

Make Your Personality Work to Your Financial Advantage

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Occasionally, investment selections plunge when the overall market is doing better, and the physician-investor begins to wonder where they may have gone wrong. Suddenly, hiring someone else to manage their finances becomes more than a fleeting thought. Could a financial advisor help? More importantly, will you be a good client? According to a study by Bailard, Biehl, and Kaiser Communications Group, these answers depend, in part, if you are one of the following investor personality types: adventurer, individualist, guardian, or celebrity.

The Adventurer. Characteristically strong willed and not afraid to take risk, entrepreneurial individuals fall into the category of adventurer. This investor personality typically wants to take care of their investments themselves.

Since most firms emphasize a balanced approach through asset allocation, this guidance may be tiresome for the adventurer. This type of physician-investor may clash with the typical financial advisor, and does not make a good client. Although they can hurt themselves financially because they are unwilling to diversify, the adventurer might think they can earn the money back in the next venture.

The Individualist. Analytical, careful, and methodical, the individualist is oftentimes a small businessperson or professional, such as an engineer, lawyer, or CPA. They are also thoughtful and rational, strong-willed, but not impulsive.

Like most people, the individualist is engaged in a career during his young and middle life, and recognizes that his time would be better spent in areas other than investing. The individualist is a good advisor client, if they judge that they need a financial advisor, and are typically value investors.

The Guardian. Careful, risk-averse, and protective of their assets, guardians recognize that they have diminished earning power as they age. Most physician-investors will fall into this category when dealing with their retirement planning or in their later years.

Because they value the guidance of an advisor, guardians make excellent clients for financial advisors. They respect the advice of their financial advisor and they share a common goal—to preserve and enhance wealth.

The Celebrity. Because this investor personality does not have the time to properly research their investments, they oftentimes lack the necessary knowledge to make good decisions and latch on to hot financial topics in the media that are more apparent than real. Unfortunately, many physicians and entertainment personalities fall in this category.

Celebrities are vulnerable to the golden-tongue salesperson, whether an insurance salesperson, stockbroker, or otherwise. They get hot tips and hassle their broker to get in on initial public

offerings. As such, the celebrity is a poor client for a financial advisor.

Determining your personality category helps you decide whether or not a financial advisor relationship is likely to help you thrive emotionally and financially. How do you fit in? The study found that 80% were either an adventurer or individualist investor personality type. Of the remaining 20%, half were adventurers and half were celebrities.

If you are a guardian, you will almost certainly benefit from some professional guidance. As an individualist who recognizes the need for a financial advisor for your planning, you should flourish. But if you are either an adventurer or celebrity, beware: a financial advisor may not provide you with the type of assistance you seek.

A relationship with a financial advisor can be financially rewarding and productive once you recognize your investor personality type. If you objectively understand your previous results and recognize your future goals, a financial advisor can be greatly beneficial to physician-investors.

Shirley M. Mueller, MD, dissects barriers to effective monetary decisions so they become manageable. Her unique training and experience as a practicing physician board certified in neurology and psychiatry, combined with her seven-year investment advisor career, contribute to her expertise. She welcomes questions and comments at MyMoneyMD@aol.com.