ADVISOR GUIDE

Building Wealth v2.0
2017

About the Test

The Building Wealth assessment is a 45-item, psychometrically sound, *biodata-based* measure of individual life experiences and behaviors that has been designed to predict a client's net worth, independent of age and income. The assessment includes the measurement of six wealth factors (see Table 1) and an overall score, called Wealth Potential. The wealth factors measure different types of financial behaviors, and can be used by advisors to a) identify a benchmark of behavioral patterns of their clients related to financial management, b) create behavioral-based plans for improving those behaviors, and c) coach clients in the areas where improvement is needed or consistency is required.

Background & Rationale

The research that underlies the Building Wealth assessment is based on the concept that personal financial management is a critical household job that most individuals are required to perform. Like a traditional job, there are objective criteria by which success in the job can be measured (such as income level, monthly savings goals, net worth goals), there are tasks which must be performed (e.g., maintaining financial records, paying bills, generating revenue, spending money), and, therefore, there are clear competencies that relate to the ability and potential to perform those tasks and achieve success.

Table 1. Definitions of Measurements of the Building Wealth Assessment

Wealth Factor/ Scale	Definition	Example Item
Confidence	Demonstration of confidence and collaboration in financial management, investing, and household leadership.	*How comfortable are you making significant financial decisions for your household?*
Focus	Demonstration of the ability to focus on detailed tasks through completion without becoming distracted	*I find it difficult to complete tasks without becoming distracted. (Reverse scored)*
Frugality	Financial behaviors associated with consistent saving, dedicated commitment to lower spending, and rigorous adherence to a budget.	*My friends and/or family members would describe me as frugal.*
Planning	Behaviors related to goal-setting, planning, and anticipating future needs	*I have a clearly defined set of daily, weekly, monthly, annual, and/or lifetime goals.*
Responsibility	Acceptance of the role of actions, abilities, and experiences in financial outcomes. Belief that luck plays a small part in achievement.	*I take responsibility for the financial outcomes of my household.*
Social Indifference	Spending and saving behaviors that reflect immunity to social pressure to purchase the latest in consumer and/or luxury goods, clothing, & cars.	*How often do you feel pressure to shop and spend as your neighbors or friends do? (Reverse scored)*
Wealth Potential	An overall indication of the propensity to build or maintain wealth over time, based on behaviors and experiences.	Not applicable

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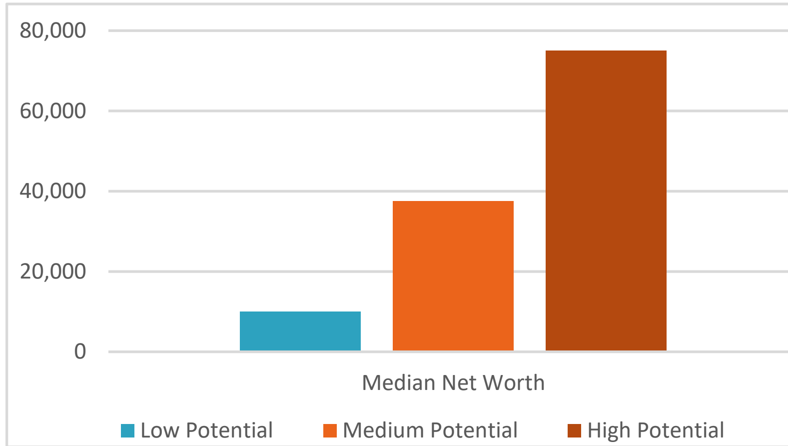
Net worth is strongly influenced by income and age: higher income gives clients more potential to build wealth. The older a client is, the longer he or she has had to build wealth. Based on the results of studies that support the development of the Building Wealth assessment, the overall score - Wealth Potential - may be used instead of net worth as an indicator of how well a client manages or will manage her financial affairs. It is related to net worth but adds to its prediction. Therefore, it is an important indicator of potential financial success for clients who are just beginning their financial management responsibilities as well as those who have already built considerable wealth (see Figure 1).

A host of additional dependent variables have also been studied in relationship to Wealth Potential (see white paper, DataPoints, 2016, available at www.datapoints.com/??????). The remainder of this guide describes the development of the assessment and appropriate uses. Advisors and firms should use this guide to determine if the Building Wealth assessment and its related recommendations and planning features are appropriate for use with their clients as part of the client onboarding, coaching, and/or development processes.



