

# 4

## YOUR LIFE VALUES PROFILE

**B**y completing this profile, you will learn how your four Life Value categories influence your financial priorities. The Life Values Profile also can be an effective way of starting a conversation about finances with loved ones. Encourage your spouse, partner, and others in your household to create their own Life Values Profile. Together you can assess where your points of view are in alignment or where they collide.

Expect your values categories to overlap a lot, and keep in mind that there are no “right” or “wrong” answers, just preferences. Remember, too, that your answers are intensely personal—*do not answer what you believe someone else may want or value*. Quickly choose only one answer per statement, the one that feels most like who you really are. Then write the corresponding letter on a separate piece of paper so that your spouse, partner, or other family members also can complete the profile. Remember the results of your profile—this will help you later, because Part II, “Being Active In Financial Affairs,” and Part III, “Building A Financial Support System,” suggest how your profile influences your money management habits.

## Your Life Values Profile

1. The most important priority in connection with my home is having:
  - a) A place where I am part of a community and/or close to friends and family.
  - b) A location that is private and allows me autonomy and security.
  - c) A neighborhood that will appreciate greatly in value.
  - d) A place that is beautiful, a real showplace with all the physical comforts.
2. An important objective for choosing the right health care plan is having:
  - a) Access to preventive care and sports medicine for my active lifestyle.
  - b) The maximum freedom to choose my health care providers in any location.
  - c) Access to health care facilities in my community and good family practice health care providers.
  - d) Evidence-based medical care—the best value for the money.
3. My decision about which vehicle to drive comes down to this main issue:
  - a) My family members are on board with my decision, and the vehicle will serve all our needs as a family.
  - b) I want a vehicle that is dependable and gets me where I'm going with the least amount of trouble.
  - c) I'll weigh the costs and benefits of each vehicle and pick the one that meets my budget.
  - d) I make enough to be able to afford the vehicle I love to drive even if the gas mileage is not great.
4. If I were to face an overdue account or bill that would have serious credit consequences, I would worry most about:
  - a) My reputation and credit score.
  - b) How this mistake could possibly have occurred and what I need to do to make sure it cannot happen again.

- c) Where I could obtain the money to make this payment.
  - d) The impact this event might have on my partner or family.
5. When I think about changing jobs, my main concern is:
- a) Whether the new job would pay enough so I can cover the costs of my lifestyle.
  - b) A place to work helping other people with colleagues I enjoy.
  - c) The total financial package: pay, health care and retirement benefits.
  - d) Having opportunities for personal challenge and fulfillment in my work.
6. In deciding whether to save, spend, or invest a sudden cash windfall, I would:
- a) Consider taking a trip around the world and enjoy myself thoroughly.
  - b) Investigate a variety of investment possibilities, weighing the long-term return offered by each.
  - c) Use it to fund a need, wish, or desire of a family member.
  - d) Buy a new house with all the amenities and comforts I've always wanted.
7. Any decisions I would make (or have already made) about planning for retirement are based mostly on:
- a) The future needs of my partner and adult children and grandchildren.
  - b) The retirement calculations that I have made, which have given me a benchmark number toward which to target my savings for later life.
  - c) My desire to live an intellectually and physically fulfilled life as an older adult.
  - d) My ambition to maintain a comfortable lifestyle in a beautiful place and pleasant community during retirement.
8. When it comes to "impulse purchases" of items not previously intended:
- a) I reflect on whether I've treated myself lately and then make my decision.

