C. Moore

Thank you, Shinae, for your inspiration and thought-provoking comments. It is my pleasure to introduce Olivia Mellan. Olivia is a speaker, psychotherapist, money coach, and business consultant in private practice in Washington, D.C. Since 1982, Olivia has been a groundbreaker in the field of money psychology, couples communication, stress management, and conflict resolution. She is president of Olivia Mellan and Associates Inc. and author of several critically acclaimed books, including *Money Harmony: Resolving Money Conflicts in Your Life and Relationships* and *Money Shy to Money Sure: A Woman’s Road Map to Financial Well-being*. She has appeared on *Oprah*, *The Today Show* and ABC’s *20/20*. Her articles and interviews are featured on Business Week Online, Bankrate.com, and MSN Money.

Olivia writes a monthly column, “The Psychology of Advice,” for *Investment Advisor Magazine*, at [www.investmentadvisor.com](http://www.investmentadvisor.com). She also speaks all over the country to businesses, professional groups, and the general public. Please join me in welcoming Olivia Mellan.
Thank you, Cornelia. That was really lovely, long and lovely—well I want to tell you a little bit about my work and then launch right into my understanding of money personality types. These types are names that I coined in 1982, when I first realized that money was the last taboo.

I call my work money harmony work because it’s based on the useful fiction that we all have an ongoing life-long relationship to money that is either in balance or it isn’t. If it is not in balance, having more money won’t solve the problem.

If you’re an over-spender and you have more money, you’ll over-spend more wildly. If you’re a hoarder, you might just put more money under the mattress. So unless you have what I call a balanced relationship to money, having more money won’t solve the problem.

So, I’m going to go into each money personality type quickly—because I only have ten minutes—and talk about the strengths and weaknesses of each type. Know that most of us are a combination of these money types and that each one has good and bad points. Also, let me just say that the central concept in working with these types is what I call practicing the non-habitual—being where you
aren’t or doing what doesn’t come naturally, figuring out what type you are, and then figuring out what you can do to expand your range so that you have a more balanced relationship to money, so that money is just a tool to accomplish certain ones of life's goals.

So here’s the types. The first type that I identified I call a hoarder. Some people call it a saver. Hoarders like to hold onto their money. Money is security to them. They love to budget, plan, prioritize, and delay gratification for deeper fulfillment. They hate to spend on immediate pleasure purchases. They do like the word budget; they like to budget, and if they’re going to invest at all, they do not want liquidity because they don’t want to get their hands on their money to spend it. They never want to spend it on anything in the present. They want to save it for future security. You might think they make good investors, but if they’re extreme hoarders, they might just put money under the mattress or in a checking or savings account and not do anything to make it grow.

If they are a mild hoarder, then they might invest for the long haul. Then they tend to be in relations with spenders. Now, spenders are the opposite of hoarders. They love to spend money. They can always think of something they want to spend money on, and they
hate to budget. They hate the word budget. You have to call it a
spending plan for spenders to get onboard with a budget.

They really have trouble delaying gratification for deeper
fulfillment. If they invest at all, they want liquidity so they can get
their hands on their money in case they want to spend it—unless
they’re spenders in recovery, like I am, and then they don’t want to
be able to get their hands on their money to spend it because they
know they will. So spenders -- there are so many kinds of
spenders that I’ll just go quickly through a list of the kinds of over-
spenders there are, because we have a nation of over-spenders. We
have a national deficit. We, as a nation, do not learn to save.

So you could be a combination of these. You could be a money-is-
love spender, where you buy yourself or others gifts -- an
emotional trigger, either to relieve guilt or express affection. You
can be an overboard spender, who has an uncontrollable hobby or
addiction or collection of some sort. You can be a blue-light
spender, who can’t resist a good sale, that’s a compulsive bargain
hunter.

When I was on Oprah, I met a person like this, whose husband
described him, as saying, he bought a snowmobile in an area where
it hardly ever snowed, because it was on sale. Compulsive bargain hunters cannot resist a good sale, and they’ll always talk about how much they saved and not how much they spent.

Then there’s the – the spin-of-the-wheel spender. More men in that category, who tend to be gamblers or online traders. Gambling at the track, they like the thrill of the ride, of the high-risk excitement. There’s also the revenge spender, I’ll-show-you-spoiler, who might spend money because her husband or his wife is neglecting them, and so it’s a revenge spending kind of thing. Then there’s the esteem spender, who spends to keep up with the Jones, who is into designer things and labels.