Development

To adequately assess a client's ability and potential for building and maintaining wealth, DataPoints created a model of personal financial management competencies. Competency modeling is a technique that is often applied to complex or higher-level jobs where broad sets of tasks and "KSAOs" (knowledge, skills, abilities, and other characteristics) can be derived from a variety of data sources (Campion, Fink, Ruggeberg, Carr, Phillips, & Odman, 2011). This model served as the basis for item construction.

Biodata was the chosen methodology for the Building Wealth test, and is the scientific assessment of patterns of life experiences and behaviors. Item development came from two sources: a) archival items included in the original surveys conducted with high- and ultra-high net worth individuals between 1982 and 2007 by the Affluent Market Institute (and served as the data set for *The Millionaire Next Door* and other best-selling books), and b) new items written by the DataPoints writing team specifically for assessing the competencies from the model above.

For more information on the development of the Building Wealth assessment, please see the Building Wealth Technical Report available at www.datapoints.com/clients.

Administration & Implementation

Appropriate Audiences

Building Wealth measures patterns of client wealth building behaviors, collectively organized and described as wealth factors. For the client, the purpose is to identify behavioral patterns and provide personalized narratives and recommendations to aid in understanding and development of behaviors that can improve financial outcomes. More details on applications may be found in our white paper (DataPoints, 2016). For summary purposes, advisors may consider the use of Building Wealth for the following purposes (see Table 1):

1. To quickly get to know prospective and current clients
2. To identify clients with high potential for building wealth
3. To coach clients to improve behaviors over time
4. To establish key behavioral plans
5. To advise spouses on behavioral differences that may be impacting their financial (and potentially relational) success

The Building Wealth test is appropriate for clients that manage their own financial affairs. Specifically, the test is applicable for most of the adult population that have some responsibility for managing their own financial affairs. However, the most value may be in the use of the assessment and follow-up coaching for individuals that are relatively new to financial management.

Advisors may find that those individuals with substantial wealth (e.g., ultra-high net worth clients) find the assessment less useful, as their patterns of behaviors may be less important given their net worth.

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Test Conditions & Retesting

Clients should complete the Building Wealth test on their own, preferably in a quiet location free from distractions. DataPoints strongly recommends against the practice of clients completing assessments with the advisor present, due to potential impression management behaviors on the part of the test taker. The test should be completed in one sitting, and each client should complete the assessment him or herself (versus having one household complete a single assessment).

The test is not appropriate or designed for retesting in that the biodata items associated with the test measure past and current patterns of behaviors. If significant behavioral change occurs post-testing, the individual would continue to receive lower scores because the questions measure past behavioral patterns as well as current ones. Instead, it is recommended that advisors who wish to track the progress of their clients in improving behaviors on the wealth factors do so via a rating process over time. DataPoints offers a coaching and planning module that allows advisors and clients to track improvements over time. This way, the client is rating his or her behaviors related to specific factors and related to a period that is congruent with when the change could have been expected to take place.

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Table 1. Use of Building Wealth with Client Segments

Group	Application
Prospects	• Identify high-wealth-potential prospects that may not meet minimums • Engage prospects with a holistic approach to financial management • Assess and distribute feedback reports as part of marketing, educational events
New Clients	• Segment clients by their financial behaviors for content marketing and events • Coach & develop clients to improve financial behaviors • For firms, match clients to advisors based on similarities in behavioral patterns and style/approach
Established Clients	• Introduce new assessment to further build value of relationship • Provide evidence-based coaching & development
Spouses/ Couples	• Assess couples' standing on wealth factors and use data to address sensitive financial issues • Discuss topics that may be sensitive using objective data on patterns of behaviors
Heirs	• Identify & develop key behaviors that can ensure wealth is preserved & grows • Build trust with objective measures of behaviors • Open tough conversations using reports based on their own responses

Process & Communication

Before inviting clients to complete the Building Wealth assessment, it is important to let them know that it is a) part of the client workflow process and b) designed to help them better understand their behaviors as they relate to future financial success.

Providing prospects or clients with clear information about the purpose of the test, who designed it, and how the information will be stored and used is critical. It is also critical to do your own check on clients who may be reluctant to complete an assessment. Sending a reminder may be helpful, but we recommend not pushing clients who may not be comfortable with answering questions about their opinions, perspective, or behaviors.

