze what they want and then determine the most expedient, efficient way to fulfill their goals. Other groups that have high scores in self-determination are the Perfectionists and the Producers. The two groups most likely to believe that financial success is primarily due to good luck are the Optimists and the Safety Players. While the Entrepreneurs have average scores in this trait, they are so convinced of eventual success that they believe in good luck not bad luck. While a low or average score in self-determination tends to be a handicap in the money game, it does not negatively impact the Entrepreneurs, who are the number-one Moneymax wage earners.

*Risk-taking* — the level of comfort you feel in taking risks with your money (eighth place). The only group that takes less risk with money is the Achievers. The Money Masters turn a very calculating eye on money because they want to be assured that it always works for them, not against them. They calculate each money step as part of a meaningful strategy that will ultimately lead to the accumulation of more wealth. The Money Masters do not take risks unless they have covered their bets. They like to know that whatever money moves they make will be profitable as well as bring them contentment and peace of mind. Unlike the Entrepreneurs, the Money Masters do not feel compelled to take risks in order to be successful.

Of all the Moneymax groups, the only two that take high risks are the High Rollers and the Entrepreneurs. If they aren't very careful, the Entrepreneurs can find risk-taking to be a money trap. Their zealous commitment to their vision and goals can lead them to assume more risk than they can afford. However, while risk-taking doesn't restrict the earning power of the entrepreneurs (first in income), it might influence their asset accumulation (third place, behind the second-place Achievers, who are the lowest risk-takers). For the High Rollers, risk-taking can be a financial disaster, causing them to rank overall seventh in income, eighth in assets.

*Emotionality* — the degree of emotion you feel in dealing with your money (tied for last place with the Optimists). The Money Masters have no emotional attachment to money but use it in a rational manner, as a tool to buy them security, happiness, and peace of mind. Besides the Money Masters and the Optimists, other Moneymax groups who do not allow feeling to guide financial decisions are the Achievers, the Safety Players, the Perfectionists, and the Entrepreneurs. On the other end of the emotionality scale are the Hunters and the High Rollers.

*Spending* — reflects you attitudes for spending versus saving your money (tied for second to last place with the Achievers and the Producers). The Money Masters feel better when they save money instead of spending it. That is not to say that they don't spend money and don't enjoy spending it. However, they tend to spend money on appreciable items and are greatly influenced by the value of an item before making a decision to purchase.

Money Masters prioritize their goals and objectives and develop a spending plan that reflects their priorities. That spending plan guarantees that they will remain in control of their money and continue to accumulate assets.

The Hunters, the victims of emotional spending, can benefit greatly by adopting the spending style of the Money Masters. The imbalance between spending and saving (accumulating assets) makes the Hunters feel out of control with money. The Hunters spend money without any real awareness that they may be sacrificing future security for the pleasures of the moment. One of the reasons the Money Masters have so much contentment with money is due to the fact that they know how to accumulate money for themselves, by themselves. The Hunters, unfortunately, are too ambivalent about taking care of themselves. Too often the Hunters do not try to influence their financial results and instead choose to remain powerless at making changes in the results on their financial scoreboard.

*Anxiety* — the degree of anxiety you feel in making financial decisions (tied for last place with the Optimists). The Money Masters are confident, steadfast, and resilient when working with money. Their lack of emotion and anxiety results in levelheaded, sound money management styles. A financial mistake does not cause them to doubt their abilities. Other Moneymax groups low in anxiety are the Entrepreneurs, Achievers, and Safety Players. The groups that tend to get nervous about money and money decisions are the Producers, the High Rollers, the Perfectionists, and the Hunters.

*Power* — the extent that the desire for power drives your behavior (tied for last place with the Optimists). Contrary to popular opinion, the segment of American society with the most assets, the Money Masters, is very uninterested in receiving public recognition because of their money. While the Moneymax groups as a whole reflect a low desire for power and prestige, there are some profiles that tend to shift toward the power end of the spectrum: the High Rollers (seventh in income and tied for seventh in assets); the Producers (ninth income and tied for seventh in assets); the Hunters (fifth in income and tied for seventh in assets).

