# Moneymax® Safety Players

**A chapter from the best selling book,**

YOUR MONEY PERSONALITY

*What It Is and How You Can Profit from It*

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# Safety Players

Security is mostly a superstition. It does not exist in nature, nor do the children of men as a whole experience it. Avoiding danger is no safer in the long run than outright exposure. Life is either a daring adventure or nothing.

— Helen Keller

Human felicity is produced not so much by great pieces of good fortune that seldom happen by as by little advantages that occur every day.

-- Ben Franklin

**GUIDELINES**

. . . Believe that their financial fate is often cast by forces outside of their own control.

. . . Have a tendency to be more passive with their money than to actively take charge of their money management.

. . . Don't often feel in control of their financial security but don't particularly worry about it.

. . . Have a tendency to make financial decisions without a lot of analysis.

. . . Are skeptical of whether financial success can be attributed to hard work.

. . . Have a high level of doubt that people can be trusted when their money is concerned.

. . . Tend to disbelieve that people will be financially generous with others less fortunate.

Do you believe that being in the right place at the right time is the main reason you landed a good job, or a promotion, or an increase in salary? Or do you believe those accomplishments were earned by your ability and experience? When your investment nose-dived, did you chalk it up to bad luck or to a poor decision? In other words, do you believe you are mainly responsible for your financial success or failure, or do you attribute financial outcomes to fatalistic, external forces?

Your answers indicate whether you are self-determined and feel primarily responsible for life's events; or whether you are fatalistic and perceive yourself more as a money victim, subject to outside forces which are beyond your control.

If you believe that money comes and goes as a result of luck or fate, that it is under the control of powerful others, or that money gains and losses are unpredictable because of the great complexity of the financial structure, then you believe that your money life is governed and shaped by the world around you. You are fatalistic, externally controlled. If, however, you believe that who you are and the actions you take directly influence the outcome of financial decisions, then you accept responsibility for financial losses and are proud of financial gains. You are therefore self-determined or internally controlled.

People are not totally internally or externally controlled with their money. Belief in self-determination is a continuum. It should be emphasized that the money behavior of an individual in any given situation is a result of many converging factors and self-determination tendencies may vary accordingly. However, the Moneymax continuum with self-determination at one end and fatalism at the polar opposite definitely characterizes Moneymax Profiles as having one tendency or the other.

Self-determined Moneymax Profiles like the Money Masters and the Achievers believe that financial rewards come through skills, brains, and perseverance. Any monetary mishap or failure means that more effort must be put forth. Outside influences are considered by play only a minor role. These profiles believe that they can put their own plan for financial success into effect; they have complete confidence in their own abilities to move ahead, and they will assume all responsibility for doing what has to be done to succeed. If they fail, they will fail because they did not put enough time and effort into the plan, and not because they did not have the right skills, or because fate stepped in at the last moment and brought everything crashing down.

The Moneymax Profiles who take a more fatalistic position, like the Safety Players, tend to see both monetary success and failure as a matter of luck, a gamble that worked, or a gift bestowed by the money gods. As fatalistic money believers, they steer toward structured, bureaucratic work environments and tend not to enter the entrepreneurial arena. Safety Players would like someone else to assume responsibility for their money actions and the consequences of those actions.

A Safety Player investor who lost money might protest, “My stockbroker led me astray.” A self-determined profile like the Money Master would say: “My stockbroker’s got to give me more facts before I decide to buy again. I should have spent more time evaluating that investment.”

When Safety Players do acquire profits, they often attribute their financial success to reasons such as, “I was just lucky that the market was doing well,” “that broker certainly chose the right stock,” “the competition wasn’t that hot.” And when they fail, Safety Players don’t look to themselves for the answer but feel that the fates intervened at the wrong time, that they trusted the wrong person, that the decks were stacked against them.

The Safety Players are average income earners and accumulators of assets. They are comprised of many two-income families and many have dependent children in the home. They are predominantly married and are older rather than younger -–46 percent are over fifty years old and 13 percent are under thirty. As many live in the city as in the country, as many live on the West Coast as on the East Coast, as many have college degrees as have only high school diplomas.

Savings accounts are, by far, the most preferred strategy for Safety Players – no worries, no effort. Of all the Moneymax groups, the Safety Players have the highest use of savings accounts; 89 percent of them have had or currently have savings accounts. However, of all the Moneymax groups the Safety Players are the *least* satisfied with savings accounts. After savings accounts, they use whole life insurance, residential/rental properties, and government bonds.

Since their expectations are low for financial growth and asset accumulation, Safety Players are reluctant to investigate other financial vehicles. For example, they show little interest in corporate bonds (80 percent of this group have never owned or want to own corporate bonds). The Safety Players probably perceive this investment as beyond their understanding and expertise because it relates to an unfamiliar set of financial circumstances. If they were to spend time in understanding this investment, either through their own individual efforts or those of a financial adviser, more of the Safety Players would learn, as some already have, that high quality corporate bonds can be better investments than savings accounts – the return is greater and there can be ample safety. Since the Safety Players' highest financial objective is current income, corporate bonds or bond funds, properly selected, as well as other investment opportunities, like tax-free municipal bonds or government securities funds, would likely meet their desire for current income. Those Safety Players who have put their money in corporate bonds or bond funds have been satisfied with their investments.

