

## Much ado about how much is right: Financial attitudes give another picture

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Love it or hate it, we all harbour certain attitudes about money. Most of us fall into one of four categories: Spender, Saver, Builder or Giver.

Financial advisor Diane McCurdy devised these four money types while building her practice in Vancouver. She described them five years ago in the original Canadian edition of her book, *How Much is Enough?*

McCurdy has since written a U.S. edition. A recent media tour to promote it garnered coverage from USA Today to Fox TV -- no easy feat for a Canadian financial author.

Certainly, the book's title poses a question to which North American Baby Boomers increasingly seek an answer. "It's a question nervous Boomers -- and some insightful younger people -- are starting to ask in greater numbers," McCurdy says.

A similar question constitutes the main theme of Lee Eisenberg's hit, *The Number*, excerpted in FP Weekend this spring.

But McCurdy says there is as much media interest in money attitudes -- and their impact on relationships -- as there is in any magical number. "What's hit with us is how many people are fighting over money," she says, pointing to the classic conflict of a Spender coupled with a Saver. An even worse coupling is two Spenders, who "can egg each other on into financial disaster." Full descriptions of the four types can be found at McCurdy's Web site ([howmuchisenough.ca](http://howmuchisenough.ca)).

Spenders are those "Joneses" with whom the rest of us try vainly to keep up. They view shopping as entertainment, but can get into trouble when they spend all they make -- or worse, spend more than they earn and fall into debt.

Savers, by contrast, accumulate massive retirement nest eggs. They "still have an enviable quality of life on a tiny salary," McCurdy says. "Other types can't quite figure out how they do it."

But Savers are becoming an endangered species, while Spenders are proliferating. McCurdy says

Canadians now have a negative savings rate. We used to be considered good savers, but the savings rate went negative in 2005. "Canadians are spending 125% of their disposable income," she says, a figure dangerously close to the 130% rate in the United States.

Don't be too smug about being a Saver.

"Savers can be too conservative with their investments so their money doesn't grow as much as it could," McCurdy warns. "They sometimes postpone enjoying their money until it's too late to do the things they've always wanted to do."

In short, Savers may end up with the dubious distinction of being the richest people in the cemeteries.

Compare them with Givers, the charitable folk who make the world a better place. But Givers can also get into trouble if they forget about their own needs.

Most rare are Builders, who use money to create organizations that may have a true impact on the world. But they, too, can get into financial distress if they expand too quickly without enough capital or fail to adequately consider risks.

It's possible to have a combination of types in your money personality, says McCurdy, who confesses to being a hybrid builder/saver herself.

So how much is enough? There is no single one-size-fits-all answer. A frugal person with a paid-up home, a good company pension and standard government pensions may need as little as \$450,000 at retirement. Big spenders with no pensions may need 10 times that, while most will fall between these extremes.

Boomers will likely live longer than their parents so McCurdy suggests throwing out the old retirement calculators. "They're all based on obsolete mortality statistics. The number is up, absolutely, because if you're going to live longer you'll need more money."

Her Web site includes a calculator to help you find

your own "how much?" number. Savers may be pleasantly surprised. Spenders may get a wake-up call.