

## What Do You Value?

Source: Smart About Money

What you will want in your financial future and what you need to feel financially secure depends on your values. Research from SAM's LifeValues Quiz identifies four categories of values that drive financial behaviors: inner values, social values, physical values and financial values.

### Inner Values

- Overview
  - Our personal identity (how we see ourselves) and our social identity (how we believe others see us)
- Areas of Influence
  - Sense of purpose and meaning in life
  - Desire to worship (or not)
  - Need for safety and security
  - Desire for freedom and independence
  - Control over goals and priorities
  - Need for personal space
  - Preference for working alone or with others
  - Outer success vs. inner contentment
- Effect on Money Habits
  - Strong inner values translate to trusting one's gut or following the inner voice, which can give the person the resourcefulness to overcome a sudden money crunch.
  - Strong feelings of autonomy and security help us feel in charge of our lives, which can translate to more confidence in financial transactions.

### Social Values

- Overview
  - Our desire for belonging and relatedness with our family members, neighbors, friends, coworkers and communities
  - Includes organizations with which we identify (e.g., clubs, sports teams, schools, professional groups)
- Areas of Influence
  - Desire to be alone or with others
  - Providing for others in formal and informal ways
  - Charitable giving and public service work
  - Budgeting jointly and sharing expenses
  - Feeling of relatedness to political parties and representatives
  - Social justice and civil rights
- Effect on Money Habits
  - How we handle money is, in part, tied up in our unique family histories.
  - Habits and cultural preferences we learn early from our families and other social relationships influence later money habits.
  - Sometimes we unconsciously "act out" in our adult money habits in response to messages received in childhood.

## Physical Values

- Overview
  - The tangible aspects of life, the external world, our physical health and well-being
- Areas of Influence
  - Amount of space we need to feel comfortable
  - Degree to which we are satisfied and fulfilled by beauty and material possessions
  - Health of our bodies and the measures we are willing to take to secure that health
  - Desire for pleasure and comfort
  - Appreciation of art, fashion, architecture and design
- Effect on Money Habits
  - Strong physical values might translate to overspending on material possessions if left unchecked, but physical values also show up in our desire for quality. This person is willing to spend more for craftsmanship and design.
  - A person with strong physical values also might prioritize getting more insurance to protect their valuables, and might spend more than others on home and self-care (e.g., gym memberships, beauty treatments, dry cleaning, interior design). This is not felt to be frivolous, but to protect his or her investment.

## Financial Values

- Overview
  - Unrelated to how much money we actually have, these values reflect what we think or believe about money
- Areas of Influence
  - Sufficiency of money (do I have enough?)
  - Sustainability of resources (how long will my money last?)
  - Appropriateness of financial decisions (is this the right choice for me?)
  - Bargain hunting and getting a good deal
  - Saving for long-term security and short-term goals
- Effect on Money Habits
  - Those with strong financial values likely think more about the sustainability of their money and generally have more in reserve.
  - When one does not have a strong concern about the appropriateness of their purchases, he or she might be less prepared for financial emergencies.
  - People with strong financial values can be great financial educators, both professionally and personally.

Examining your values lets you clearly understand what matters most to you and why you set the goals that you do. The judgments you make begin to reveal patterns in your behavior that are specific to you and your values. And, the hard choices you have to make become easier when you remain true to your values and goals.