Safety Players take the easy way out by placing their money in the bank, recognize and admit that savings accounts are a source of dissatisfaction, yet are reluctant to change their habits and money management style. While they do want to become better money managers, they feel incapable of affecting desired financial results. They have intelligence and formal education but lack confidence and motivation.

The Safety Players share many similar demographic characteristics with the Money Masters. Both have basically the same educational background, are roughly the same age, and have a similar percentage of professional/managerial careers. However, there is a vast difference in net worth or accumulated assets – the Money Masters have a third more in net assets than the Safety Players.

The reasons for this significant difference lie in their financial personalities. The Safety Players and the Money Masters are at opposite ends of the spectrum when it comes to attributing the reasons for financial success, the control exercised over money management, trust in the financial honesty of others, and the degree that hard work contributes to financial success in life.

The Money Masters know how to make a dollar stretch for maximum benefit, usually make wise financial decisions, and are in control of their purse strings, aware of what comes in and goes out. The Safety Players are more passive and allow outside events and people to take charge of their destiny. Safety Players enter the money game by betting that they will be either the beneficiaries or victims of luck and fate. They would rather rely on the advice of others instead of digging in to challenge themselves, improve their performance, and assure their success. They want to go on the money ride but would rather sit in the passenger seat than drive. The Money Masters, how have the highest scores in self-determination, are also the greatest accumulators of assets and the most content with their money. Whereas the Safety Players, who have the lowest scores in self-determination, are fifth of the nine profiles in assets and are not content with their money status. The Money Masters also have the highest trust that people are basically honest in dealing with money, while the Safety Players are skeptical that people can always be trusted with financial transactions.

The Safety Players do not assume control of their money, would rather be passive, yet at the same time, don't trust that others will be honest in financial dealings. Thus, they find themselves in a very uncomfortable predicament: they are reluctant to assume responsibility to improve their financial status and they don't trust the advice and expertise of others who might be of valuable assistance.

It may be easier to believe that you are in control of your money when you are financially successful, but the Safety Players are far from financially destitute. They are middle income earners with average asset accumulation. When compared with the other Moneymax Profiles, it is very evident that the Safety Players could have even more assets and be more prosperous and content if they would alter their orientation about money.

In my practice I have counseled Safety Players by suggesting that they adhere to the following game plan:

First, outline your financial objectives for the short, intermediate, and long term. For instance, during the next twelve months, what are your needs and desires and how much money will it take to meet those goals (a new car, appliance, vacation, home)? The same type of thinking should then be applied to three-to-five-year goals and then for the next six to fifteen years or longer – college for the kids, retirement, a vacation home, and so forth.

Second, write down your assets and liabilities, and make a list (from canceled checks if necessary) of everything you spent money on during the previous one-year period. Preparing this list may be one of the hardest tasks you have ever faced since most people don’t really know what they spend money on, and frankly don’t want to know.

Step three is to seek out several different adviser: accountants, brokers, or financial planners who have the proper credentials and a good reputation (be sure to check references). After you have decided which of these people you want to work with and a plan has been prepared, give yourself a chance by adopting some of the recommendations. Watch the results and the quality of service over time and build slowly and cautiously. Remember that a Safety Player money personality feels much greater peace of mind when eased into financial and investment planning instead of being overwhelmed initially.

This approach is geared to help Safety Players really change their behavior from a lack of involvement and a fatalistic approach, to an action-oriented, take-charge strategy. Without this kind of plan, the Safety Players will likely repeat their past mistakes.

The Safety Players need to develop a good internal barometer and perceptual system so they can better detect and read the internal and external forces that impact their money management style. They need to realize that some things are under their control and others are not, and the first step toward financial well-being is to learn which is which. Their financial plight in life is not predestined. Financial struggles and unfulfilled aspirations need not be a continuing part of life.

The Safety Players need a new belief system about financial success – that luck is when opportunity meets preparation. No doubt the equation is tricky. Some people earnestly believe that success comes from being in the right place at the right time. I prefer to believe that it takes skill, persistence, and initiative to be in the right place at the right time. Oftentimes, successful investors will hit upon what they call a lucky stock choice. But if they examine their previous behavior, what they often find is that their experience gave them the knowledge and confidence to go with choice at that time instead of passing it up or deliberating until the opportunity was gone.

The Safety Players play it safe because they are unsure of the outcome, the probability of success. When they are challenged, they invest less effort, time, and personal resources than do other more affluent Moneymax groups. Whereas the Entrepreneurs would adopt a strategy to maximize the number of favorable monetary outcomes, the Safety Players would likely rely on hunches or stick with a plan used previously in a similar situation. The Entrepreneurs want to assure themselves as much as possible that they will win. Even though the Entrepreneurs are not conservative planners and do take risks, they try to control fate. The Safety Players are creatures of money habits. They rely on what seemed to work the last time or what felt most secure. Be remaining in the comfort zone, they don’t stretch themselves and don’t push forward.

Safety Players rarely sit down and say, "I'm afraid of financial responsibility." Admitting that truth is painful and suggests that one should examine the fear and take action to correct it. Most Safety Players like to think that they do take advantage of opportunities as they are offered – even if they don't. Take those Safety Players, for example, who are offered, but refuse, promotions from one department in a company to another department. They rationalize and justify the reluctance to make a move by saying: "Well, I know everyone over here. We work well together and get along. There's a good morale. The extra money isn't that much and won't be worth much if the new job doesn't work out. I don't want to leave here." Those statements may all be true but may not be the genuine reason for turning down a job promotion.