Then the third type is a money avoider. Money avoiders do not keep track of the details of their money life. Many spenders are also money avoiders. They don’t know how much they save, how much they spend, how much they have in their retirement, if they have anything. They’re in a fog when it comes to money, or they feel incompetent about money matters.

Then there’s the money worrier. Money worriers worry about money all the time. They can’t relax on vacation. They just are always wanting to know that their money is okay. If an avoider
goes to a financial expert for help, they would want things to be automatic so they can have things taken care off, without them having to focus on money, which is not such a bad idea for them.

Again, each type needs to practice the non-habitual. So an avoider has to take on one action they usually avoid, with help or alone, and reward themselves for their new progress. A spender has to do something of a hoarding nature, hoarders something of a spending nature.

Then there’s the money worrier, who has to stop worrying. How do you stop worrying? You can write down your worries at the hour you worry most and then give up worrying for the rest of the day. That’s the best way a money worrier can stop worrying.

Then there’s the money monk, who thinks that money is dirty or it will corrupt them, somebody who would rather be a virtuous have-not than an evil have. Old hippies, certain religious traditions, might be a money monk. Money monks generally will not invest, and if they do, they’ll want socially responsible investing in harmony with their values.
Then there’s money amassers. Money amassers are not the same as hoarders. Money amassers believe that the one who dies with the most money wins. They like to spend, save, and invest, and mainly have their money grow. You might say, what’s wrong with this type? As I said, each type has strengths and weaknesses. The only thing wrong with this type is that, if they are so obsessed with having their portfolio or their money grow, they might take their laptop along on vacations and look at their investment portfolio, when they should be having quality time with their wife or husband or children. So they can be driven about this.

I tend to write spoof songs about each type and my spoof song--it’s a hobby of mine--to money amassers, it’s called “I’m reviewing my situation.” About a guy who takes his laptop along on vacation and has no time with the family.

Then there are risk-takers. Risk-takers are usually men, but not always, and they like the thrill of the ride of their investments. They like the peak experience, and they don’t look at the downside of risk. Risk-avoiders are usually women--more women in this category. Afraid to take risks with their money.
For each one of these—risk-takers and risk-avoiders—to practice the non-habitual will feel very uncomfortable. It will feel like--to a risk-avoider-- telling a risk-avoider woman to take more risks feels like putting her on the edge of a cliff and telling her to jump off and she won’t die--with a blindfold on. It feels terrifying.

For a risk-taker man, telling him to take less risk feels like putting him in a straight jacket and telling him to breathe normally. It will feel depressing, very unexciting, boring, and constraining.

Practicing the non-habitual is worth it, even though, in many cases, it feels uncomfortable, because really good things come from doing that.

The last two types are the money merger. That’s mostly men--but not only--who want to put all the money together in a relationship, and money separatists, who want some or all separate money.

There are more women in the separatist category and more men in the merger category, and it has to do with challenges of intimacy. Many men have trouble merging in other areas of their lives, connecting and getting connected, and I believe that merging money is one way in which they can feel more connected.
Women, on the other hand, often over-give, over-merge and lose themselves in relationships. So women, wanting some separate money is a healthy sign of autonomy, a healthy self from which to merge. Also, half of first marriages end in divorce, more than half of second marriages. So there are good rational reasons why women want some separate money, but I don’t think that’s the main reason they do. I think all women should have some separate money, all of them. If they can handle credit, all women should have a credit card in their own name.

So for each money personality type, the key is practice the non-habitual, reward yourself for your progress by doing something that doesn’t undermine your progress. Therefore, over-spenders can’t reward themselves by spending a lot of money they don’t have, or more money than they should. So practice the non-habitual, do what doesn’t come naturally, reward yourself for your new progress, and monitor your progress and your resistance, preferably in writing. Write down how it feels to be different, to be doing something different.

So that’s my quick summary of money personality types. Now I can take a breath. Thank you for listening.
J. Walstedt  Thank you Olivia. That was impressive. I know you usually speak for much longer, so it took a lot of effort to whittle it down to ten minutes.

O. Mellan  Right.