

# 10 Questions

WITH NOTEWORTHY PEOPLE

## Jean Chatzky on What Makes the Difference in Lasting Financial Success

by Shelley A. Lee



**Who:** Jean Chatzky

**What:** Journalist, author, motivational speaker; financial editor for NBC's *Today* show

**What's on her mind:** "Optimism is a wealth magnet."

When Jean Chatzky was a college freshman, she set her sights on becoming a journalist, writing for magazines. When she became a college graduate, her dream bumped into reality: a job offer as an editorial assistant paying \$12,000 a year. Taking a higher-paying job outside the editorial world, Chatzky was so unhappy she quit after three months. That's when she says she learned that it's not all about the money. After reporting on business and "the story that numbers can tell" for her first editorial job (which paid less than the first offer) and working on Wall Street helping analysts write reports, she landed at *Forbes* in 1992, when the personal finance revolution was just beginning. In 1995, she was asked to be the financial editor of the *Today* show.

Her genuine, friend-next-door persona and what others describe as her "clear, straightforward money mantra for regular folks" have given Chatzky a wide audience of dedicated fans who, she says, "teach me every day—perhaps more than I teach them." Her quest to continually learn more about how to help people reach financial security led to her latest book, *The Difference*, released in April 2009.

"I know that people ask themselves all the time: What's the difference between me and my boss, or my neighbor who seems to have it so good? I wanted to find the answer, too, especially since about 75 percent of wealthy families in the U.S. didn't start out wealthy." Chatzky joined forces with Merrill Lynch and Harris Interactive, surveying more than 5,000 people. She found the difference: "It's in you." We recently talked with Chatzky about what the research found, the role optimism plays in financial well-being, and who she turns to for advice.

### 1 Having already written four books, why *The Difference*?

When I did the Debt Diet program with Oprah and wrote *Make Money, Not Excuses*, I put forth a four-step plan for how people can reach financial success. It's all based on the simple principles of work hard and earn a decent living, spend less, invest to put your money to work for you, get an estate plan and insurance in place for protection. But I started to hear from people that they were doing what I told them to do—"I've cut out the lattes"—and yet they still weren't gaining ground. So I started to

wonder what it was that separated the paycheck-to-paycheck people from those with lasting financial success. I read as much as I possibly could on wealth, education, behavioral finance, positive psychology, risk taking, and success. What I really wanted were specifics on which behaviors, personality traits, and attitudes moved people away from being “stuck” and which defined those with long-term success.

**2** *So what were the biggest surprises from the research for the book?*

I suspected it wasn't about the money, but the *degree* to which it wasn't about the money surprised me. We tested for hundreds of factors—this huge project even asked about political affiliation, birth order, whether the person was right- or left-handed—and we eventually identified 20 that were clearly key elements, those that make “the difference.” And being born with money or inheriting it are *not* key. Some of the more interesting surprises include: personality traits of being confident, happy, optimistic, and competitive, and nonfinancial behaviors of socializing with friends at least once a week, exercising two to three times a week, and reading newspapers regularly.

**3** *Is there really a wealthy “personality”?*

In our survey, we categorized people as “wealthy” if they have investable assets, not including home equity, of almost \$2 million, although we used lower figures for younger ages. The research clearly showed us that there are seven distinct traits of the wealthy personality—optimism, resilience, connectedness, drive, curiosity, intuition, and confidence. While some of those may not be surprising—drive and confidence, for example—I find it extremely notable that intuition, curiosity, and optimism are so important. Most wealthy individuals read and learn constantly and report that their parents read to them when they were a child. They trust their intuition—it's the gut instinct talking to them. And optimism

is an expectation that good things are going to be plentiful, that life will bring good rather than bad outcomes. Optimism is a wealth magnet.

**4** *There's a whole new science, if you will, about happiness. What difference do you see in optimism and happiness?*

Happiness is short-term; optimism is forward thinking. What was very interesting from this research was that you can't be what I call blissfully happy. People [who are] “blissed out” often have bad financial habits. You have to be appropriately happy—as in most things, moderation is the key. Some of the newer research in behavioral finance or neuroeconomics indicates that we're born with about 50 percent of the resilience, optimism, and intuition we can have. The rest of it is in our control to be developed and practiced. You know that saying, “Happiness is a choice”? Prosperity is a habit—it's a learned behavior.

**5** *You've been a proponent of professional financial advice. We know that younger boomers and the younger generations are much underserved by financial professionals and that we need many more planners to serve a broader reach of the public. What do you advise your viewers and listeners?*

Younger people shy away from even starting the search for an adviser because of the fear it will be very expensive. I do try to spread the message about planners that charge by the hour, like the Garrett Network. And I still tell people to use the Internet and other resources, and to find a couple of voices they can believe and rely on, and stick with them. I actually like Liveperson.com and Guru.com. There are planners available who will charge by the minute. Almost every talk I give, I get the question: Where can I find somebody I can trust?

