

Welcome to the seventh edition of Jennifer Selby Long's *Traveling Light*. *Traveling Light* is a newsletter exploring how those blessed with the talent and opportunity to lead can be more effective and lighten the load inherent in their lives, based on the work of executive coach and management consultant Jennifer Selby Long. Copyright 2007 Jennifer Selby Long. All rights reserved.

Happy New Year! With the New Year comes a new and improved format for *Traveling Light*. In 2008, *Traveling Light* will be published every other week, with fewer sections, so now you can travel lightly even faster.

New Year, New Money

With the fresh start of a brand new year, annual bonuses on the way, and tax season quickly approaching, many clients find themselves with renewed focus and even some genuine enthusiasm directed toward their personal finances. Terrific!

For even the highest earners, just making money isn't enough to ensure financial success.

My research on the financial attitudes and behaviors of leaders and professionals makes it clear that to become masters of our financial destinies, we need to understand what our personalities suggest to us with regard to our money (my personality suggests, "eat, drink, shop, and be merry").

Then we need to step back from those suggestions to assess the trade-offs between earning, saving, spending, and investing -- and do the right things whether our preferences suggest we do them or not!

It's easier said than done (those internal suggestions can be very persuasive), but at least it's simple to get started – just find yourself on the chart below to better understand what your preferences are likely suggesting to you and specific tips for your Type.

Many of the tips pertain to who you involve in your money decisions. As the Wealthy Types study continues on, I'll share other tips as the trends emerge.

I'd like to thank Michael Laney, a Type practitioner and former CFO and financial advisor, for reviewing and enhancing this list.

Thinking Types

Your preference is likely suggesting: "*It's all about my competence in handling money*"

Benefits of this suggestion are: You study and do your financial homework, so you do, in fact, become more competent than you were.

Risks of this suggestion (particularly in youth) are: Arrogance in decision-making, resulting in poor or at the very least, not optimal decisions

Tips:

1. Set a limit to how much analysis you will do – and stick to it
2. If partnered, involve your partner
3. TJ's – you're at greater risk of making decisions too fast; use the skills of your partner if different from your own to counter this risk. If both you and your partner are TJ's, or you do not have a partner, consider involving an outside resource who will help you put on the brakes when need be.

4. Don't choose advisors based on low, low price, on the assumption that they're no better than you anyway! Financial advice is no more a commodity than is medical advice. Choose the best person for the job.

Feeling Females

Your preference is likely suggesting: *"It's about a relationship. If there's no relationship, I'm not interested."*

Benefits of this suggestion are:

- You may build satisfying relationships with advisors who go the extra mile because they personally care about your welfare.
- You may create plans that greatly benefit others, not just yourself.

Risks of this suggestion (particularly in youth) are:

- Once you've built a relationship, you may slip into the habit of not checking an advisor's performance, and possibly lose money.
- Sociopaths are empathic – they'll play on your desire to work with someone who is warm and cares about you and then walk away with your money.

Tips:

1. Don't assume you are somehow hardwired such that you can't understand your finances -- your personality Type can be as financially savvy as any other
2. Don't choose advisors because they care about you, they're warm, and you like them
3. Use more than one financial advisor or advisory resource (such as financial magazines or websites or investing support groups) so you don't bond with just one person
4. Check advisors' results before hiring them, don't just go on a reference from a friend who "likes them" – ask about their results. You'd be amazed at how many people recommend their advisors with absolutely no idea how well their advisors have done relative to the market.
5. Ask how advisors get paid.
6. Don't choose advisors based on low, low price.
7. NP's in particular – do a lot yourself; resist those who claim they'll "handle everything."

Judging Types

Your preference is likely suggesting: *"Keep striving and keep it on schedule"*

Benefits of this suggestion are:

Well, actually, the benefits are too numerous to list in a short article. No doubt, your preference often serves you well. You likely started saving at a young age and have continued to steadily save each and every year. You were probably the first of your friends to purchase a home and to ensure that you were fully insured. A personal favorite in this category is my Judging preference client who bought life insurance for her barely teenaged children, just in case they couldn't get it when they were older ("Older" as in what, age 20?!)

