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Accountability Coaching

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# RISK TOLERANCE & VALUES ASSESSMENT

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This risk assessment aims to provide insight into your risk tolerance and guide you toward resources that can support your journey of reinvention.

Good luck!



# IDENTIFYING YOUR CORE VALUES

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**Identifying your core values is essential for understanding what drives your decisions and actions. Core values are the fundamental beliefs that guide your behavior and help you determine what's important in life.**

## **A BRIEF GUIDE ON HOW TO IDENTIFY YOUR CORE VALUES:**

### **1) Reflect on Significant Life Experiences:**

**Identify Key Moments:** Think about moments in your life that were particularly meaningful or impactful. What values were present during these times?

**Example:** If you felt fulfilled while volunteering, you might value compassion and service.

### **2) Consider What Makes You Happy:**

**Analyze Joyful Activities:** Reflect on activities or situations that bring you joy and satisfaction. What underlying values are being honored?

**Example:** If you find joy in creative pursuits, you might value creativity and self-expression.

### **3) Evaluate What Makes You Angry or Frustrated:**

**Identify Triggers:** Think about situations that make you feel upset or frustrated. These feelings often indicate violated values.

**Example:** If you get upset over injustice, you likely value fairness and equality.

### **4) Ask Yourself What You Cannot Live Without:**

**Essential Needs:** Consider what elements in your life are non-negotiable. What do you need to feel fulfilled and content?

**Example:** If having time with family is crucial, you might value family and relationships.

## **A BRIEF GUIDE ON HOW TO IDENTIFY YOUR CORE VALUES CONT'D**

### **5) Look at Your Role Models:**

**Admired Qualities:** Think about people you admire and the qualities they possess. Often, these qualities reflect your core values.

**Example:** If you admire someone's honesty, you likely value integrity.

### **6) Identify Your Passion Projects:**

**Passionate Pursuits:** Consider projects or causes you are passionate about. These often align with your core values.

**Example:** If you are passionate about volunteering your time and effort, you might value giving back or philanthropy.

## **USE A VALUES LIST:**

**Narrow It Down: To 5-10 core values. Use a comprehensive list of values to help identify which ones resonate most with you.**

**Consider values like freedom, growth, trust, adventure, and community.**

### **Examples of Core Values**

- **Honesty: Being truthful and transparent in your interactions.**
- **Respect: Valuing others and treating them with dignity.**
- **Achievement: Striving for excellence and accomplishing goals.**
- **Balance: Maintaining a healthy work-life balance.**
- **Learning: Valuing continuous personal and professional growth.**
- **Security: Prioritizing safety and stability in your life.**

### **Conclusion**

**Identifying your core values involves introspection and reflection on what truly matters to you. By understanding your values, you can make decisions that align with your true self, leading to a more fulfilling and authentic life. Use the steps outlined above to explore and articulate your core values, ensuring they guide your actions and choices effectively.**

# UNDERSTANDING THE NATURE OF RISK-TOLERANCE

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## SUMMARY:

**Understanding the nature of risk tolerance is crucial when considering a leap of faith, whether in personal or professional life. It helps individuals gauge how much uncertainty and potential loss they can handle before making significant changes, such as starting a new business, changing careers, or leaving a relationship. By assessing risk tolerance, people can balance their desires or ambitions with their comfort levels, ensuring they do not take on more than they can manage. This awareness leads to more confident and calculated decisions, turning leaps of faith into informed steps toward growth and success.**

# THE SITUATIONAL NATURE OF RISK-TOLERANCE LEVELS

Before you get started, it's important to understand every person's risk-tolerance levels are inherently situational, meaning they can vary depending on the specific context and circumstances an individual faces, such as:

## 1) Personal Circumstances:

- **Life Stage:** Risk tolerance can vary with different stages of life. For example, a young professional might have a higher risk tolerance compared to someone nearing retirement who prioritizes stability.
- **Financial Stability:** Someone with strong financial stability may be more willing to take risks than someone with financial constraints or dependents relying on their income.

## 2) Nature of the Decision:

- **Type of Change:** The specific change being considered can influence risk tolerance. For example, someone might feel more comfortable taking career-related risks but hesitant about personal life changes, like moving to a new city.
- **The Magnitude of Impact:** The perceived impact of the decision also plays a role. Major life changes with significant consequences may lower risk tolerance compared to smaller, less impactful decisions.