**6** *Who do you turn to as a resource for the advice you give?*



**In today's tough economic times,** there is no better safeguard for a bright financial future than insurance.

At Low Load Insurance Services, we understand the fee-only financial planning business model and the passion you put into protecting your clients. We share your drive to secure their wealth and lifestyles.

Since 1992, we have helped fee-only financial planners make the right recommendations. At the right time. Together, we can help you ensure your clients have the coverage they need for a financially secure future.

#### TERM LIFE

LOW LOAD UNIVERSAL LIFE (INDIVIDUAL)

LOW LOAD UNIVERSAL LIFE (SURVIVORSHIP)

NO LAPSE GUARANTEE UNIVERSAL LIFE

DISABILITY INSURANCE

LONG TERM CARE INSURANCE

ANNUITIES

LIFE SETTLEMENTS

NOT ALL PRODUCTS ARE AVAILABLE IN ALL STATES.

**2907 W. Bay to Bay Blvd.  
Suite 102  
Tampa, FL 33629-1706  
Toll Free: 877-254-4429  
Local: 813-902-0002  
Fax: 813-902-0007  
www.llis.com**



**LOW LOAD**  
INSURANCE SERVICES, INC.<sup>™</sup>  
*The fee-only advisor's insurance advisor.*



## Talking Point

### Does Jean Chatzky Have It Right?

In this month's "10 Questions with Jean Chatzky," the well-known financial journalist and *Today* show regular says that the difference for those enjoying long-term financial success is, simply, that "it's in you."

Chatzky's research, conducted with Harris Interactive and Merrill Lynch, indicates a wealthy "personality" that includes seven distinct traits: optimism, resilience, connectedness, drive, curiosity, intuition, and confidence. Is there a wealthy personality that can lead clients to long-term financial well-being? How has the experience of the past 12 months changed your clients' outlooks on success?

Discuss these and related issues with your colleagues at the Financial Planning Association group site on LinkedIn under the discussions tab (member login required). Or, visit [www.FPAjournal.org](http://www.FPAjournal.org) and go to the September Talking Point on the Community Forum.

I'm fortunate to be in a space with many others I think give great advice to consumers; I consider many of them my friends. When I'm calling for resources, I often turn to planners. I should probably have Harold Evensky or Ross Levin on speed-dial. I like big thinkers who are keeping up with what's going on in Washington [D.C.], the markets, the economy, and what's going on with their clients.

**7** *With so many years listening to average Americans' questions about their finances, what's different about the questions you're getting now?*

In the past, it seemed as if people's "stumbles" were temporary. Now, too many people are getting down and losing their ability to believe things will turn around and that they can personally recover. I feel a greater sense of desperation from many people. I try to find the points of hope and send them in that direction. I've been clipping stories about people who are finding ways to reinvent themselves. There was an article in the *Wall Street Journal* about a young man laid off from his job and who now makes jellyfish tanks in his living room. A woman in Sacramento called my radio show and told of how she and her sister started a business cleaning out foreclosed homes for banks. The stories are out there and they're quite inspiring.

**8** *You were somewhat critical of the administration's bailout plan initially, saying that Americans don't understand the difference in "bailout" and "rescue," which the administration also called it.*

None of our leaders adequately explained it. It's an issue of communication. We all need to understand the cost-benefit of these actions. I'm still a little frustrated with the explanations. After all, it's our money.

**9** *If you do follow-up research in two years, what do you think you will find?*

We may hear people talking of this current downturn in the same terms as those who survived the Great Depression. I do hope we're going to produce a generation of better savers. We know from neuroeconomics that our brain doesn't like saving as much as it likes that instant gratification. I hope this newfound saving behavior will last.

**10** *Do you ever reflect on how you got to the point where millions of average people hang on your every word in the early morning hours?*

I feel very lucky to do work that I think is very interesting and to be able to do it in a way that fits my life. That's a particular challenge for women. When I was planning my life at age 20, I certainly didn't picture this. It is unusual to be in a position where people feel like they know me because they see me on television. I think people relate to me because they get the sense that you are who you are at 7 in the morning. They must like what they see. But you should see me at 4 p.m. I'm a mess.



*Shelley A. Lee is a writer and business journalist in Atlanta, Georgia. She can be reached at [Shelley@ashworth-lee.com](mailto:Shelley@ashworth-lee.com)*

Jean Chatzky's "Money 911" series is on NBC's *Today* show every Wednesday at 9 a.m. EDT. She also is on Oprah Radio live every weekday at noon, on Sirius XM radio, and blogs at [www.jeanchatzky.com](http://www.jeanchatzky.com).