*Altruism* — the extent to which you believe in the financial generosity of others (third place). The three top profiles in this trait — the Perfectionists, the Producers, and the Money Masters — have very close scores. It is interesting to note that while the Perfectionists and Producers are both low in income and assets, the Money Masters, one of the wealthiest groups, is also one of the most altruistic groups. Obviously, they don't accumulate more money because they refuse to give any away. Their practical, rational money style may cause them to hold on to their money, but they are not hoarders and they are not lacking in financial generosity. It's a common fallacy to assume that people who have money and assets get them because they are tight-fisted and contribute very little to others who are less fortunate. While it may be true that the Money Masters can afford to be altruistic, it is also true that people who can afford to give money to those in financial difficulty don't necessarily do so. Since the Money Masters don't have a need to impress others with their money (tied for lowest power motive), they don't use their charitable contributions to buy entry into elite society. Rather, they donate their money to causes and organizations which they truly want to support. The group that scores lowest in altruism is the Safety Players.

*Work Ethic* — your views of how the work ethic relates to your financial success (tied for first place with the Producers). The Money Masters worked hard to get where they are and refute the assumption that the wealthy get wealthy by inheritance, nepotism, or dishonest means. After the Money Masters and Producers, the groups that score the highest in work ethic are the Achievers and the Entrepreneurs.

*Pride* — an index of the personal satisfaction you have attained in the way you have handled your money (tied for first place with the Achievers). Other groups with high pride are the Entrepreneurs and the Optimists. The lowest scores in pride belong to the Perfectionists.

*Contentment* — the degree of personal happiness money contributes to your life (first place). The Money Masters have positive, healthy, and profitable attitudes on all of the above financial traits. Thus, it is logical that of all Moneymax groups, the Money Masters have the highest contentment with money and have secured peace of mind with their financial status in life. Other very content groups are the Optimists and the Achievers. In the middle, with average contentment scores, are the Entrepreneurs and the Producers. The groups that are the most discontented with their current financial condition are the Safety Players, the Hunters, the High Rollers, and the Perfectionists.

When using the Money Masters as a model profile, it is pointless to isolate one or two traits to emulate. For example, it is counterproductive to think that if you can learn to trust the financial advice of others, you can become a Money Master. It is the combination of traits that works to their benefit. Because they are so knowledgeable, so involved, so in control of money, the Money Masters can trust others because they know who to trust, who is deserving of their trust.

When we look at the Money Masters and determine the reasons why they have accumulated so much, we find that it isn't so much that they have a magical investment formula as it is that they possess the basic money attitudes that foster financial success. They are practical; they don't need a lot of prestige and public recognition; their financial decisions are usually good ones. Most of the time their investment decisions have been profitable because that have been thoughtful and have avoided high risks, settling instead for steady, reasonable returns. Often the need to pursue high risk, the big kill with big returns, is more of a power play than a money motive. The fact that the Money Masters don't need prestige or recognition from anyone else enables them to analyze all financial options before committing themselves.

The Money Masters, in total control of money, are also the masters of self-esteem. They not only possess great confidence and a sense of accomplishment but also have significant contentment and feeling of personal worth. Their tremendous personal power earns them security and the belief that they can excel at whatever they set out to accomplish. The security and confidence that come from knowing they are in control give them high self-esteem and a high level of trust in their fellow man.

The Money Masters, third in income, are first in assets because of their healthy money personality and good, sound financial decisions. They dispel the notion that you have to make a lot more money in order to accumulate more assets. Instead, they prove that you have to use your money more wisely to assure continued financial success and security.

