SPECIAL SECTION

THE
TOWN & COUNTRY
GUIDE TO

WOMEN AND WEALTH

You can't live happily ever after if you don't take care of your money—it's as simple as that.
Here's what you need to know.

BY JOANNA L. KROTZ

SAMPLE

PUT WOMEN AND MONEY in the same room—or even in the same sentence -and, inevitably, you'll see the sparks fly. This relatively new coupling is throwing off serious heat, fueling transformations small and large from coast to coast. "It's enjoyable for me to see this revolution," says Mary Mattson Kenworthy, a managing director at Lehman Brothers. "Women now have financial independence."

A mere ten years ago, most of the financial-services industry was still figuring out whether or not women actually had wallets. Nowadays? Everyone's wide-awake to the lucrative market that women represent. As we entered the new century, roughly half the country's top wealth holders were female—that is, about 3.5 million women, each controlling assets of $675,000 and up. What's more, we're on the cusp of a gigantic generational wealth transfer over the next half century. Estimated at $41 trillion or so, this windfall will further enrich baby boomers, Gen Xers and those beyond—the demographics in which women already wield financial influence.

Welcome to the most affluent, educated and longest-lived generation of women in history. "The women I see are coming to the table for financial planning and discussion at different points in the process," says Kenworthy. "But whether they've earned it, married it or inherited it, they're well beyond advice from popular books and television."

"Women need to cultivate their money the same way they cultivate their careers and families."

Which brings us to the blips on the bubble. Aren't you just a tad exhausted by the constant stream of "shoulds" and "musts" in all the money talk coming at us? And don't you feel a little dizzy from the ever-proliferating data and conflicting advice? The rising tide of women's wealth and power has spawned an armada of preachy advisers, how-to books, tax software for dummies, estate-planning checklists and media know-it-alls. I've found that absorbing all these suggestions for managing my portfolio, investigating powers of attorney and health-care directives, monitoring my will and family trust, and choosing a guardian for my daughter are, well, just not fun.

In 2006 women accounted for 51 percent of all workers in high-paying fields.

—U.S. DEPARTMENT OF LABOR

But if it's true that earning the dollars—and using them to fund experiences, to nurture the family and to do some good—continues to be more exciting than learning how to "steward" money, then we cannot find joy in the one without being mindful of the other. You can't live happily ever after if you don't take care of your money—it's as simple as that. "Women need to cultivate their money the same way they cultivate their careers and families," says Gina Garrubbo, who learned her lesson the hard way. "I made a lot of money and didn't know how to manage it."

In the mid-1990s, Garrubbo rose fast and far in media ad sales, racking up multimillion-dollar deals with compensation to match for such companies as the Discovery Channel, Oxygen Media and Women.com (now part of iVillage). Like many high-achieving women executives, early in her marriage she turned over the reins of her finances to her husband. Untutored yet hardly daunted, he managed to burn through their cash and investments rather quickly—and that was that. "My biggest mistake was not becoming more financially educated earlier on," says a rueful Garrubbo, now forty-seven and divorced. Her tale is all too common, though she hasn't let the monetary setback slow her down. These days she's raising a young daughter and building a natural skin-care line called Terralina.

For many women, discomfort with money still runs deep. "Women shy from the word *wealth*," says Barbara Culver, of Resonate Inc., a legacy-planning consultancy in Cincinnati (513-605-2500; resonatecompanies.com). "To make an impact, women typically need to change internally and reach a new level of awareness around the whole topic of money and wealth." It can be a painful process.

Over the course of several weeks I tapped the insights, missteps and personal stories of dozens of women across the country. The group includes CEOs, heiresses, entrepreneurs, billionaires and Wall Street émigrés who now focus on good works. Other tales came from lawyers, nonprofit executives, market researchers and philanthropy consultants. I also talked to the financial pros who serve the market. The result is a wide-open window onto today's affluent woman and her financial options.

Take the journey yourself. Let's look into how you can direct your money, instead of the other way around.