## 3) Support Systems:

- **External Support:** The presence of a strong support system (friends, family, mentors) can boost an individual's confidence and risk tolerance, knowing they have backup if things don't go as planned.
- **Professional Advice:** Access to professional advice and resources can make someone more willing to take risks, as they feel better prepared and informed.

## THE SITUATIONAL NATURE OF RISK-TOLERANCE LEVELS - CONT'D

### 4) Past Experiences:

- **Successes and Failures:** Previous successes can increase risk tolerance by building confidence, whereas past failures might make an individual more cautious.
- **Learning and Growth:** Individuals who have learned from their experiences and grown more adaptable are likely to have higher risk tolerance in similar future situations.

### 5) Psychological Factors:

- **Confidence Levels:** Personal confidence and self-belief play a significant role. Higher confidence levels can lead to greater risk tolerance.
- **Fear of Failure:** Individuals with a strong fear of failure may exhibit lower risk tolerance, especially in situations where the stakes feel high.

### 6) Situational Urgency:

- **Immediate Needs:** Urgency can influence risk tolerance. For example, someone facing an urgent need to change careers due to job loss might have a higher risk tolerance out of necessity.
- **Long-term Planning:** Conversely, individuals focusing on long-term planning might show lower risk tolerance, preferring well-thought-out and measured steps.



# THE SITUATIONAL NATURE OF RISK-TOLERANCE LEVELS

## Conclusion

**Each person's risk tolerance is not static but rather fluid and context-dependent. It fluctuates based on personal circumstances, the nature and impact of the decision, support systems, past experiences, psychological factors, and situational urgency. Understanding this situational nature helps individuals and advisors tailor approaches and strategies to specific contexts, enabling more effective and supportive decision-making.**

## **LOW- RISK TOLERANCE INDICATORS**

### **Low-Risk Tolerance: 12-24 points**

**Having a low-risk tolerance indicates that you are more cautious and prefer stability when it comes to making significant changes in your life. Here's what this typically means:**

- 1) Comfort with Change: You may feel uneasy or anxious about change and prefer to maintain the status quo.**
- 2) Calculated Decisions: You are highly cautious and deliberate in your decision-making process, often needing substantial information and reassurance before taking action.**
- 3) Preparation: You spend considerable time researching and preparing but may struggle to move from planning to action.**
- 4) Adaptability: You might find it challenging to adapt to unexpected changes and prefer environments where you have control and predictability.**
- 5) Support System: You likely rely heavily on your support system and seek their approval and advice before making decisions.**
- 6) Backup Plans: You tend to have detailed backup plans and may over-rely on them, sometimes preventing you from fully committing to your primary plan.**
- 7) Confidence and Self-belief: You may have reservations about your ability to succeed and fear failure, which can hinder your willingness to take risks.**

# LOW-RISK TOLERANCE IMPLICATIONS

## Implications of Low-Risk Tolerance

- **Cautious Approach:** Your cautious approach helps you avoid potential pitfalls but may also limit your opportunities for significant growth and change.
- **Stress Management:** You might experience high stress when faced with uncertainty or unexpected challenges, preferring a more controlled environment.
- **Growth Potential:** While you prefer stability, your careful planning can serve as a strong foundation for incremental growth and change.

## LOW-RISK TOLERANCE RECOMMENDATIONS

To make the most of your cautious nature while still allowing for personal growth and reinvention, consider the following:

**1) Small Steps:** Take small, manageable steps toward change. Break down larger goals into smaller, achievable tasks to build confidence and reduce fear.

**2) Build Confidence:** Focus on activities and projects that boost your self-confidence. Celebrate small victories to reinforce your ability to handle change.

**3) Gradual Exposure:** Gradually expose yourself to new experiences and challenges to build your comfort level with change and uncertainty.

**4) Seek Support:** Continue to lean on your support system, but also work on building your internal confidence and decision-making abilities.

**5) Professional Guidance:** Consider seeking guidance from a coach or mentor who can help you navigate changes and build your risk tolerance over time.

Overall, a low-risk tolerance means you value stability and careful planning. By taking small, measured steps and building your confidence, you can gradually increase your comfort with taking risks and embrace opportunities for personal growth and reinvention.