The Money Masters rank the four Moneymax financial goals in the same order as the Achievers and the Entrepreneurs: 1) growth and appreciation; 2) current income; 3) safety; 4) tax advantage. The Money Masters have done well in the real estate market and own single and multifamily rental properties; they consider both to be very satisfactory investments. The Money Masters also like whole life insurance, which gives them good, sheltered growth and fits their goal of accumulating assets conservatively. Its cash value is like buying a home and getting the equity versus buying term insurance (like renting) and receiving nothing if you live. Since the Tax Reform Act of 1986 was passed, many Money Masters, as well as financial advisers, feel that high quality cash value life insurance is one of the best financial vehicles for accumulating money for the future because all growth is sheltered from taxation until you take the money out.

For those Money Masters who are more interested in current income than growth, municipal bonds or bond funds are one of the preferred investment choices. The bond funds allow them greater diversification of risk and the professional management the funds provide appeals to their practical, low risk attitudes. There is, however, a case for purchasing individual bonds as well.

What I have found the most interesting about the Money Masters is that when I've asked them if money provides a sense of security, they have replied that confidence in themselves is what makes them feel the most secure. If they had to start all over again — make money and accumulate it — they are convinced that they could duplicate their success. That high level of confidence comes more from their sense of themselves than it does from the money they have earned and saved. It is obviously difficult to predict how the Money Masters would feel if they had substantially less assets. Would they be as content, feel as secure? A great number of Money Masters answer in the affirmative. They are empathetic in stating that money alone doesn't but contentment nor does it buy security.

## MANEUVERING A TWO-PARTY JOURNEY

As stand-alone money managers, Money Masters maneuver their financial lives quite skillfully. However, when matched up, in business or personal relationships, with people who have different money attitudes, the Money Masters can encounter difficulty.

Julia (a Money Master) and her fiancé, Roger (a Safety Player), were unable to resolve some critical financial issues that stemmed from a wide disparity in their incomes and assets. Both Julia and Roger had been previously married. She had experienced few financial problems in her former marriage because and her ex-husband had no children and, for the most part, kept their money separate. However, there were two properties that they jointly owned, a vacation home in Santa Barbara and a condominium in Los Angeles. When they divorced, Julia kept the Santa Barbara house and her ex-husband kept the condominium. All other assets purchased after their marriage were shared equally.

Roger had quite a different situation with his ex-wife and family. He had been the only breadwinner for the family, and his divorce "wiped him out," as he put it. His ex-wife was entitled to live in their house until their daughter of college age, so he would not reap the benefits of the equity in the house for several years.

Julia was the owner of a successful travel agency that managed not only to survive in the lean days since deregulation of the airlines but also was growing substantially each year due to the addition of some lucrative corporate accounts. Roger is a builder whose small business provided an adequate, but erratic, income. He always seemed to underestimate the time necessary to complete a job, so cash flow often became a problem. Roger was a hard worker but never appeared to be able to save as much money as he planned; his business expenses and child support payments consumed much of his income. He had few investments and kept his money as liquid as possible. However, he felt that he handled his money well because he was frugal and managed to support his business without every defaulting on a loan or without any major financial difficulties with contractors and suppliers.

As the wedding date approached, Julia asked Roger to agree to a prenuptial contract. In Roger's previous marriage, the money had always been in one big pot; there's no such thing as your money and my money. Now the woman who supposedly loved him was asking for a legal separation of money. Since Roger felt that two people who were married should be able to trust one another and help one another during bad time, he had a difficult time understanding Julia's request.

They were also having problems working out a living arrangement. Both lived in apartments in the suburbs of Los Angeles; both lived close to their offices. Roger wanted to buy a lot on the beach and build a new home for them, but Julia felt they couldn't afford it and didn't want to have to travel a longer distance to work. Roger proposed that Julia pay for the lot and he would build the house. Julia said that when his former house was sold and he had some money to contribute toward the purchase price of the lot, she would consider investing in a beach house. But she needed to be close to her office, and it was not practical for them to have two getaway properties, one in the countryside of Santa Barbara and one on the beach. Driving from the beach every day into town and back would add at least ninety minutes to her already hectic day. Roger was very frustrated by Julia's refusal to buy the beach lot, and he grew argumentative, withdrawn, and sullen. Julia felt their relationship was deteriorating and she might have to reconsider his requests or lose her fiancé.