- b) I recall the commitments I have made to others and consider whether I should buy the item or forgo it.
  - c) I tend to buy only what is on my list, unless the item offers serious savings on something I know will be needed in the near future.
  - d) I think about how well it will fit in with what I already own.
9. When I go shopping for holiday gifts for the family, I:
- a) Tend to go overboard a little, because I like having something special for everyone and a few extra gifts for unexpected guests as well.
  - b) Value peace of mind after the holidays so I try to stay within my budget.
  - c) Seem always to budget too little because my decorating, and other options are more extravagant than I anticipate.
  - d) Consider my cash flow for the coming months, set a firm budget, and usually stick to it pretty closely.
10. In making vacation plans, I weigh the value and cost mostly in light of:
- a) The opportunity to share the trip with people (or someone) I care about and enjoy being with.
  - b) The chance to see new places, architecture, cuisine, and lifestyles.
  - c) Fulfilling my desires of being able to do whatever I please during my vacation.
  - d) The likelihood that the enjoyment will be well worth my investment.
11. When the subject of financial planning comes up, my response is usually:
- a) Keyed into the comfort level I have with my partner and other family members in discussing finances and our future.
  - b) Related to a “hook” that quickly suggests that I can live more comfortably if I plan carefully in advance.
  - c) Positive, interested, and determined to plan as well as I can.
  - d) Neutral but open-minded as long as the process incorporates my particular interests and foreseeable needs.

12. When people visit my home and see my lifestyle:
  - a) They know that my family and community take priority in my life.
  - b) They can learn a lot about who I am and what I care about.
  - c) They cannot tell whether or not I am financially successful.
  - d) They know I take great pride in the comfort and beauty of my home and its surroundings.
13. My most important spending goal right now involves having:
  - a) Beauty and comfort that make my surroundings enjoyable.
  - b) A clear plan for achieving financial security in later life.
  - c) The means to spend more quality time with family and friends.
  - d) The level of income I need to live life the way I want and enjoy.
14. When I hear the word “security,” I automatically think of:
  - a) A lifestyle in which I have what I need to be comfortable without worry.
  - b) A diversified and sound investment portfolio, a 401(k), and a home that is not mortgaged to the hilt.
  - c) Family and friendships and a sense of community that will last for a lifetime, no matter what happens.
  - d) Having achieved a sense of self-esteem and the freedom to be who I really am.
15. When I balance my checkbook and get my current affairs in order, I am motivated by:
  - a) The need to feel in control of my life and my affairs.
  - b) The desire to maintain a reasonable lifestyle and have something left over to save.
  - c) A desire to be able to cover my costs and pay my bills during the upcoming month.
  - d) Memories of what my parents and grandparents did or said.
16. To feel satisfied and comfortable with my personal financial situation, I would need:
  - a) A financial cushion as well as a long-range plan that is solid and realistic.

- b) Control over my spending while knowing that I can afford what I want.
  - c) Enough money to maintain the wardrobe, car, and home furnishings that I enjoy.
  - d) The money I need to cover my children's school and other family expenses and plan some fun without worrying or feeling guilty.
17. To me a sizable savings account would mean:
- a) The freedom to change jobs or maybe my career so I can truly "live my own life" the way I'd like.
  - b) Freedom from worry in living paycheck to paycheck and a chance to build future capital.
  - c) Spending more time with my family and giving back to my community.
  - d) The chance to join a gym, get a personal trainer, go to a spa, and/or treat myself to some attractive new clothes.
18. If I "fell in love with" a particular item that I believed would make me very happy, but it was beyond my budget, I would:
- a) Adjust my budget and make concessions in other areas so I could have the item I desire.
  - b) Make a plan to be able to afford that item as soon as possible.
  - c) Pass it by and compensate instead with something else enjoyable, knowing I would feel too guilty about buying the item.
  - d) Consider whether it would make someone else in the family as happy as it would make me and then look for and find some way to pay for it if I could.
19. For me, the main purpose in investing is (would be):
- a) Growing capital that I can tap into whenever and for whatever I choose.
  - b) An opportunity to build or preserve an appreciating capital asset.

- c) The chance to fund a comfortable, enjoyable lifestyle in the future.
  - d) A source of security for my family, should I die an untimely death.
20. In my ideal financial position, I would have the freedom I need to:
- a) Live my life independently, coming and going and doing as I please.
  - b) Share in the activities my friends and family enjoy without stressing my budget.
  - c) Keep my expenses under control while building financial security for the future.
  - d) Buy the things I like most and enjoy a comfortable lifestyle.