- Ask for consent to assess: let the prospect or client know about your discovery process, including your use of assessments to get to know their patterns of behaviors.
- Let them know they will receive a complete, personalized report that gives them insights into their scores and how they can maintain/improve their behaviors for better financial success.

- Send them the Patterns of Behaviors overview, which provides a preview of the assessment and answers questions they may have about the assessment itself, their data, and how their data may be used.

In the assessment, a client will be asked to respond to a series of financially-focused questions. This should take your client approximately 12-15 minutes. Some questions will ask your clients to recall experiences they have had with finances. Others will ask them to describe how they behave in certain situations related to money, how they believe they are perceived, and what impact their behaviors have had on their financial situation today.

There are some questions that will seem repetitive. This is by design, and ensures that we are getting an accurate understanding of your clients' patterns of behaviors and experiences. Your clients may ask why they need to fill out the demographic information at the start of the assessment. This is for ongoing data collection to ensure scoring accuracy over time.

Interpreting Results

Once your client completes the assessment, scores are immediately and automatically calculated with our proprietary scoring algorithm. You and your clients will receive a detailed, personalized report outlining the client's scores on the Building Wealth test. The report includes an overview of what the test measures and how it is scored. This report includes a table of your client's scores on each of the six wealth factors. Each wealth factor is then described and recommendations are given to improve those behaviors, if applicable. This information can be used to develop and coach your clients using the planning feature on DataPoints' assessment platform.

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After the client completes the assessment, we strongly recommend reviewing the results with him or her. Specifically, we recommend using the Advisor Report, as well as Appendices B & C, to review the results with your client.

Specific Use Cases

Client Experience

Building Wealth can be used as part of a comprehensive client experience that focuses on identifying and developing behaviors that are conducive to building wealth. Two natural areas where this can benefit your practice include (1) assessing client fit and onboarding, and (2) coaching and development. Before implementation, consider how to communicate your use of the Building Wealth assessment with your prospective and current clients. See Appendix A for suggestions regarding communication.

Client Fit & Onboarding

1. Invite the prospect to complete the assessment before a first meeting.
2. Send or provide the narrative report to the prospect during in-person, phone or web meeting.
3. Discuss strengths and weaknesses and your firm's approach to coaching & development. See Appendix B for more details on how to review strengths and weaknesses with your clients.
4. Use the following questions to spark greater understanding and conversation:
    a. *What did you think about the test itself?*

b. *Do you think the results are an accurate reflection of your behaviors?*

c. *What areas do you feel you want to improve?*

d. *What areas do you want to maintain?*

See Appendix C for more examples of questions to include in your follow-up conversations with clients.

From the advisor dashboard, view the prospective client's overall Wealth Potential score, an overall indication of her wealth-building potential. As an advisor, are you comfortable advising clients of all levels? Are you in a position where you can be selective about who you work with? The Wealth Potential score can help.

1. Low-potential prospects will benefit from coaching and development, but may also be inclined to continue those behaviors, making them less likely to build/maintain wealth over time.
2. High-potential prospects have a higher propensity to build/maintain wealth on their own. This can mean that (a) you must focus on establishing yourself as an expert and proving your value – these clients often have the ability to "do financial management" on their own, and (b) they also have higher expectations for what you should be doing for them.
3. Consider Wealth Potential in the context of the client's scores and other characteristics. Here are a few examples.
    a. For Millennial clients that don't meet your minimum, consider working with those high on potential: these individuals exhibit patterns of behaviors that will allow them to build and maintain wealth over time. Do you want to be a part of their journey?
    b. For high-net-worth, low-Responsibility clients, they may attribute financial outcomes to you or other outside factors, versus to their own behaviors. How can you work to build value in your services in light of this client's characteristics?
4. For clients who are low on potential, but have a high net worth, consider the time and effort that will be needed to help that client grow over time.

Aligning Advisors & Clients

In a larger practice, prospective clients may be matched to an advisor as part of the onboarding process. DataPoints analytics can help ensure this match is successful by providing insights that will ensure the client and the advisor have similar patterns of behaviors and lifestyles (or alternatively that the advisor is compatible to work with a particular behavior/lifestyle-type client). For example, matching a client with low Frugality with an advisor who is well-suited to help this client grow can help to ensure success in the relationship.