She made an appointment with her attorney, who had initially recommended the prenuptial agreement to protect her assets and future earnings. He concurred with Julia's decision regarding the beach property but advised that the couple resolve their financial differences before he drafted a prenuptial agreement. Obviously some compromises would have to be made by both parties. The attorney suggested that Julia and Roger work with a third party to help them communicate on money-related issues; that is how I met them.

Julia turned out to be a Moneymax Money Master and Roger a Safety Player. Julia made financial decisions in a very analytical way, always looking at the current situation s well as the long-term consequences. It was a style that had always paid off for her. Now she had to make decisions that involved a Safety Player, who has a more impulsive style. Roger did not consider building the beach house as risky since construction was his business. Nonetheless, Roger had not really analyzed the downside of building a house on the beach — the distance and commute time to Julia's office, the advisability of having a house on the beach and a home in Santa Barbara, the work and resources that would be required of him at a time when he was trying to recover financially from a divorce. A couple has enough adjustments to make after marriage without incurring a huge expense to build a new house. Asking Julia, a Money Master, to liquidate some of her assets to buy a beach property that she didn't want or need was outside the boundaries of her money style. In her estimation, they had plenty of time to reconsider the project.

Because she was in the travel business, Julia took frequent trips and whenever possible tried to get Roger to accompany her. Since he rarely had extra money for vacations, Roger thoroughly enjoyed the travel but was bothered by the fact that Julia paid for most of the expenses. He was concerned that she would always be able to afford lavish trips and he would never be able to pay for them. Roger could justify his request that Julia pay for the beach lot because he would contribute his labor and expertise to build the house. While that seemed like an equitable trade to him, he knew there was no trade-off when Julia paid for their vacations. Julia didn't mind paying for the trips because they were usually a business write-off. She didn't like to travel alone and said Roger was a wonderful companion. Even though the travel expenses were not a financial drain on Julia, Roger insisted that the trips be part of their negotiation process.

Julia and Roger had money differences but they also had a lot of similar values. For example, they were both willing to assume responsibility for financial matters. Julia said that when she first met Roger, she wondered if he was attracted to her because of her money, but after getting to know him, she realized that he was too proud to marry a woman for money. It was important to Roger that he convince Julia that he intended to pay his own way. While they were dating, if he couldn't afford to take her out to a restaurant, he cooked dinner at home or packed a picnic lunch for the beach. Roger did all the repair work in Julia's apartment and in her Santa Barbara house. When he couldn't contribute dollars to the relationship, he volunteered his energy and work.

After an open and honest discussion about the pros and cons of the beach property, Julia and Roger decided to put the project on hold and rent an apartment or condominium that both of them could afford, without Julia having to pay the major share of the rent. The decision would give them some time to adjust to living together before they considered buying or building a house. What initially may have appeared to be a very selfish move on Julia's part, not wanting to buy the beach property, turned out to seem reasonable to Roger once he got rid of his anger and disappointment. At the time the disadvantages of a new house outweighed the advantages. However, both agreed that it would be a viable option for the future. Julia said that she would be willing to sell her Santa Barbara house if she thought that a home on the beach would make them happy and would be a wise investment of their money.

It was very important to Julia that she not begin to resent Roger's lesser income and significantly smaller asset base. In addition, she didn't want to give up her business/vacation trips and she still wanted Roger to go with her whenever he could get away from work. They decided to continue taking trips together but they would budget the trips so that Roger would pick up some of the expenses for hotels and food.