### *Scoring Your Profile Results*

Now that you have completed the quiz, here is the key to determining which combination of Life Values tends to influence your financial decisions:

1. P stands for Personal Values
2. S stands for Social Values
3. T stands for Tangible Values
4. M stands for Money Values

Compare your answers to the following table and count the P's, S's, T's and M's you've chosen to determine your score for each Life Values category.

Table 4-1 Answer Code Listing

1.	a) S	b) P	c) M	d) T
2.	a) T	b) P	c) S	d) M
3.	a) S	b) P	c) M	d) T
4.	a) P	b) M	c) T	d) S
5.	a) T	b) S	c) M	d) P
6.	a) P	b) M	c) S	d) T
7.	a) S	b) M	c) P	d) T
8.	a) P	b) S	c) M	d) T
9.	a) S	b) P	c) T	d) M
10.	a) S	b) T	c) P	d) M
11.	a) S	b) T	c) M	d) P
12.	a) S	b) P	c) M	d) T
13.	a) T	b) M	c) S	d) P
14.	a) T	b) M	c) S	d) P
15.	a) P	b) M	c) T	d) S
16.	a) M	b) P	c) T	d) S
17.	a) P	b) M	c) S	d) T
18.	a) T	b) M	c) P	d) S
19.	a) P	b) M	c) T	d) S
20.	a) P	b) S	c) M	d) T

## *Evaluating Your Life Values Profile*

A very high Life Values score (above 9) and a lower Life Values score (4 and below) reveal dominant and less important value priorities. When scores are fairly even across all categories, they suggest balance in all four Life Value categories.

Here is how these scores can generally be interpreted:

1. *Personal Values (Your “P” Score)*. If you scored very high here, identity, autonomy, safety, and security are important to you. Are you protected if you suddenly lose your job? Taking charge of your personal finances now can give you the peace of mind of knowing your livelihood is secure. A very low P score might signal that you tend to see your financial decisions through someone else’s eyes or that you are deferring to another’s expectations regarding your earning, spending, savings, and investments. Perhaps you could benefit by becoming more active in your own financial affairs.
2. *Social Life Values (The “S” Score)*. If you scored high here, some of your chief concerns probably involve caring for your family members. Would you like to ensure that you will have enough to provide for a child’s education? Are you caring for a parent in his or her advanced years? A very high S score usually signals that you live—and finance—an interactive lifestyle, helping (or supporting) others in your life. A very low S factor may indicate that you live alone, enjoy your solitude, and prefer financial independence.
3. *Tangible Life Values (Your “T” Score)*. If this is your dominant score, you are concerned with your health and physical surroundings. If you are not yet a homeowner, you dream about owning your own home. Or maybe you are even thinking about owning that vacation home you rent every year. Wise financial planning will allow you to maintain the comforts you now enjoy in your surroundings. A high T score also indicates that you are aware of your physical surroundings as you make financial decisions. While you like function, you also seek comfort and beauty to the extent that you can afford it. A very low

T score could mean that you are a person on the go, efficient at settling in wherever you are and not all that interested in collecting material belongings that need your attention and care.

4. *Money Life Values (Your “M” Score)*. If you scored high here, your value base is at least partially grounded in your financial management, or you are strongly inclined to becoming more effective in handling your finances. Learning more about personal finance will help you to maximize your knowledge and honor your values. A high M will trigger a need or desire to find a “good deal” when you shop. When you invest in a home, you seek a fair price and potential for appreciation above all. You are likely to care a lot about sticking to a budget, even if it is only a mental budget. If you scored a very low M, your home might be more of a haven than an investment. You probably care more about function or comfort than price tag, making decisions on a more subjective level, or even on impulse, rather than on any practical basis. Perhaps your purchase decisions are made either to nurture your sense of self or to lavish gifts on those you love.