## MODERATE-RISK TOLERANCE INDICATORS

### Moderate Risk Tolerance: 25-44 points

Having a moderate risk tolerance indicates that you have a balanced approach to taking risks when it comes to reinventing your life. Here's what this typically means:

- 1) **Comfort with Change:** You are somewhat comfortable with change and uncertainty but prefer to maintain a level of stability and control in your life.
- 2) **Calculated Decisions:** You weigh the pros and cons before making significant decisions and prefer to have a plan in place.
- 3) **Preparation:** You conduct research and take preparatory steps before making significant changes, ensuring you are not jumping into the unknown without some safety nets.
- 4) **Adaptability:** You are reasonably adaptable and can handle setbacks, though you might experience some discomfort initially.
- 5) **Support System:** You likely value having a support system and may seek advice or mentorship when facing significant changes.
- 6) **Backup Plans:** You typically have contingency plans in case things don't go as expected, allowing you to pivot if needed.
- 7) **Confidence and Self-belief:** You have a fair amount of confidence in your ability to succeed but may still have some reservations or fears about failure.

# MODERATE-RISK TOLERANCE IMPLICATIONS

## Implications of Moderate Risk Tolerance

- **Balanced Approach:** Your balanced approach helps you make well-informed decisions, reducing the likelihood of impulsive actions that could lead to significant setbacks.
- **Growth Potential:** While you are cautious, your willingness to embrace some level of risk means you are open to growth opportunities that require stepping out of your comfort zone.
- **Stress Management:** You manage stress relatively well, as you are neither overly fearful of risks nor completely unprepared for potential challenges.

## **MODERATE-RISK TOLERANCE RECOMMENDATIONS**

**To maximize your potential with a moderate risk tolerance, consider the following:**

**1) Continue Learning: Engage in continuous learning and skill development to boost your confidence and preparedness.**

**2) Networking: Connect with others who have successfully reinvented their lives. Their experiences can provide valuable insights and inspiration.**

**3) Incremental Steps: Take incremental steps towards your goals rather than making drastic changes all at once. This approach allows you to adjust and recalibrate as needed.**

**4) Seek Feedback: Regularly seek feedback from trusted mentors or peers to ensure you're on the right track and to gain different perspectives on your decisions**

**Overall, moderate risk tolerance is a healthy and pragmatic approach to taking leaps of faith in your life, balancing ambition with caution and preparation.**

## HIGH-RISK TOLERANCE INDICATORS

### High-Risk Tolerance (45-60 points)

Having a high-risk tolerance indicates that you are comfortable with uncertainty and willing to take significant leaps when it comes to reinventing your life. Here's what this typically means:

- 1) **Comfort with Change:** You are highly comfortable with change and often seek out new and challenging experiences.
- 2) **Calculated Decisions:** While you consider the pros and cons, you are willing to take bold actions even if all details are not fully known.
- 3) **Preparation:** You prepare for changes, but you are also willing to adapt quickly if things don't go as planned.
- 4) **Adaptability:** You thrive in dynamic environments and are quick to adapt to new situations and challenges.
- 5) **Support System:** You may seek support and advice, but you are also confident in making independent decisions.
- 6) **Backup Plans:** You may have backup plans, but you are not overly reliant on them, preferring to move forward with your primary plan.
- 7) **Confidence and Self-belief:** You have high confidence in your ability to succeed and view failures as opportunities to learn and grow.



# HIGH-RISK TOLERANCE IMPLICATIONS

## Implications of High-Risk Tolerance

- **Bold Approach:** Your bold approach allows you to take advantage of significant growth opportunities and innovate in ways others might not.
- **Stress Management:** You handle stress well, viewing challenges as exciting opportunities rather than threats.
- **Growth Potential:** Your willingness to embrace risk can lead to substantial personal and professional growth, though it can also expose you to greater potential setbacks.

## **RISK TOLERANCE RECOMMENDATIONS**

**To make the most of your high-risk tolerance while managing potential downsides, consider the following:**

**1. Balanced Planning: While your natural inclination is to take bold steps, ensure you still engage in thorough planning and preparation to mitigate potential risks.**

**1) Learning from Failure: Embrace failures as learning experiences and continue to refine your strategies based on past outcomes.**

**2) Network and Support: Build a strong network of mentors, peers, and advisors who can provide guidance and support, especially during challenging times.**

**3) Mindfulness and Reflection: Practice mindfulness and reflection to maintain balance and ensure you are making thoughtful decisions, not just impulsive ones.**

**4) Continuous Improvement: Seek continuous improvement by regularly assessing your goals, strategies, and outcomes to ensure you are on the right track.**

**Overall, a high-risk tolerance means you are ready to take significant steps to reinvent your life. By balancing your bold actions with strategic planning and continuous learning, you can maximize your growth potential and achieve your goals effectively.**

# RISK TOLERANCE ASSESSMENT

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## INSTRUCTIONS:

Answer the following questions as honestly as possible. There are no right or wrong answers. After you complete the assessment, you will receive a score that categorizes your risk tolerance level and provides recommendations based on your results.