If someone can establish a solid job performance and good relationships in one position, why can't they be established in a new position? The Safety Players don't think the situation through for themselves because it might reveal some personal feelings that they would prefer to avoid. Because the Safety Players attribute success or failure to forces outside of themselves – not their knowledge, nor their skills, nor their energies – they are just as likely to anticipate failure as success. Low expectations for success have a great influence on the likelihood of hard work culminating in financial success.

Fatalism certainly impacts their belief in the work ethic. Safety Players can become very disillusioned and lose incentive and drive when they are unsure of whether all their efforts will pay off. They can become cynical rather than trusting, indifferent rather than ambitious, and cautious about change rather than ready and willing to risk. They say they are somewhat proud of the way they handle their money but not very content. They say they don't feel very emotional about their money nor extremely anxious or worried about it, but that may be a rationalization.

Safety Players have learned to deny their discomfort with their financial status. They try to deny reality – pretend it's different – and make excuses for not taking control of their financial destinies. They hold onto their self-esteem by undercutting their ambition and the role of money in their lives: "I don't care about having money; it causes too much trouble anyway. Look what it's done to Uncle Sam or Aunt Rose or the Tompkins next door."

Safety Players assume a role of indifference and nonchalance. It is difficult for them to take risks and attempt to change when the game is to pretend that they simply don't care. So intent on maintaining the status quo, the pretense that everything is okay, the Safety Players don't prepare or motivate themselves to step out and take a look at how they feel or what they really want. So what that a Camaro is in the garage instead of a Lincoln? Moving into a new home in a better neighborhood would be nice but it's not that necessary. Compared with others, they aren't doing badly; they're not interested in planning, doing, risking.

The "I'm doing just fine" pretense serves the purpose of saving face regarding money or lack of ambition. Safety Players value the facade because it protects their self-esteem and plugs up the holes in their armor. They typically don't try to win the money contest but either pretend to try or make some excuse about why they weren't able to do their best. Thus, they can rationalize failure to themselves and save face with others if the reason for not winning is because they didn't put their "all" into it.

They do not allow themselves to go after what really matters to them. They deny their desires, rationalize, them away. Somehow they manage to sidestep opportunities – lack of time, sickness, family emergency, some reasonable excuse.

They are good at pretending that the reason they are not really involved with money is because they choose not be involved.

Success is intellectually and emotionally a foreign game to them. Acknowledging their skills and intelligence and allowing others to watch them stumble, climb, and risk is too threatening. To be evaluated by someone else's standards puts the Safety Players in too vulnerable a position, so rather than risk failure and rejection, they back off. Whatever they do with money usually lacks active participation, which results in money and greater wealth being "out of their control". Sometimes the frustration of not having control leads to impulsive financial decision-making. Safety Players will jump into an investment and then jump out just as quickly, leaving a cloud of dust for someone else to copy with.

They can be provocative, both personally and financially. A Safety Player will tell you that he wants to invest in a time-share ski condominium, that she wants to splurge and go out to a four-star restaurant, that he will take a hotel room with a full-ocean rather than a partial-ocean view, that she prefers the orchestra seats in the theatre to the balcony, that he can be counted on in the next group outing to the seashore. When the time comes for them to show up or pay up, the Safety Players are often missing.

They want to believe that they are participants and more importantly that others see them as participants. They go through the whole rehearsal of getting ready for the theatre, the restaurant, the vacation, but back out at the last minute. Maybe they didn't want to spend any money at all; maybe they would have gone if the seats had been balcony instead of orchestra; maybe they weren't interested in the particular activity. Nonetheless, they didn't want to acknowledge the truth and risk not belonging to or alienating the group. A Safety Player will agree to play golf on Saturday morning with the guys from the office, then phone in and cancel late Friday night. On Monday morning, he will congratulate the winner and in the spirit of camaraderie say, "You might not have won if I had been there to give you some real competition. I feel bad that I had to cancel. But wait until the next time."

Safety Players want to be viewed as active participants, as part of the team. Unfortunately, they often promise what they cannot deliver. They can disappoint and anger others when they don't follow through on a commitment or own up to the trust or say yes when they really mean no. When confronted and pinned down to account for their contradictory behavior, they have a fistful of excuses and a "who me?" attitude.

Some Safety Players are easy to recognize because they play it safe in every area from investments to careers to personal relationships. Others are much more difficult to identify. A Safety Player may buy a new car every few years and purchase a top-of-the-line washing machine but may balk at staying at any hotel above budget prices or shopping anywhere but a discount store. A Safety Player husband may wholeheartedly promise his wife a European vacation if they should ever have an extra $10,000. The truth is that if the $10,000 ever appeared, he would probably head straight to the bank, perhaps holding back a small sum for a week's vacation at a nearby resort.

A Safety Player who is a compulsive saver and budgeter may generously volunteer his time and services to friends – fixing appliances, painting a house, paving a driveway – yet accept not a dime in compensation. Again, the money pretense appears; this is who I want you to think I am even if I'm not. Not all Safety Players will end out the same signals or clues but there is an overall pattern to their behavior.