Lesson One: PUT MONEY IN YOUR OWN NAME

LET ME TELL YOU the real story of the woman who married Prince Charming. During their forty years together he enjoyed a lucrative and secure career. She never asked about their assets or how much they spent or saved. They had kids and lived well.

You can see where this is headed. The prince died. A huge chunk of his money went to pay various taxes, most of which could have been avoided if he had only done some basic financial planning. The kids got nothing. The wife had to sell the house. The fairy tale ended.

This isn't an old wives' tale, either. While younger working women are moving, inch by inch, toward a tripod model—his money, my money, our money—thousands of women are still leaving their checkbooks at the altar, even when they bring home big salaries.

A nationwide survey by Allianz Life Insurance found that when couples argue about money, men see the issue as one of "trust." By contrast, women cite issues of "power and control." Presumably, lots of women would rather not press that marital hot button. Yet when they do assert their financial independence, women are often surprised by the positive changes in their sense of self and in their marriage's dynamics.

If everything you own and all family bank accounts are jointly held or, worse, are in his name alone, consider these commonplace scenarios. Then think about getting your own accounts.

- "When I first got married, at age twenty, my mother told me to keep my own checking account," says Rosalie J. Wolf, who runs the New York City–based Botanica Capital Partners, an investment advisory firm for family offices and large institutional investors (212-209-3000; botanicacap.com). "I thought it was unnecessary because my husband was generous and ethical, though I did it." Then Wolf got divorced and found "there were different perspectives on what belonged to whom." Now remarried for nearly thirty years, Wolf and her second husband keep assets separately except for occasional joint investments. "I don't recommend my extreme view," she says. But Wolf does believe women need bank accounts and credit of their own. "You ought to at least be able to buy a present without it being obvious how much you spent."
- You may need access to cash fast for many reasons, including the tragic ones, when joint accounts can be frozen for a good long while. Typically, experts recommend that you have about three months' worth of household and living expenses in an emergency bank account of your own.
- When loans and credit cards are all in your spouse's name, credit agencies will likely score his record while yours turns inactive. Even if you established a good credit history in your own name while you were single, that rating can lapse in as little as six months. The result: you'll have difficulty getting credit in your name because there's no current track record. In addition, if your husband has a habit of late payments or defaults entirely, your credit rating will also suffer. It can take about seven years for bad credit information to disappear from credit-agency records. To learn more, contact the big three credit agencies: Equifax (800-685-1111; equifax.com), Experian (888-397-3742; experian.com) and TransUnion (877-322-8228; transunion.com).

The Rock-Bottom Rules

If you do nothing else to protect your financial independence, make sure you're up to speed in these three areas, says Teresa Dentino, of the Financial 411 firm.

1. Understand the family's cash flow. That includes all sources of income and expenses. Get a handle on this as monthly amounts, rather than as an aggregate annual number.
2. Know the family's balance sheet, including all aspects of assets and liabilities.
3. Maintain access to all financial documents, including statements from brokerage and bank accounts; safe-deposit records; home mortgages or leases; separate real-estate or property deeds; life-, auto- and health-insurance policies; trusts, wills and powers of attorney; IRA and other retirement-account statements; and tax returns. Plus, always have all current computer passwords.

Lesson Two: IDENTIFY YOUR MONEY PHOBIAS

HOWEVER HIGH WE JUMP to clear the hurdles and move into male domains, women are still tripped up by internalized messages that come from the media, bosses, childhood and family. We're not supposed to concern ourselves with money. As a result, we often hand over the power that money confers to others, usually men—whether they're lovers, husbands or professional advisers. That way, we can feel cared for, safe and feminine. Investigating this phenomenon requires deeper thinking than the girly psychobabble continuously hurled at us, the glib calls for "empowerment," the sly hand-wringing about "math phobia." You must look at how you experienced money in your family and, more critically, how society deals with women of means.