#### *SCORING EVENLY ACROSS LIFE VALUES CATEGORIES*

Fairly even scores across all categories suggest balance in your Life Values. You value relationships and community as much as you value your privacy and independence. You may be ambitious to experience everything a career has to offer: income, benefits, good working conditions, and great co-workers, but you are usually willing to compromise on any one of those if you must. Your spending and saving habits tend toward balance too. If they do not, you may not be handling your finances as well as you would like. While you manage to meet your needs and those of your family, you would like to stash more away for future needs. Perhaps you have begun investing a little late in life, or maybe you have invested very cautiously, but you know and appreciate the importance of investing for future security.

If you are in a couple relationship, you might experience a shift to a different score for one or both of you as you work to understand and

accommodate one another's financial values. But before you adjust your thinking to match or accommodate a partner's score, you should understand thoroughly the meaning of your Life Values scores and how they apply just to you.

Each Life Values category plays a role in your decision making. It provides a convenient inventory to help you discover for yourself how the dimensions of your life impact your financial choices. When you are true to your value system as you make your decisions, the probability of making the right decision is much greater.<sup>1</sup> If you attempt, however, to "force fit" your decision criteria to what the world tells you or to your spouse or partner's wishes or desires or to some other outside influence, your choices may end up being costly in both money and emotional outcomes.

#### *EVALUATING HIGHER AND LOWER SCORES*

If your scores are not fairly balanced, refer to Table 4–2 *Interpreting High Life Value Scores (9 and Above)* and Table 4–3 *Interpreting Low Life Value Scores (4 and Below)* to learn more about how you might be approaching your finances. Then, if you wish, check out the case studies that follow these tables to learn briefly how higher and lower scores play out in the lives of others. Perhaps they remind you of someone you know, or you can recognize your own Life Values at work in your life.

If your scores are balanced, your partner's scores are too, and you have a good grasp of the meaning of these Life Values categories, you might skip the following sections, and move on to the next chapter. Bookmark this page, however, and refer back to it later if you find that your Life Values and financial habits and decisions are not always in harmony. Do this especially if someone else is involved in your finances.

#### *SCORING ON THE HIGHER SIDE (9 AND ABOVE)*

As a general rule, the higher the score for a particular Life Value, the more likely it is to drive your financial choices. In Table 4–2 you might recognize some classic ways high Life Value scores play out in people's financial life as they approach earning, spending, saving, and investing.

**Table 4–2 Interpreting High Life Values Score (9 and Above)  
Your Likely Approach to Earning, Spending, Saving, and Investing**

High P Score	High S Score	High T Score	High M Score
<p>You have a clear sense of self.</p> <p>You are likely to seek a job that offers personal fulfillment above everything else.</p> <p>You probably spend your money to achieve self-expression, a sense of identity, and a secure personal environment.</p> <p>You save to fund your personal goals and dreams.</p> <p>You probably invest for your future security with little regard for others' needs.</p>	<p>You are probably attracted to a job because you like to help others. You also want to work with people you care about.</p> <p>You probably spend money mostly to nurture relationships.</p> <p>You save money while keeping the needs and well-being of loved ones in mind.</p> <p>You might invest because trusted individuals advise you to do so.</p> <p>Your investment goals involve family, friends and/or your community.</p>	<p>You seek work offering a pay rate that helps you achieve a certain lifestyle or standard of living.</p> <p>You like to spend money on material goods and pleasures.</p> <p>Your main goal in saving is to trade up and/or to enjoy comfort and beauty in your home and surroundings.</p> <p>As you invest in your future, you are thinking of a comfortable retirement lifestyle.</p>	<p>You probably like your job most for its financial benefits.</p> <p>You particularly appreciate the pension plan and health care coverage.</p> <p>When you spend, knowing you are getting a good deal gives you pleasure.</p> <p>You save for long-term security and short-term goals.</p> <p>You might very well enjoy “hands on” investing.</p> <p>You also value accuracy, organization, and discipline.</p>