Many Safety Players spend entire lives acting out money roles that are very close to the money styles they desire but won't go out and build. They don't see the difference between their pretend money style and self and their real money style and self. The defense systems, shored up and rationalized over many years, are quite sturdy and invincible to bolts of reality.

Safety Players are typically resistant to change. They disavow the fact that they are truly the center of their financial system because they have a lot invested in disbelieving. Initially, they tend to reject the suggestion that they create a better money self with more positive attitudes and behaviors. They feel uncomfortable with financial responsibility, thinking it may somehow leave them overwhelmed, vulnerable, and poor.

But their acquiescence produces anger and frustration that become trapped within themselves even though they try to detach them. If financial problems, disappointments, unresolved ambitions are detached or put out of focus, then the Safety Players have no reason to be anxious or bothered. Then the way they have conducted their financial lives is justified according to the way they believe the money system works.

Despite their superb powers of rationalization, Safety Players have a deep, unresolved feeling that they deserve better, but they don't trust that feeling and pit it to the test. They'd rather not know than be disappointed. It's easier to stick to their basic philosophy: "Life is a struggle. I must be careful with my money. Most people don't get what they want no matter how hard they try. Even if I made more money,, it might not make me happier and I'd just have to pay more taxes. I should be satisfied with what I've got."

Safety Players are motivated more by avoiding failure than by achieving greater financial success. The way for them to avoid the evils of money is to protect themselves and minimize loss. They are also afraid of the unknown. They understand their present financial situation and even if they have misgivings about money management, it's better to be safe than sorry.

Safety Players need to risk placing themselves inside their money ambitions. By remaining detached, they have created an unrealistic "secure and safe" financial environment which leads to stagnation and frustration. So while they opt for security and safety, they do so at the expense of variety, stimulation, and creativity.

They carry around a lot of "what ifs?" and unrealized potential. Despite all this, the Safety Players rank fourth in income and fifth in assets among all Moneymax groups. They could substantially increase their net worth if they would change their current money patterns, consider new investment opportunities, and assume more control and responsibility for their finances.

## ENTERING ALIEN TERRITORY

A Safety Player is unlikely to welcome the prospect of being in business with an Entrepreneur but such was the case with Fred, who at age forty-six had been co-owner of an independent care repair shop for nineteen years. The death of this partner, Karl, meant that Karl's half of the business was passed to Peter, Karl's only son. Fred and Peter had known each other for years but Peter had never worked at the repair shop and it was quite a shock when Fred learned that Peter intended to quit his job and become Fred's full-time partner.

Fred had been working since he was twelve years old. His father was an alcoholic and, unable to hold down a full-time job, had moved through a number of part-time positions. Everyone in Fred's family worked; his mother was a cashier at a grocery store and his two younger brothers, like Fred, started at a young age to mow lawns, paint houses, and do other neighborhood jobs to bring in money. Fred had to turn in a portion of his weekly earnings to his father, who usually complained that it wasn't enough or that Fred was withholding too much for himself.

When he was older, Fred to a part-time job bagging groceries at the market where his mother worked. The owner of the market was a car buff who tinkered with repairs on his own car on weekends. Fred, always in need of money, helped the owner on weekends and by the time he graduated from high school he was skilled enough to get a job as a mechanic at a local auto repair shop.

For ten years Fred worked for several different repair shops until he met with a business offer he couldn't refuse. One of his coworkers, Karl, wanted to open his own repair shop and needed a partner. The deal was very appealing to Fred since Karl would put up most of the money needed for start-up and Fred could pay him back, with interest, out of his earnings. They would be equal partners, sharing in all profits and all decisions. Fred was somewhat hesitant to accept since, like most Safety Players, he felt more comfortable with a secure, permanent job and never thought much about being in business for himself. However, the offer was too good to pass up. He didn't have to invest much money and if the business failed, he could still get another job.

The repair shop was located on a heavily trafficked boulevard in Los Angeles and since the city's lifestyle is built around the automobile, the new business got off to a good start. Both Fred and Karl worked in the shop five days a week and closed on weekends. They serviced both foreign and domestic cars and after years had built up a loyal clientele. From time to time they hired a few extra mechanics but for the most part they worked with a small crew.

Even though the business could have doubled or tripled in size, they chose not to expand. Each wanted to spend time with his family – Fred had married and was the father of one son. They were able to service a fair number of cars a day if the work was mostly tune-ups and minor repair jobs. When a larger job was involved, Fred simply told the customer that they were a small outfit, did excellent work at reasonable prices, but the cars would have to remain in the shop for three or four days. The thought of expanding was an option Fred never seriously considered. Safety Players are not about to take too many chances, especially when it comes to money. To expand the business would have required some risk, a certain amount of planning, and a lot of personal involvement. Unless the outcome is certain, Safety Players prefer not to rock the boat. As long as Fred's business was providing him with an adequate living, he wasn't about to leave his comfort zone and step into alien territory.

Fred's wife Sarah worked a full-time job but came in twice a week to do the bookkeeping and his son come in during summer vacations to clean up and learn the business. Sarah complained that Fred could afford to hire someone to do the books but he refused, saying that it was an unnecessary expense. His son also complained about spending his summer vacation in the shop since he really wasn't interested in making a career out of his father's business. But Fred insisted that everyone in the family had to put some work and effort into the business.