Risks of this suggestion (particularly in youth) are: You're no fun for your spouse, or anybody else sometimes. Everyone needs a little breathing room and a little mad money. If you put off doing anything that costs you money, you may live your whole life like Scrooge – just counting away and admiring that big 401(k) balance, but never putting it to use.

Tips:

- If partnered, involve your partner – Judging types appear to be about as likely to leave their partners out of the process as are Thinking types. If you're a TJ, go out of your way to involve your partner so that he or she at least knows what's going on.
- Remember to designate a small amount of money for fun – and spend it all every month.
- If you're doing the right things for the future, give yourself permission to relax today.

Perceiving Types

Your preference is likely suggesting: “*This is so boring. Let's go do something else.*” In fact, if you're a Perceiving type, you're probably not even reading this article. It's your friend or partner who's reading it and will tell you it would be a darn good idea for you read it, too.

Benefits of this suggestion are:

- You will shift your financial plan should new data indicate that you should do this. It won't be gut-wrenching to make the decision, either. You'll just do it.
- Unless under great stress, you won't spend days obsessing over the details of your finances. You will be doing what a financial plan should allow everyone to do – have a life!

Risks of this suggestion (particularly in youth) are:

Where do I begin? Inadequate savings, inappropriate investments for your age and needs, getting ripped off by a crook who's paying more attention to your money than you are. Hey, I'm one of you, so don't send me hate mail! I feel lucky that I had some guidance during my carefree youth (thanks, Mom and Dad) so at least I did a few things right!

Tips: (I'll try not to list many, because I know you're getting bored with me now.)

- Make this your mantra, “Financial plans now mean more **options** later. Therefore, a financial plan is a good thing.”
- Set up a financial plan, even if it's skeletal and of poor quality – you can always improve it later. If you just won't get to this on your own, involve your spouse or partner or hire an advisor to sit down and do it with you. It's money well spent.
- Track progress against your plan more or less twice a year so you can make adjustments if you need to.
- Use Quicken or other financial software or site, or hire a bookkeeper to record and keep track of your money the easy way.
- NP's in particular -- Watch out for “advisors” who say they will “take care of everything so you don't have to worry.” This sounds too good to be true, and it is. Do a lot yourself and educate yourself so you know what to look for in an advisor – and what to avoid.

You may have noticed that the table includes Feeling Females, not Feeling Types inclusive of males – because we still don't have enough Feeling-preference males in the study (where the heck are you guys?!), so please, if it seems like fun, encourage every man you know to participate in the study. Eventually, we'll get enough Feeling males in the mix, if I have to walk down Market Street with a sandwich board to make it happen. But I'd rather not. So please help me avoid this fate and send everyone you know to www.selbygroup.com.

News

That's me standing with two very smart people, raising my IQ through sheer osmosis. To my right is Scott Yang of Lasecke Weil Wealth Advisory Group and to my left is Lloyd Yamada of King Wealth Planning. See how much smarter I look already?

I seem to be on a roll with the topic of money, so why not keep it going? Scott and Lloyd are Certified Financial Planners®, money advisors who've passed a series of rigorous exams and have taken an oath to place their clients' interests first, even if it means less money for them.

You can imagine how excited I was when the Financial Planning Association asked to me speak about how to build successful, trusting client relationships. These professionals have integrity, and anything I can do to help them in their client relationships can only bring more business their way and help them create more wealth for their clients.

What I didn't expect was how much fun I would have. I entered the room at the Tech Mart in Santa Clara, CA, expecting a serious group of be-speckled, subdued, suit-wearing professionals discussing Exchange Traded Funds and the pending Alternative Minimum Tax legislation. Given that my topic was a "soft" subject, I imagined there would be a low turnout.

O.k., I was right that many of them wear suits and glasses (it is Finance, after all), but wrong on every other count.

As I entered the room, a banjo band (yes, you read that right) played zippy Christmas carols while the former chapter president, Teresa Scagliotti, ran around enthusiastically dogging *everyone* to buy raffle tickets to support a professional development program for new financial planners.

The conversations were more likely to include hysterical wisecracks about Psychological Type and my weird and creepy ability to read minds than about ETF's or the AMT. And the room was packed. These people are serious about their businesses and about helping their clients. What a rush it was to help them.

A big thanks to everyone at the Financial Planning Association and to every *Traveling Light* reader, I wish you great fortune and great joy in 2008.

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