## **SCORING SYSTEM:**

### **Step 1: Evaluate Responses**

**For each of the 12 questions, assign a score from 1 to 5 based on the following criteria:**

**1: Indicates low-risk tolerance (e.g., high fear of uncertainty, lack of preparation, low self-confidence)**

**5: Indicates high-risk tolerance (e.g., comfortable with uncertainty, well-prepared, high self-confidence)**

### **Step 2: Calculate Total Score**

**Add up the scores for each question to get a total score.**

### **Step 3: Determine Risk Tolerance Level**

- Low Risk Tolerance: 12-24 points**
- Moderate Risk Tolerance: 25-44 points**
- High Risk Tolerance: 45-60 points**



## **QUESTIONS:**

**1) Current Situation: Describe your current life situation. What aspects of your life are you considering changing?**

**2) Motivation: What is motivating you to make this change? How strong is your desire to reinvent your life on a scale from 1 to 10?**

**3) Previous Experiences: Have you taken significant risks in the past? If so, what were they, and what was the outcome?**



**4) Support System: Do you have a support system (friends, family, mentors) to help you through this change? How would you describe their support?**

**5) Financial Stability: How would making this change impact your financial stability? Do you have savings or a financial plan in place to support you during this transition?**

**6) Comfort with Uncertainty: How comfortable are you with uncertainty and the unknown? Can you provide an example of a time you faced uncertainty?**



**7) Risk Perception: What do you perceive as the biggest risk in making this change? How do you feel about that risk?**

**8) Contingency Plans: Do you have a backup plan if things don't go as expected? What does that plan look like?**

**9) Self-Confidence: How confident are you in your ability to succeed in this new path? Why do you feel this way?**



**10) Fear of Failure: How do you handle failure and setbacks? Can you give an example of how you've dealt with failure in the past?**

**11) Research and Preparation: How much research and preparation have you done regarding this change? What steps have you taken so far?**

**12) Impact on Personal Life: How will this change affect your personal life and relationships? Are you prepared for these potential changes?**



## RESOURCES:

### Low Risk Tolerance (12-24 points):

**Recommendation:** Take small, manageable steps toward change. Focus on building confidence and reducing fear of the unknown.

#### Resources:

- **Books:** "Feel the Fear and Do It Anyway" by Susan Jeffers
- **Workshops:** Local community or online courses on personal development and confidence building
- **Support:** Consider finding a mentor or explore what it's like working with a coach. Sign up today!

### Moderate Risk Tolerance (25-44 points):

**Recommendation:** Continue building on your existing preparation. You can balance your planning with action steps.

#### Resources:

- **Books:** "Daring Greatly" by Brené Brown
- **Online Courses:** Skill-building courses relevant to your new path (e.g., Coursera, Udemy)
- **Networking:** Join groups or communities of women who are also reinventing their lives for mutual support or partner with an accountability coach to help you navigate the challenges as they arise

### High Risk Tolerance (45-60 points):

**Recommendation:** Leverage your high-risk tolerance to make bold moves, but ensure you have contingency plans.

#### Resources:

- **Books:** "Antifragile: Things That Gain from Disorder" by Nassim Nicholas Taleb - Exploring how our understanding of risk has evolved and how it impacts decision-making.
- **Investment:** Consider investing in 3 to 6-month professional coaching as you take action to achieve your long-term goals

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# THANK YOU FOR TAKING THE ASSESSMENT!

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Dear Participant,

Thank you for participating in my Risk Tolerance and Values Assessment. Your completion of this exercise offers valuable insights into your core values, personal readiness, and confidence levels regarding taking risks. These responses aim to enhance your self-awareness and help you plan your future steps with clarity and purpose.

Regardless of where you stand on the risk tolerance spectrum, remember that everyone's path is unique and personal. Embrace your strengths, take aligned action, and have faith in your ability to reach your goals and shape the life you desire.

Feel free to explore the provided resources for further guidance on your journey. Should you have any questions, require additional support, or wish to collaborate with me as your coach, do not hesitate to reach out.

Wishing you courage and success in all your pursuits!

Warm regards, Erena

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