

What Kind of Saver Are You? - 09-24-2009

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When it comes to money - what kind of saver are you?

Several years ago I came across a great, straightforward answer to that question. It was in financial education literature from the Federal Reserve Bank of Dallas which is one of the network of twelve banks and their branches that make up the Federal Reserve system (<http://www.dallasfed.org/ca/wealth/pdfs/wealth.pdf>)

The publication outlined four types of savers:

- **The planner saver** - a person who controls spending and budgets to save.
- **The struggler saver** - someone who has trouble staying afloat financially and finds it difficult to save.
- **The denier saver** - a person who sees no reason for a budget because they don't see themselves in trouble financially.
- **The impulsive saver** - a person who unfortunately spends today like there's no tomorrow because their attitude is that tomorrow will take care of itself.

So, what type saver are you?

To accumulate, grow and preserve your money takes discipline. While it's important to have a *savings account*, don't forget to get on track to also have an "*emergency fund*": 3-6 months worth of living expenses (12 months worth if you're self-employed) in an account where you can easily access the money if there's a *critical* need.

Regardless the type saver you are - you can improve your savings goal by remembering this bottom line: you must always earn more than you spend. Or said another way, let *spending less* be your goal. That's a healthy state of fiscal readiness and takes your savings to another level: investing.

If saving to invest and investing to build wealth is your goal - <http://showmomthemoney.com/personalgrowth/7traits.htm> take a look at what's described as the traits of very wealthy people and how those traits translate into building wealth and sustaining it.

Wealthy people tend to be:

- **Persistent.** For anyone, on the way to achieving a goal, you will face obstacles, right? Wealth is achieved by negotiating one's way around or through numerous obstacles *persistently*.
- **Businessmen and women or investors in businesses.** Think about it. The richest people we've heard about all own companies and when asked say - to create wealth, you must involve yourself in

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business because that's where the money is.

- **Innovative.** Innovation ensures you'll be among the ones who come up with new ideas and new ideas can create wealth. They tend to do what they absolutely love and love it so much that they forget they're actually working.
- **Leverage.** They know when to let go and they know not to try and do everything themselves.

It appears that wealthy people also share the philosophy that to whom much is given, much is expected - and therefore share the trait of giving back by supporting causes in which they believe. Finally, they value and participate in continuing education since extremely wealthy people tend to believe that the greatest asset in the world is your mind.

Here's to your health and wealth!

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