As part of the prospecting and onboarding process, let the prospect/client know that the firm's focus is on ensuring a good fit between her and the advisor she works with.

1. Administer the assessments to advisors within the firm to establish their behavioral profile.
2. Use the dashboard reporting to match clients to advisors based on similarities in patterns of behaviors.

Coaching & Development

Those high on Wealth Potential already view their ability to manage finances as better than others: what can your firm offer to them? Likewise, those lower on Wealth Potential believe they need assistance: can you coach them to improve? Understanding Wealth Potential is a key component in devising tailored developmental plans for clients.

DataPoints' assessments are based on research into the key behaviors that underlie wealth-building. What is measured can be improved. Using Appendices B & C, you can help your clients by first reviewing results, and then subsequently creating a plan that is tailored to the client.

Marketing

Using the DataPoints assessment of client wealth potential, your firm can focus your behavioral coaching efforts on critical wealth behaviors—the behaviors that relate to net worth regardless of their age, income, and percentage of wealth inherited. With an engaging assessment and dashboard reporting, your firm can begin to use behavioral science to positively impact client and firm wealth through evidence-based coaching, increased efficiency in prospecting and marketing, and broadening your market.

Instead of focusing solely on demographic characteristics to provide guidance or relying on subjective views about personality or attitudes, DataPoints scientifically measures Wealth Potential to allow firms to identify and develop their clients' propensity to succeed financially.

Branding & Process

From communicating with clients to providing marketing/education events, DataPoints analytics helps your firm match your marketing efforts to the patterns of wealth behaviors of your clients.

Content Marketing

1. On the Advisor Dashboard, sort your clients by Wealth Factors. For example, sort clients by Confidence.
2. Determine appropriate content for each group of clients. Using our example, find content that is appropriate for the High Confidence group, which may include articles on overconfidence in investing. For the Low Confidence group, content may include articles on financial decision-making and building knowledge of financial planning basics.
3. Identify content (or write content) specifically for groups within a certain score zone (e.g., low Frugality). Target those clients using your CRM segmenting feature.

Educational/Marketing Events

1. Using group-level information about your clients, determine which educational programs would be best suited to your entire client base.
2. Invite your attendees to complete the assessment prior to the event, and distribute their individual reports as a take-away from the event.
3. Focus your event around group level data: the advisor dashboard provides insights to make the event as focused as possible for your attendees.
4. Open discussion around their wealth experiences: what advice to they have for each other? What experiences have they had that relate to the scores and narratives they see in their report?

Segmentation

Many firms focus on acquiring clients that have already achieved financial success: Those with high net worth and ultra-high net worth. But these categories represent only the top six to eight percent of the market, and may not include the future *Millionaire Next Door*. With more than 115 million households in America, there is ample opportunity to grow your business and your clients' portfolios.

Age, assets under management, gender, income: grouping clients into these groups can only provide high level information on how someone can build and maintain wealth over time. Focusing on group membership masks the nuances of behaviors that can ultimately impact an individual's financial success. Instead, you can use the DataPoints technology to gain a greater understanding of *how* your clients behave related to financial matters–-allowing you to differentiate your marketing and services efforts.

While advisors may instinctively recognize these individuals, your firm may not have a scalable, scientific way to identify them—a way that can be coordinated with marketing and product-development efforts.

DataPoints provides scientific, behavioral evidence for this potential, delivered in a way that is scalable for your business. Our predictive analytics can be used to demonstrate which clients can build wealth over time compared to others by measuring sets of life experiences and behaviors proven to correlate with wealth.

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Appendix A. Communicating with Clients

Below are a few examples of how to communicate the use and value of the Building Wealth assessment with clients.

Sample Website Content

[Firm Name] provides more than just the mechanics of financial planning. As part of our financial planning partnership, we'll work with you to understand your complete patterns of wealth behaviors and create a personalized plan that will help you improve how you build and maintain wealth over time. We work with DataPoints, a behavioral finance research and technology firm, to get a comprehensive picture of your wealth-related behaviors, attitudes, and values, all based on 40+ years of data and research that led to *The Millionaire Next Door* and *The Millionaire Mind*.

Sample Email to Clients

How do your experiences and behaviors compare to those that are successful at transforming income into wealth? Are you interested in learning about your behaviors as they relate to factors that predict net worth?