Each agreed that their earnings were to remain their separate and sole property for the time being. Julia made a salary of about $80,000 a year and Roger made anywhere from $50,000 to $60,000. Julia would continue to make her own investments and contribute to her retirement fund from her earnings and would set aside an agreed-upon amount for their joint checking and savings account. Roger did the same and said he needed to rebuild he asset base and save some money to cover the erratic cash flow of his business.

They agreed to rent a house on the beach during the following summer to see how they liked living on the beach and to see if the commute from the beach to Julia's office was acceptable or stressful. Julia was very pleased with that arrangement. She always liked to cover her bets and the summer rental gave her the opportunity to evaluate building a house on the beach before making a large financial commitment.

Just as it was important to Julia that Roger not become financially dependent on her, it was equally important to Roger that Julia not resent his financial limitations; he was not about to lose his dignity or pride. They both know they were in a vulnerable situation because in their marriage the wife would be the major income earner and would have the greater assets. It was a fact they both would have to accept. They appeared willing to be flexible and communicative, knowing there would be many personal and financial obstacles in their partnership.

## MONEY CAN'T BUY CONTENTMENT

As a composite picture, Money Masters have excellent scores on each one of the Moneymax financial traits. However, even Money Masters can fall short of total financial satisfaction.

Ronald, age fifty-three, was a very successful account executive for a national brokerage firm. Divorced, he had no financial obligations, since his children had graduated from college. He owned a beautiful home in a beach resort community, and his yearly salary totaled six figures. Ronald personified all the healthy money attitudes of the Money Masters except one — contentment.

Ronald had never liked any of his high-paying jobs, including his current position. Extremely rational, he didn't believe you could actually make money doing work that was enjoyable. For the most part, Money Masters appear to enjoy the way they earn their money; however, there are exceptions like Ronald.

What Ronald enjoyed most was photography. While aware of his talent, Ronald thought he must be mentally unbalanced even to consider leaving his current job to open a photography studio, but that's what he wanted to do. A calculated risk-taker, he knew that starting up his own business would be exciting but there were no guarantees that he could make the business profitable. Ronald had always been a self-starter and whether he managed himself of somebody else, he accepted challenges with optimism and enthusiasm. Thus, he was disappointed in himself because he seemed unable to quit his job and move forward with a new business.

I suggested that Ronald need not quit his brokerage job in order to start his photography business. While exchanging a high-paying job for an uncertain future might suit a Moneymax Entrepreneur, the strategy did not fit Ronald's Money Master personality. A conservative risk-taker, Ronald needed to be able to sleep at night and be at his best to start a new career. He needed to keep his stress level down to a manageable level. If her were to become anxious about making his new business a success, he might set himself up for failure. So we developed a plan for his new business while he continued to work at his full-time job; that way he would still be earning an income while he was planning a new career. At least for the period of time necessary to get his business off the ground, he would have the security of his other job. Ronald never lacked confidence in his professional ability, but he wasn't sure he could support himself by working at his "hobby". However, he was sure that if he devoted enough time and energy to the business, he could make money and perhaps enjoy himself at the same time. It was a risk he was willing to take.

Part of the business development required Ronald to do some marketing research on photographers working in his area — what kind of competition would he encounter, who were the best photographers and what did they charge, who were their clients. To his amazement, there wasn't much competition and he felt his photographs were far superior to most of the work he had seen. In addition, Ronald had worked on a committee for the 1984 Olympic Arts Festival in Los Angeles and had quite a good list of professional and social contacts.

Since the major reasons most small businesses fail are under-capitalization and high overhead, Ronald decided to convert his garage into a studio. He would avoid paying rent, which would allow him to use the extra money for advertising, marketing, or photography equipment. As construction on the garage studio began, Ronald continued to develop his marketing strategy, targeting prospective clients for work on weekends and in the evenings. Since he couldn't leave the office until one, after the Stock Exchange closed on the East Coast, he sought work that would comfortably fit into his busy schedule.