Fred was certainly a better provider than his father had been. He was proud of his shop; it brought in enough money to support his family even if they couldn't take fancy vacation trips or buy some of the things that his wife wanted. He owned a small two-bedroom house, had two cars, and a savings account that he added to every week.

He was, however, concerned about money for his retirement. Neither he nor his wife would ever benefit from pension plans and Fred was particularly concerned about what would happen if anyone in the family became seriously ill. As long as his wife worked, they were all covered by a medical plan even though the plan was not very comprehensive.

As he got older Fred became so worried about retirement that he decided to take some of his money out of the savings account and try a few investments. By the time he was forty-six he had accumulated a fairly sizable nest egg due mostly to the fact that he was a very diligent saver.

At first he tried investing in a few blue chip stocks but he always seemed to buy when the market was up and didn't hold the stocks long enough to make a decent profit. (Safety Players, as a rule, avoid investing in the stock market.) He selected his investments after hearing how several good friends had made some money in the stock market. They must have known what they were doing since they had turned a profit and Fred didn't have the time to become a financial whiz. He was too busy working. He never sought investment advice from a professional (clearly a mistake for the Safety Player) and rarely read the business pages of the newspaper. His first foray into personal investing resulted in a loss of $3,000.

After his first loss, Fred returned to putting all his money into his savings account to try and recoup what he had lost. Then he read a magazine article about tax-free municipal bonds, which appeared very safe, according to the magazine. However, he still wasn't able to evaluate market risk and he got trapped again. As the market for bonds turned downward, he waited too long, and before he knew what was happening, the underlying value of his bond portfolio depreciated significantly. He sold at a loss – this time for $2,500. Again, he had relied on his own limited financial expertise and again he had lost money.

Fred was frustrated and angry at himself but still too distrustful and stubborn to trust anyone else's advice about his money. However, he knew that taxes and inflation were eating away at what was left in his savings account. He did receive flyers in the mail and calls from investment counseling services and brokerage houses. But he didn't believe that the financial professionals were giving him good advice; they were just trying to make a commission. All in all, it was easier to keep his money in the bank where he knew it was safe.

Fred had succumbed to one of his strongest money personality traits – lack of trust. Of all the Moneymax groups, the Safety Players have the lowest belief that people can be trusted when talking about or dealing with money. Even though his forays into the investment world were not successful, Fred's lack of trust prevented him from listening to professional financial advice.

Two years after his second loss, Fred was feeling better about his financial state as he was trying harder than ever to rebuild his savings account. Then his partner died. It was a terrible shock since Karl was fifty-six, ten years older than Fred, and seemed to be in good health. They had never discussed what would to the business if either of them died or wanted to sell out. They had an ongoing joke about how they would work right up to retirement, sell the business for a "fortune" if neither of their sons wanted to take over, and go on a long vacation trip around the world.

Three months after Karl's death, his son Peter asked Fred to spend a Saturday with him so they could discuss the future of the business. Fred assumed that he would continue to run the business alone, that Peter would be a silent partner but share equally in all the profits. But Peter presented Fred with a business plan to expand the shop. Peter said he had been studying the books and that the shop could make considerably more money. He wanted to buy a small vacant lot next to the shop so they could expand and service more cars and hire a few more employees. Peter also proposed that they move into body and paint work in addition to servicing cars. He had already been to several banks about securing loans and thought Fred would be impressed with how much work he had done.

Fred was so overwhelmed that he only muttered that he would think over Peter's proposal and call him a few weeks. For several nights Fred hardly slept as he pondered his options although none of them seemed right. He could sell out to Peter but he wasn't sure how much to ask and even if he did sell out, he was too young to retire and he didn't want to go out and look for a new job. He could try to talk Peter out of the expansion idea, hoping that his long friendship with Karl would count for something. Of he could go along with Peter's plan and take the chance of losing everything he had worked for all of his life. Fred did not want to expand the business, did not want to put his own money into it, nor did he want to take out a bank loan. All he could think of was bankruptcy. He had a copy of Peter's business proposal but it didn't make much sense to him. Fred was angry and unnerved and wondered how something like this had ever happened to him.

If Fred had not been forced into such a position, he probably never would have sought financial advice. Peter, realizing what a dilemma he had created for Fred, made an appointment for both of them with an accountant who used the Moneymax Profile. Once they realized how far apart their money and business attitudes were – with Peter profiling as an Entrepreneur and Fred as a Safety Player – they decided to see if they could make some compromises and still stay in business together.

The issued they had to discuss revolved around the differences in their money personalities: Safety Players are not very involved with money while Entrepreneurs are highly involved; Safety Players are not willing to take risks but Entrepreneurs are quite comfortable with risk; Safety Players have low expectations for success while Entrepreneurs are self-assured and expect to win; Safety Players manage to sidestep opportunities but Entrepreneurs seek out and create opportunities; Safety Players are more concerned with avoiding failure than achieving success while Entrepreneurs don't worry about failure and are confident of success.

Eventually they did expand the business, not to the extent that Peter proposed but enough to make the shop more profitable. In the process Fred had to learn considerably more about money and business. At first, he was constantly agitated and nervous about every decision. They did take out a small bank loan but one that Fred said he could learn to live with. As he became more confident, and as the business continued to do well, Fred became more comfortable with his financial picture and began to realize that his business was his own best investment.

