

Active and Passive Wealth Creation

- **Active wealth creation.** Wealth that has been accumulated through entrepreneurial activity may be the result of risk taking. Thus, this individual could have willingness to take risk. However, they may treat business risk different from investment risk.
- **Passive wealth creation.** Wealth acquired through windfall or inheritance could indicate a lack of knowledge with investment decisions. Thus, this individual may have below-average willingness to tolerate risk.