Within a year, his photography studio was up and operational. Using his vast network of business and social connections, Ronald had more clients than he could handle. He quit his brokerage job after five months. His photography studio has now become so profitable that he has hired several employees to assist him. In his free time, he teaches photography at a local community college. He feels his business has given a whole new perspective on life and continues to be somewhat amazed that work can be both fun and profitable. Ronald feels very fortunate to have successfully changed careers at a time when most people his age are already planning for retirement, not starting a new business.

What Ronald accomplished is not an easy task for most people, including Money Masters. However, if any profile can muster up the confidence and energy to start all over again, it is the Money Master profile. While the Entrepreneurs have the same level of confidence and ambition and are a lot more tolerant of taking risk, the Money Masters are more convinced that they can accumulate money and make it work for them. In general, they are more rational about the chances they take than the Entrepreneurs, who sometimes get ahead of themselves because of their enthusiasm and drive. The Money Masters are more realistic, never assuming that unknown factors, or fate, will intervene on their behalf. They deal very well with a situation as it "is" and do not get carried away emotionally by what they wish it to be.

Ronald was practical in planning his business and executed his plans in a very systematic manner. As a Money Master, he needed to assure himself of success, as much as possible, and to cover his risks, as best he could. Once his new business was successful, he felt comfortable leaving his old job. Entrepreneurs with money in the bank probably would have taken a much higher risk and quit their jobs, figuring that they had enough money to live on if the business failed. High Rollers would have opened up shop immediately and started advertising their services without a business plan. Safety Players and Perfectionists would have a difficult time believing that they could start up a successful business.

## MONEY MANAGEMENT STYLE

1. Of the Moneymax groups, the Money Masters are the number-one users of many investments, especially T-bills/notes, municipal bonds, limited partnerships, and money market accounts.
2. They are most satisfied of all Moneymax groups with common stock mutual funds, along with the Achievers.
3. They are the highest investors in municipal bonds and are the most satisfied of all groups with this investment.

4. They are more satisfied than any other group with residential rental real estate.
5. The Money Masters are second to the Entrepreneurs in the ownership of coins and stamps. However, the Entrepreneurs and the High Rollers are more satisfied than the Money Masters with these investments.
6. As a group, the Money Masters invest in commercial real estate a lot more than do the High Rollers and the Hunters, but the latter two groups are more satisfied with commercial real estate than the Money Masters.
7. The Money Masters are generally more satisfied with cash value like insurance (whole life, universal/variable life) than most of the groups. Yet, the Money Masters are only moderate users of whole life and one of the top three users of universal/variable life insurance.
8. As a group, they generally desire safety of principal with a high level of tax-sheltered growth and/or tax-sheltered income.

## FINANCIAL STATEMENT — THE MONEY MASTERS

The Money Masters are third in income, first in assets of all the Moneymax groups. They are the second-oldest groups, with an average age of fifty. For the most part, they are college graduates and are married with few dependent children. Of all the groups, they are the number-one home owners — 84 percent of the Money Masters own their own home.

The Money Masters appear to have it all — adequate income, accumulated assets, excellent work ethic, trust in their fellow man, a generous attitude of giving to others less fortunate, practical spending, a confidence in their financial decision-making skills, control and a feeling of power over money, the lowest degree of anxiety and self-doubt, tremendous pride in the way they handle their money, and the greatest contentment of all the groups with their financial status in life.

They care very little about receiving prestige or influencing others with their money. They are cautious and calculated risk-takers, motivated by minimizing their gain as long as they can calculate the chances of success with some assurance. They prosper with solid, consistent investment plans. It was probably a Money Master who coined the statement, “It’s not what you earn that counts, but what you keep.” Lastly, even though they are the greatest accumulators of wealth, they feel that it is not their money which brings them the greatest sense of contentment. Rather is the knowledge that they are capable of controlling their money and making it work for them.