After talking with bank loan officers and the accountant, he wasn't so perplexed by financial issues and finally sought out some professional advice on what to do with the money in his personal savings account. Remember that Fred, like most Safety Players, was reluctant to take some additional risk with his money in order to stay ahead of inflation and taxes, but he decided to ease himself into the process. Fred agreed that a diversified group of investments geared to monthly income but also with some growth aspects would be suitable for him. After carefully studying the options presented to him, he withdrew some of his savings and invested it in growth and income mutual funds.

Fred is still having a little difficulty dealing with his new financial life, but he has given up thoughts of bankruptcy. As his income and assets continue to grow, he will become more aware of how he can continue to enhance his Moneymax Profile and make the most of opportunities that are available to him.

## FEAR OF FAILURE AND LOSS

America is labeled the land of great opportunity where the promise of competition, success, and affluence are embodied in the national philosophy. Because we are the most success-oriented nation in the world, it follows that we can also be viewed as a nation of winners and losers. Success suggests achievement, recognition, pride, honor, self-worth, and money. Failure suggests loss, nonperformance, insolvency, weakness, disgrace, humiliation, self-doubt. Many of us believe that the best thing about success is the absence of failure.

While much has been written about success, it still eludes exact definition, and the path to success lacks a blueprint to follow. Failure, about which little has been written, is less ambiguous. Business and personal conversations are likely to be more focused when talking about failure than about success. Reasons for failure are more identifiable: He didn't try hard enough. She couldn't stand the pressure. He doesn't know how to play the game. She didn't have the right connections. He didn't follow through with the plan. She is all talk, but never gets results. He didn't have enough money to get started. She was way out of her league. He can't get along with people. She just can't zero in on the problem.

Everyone has experienced a number of failures in life. Fortunately, in this greatest of all democracies, everyone is given some share of failure. It crosses boundaries of age, sex, race, job status, money status. We fail in school, in careers, in personal relationships. And usually there is a way to measure the degree of failure for ourselves and others to see – report cards, job performance evaluations, marriage certificates and divorce decrees, financial statements. No one likes the feelings that accompany failure – depression, anger, terror, fear, guilt, betrayal, vengeance.

Unfortunately, some of us have never learned that there can be a positive, constructive side to failure. Painful as it may be, it teaches us much about who we are, what we need to change, and what pitfalls to avoid when we next move forward. Failure allows us to better evaluate options presented to us and gain mastery over many parts of our lives. It can build stronger backbones and survival skills. Once you truly believe you are a survivor, it becomes easier to step out and risk a little more the next time. The bottom line is that unless you are willing to risk failure, it is not likely that you will achieve very much.

Failing in a job or personal relationship can be devastating, but both have built-in avenues of escape – namely, other people to share in the failure. The boss was a jerk, the boyfriend was a loser, the company was poorly managed or in financial difficulty. If that's not enough, there is another lineup of candidates waiting to share blame – your parents, your upbringing, your bad luck, your education, even "the system" that is omnipotent and unjust. However, if you alone are managing your money and if you fail to do a top-notch job, there are fewer scapegoats around. Lurking inside is the persistent, nagging thought that you are doing something wrong. Safety Players can become quite astute at ignoring the fact that they need to take a second look at their financial situation. Money equals hard-earned security and to risk losing that security is a hard corner to turn.

George, a Safety Player, was fifty-eight and had retired from a management position with a state government agency, after having worked there for thirty-two years. He was having a tough time adjusting to retirement – depressed, anxious about money, frequent stomach ailments, weight loss. It was a marked contrast to the healthy and jovial image George usually conveyed. He wasn't sorry that he left his job; thirty-two years with the government had been quite enough.

His wife, Joyce, and children, Jason and Lisa, had numerous suggestions about what he should do with his free time but George vetoed practically everything, especially any suggestion that involved his money. George's father had lived to be eighty-five, his mother to be ninety-one. If longevity ran in the family, George expected to be around for another twenty-vie years and he refused to be a financial burden to anyone. He could take care of himself as long as he had enough money.

George grew up in a family with six children and learned to be independent at a very early age. The house was run by a very strict set of rules, especially his father's rules about work and money. George swore he would never run his own household the same way, but in fact he did replicate his father's military style of discipline.

Both of George's children had to work their way through college, though George did contribute as much as he thought he could afford. When his children were very young, he bought U.S. savings bonds for them. In addition, an insurance salesman convinced George that both of his kids needed life insurance policies. When each child was ready to enter college, George cashed in the life insurance policies – each one amount to a little over $2,000.

Joyce was bewildered by her husband's money style. Throughout their married years, he had kept a careful watch over their money. She paid the bills and shopped for major purchases but he controlled the budget and made all the deposits and withdrawals from their savings accounts. George only agreed to spend money on necessities, never on any luxury items, yet he indulged himself by spending money on rare books, which he claimed were a good investment.

While Joyce always had a hard time getting money from George for clothes and home furnishings, George was generous when it came to picking up the dinner tab when they ate out with friends, buying his secretary a gift at Christmas, and buying presents for their three grandchildren. About midway through their marriage, Joyce started to work part time as a secretary and bookkeeper so that she could have spending money of her own.