I'd like to invite you to learn about your wealth-building behaviors. The assessment was created by DataPoints, using the data from 40 years of research on self-made, affluent Americans from Thomas J. Stanley, author of The Millionaire Next Door and The Millionaire Mind.

You'll be receiving an invitation to complete a short, 15-minute assessment of your financial-related experiences and behaviors. After you complete the assessment, you will receive a personalized report explaining how your behaviors and experiences relate to different aspects of building wealth. This report will give you examples of how you might maintain or change your behaviors to enhance your overall propensity to build wealth.

I'm happy to discuss your results and talk about what it means for building (and maintaining) wealth long-term. If you're not interested in taking the assessment, please let me know.

Bulleted List for Client Communication

Why learn about your financial behaviors and experiences?

- Learn about how your experiences and behaviors impact your current path to financial success
- Compare yourself to others - understand how your behaviors and experiences in certain wealth factors compare to others
- Explore ways to improve and/or maintain your own patterns of wealth behaviors
- Individuals that score high on the series of critical wealth behaviors have been shown to grow their portfolios up to 2.5x faster than those that score low on relevant behaviors

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Appendix B. Wealth Factors

Confidence

Confidence refers to the level of assurance an individual has in the financial and other significant decisions she makes. Whether this confidence is built from years of mentoring by parents, from self-study, or from trial and error, prodigious accumulators of wealth are effectively confident in the decisions they make regarding the financial management of their household and their abilities to create their own career opportunities through self-employment.

Those low in Confidence may:

- Doubt their ability to plan, invest and manage finances
- Believe financial advisors are better suited to provide investment and financial knowledge
- Not believe they can manage finances as well as others
- Not view themselves as a savvy investor
- Tend to be quite concerned about the financial health of their household
- When making large purchases, be reluctant to negotiate the price with others

Those high in Confidence may:

- View themselves as a savvy investor and have a healthy level of concern about their household's financial health
- Be comfortable negotiating purchases
- Become overconfident in their abilities to make financial decisions
- Act or make significant decisions on their own when they feel it is appropriate to do so

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Coaching & Guidance

Stress the relationship between confidence and financial success.

Ask probing questions around investment knowledge, negotiation, and decision making to determine specific areas to coach.

Many times, lack of confidence comes from lack of knowledge. Recommend books, websites, and other collateral to help them raise their knowledge in relevant areas above.

For average respondents, use normative data provided in the score report to show them that they are not alone or unusual.

Confirm that those high in confidence are not over-confident. Ask the client about the degree to which they can trust a financial planner.

Questions to Ask

In what areas of financial management do you view yourself as confident? What areas do you feel not as confident?

Are there certain areas in which you would like to build your confidence?

Think back on any significant financial decisions you've made. How did you feel when making them? Have you change since you've made those decisions?

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Focus

Setting and reaching goals requires discipline and focus. Technology and social media tend to create "hyper-busyness", and it can be challenging to meet goals without becoming distracted. Those who are effective at building wealth over time are generally able to meet goals via a disciplined approach and effectively manage the use of technology in their daily lives.

Low scorers in Focus may:

- Use technology for entertainment purposes
- Struggle to use technology for work/household tasks without becoming distracted
- Struggle with maintaining focus/dedication for long-term projects
- Become distracted when in conversations with others, either from their own technology or from other distractions in the area
- May often post updates on social media sites

High scorers on Focus may:

- View technology as a tool for accomplishing goals
- Become engrossed in projects or tasks
- Ignore or postpone other important life or work issues when focused on one task
- Focus for long periods of time on tasks that require dedicated attention

Coaching & Guidance

Building wealth is a long-term process, and it often requires dedicated focus to sometimes mundane tasks such as tracking receipts, paying bills, and monitoring investment accounts. However, to succeed in financial management, focused attention should be given to ensure mistakes and shortcuts do not undermine a financial plan.

Questions to Ask

When it comes to financial management, some of the tasks can be a bit repetitive and some consider them mundane. Which areas do you have challenges with focusing on or completing?

How do you typically tackle long-term projects in terms of staying focused?

What are your biggest "distractions" when you're working on something that requires a lot of concentration? How do you typically get yourself back on track?