**High “P” and “M” Scores.** Lowell scored highest in the “Personal Values” category and has a pretty high “M” score too. He is a single college professor who values his social relationships but values his personal time more. His lifestyle might seem a bit sparse to some, but the simplicity of his dwelling and the limits he has imposed on his collection of “things” afford him the freedom to come and go as he pleases. He pays rent for a loft that is perfectly pleasing to him, having made the conscious decision not to buy a house. His 7-year-old compact car fills in when public transportation falls short. Lowell’s personal library is vast, and he has enjoyed economical sightseeing trips around the world. He has a very high net worth for a college professor.

**High “S” and “P” Scores.** Meredith, a college student in her early twenties, scored a very high Social or “S” score and a moderately high “P” score. She is popular, and her friendships are important to her. Meredith is known as a straight-shooter, if perhaps too generous to her friends. She shares her apartment with friends, and she shares charges for phone, utilities, and even groceries. She is confident her friends will never take advantage of her; she simply pays what she is told she owes at the end of each month. She is happy to make her car and clothing available to friends who want to borrow them, and she enjoys low-cost entertainment such as hiking and picnicking. Meredith works 20 hours per week in a university dining facility. Her friends tease her that it’s time to move up the corporate ladder, but she enjoys the camaraderie of her fellow workers and the students she serves.

**High “M” and “T” Scores.** Sally has high “M” and “T” scores. When she shared that news with her mother and sisters, they were hardly surprised. Of her four siblings, Sally is the one who worked her way through college and managed to afford a car to take her where she needed to go. Today, Sally and her husband earn a good income and have adequate savings, but they still shop for bargains on quality furnishings for their beautiful home. In fact, they went without living room furniture for nearly a year, waiting to find the best quality for the lowest price. Sally’s sisters wondered at Sally’s empty living room, but they agreed later that the stylish furniture the couple finally chose would probably outlast their own by many years.

*SCORING ON THE LOWER SIDE (4 AND BELOW)*

Lower Life Value scores offset high scores and continue the process of highlighting how you are ranking your interests and priorities. Check out the classic approach to earning, spending, saving and investing in Table 4–3 below and see the case studies that follow to further help you interpret your own scores.

**Table 4–3 Interpreting Your Low Life Values Scores (4 and Below)  
Your Likely Approach to Earning, Spending, Saving and Investing**

Low P Score	Low S Score	Low T Score	Low M Score
<p>You might value your job for the people, the pay, or the benefits, and you might stay even without job satisfaction.</p> <p>You spend your money on other people or to achieve a particular lifestyle.</p> <p>You might also enjoy finding a bargain.</p> <p>You save because your parents did and invest because you are advised to do so, although your plans for your future might be fuzzy.</p>	<p>You’re probably a loner at work, but you seek good pay and benefits and enjoy what you do.</p> <p>Your spending is rarely related to the needs or wants of others; it might be guided by affordability, lifestyle, or the need for self-expression.</p> <p>You save for personal goals and security and invest for those same goals in the future.</p>	<p>You have little interest in material pleasures.</p> <p>At work, you enjoy the people or the work itself, even if you don’t earn a big salary.</p> <p>Your spending is likely to focus on safety, self-expression, or the benefit of others.</p> <p>You might save for family needs or personal security, and you invest to take care of others or to face the future prudently.</p>	<p>You don’t like budgeting, investing, or finances in general.</p> <p>You work primarily for job satisfaction and/or rewarding relationships.</p> <p>You might buy on a whim or to make a statement.</p> <p>If you save, it’s probably due to automatic withholding or family influence. You might not be faithful at it on your own.</p> <p>You probably don’t care to talk about money or to plan your financial future.</p>

**Low “S” and High “M” Scores.** Alan scored low on Social Values (“S”) and high on Money Values (“M”). A graduate student, Alan lives alone in a one-room basement apartment where he is surrounded by the music and entertainment equipment he has worked and saved to purchase. He rarely has friends over, although his company is sought by others. He is a careful shopper and a reliable saver, even while living on a shoestring. Alan has spent many hours planning his future, and he has disciplined himself to make decisions that will ensure his future success. He definitely plans to have a nicer home in the future and a rewarding job that pays well, although he is not yet sure whether or when marriage and family will be a part of the picture.

