



## **Financial DNA® White Paper**

### **Discover Your Money Memories**

*"You are a product of your environment. So choose the environment that will best develop you toward your objective. Analyze your life in terms of its environment. Are the things around you helping you toward success ... or are they holding you back?" – W. Clement Stone*

In order to understand where you are going in life and then have money clarity, you need to first understand who you are. In order to understand who you are, you need to understand where you came from including your money memories. Your environment, experiences, values and education all inter-play in a complicated way that helps determine the make up of your financial personality.

What messages did your family give you about money? How has your life been shaped by money? Have you had a significant financial experience which has shaped your attitude to money? What was your parent's history with money? What have you learned about money from your peers?

Addressing these questions could be confrontational and difficult. However, you actually need to understand the good and bad experiences. Processing the memories and reconciling them to your life now and how you handle money could be very liberating. There will no doubt be lessons to learn. The outcome will be a far healthier attitude to money which will lead to growth.

Everyone has a life story to tell and wrapped up in it will be a money experience. So why not discover it? A key part of the financial planning process should be to discover people's money memories as it will provide a lot of insight into how to guide them. You will find their confidence zones and places where there will be struggles. This all helps pinpoint the right strategies and also importantly the right communication.

Let's examine the story of Mark Peters. Mark Peters has told his financial advisor during the first meeting that he does not want to take any risk with the capital he has received from selling his stock in an employer company. During the meeting when asked about his family life, Mark revealed that his father had gone from riches to rags when he was 9 years old. However, when he did his Financial DNA Path Profiles, the Path 6 analysis revealed that his natural born behavioral style was in the top 5% of the population for taking chances and also for risk tolerance. He was naturally very ambitious with setting goals and also had an inherent drive for results. So how do you address this gap?



Clearly, you have to balance the desire for above average returns with Mark's preparedness to take risks. Recognizing the situation his portfolio was prudently structured with around 20% of higher yielding investments to help Mark get comfortable. Now, each year the higher yield allocation is increased as he experiences success. The key is Mark's expectations can be properly managed by understanding his money memories.

There are many situations like this in some shape or another. You are not alone as everyone has some experiences that have impacted their money memories. They may not always be large events; it can be something which is comparatively small that leaves a lasting impact. For instance, we had a client who said her father never tipped anybody such as bellmen, waiters, etc. Today, she is working in her family's foundation managing a range of community-based projects.

### *Discover Your Money Memories*

1. Complete the Financial DNA<sup>®</sup> Path Profiles to discover the core of who you are and how you make financial decisions in terms of your natural behavioral style.
2. Consider 3 major decisions that you have successfully made and 3 decisions that resulted in failure? What were the circumstances around these decisions? What was driving you? What lessons did you learn?
3. Complete the Past Experiences section of the Quality Life Insights Profile to identify some of the key positive and negative influences on your life and potentially how they have shaped your attitude toward money. Remember that money and life are intertwined and cannot be completely separated.
4. Revisit the meaning of money to you and how it has been shaped by these experiences.
5. Address with your advisor what changes need to be made in your life and how you handle money build a sustainable plan for growth and reaching your life goals.
6. What education and ongoing guidance will you need?

For more insight into this topic, please refer to Chapter 9 of Hugh Massie's book "[Financial DNA<sup>®</sup> - Discovering Your Unique Financial Personality for a Quality Life](#)".