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Frugality

Frugality refers to living below your means, and generally living in a manner that is economical. Frugality is a critical factor in building wealth: On a daily and even hourly basis, spending habits significantly affect the ability to accumulate wealth. All other financial management behaviors that people engage in are ultimately dependent on willingness to make a habit of spending less money than they make, particularly when starting out.

Those low in Frugality may:

- Be less frugal than others.
- Usually pay full price for and overspend on some products and services more often than others.
- Be less likely to look for discounts and more likely to view wants as needs.
- Have a general lack of knowledge or awareness of how much goods, services, and other items cost.

Those high in Frugality may:

- Be more frugal than others.
- Rarely, if ever, pay full price or overspend on products and services.
- Be more likely to look for discounts than others and do not typically view "wants" as "needs."
- Be more likely than others to find ways to live below your means and are less likely to spend most your household's income than others.
- Tend to spend less in most areas of consumption, particularly when starting down the path toward financial independence.

Coaching & Guidance

The key to enhancing frugality is two-fold: Meticulous consciousness of spending and discipline.

Teaching respondents to value frugality as a goal, a personal virtue, and wealth building tool is critical.

As baseline measures, suggest that clients have a household budget and that they are tracking spending. Ask them to take a few weeks and assess every purchase for whether or not it is a true need, and for the possibility of discounts, lower costs, or less expensive choices. Help them challenge their own notions of the difference between wants and needs.

Be a source of positive reinforcement for frugal behaviors. Let your clients “brag” on themselves for even minor` positive changes in frugality and encourage them.

Encourage the respondent to find others who share similar values around the importance of frugality.

Illustrate compound interest and the impact that minor savings or minor costs have on wealth over time.

Questions to Ask

When you hear the word “frugal,” what comes to mind? Is it a positive or a negative for you?

Do you tend to think your spending helps or hurts your financial success? Why or why not?

What’s your overall philosophy on spending? Are you always looking for a good deal, or is expediency of buying more important?

What aspects of living below your means are the hardest? Which are the easiest?

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Planning

With few exceptions, wealth accumulation is a focused and thought-out process: planning, setting goals, monitoring income and expenses and ensuring that spending and savings plans are met. Being a disciplined planner is a key success factor in the success of self-made multi-millionaires (see *The Millionaire Mind*, page 34), and it is also a key characteristic of an economically productive household on its way to being financially independent. Those that are successful at building wealth are more likely to set and stick to financial plans and strategies. This wealth factor captures behaviors related to planning, organization, and monitoring spending, saving, and investments.

Those with low scores on Planning may:

- Spend little time planning for their financial future
- Rarely know how your investments are performing.
- Be behind on financials goals or deadlines
- Be unaware of how much his household spends on food, clothing and shelter, and may not use a budget as a guideline for spending.

Those with high scores on Planning:

- Spend time planning their financial future
- Have a consistent awareness of the financial performance of their household
- Pay bills and manage financial matters promptly and on time
- Have dedicated time each week for managing financial matters

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Coaching & Guidance

Those who spend time on financial management tend to be more economically successful. Work with your client to set aside time for financial planning within his/her weekly routine, and consider checking in weekly for several months until that new schedule becomes habitual.

Encourage the client to start with small amounts of time, and specific tasks to accomplish during that period. Encourage the use of calendars, reminders, and task lists.

Explore areas of the client’s life that might be impacting his/her ability to either set aside time for planning.

Questions to Ask

What’s your typical approach to financial management? Do you set aside time for it or do it as needed?

When you’ve achieved long-term goals for yourself, how have you typically accomplished those goals? What kinds of plans helped you get there?

What kinds of plans are you good at keeping? What about those that you often are challenged to keep? How do you view financial management falling into those plans?

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Responsibility

Prodigious accumulators of wealth believe the successes they have in life are due to their actions, abilities and experiences; they believe luck plays a smaller part in their success. Regardless of an individual's role in money management, taking responsibility for the financial outcomes of the household is related to overall net worth regardless of age, income, or percentage of inherited wealth

Those low on Responsibility:

- View luck as playing a significant role in success or failure.
- Often let others take responsibility for the overall financial management of their household (or strongly desire for someone else to take that responsibility).
- May blame past experiences (e.g., childhood or early work experiences) on their current financial status instead of viewing those experiences as a way to grow financially.