**Low “M” and High “S” Scores.** Paul scored very low in the Money Life Values (“M”) category and high on Social “S” Life Values. A likable guy with lots of friends and a penchant for having fun, Paul is impulsive about spending. He and his wife bought a starter home a year ago, even though Paul’s parents tried to guide them away from this decision. The house needs a serious makeover and worse, it is located in a declining neighborhood. But it is convenient to their work places and easily accessible to their friends, so Paul and Lisa bought the house anyway. Now they are talking about buying a new car, but this decision also may not be wise. The couple cannot afford the performance car they want and repairs to the home they just purchased. Paul, however, is unconcerned. He is not even worried that his checking account never quite balances.

**Low “P” and High “S” Scores.** Anna grew up in a poor family that agonized over having enough money to pay the bills each month; anyone with plenty of money was believed to be unscrupulous or untrustworthy. Now, as a wife and mother, Anna is generous with her husband and children but finds it next to impossible to spend money on herself. She is faithful to her household budget and leaves most financial affairs to her husband. She has tried several times to find fulfilling work outside the home or a rewarding hobby, but she has yet to discover her source of inner happiness. She loves her husband and children but has no goals of her own. Anna has a high “S” and very low “P” score.

### *Shifting or Differing Life Values*

High and low scores, while offsetting each other, can and do shift from time to time. They can also signal trouble in a relationship—especially if your partner or other loved one is uninterested in what interests you! Whatever your scores, be aware that if your finances seem to be causing the trouble between you, *it is not really all about the money*. The trouble—guaranteed—is more about your values differences than your finances. If you cannot take the Life Values profile separately and then talk with one another about the results, your relationship may need professional help. Take the case of Don and Melanie.

Don and Melanie are a couple whose opposing “T” scores have recently begun to wreak havoc in their married life. With a third child on the way, they agreed to search for a larger home. However, Don, with a high “T” score, insists on tangible benefits that mean little to Melanie, who scored low in the Tangible Life Values. Every time they go out looking at homes with their real estate agent, they spend the evening bickering. (Now they understand why!) Don is willing to pay more for pleasing architectural features in an older home that fails to offer either the housekeeping convenience Melanie seeks or the generous play yard she believes the children need. Don wants these advantages for his family, but not if he has to give up the porcelain tile bathroom and state-of-the-art kitchen he’s had his heart set on. Melanie, for her part, wants simple, easy-maintenance living space to complement the on-the-go lifestyle she values. Now that Don and Melanie understand each other’s Life Values differences, they have decided to attend a few sessions with a marriage counselor before committing to a lifestyle choice they might later regret.

### *DAYDREAM*

What influences you? Spend a quiet hour with the results of your Life Values Profile and reflect on what your results say about the way you live your life. Take time to think about where your values lie and what is important to you. This reflection will point to what really matters in life, sparking the motivation to live in a way that truly reflects your personal values. Spending this time in quiet reflection can also lead you to discover within yourself the determination to succeed at becoming truly financially competent.

### *Using Life Value Scores in Your Money Management*

It might be helpful to date and keep the results of this Profile handy so that you can revisit it in the future. Your priorities can and do change over time, especially as you do some hard thinking about what really matters to you in life. You may want to retake the Profile before making any major life decisions: career changes, starting a family, retirement, or any planned or unplanned transitions. Periodically revisiting your Life Values Profile will ensure that your behaviors and values remain in harmony.