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Taking a money tip from Ebenezer Scrooge

Kaua'i psychologist writes about how past affects present assets

BY GREG WILES
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This holiday season has a little more meaning for Dr. Brad Klontz, a Kaua'i-based psychologist who's finding himself in demand when it comes to consulting on personal finance.

That's because Klontz has unique observations about why Ebenezer Scrooge, the main character in Charles Dickens' "A Christmas Carol," was such a wretched miser and how his transformation into a warm and generous person offers hope for people grappling with financial problems. So much so that he's co-written a book on how events and old family attitudes can affect money management.

The work, "The Financial Wisdom of Ebenezer Scrooge," is published by Health Communications Inc., the company best

PSYCHOLOGY AND MANAGING MONEY

"The Financial Wisdom of Ebenezer Scrooge," co-written by Kaua'i psychologist Brad Klontz, explores the psychological aspects of money management. The book identifies "money scripts," or beliefs about spending and money management, that have roots within a person's past and can lead to self-defeating behaviors.

Here are a few examples:

"I deserve to spend money on myself." This can be positive, but may be ruinous when someone buys extravagant items at the expense of saving

or paying off bills.

"There will never be enough money." Like Bob Cratchit in "A Christmas Carol," people may use this script to justify staying in a poor-paying job.

"If I only had more money, I would be happy." Some people might use this to become workaholics; others might spend too little, while some may turn to unethical or illegal activities.

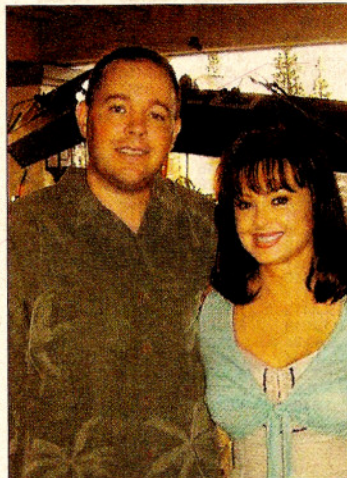
"Money is the root of all evil." Some people use this to rationalize poor investment or career decisions.

"Money is unimportant." This can be used to justify someone's lack of focus or concern about financial matters.

known for its "Chicken Soup for the Soul" series. It's been featured nationally on the "Today Show" and been reviewed in several newspapers across the

country. It's received mentions from Naomi Judd on television shows.

Judd wrote the foreword to the compact 151-page book,



Klontz and Judd

which examines how people's deep-seated beliefs and their families' financial history can affect their success when it comes to managing money. Scrooge, for example, probably hoarded money because of his youth spent trying to escape poverty.

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Scrooge

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He only changed after examining his life and "Bah! Humbug!" existence courtesy of the ghosts of Christmas past, present and future. So, too, does the book recommend people examine their financial lives, and it offers a series of examples and exercises to help them do so.

"This book is for the multitudes of people who have plenty of information that tells them what they should do but they can't seem to act on the information," writes Judd in introducing the work.

For example, the book gives the example of a woman who believed that an education was the only thing a parent could give a child that couldn't be taken away. She spent 20 percent of the family's income sending her children to private school, neglecting to save for her own retirement or spend on furthering her own education to improve her career chances.

The woman's recurring belief

about spending large sums on education was what Klontz calls a "money script." In the book, he describes how his own money decisions were a reaction to his father's money experience, which included a poor upbringing and one-time inability to take risks with money.

Klontz, 35, describes how he decided he would be different and take chances with investments. With no training or knowledge about finances, Klontz began buying and selling stocks. Eventually he lost half his money because, as he writes, "for me, the real risk was that I felt I was not taking any risks."

"I made a big mistake and ended up just like them, with little money."

That experience in part led him to explore his relationship with money and to write the book, which has a list price of \$14.95. Besides discussing money scripts, the book helps people understand their beliefs and explores how they can change these previously unconscious behaviors.

The work, written by Klontz, his father (also a psychologist) and financial planning consult-

ant Rick Kahler, grew out of a workshop the three of them did that blended financial planning and psychology. The workshop subsequently was profiled in the Wall Street Journal and resulted in calls for a book.

The work has been rewarding to Klontz, who is president-elect of the Hawaii Psychological Association and serves as president of Kaua'i-based Coastal Clinics Inc. He recently studied 40 people who underwent the program and found significant changes to their depression and anxiety around money and improvements in their financial health. The study is now being reviewed for publication in a professional journal.

Klontz, who was raised in Michigan, moved to Hawai'i in 1998 to do his internship as a clinical psychologist. He does some contract work with the state Department of Education, has done individual financial coaching and still does the five-day workshop examining people's financial histories and attitudes.

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