Those high on Responsibility:

- Take great responsibility for the financial outcomes of their household and rarely (if ever) desire for someone else to take that responsibility.
- Are naturally perceived by others as a leader, as someone who can make challenging decisions.
- View success as something that is due to hard work, decision-making and competence, not due to luck.
- Rarely blame the past for current challenges or negative outcomes.
- View managing finances as a task that they would prefer to maintain themselves and not outsource to others.

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Coaching & Guidance

Responsibility is one of the more challenging wealth factors to develop because of its relationship to many psychological characteristics and behaviors. Focus on education first.

Ask questions that explore concepts related to how the client might attribute financial success and failure, e.g., "Do you feel as if the level of financial independence you may achieve is mainly due to luck or to the actions and behaviors you take with regards to money? Why?"

Stress the importance of hard work and knowledge as the cornerstones by which individuals become more financially responsible.

Teach clients to recognize the importance of decisions they make today – and to adopt a "present orientation" to financial challenges and opportunities.

Questions to Ask

When you've been successful at something, to what do you usually attribute that success? Hard work? Luck?

When it comes to your financial future, how do you see outside factors contributing to your future? Factors such as the economy, the government, your job?

When you think about financial success, what part of that success do you believe you can contribute to? How do you see yourself contributing to that success?

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Social Indifference

Social Indifference is the degree to which an individual is influenced by what others buy, wear or drive. It is also the degree to which an individual is affected by suggestions and advertisements for material goods, services or investment opportunities.

Those low in Social Indifference:	Those high in Social Indifference:
• Have a keen interest in what others wear, drive and buy • Have great interest in the purchases of others, and may feel pressure to spend and shop at the same level as neighbors, friends and family • Often susceptible to advertisements and marketing tactics	• Are not easily influenced by what others wear, drive or buy • Feel comfortable around those who may appear or are wealthier than the client • Are not easily influenced by advertisements and sales pitches • Feel little pressure to shop and spend at the same level as family, friends and neighbors • Typically ignore or are indifferent to the purchases or material goods of others

Coaching & Guidance

Individuals that want to improve on Social Indifference should be aware of their existing value set and thoughtful about whether those values are consistent with financial objectives. They may need to be made aware that their existing values are impairing their ability to achieve their financial outcomes. They may need to be counseled regarding the nature of building true wealth as opposed to acting wealthy through conspicuous consumption.

Refer clients to sources that advocate and document the long-term beneficial impact of a less wasteful lifestyle.

Encourage them to set achievable but challenging financial goals that will require less want-based spending.

Questions to Ask

When you view others with new, let's say expensive or luxury, purchases, how do you feel or do you even notice those purchases?

Can you recall a time when what someone was driving or wearing had a great influence on you? What the outcome of that influence positive or negative?

How does your current surroundings, both where you live and your community of friends and family members, impact how you shop, spend, and buy?

How much of your consumption behavior do you attribute to what others are buying and wearing?

Appendix C. Exploratory Questions

Questions for the Client

What did you think of the test? What did you think of the results?

What areas did you agree with? What areas did you disagree with?

What areas do you feel like might be impacting your financial success?

What areas are you trying to improve on now? What areas do you want to improve on? If none, why?

Do you feel that working on improving financial behaviors is something that is an important aspect of our work together? Why or why not?

Working with Spouses

When you disagree about finances, what is typically the source of the disagreement?

How accurate do you think the results were for yourselves? For each other?

Which areas are accurate? Which areas do you think were inaccurate?

Which of these areas tend to come up when you're working through finances together?

In which areas do you see agreement? Do you think those are accurate? Why or why not?

Are there any difference areas where you might want to find middle ground? Which areas do you think you can find middle ground on?

Do you think that the disagreement areas that are impacting you?

How can each of you meet in the middle? What are each of your willing to compromise on to get there?

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About DataPoints

DataPoints is a technology-enabled assessment and behavioral research company. Using more than 40 years of behavioral, consumer, and demographic data and findings that shaped best-selling books including *The Millionaire Next Door* and *The Millionaire Mind*, we provide behavioral finance solutions that enable individual and organizational growth. Our proprietary assessment technology analyzes individual wealth behaviors, and reveals activities scientifically proven to impact their ability to generate wealth over time. Our scientific assessments enable financial advisors to add a deeper layer of personalization to their counsel, helping them to increase prosperity for their clients and their firm. Visit us at www.datapoints.com.

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