George was very secretive about his money and Joyce wasn't sure how much money they really had. According to her best estimate, they had at least $100,000, but George always refused to give her an exact accounting. She knew most of their money was in savings accounts and CDs but had a strong suspicion that George had a sizable sum stashed away in a safe deposit box. For years she had tried to get him to make a will and set up trust funds for their grandchildren, but the subject only stirred up his anger and resulted in an accusation that she was after his money. Finally she ceased asking for financial information because it only caused an argument. Besides, they were making ends meet on his monthly retirement income of $1,400 plus the extra money she brought in from her part-time job. They had paid off the mortgage on their home and owned both of their cars.

A loving and devoted grandfather, George spent much of his time with his three grandchildren. Aside from that, he worked on crossword puzzles, read books and watched television, did small repair jobs around the house, and worked in the garden. He went bowling and played cards with friends but stopped going on the annual two-week vacation to Lake Tahoe that he and Joyce for many years had taken with their neighbors. Now that he was retired, he also stopped spending money on his rare book collection.

George's anxiety about money grew worse over the next five years. He was nearing age sixty-five, when the medical insurance he received from the state government would end and be replaced by Medicare. He knew that Medicare insurance didn't cover catastrophic illness or long-term health care in nursing homes. George was terrified that if he or Joyce should become ill, they would lose all of their money and perhaps place additional financial burdens on their children. While his wife assured him that they could buy additional insurance coverage from a commercial insurance company, George was not at all convinced. He didn't trust insurance companies any more than he trusted banks. Like many Safety Players, George had spent a lifetime being somewhat indifferent toward his financial affairs. Until his retirement, he had coped fairly well by denying his discomfort with money and money issues. Since leaving his job, however, he had had to take a hard look to determine whether his money would, or would not, be sufficient to provide for his living expenses as well as cover any health problems that could occur.

The financial strain reached a crisis point when George suggested to Joyce that they sell their home and move into a small apartment. He said that they didn't need a house any longer since the children were grown up and it would be much easier for her to take care of an apartment instead of a three-bedroom home. George' motive for selling the house was not to make life easier for Joyce; he wanted to sell the house so that he could put the money in the bank. Joyce was adamant in her refusal to sell the house. This time, she and both of the children had a long earnest discussion with George about money. They asked George to seek some financial advice and work out a plan to help alleviate all the stress he was experiencing.

In talking to me about how he felt about money and security, George told me: "I've always been reluctant to touch my money once I had it in the bank. For years, I've been scared of the future. I just lived day to day and kept socking money away. When Joyce and I were first married, I used to pay the bills but I hated to balance the checkbook and watch the balance decrease. So I asked her to pay the bills and I took care of our savings plan. I want to be sure that we can live all right for the rest of our lives without out kids having to bail us out. I should feel good about all the money I've saved but instead it's eating away at me – like I still don't have enough.

A person like George would probably not be able to tolerate his wife's going for professional financial help without his consent and prior knowledge, although many a spouse married to a Safety Player like George might be tempted to do so. In some cases, it could cause significant discord in their marriage.

The best way to deal with this personality is to slowly desensitize his fear and his distrust of involving others in money management – and "others" might even include the spouse. Safety Player spouses should tactfully try to initiate money conversations – expressing their fears and frustrations, in general, about the way the household expenses and other financial matters are handled or not handled. If the spouse does nothing assertive and takes the path of least resistance, nothing will ever change. The change, if it is to come successfully, will have to come in small, yet consecutive stages.

Eventually, George and Joyce met with a financial planner. The planner talked at length with them about the goals and objectives they wanted to obtain with their money. He recommended a diversified group of investments for them that would encompass liquidity, safety, income, and growth. George invested in municipal bonds that produced good tax-exempt yields and a corporate bond mutual fund with yields in excess of 10 percent. The mutual fund concept was both critical and ideal for George; he was getting a diversified and professionally managed investment. In addition, he purchased an interest in a real estate mortgage partnership which contained all first mortgages on multifamily dwellings. All the mortgages were insured by the federal government against loss of principal and interest; George had an equity position in the future value of the properties and the annualized return was around 12 percent. Finally, he invested in a low-risk equipment-leasing income fund designed to produce tax-sheltered income at 10.5 percent per year.

A diversified portfolio is usually important when considering investment strategies not only for the Safety Players but for the other eight Moneymax groups as well. All of the alternatives were unknown to George before he decided to reconstruct his Safety Player attitude and become more educated about his personal finances.

## BUILDING FLEXIBLE, LIFETIME MONEY PATTERNS

Regardless of age, Safety Players are capable of establishing new flexible, lifetime money patterns. That requires a better balance between work, leisure time, and financial matters. Devoting just one or two days a month to investigating new money options is a start toward assuming more financial responsibility. Subscribing to one of the many money magazines, attending free seminars given by banks and brokerage firms, occasionally reading the *Wall Street Journal*, talking to friends and relatives who have made wise investments, are all ways to begin learning more about money.

The formula for building confidence with money is self-acceptance and a willingness to change unsatisfactory money habits. If you want to build your confidence, you can't remain in a comfortable, safe position but have to pull yourself up by the bootstraps, declare yourself, and take appropriate action. No matter what the outcome, you will learn that you can take risk, face the consequences, follow through, bounce back if necessary, and gain an increment of confidence.

You'll certainly feel better if the outcome is successful and positive, but feeling better is secondary to building confidence. Changing lifetime money habits and beliefs usually entails quite a bit of discomfort. Unless you devote yourself to a new money orientation, you will not become more financially successful. Because Safety Player have adequate income and assets, they tend to settle in with complacency and pull the mast over reality. But too often, they are not really content, secure, or in control.

For Safety Players, the step backward into money acquiescence dictates that they will become observers, reacting to a system they don't full understand. Thus, they tend to reflect an unconscious outlook or attitude which says: "My life is essentially in the hands of others or a vast powerful force [or forces] out there and beyond my control. Therefore, I am the victim of the IRS, the politicians, my boss, my children's needs, my spouse's unreasonable demands." As a consequence, it makes little difference what the Safety Players want out of life. They have to learn to settle for whatever they can get, since they believe themselves to be relatively powerless.

One simple money trust is that every individual has more control over his or her money than he or she believes is possible. No matter how much of our lives is perceived to be unchangeable, under the control of someone or something else, there is always a part that is under our control and can be altered. Be it 40 percent, 20 percent, or 2 percent – it is almost always more than we think it is. You can increase that control. If you decide what it is that you want from your money and act on it, you will be infinitely more powerful and less of a victim. You will not sit by passively or accept second best. You will not just react, but learn to cause events – be actively responsible. Whatever is necessary for you to be and do your best, the one fatal mistake is to take no initiative.

Everyone wants greater success; everyone would like to have more money. We all have demands in our lives which consume our time, but most of us do find time for whatever is most important to us. How high are financial planning and your money management among your priorities? Decide how much involvement you want, how much time you are willing to spend in learning, assessing, and executing a new money management process.

Financial planning doesn't require substantial extra time and effort when looked at in the perspective of your total life. It can seem like hard work, not merely because of the self-discipline and determination that are needed, but because you may be entering alien territory and learning about financial matters that have seemed complex, mysterious, and designed only for financial experts. Good money management skills can become a habit if you continually exercise and develop them. Safety Players have to do some hard money thinking in order to determine what keeps them from using their intelligence, good sense, and talent to make money work better for them.

## MONEY MANAGEMENT STYLE

1. Of all the Moneymax groups, the Safety Players most adamantly reject the stock market. Most have never had and are not interested in owning individual common stocks or mutual funds.

2. Their top three investments are various types of bonds. They probably perceive the favorite, government bonds, as safe but what they haven't plugged into the equation if the inflation-adjusted rate of return. The following example was provided by a financial planner who worked with one of my Safety Player clients: If inflation is running at 4 percent and the return on a government bond is 7.5 percent, your inflation-adjusted return is 3.5 percent. You can't possible earn enough to be financially independent by getting only 3.5 percent on your money. So, in fact, there is risk in putting your money in low net yield investments – risk that you will not have enough money to retire comfortably. Financial independence is not accomplished by investing all of your money in "perceived" safe vehicles, and even during times of low inflation, the potential for a negative rate of return is very likely. A negative rate of return results when the combination of your tax bracket plus the rate of inflation exceed the return you are receiving. The same is true with savings accounts, CDs, and money market accounts, because their after-tax, inflation-adjusted rate of return is insignificant, and could result in a negative rate of return even at times of low inflation. This just points out that Safety Players could benefit greatly from finding a trusted adviser who could direct them to low risk investments that produce greater potential returns than government bonds or savings accounts.

3. They do like IRAs and Keoghs and probably have them invested in bank instruments like CDs. My Safety Player clients indicate that although they are satisfied with their IRAs and Keoghs, the rate of return they receive is quite low compared with other viable alternatives. The rate is low because these Safety Players decide to put their IRAs and Keoghs in fixed-dollar investments, which also include guaranteed interest accounts as well as U.S. Government securities like Treasury notes and government bonds.

4. Even though Safety Players own insurance, they are the least satisfied of all the groups with insurance. Of all the insurance company vehicles, they are most satisfied with annuities. (Their number-one financial objective is current income and they are the third-oldest group of the nine profiles.)

5. Even though they perceive owning individual shares of common stock and owning commercial property as having the same risk, twice as many Safety Players – who don't own either – would like to own commercial property as would like to own common stock.

6. Safety Players score the lowest of all profiles in trust and are difficult to steer toward a financial adviser. They could be helped immeasurably if they could find an adviser they could trust, but working with an adviser is a personal decision.

7. In general, Safety Players are discontented investors who don't like most of the investments they have chosen.

**SAFETY PLAYERS -- FINANCIAL STATEMENT**

Of all nine Moneymax Profiles, the Safety Players have the lowest scores in the trait of self-determination – the extent to which they feel in control of their own financial destiny. Thus, they are not very involved with money management nor do they reflect upon past financial decisions. They do not believe that people are basically honest with money, are low-risk-takers, and are not content with their financial status.

They share many demographic characteristics with the Money Masters but have significantly fewer assets. Overall, the Safety Players rank fourth in income and fifth in assets when compared with all the Moneymax groups. For the most part, they are married, older rather than younger, and tend to be a part of two-income families. They prefer to keep their money in savings accounts even though they are very dissatisfied with the return on their money; 89 percent of them have had or currently have savings accounts.

Despite their reluctance to assume direct responsibility for their financial affairs, Safety Players do want greater prosperity. However, they are not confident that they can take control of their money. If Safety Players can become more assertive and more educated about financial planning, they stand a very good chance of significantly increasing both their income and assets.