In *The Money Mirror* (Allworth Press), a book that explores why women are so afraid of finances, New York City psychotherapist Annette Lieberman suggests that "the traditional male values that money implies—independence, power and financial reward—are the final frontier." We've heard this before, you say. Well, sure. But old habits are dying very hard. Think about it. When you pick up the check for a guy, how do you feel? What happens when you meet a man who earns considerably less

SAMPLE

More than 10 million firms are owned 50 percent or more by women, employing nearly 13 million people and generating $1.9 trillion in sales.

—CENTER FOR WOMEN'S BUSINESS RESEARCH

than you do? "Men are tied into work for a sense of identity—'What do you do?' and 'What do you make?' are vitally important to them," says Joan Indursky DiFuria, a Bay Area wealth consultant and cofounder of the Money, Meaning & Choices Institute (415-267-6107; mmcinstitute.com). "Successful women do not ask what you do, they ask about children and relationships."

As more women become wealthy (often very suddenly from selling a business or receiving an inheritance or a divorce settlement), many of us must come to terms with the meaning of financial success. "We can't handle money responsibly for ourselves until we understand what money means psychologically," says Lieberman. "Financial security does not equal emotional security." In her book, Lieberman outlines several types of women who exhibit "deadly symptoms of money phobia," among them money-blind women, who close their eyes and think of money as vague or unreal; money-squeamish women, who find the desire for money greedy or vulgar; money deniers, who wait for someone or something to rescue them; money-folly victims, who solve emotional conflicts with excessive spending; and money-paranoid women, who use their means as a fortress to keep themselves protected and insulated.

Hit any nerves for you?

The solution is to do the personal work of defining your relationship toward money and its role in your life. "Women particularly need compassion for the inner critic who says they're not worthy enough or not successful enough," says DiFuria. It helps to get grounded, to acknowledge the effect of the changes in gender roles that we encounter every day and, most important, to give yourself time to adjust. DiFuria points to four stages in this chronology: (1) Exhibiting extreme behavior: being either ashamed and guilty about spending or prone to retail therapy and buying binges. (2) Discovering that both good and bad results come with wealth: for instance, finding out that you have more choices but that people like you only for your money. (3) Finding a comfort zone and defining the life you want to create. (4) Learning how to steward your wealth and give back.

Denying money's influence, hiding from its power or pretending that money doesn't make a difference won't get you where you want to go. When you remove cash from the equations for approval and love, you can harness wealth in the ways only you see fit. That usually leads to exhilarating life choices.

Lesson Three: PART OF LEARNING IS LOSING

TOO MANY WOMEN haven't learned to cut their losses and move on. They haven't realized that to profit from investments you must also lose some bets. When stocks go south, men blame it on advisers, the market or economic conditions. Women blame loss on themselves. Men assume they'll somehow make up the loss; women feel as if what they've lost is gone forever.

While you're in your growing or peak earning years, you can afford to burn some money in order to learn how to invest for yourself. It will give you the power, the smarts and the confidence to make investing decisions later, when you can't risk making financial mistakes—from age sixty to, say, ninety.

The path to becoming an educated investor is not to sign up for one of those female-only brokerage seminars (which tend to have self-interested agendas). Nor is it to attend a continuing-ed course, like "Reading the *Wall Street Journal*" (though that can't hurt). Rather, allocate some dough to invest as a learning exercise and, step-by-step, educate yourself. "It's about gaining confidence and changing gender expectations," says entrepreneur Garrubbo, who, after some coaching, taught herself more about stock trading and says she's done well with early investments in Dell, Yahoo!, Microsoft and RIMM. "I got my sea legs by just doing it."

How to start:

- Try doing your own research, online and off.
- Consult the analysts and market gurus, whether in financial trade journals like *Barron's,* through online outlets like Motley Fool

Money on Your Mind: The *T&C* Survey

Last fall more than 2,000 of you participated in the "Women and Wealth" survey we posted online. Your ages varied—15.3% were 25–34; 25.1% were 35–44; 29.5% were 45–54; 21.2% were 55–64; and 5.3% were 65–74. But on average, you told us that you are married, are employed and have college educations, and more often than not you have children—making you representative of not just other *T&C* readers but of many American women. Most notably, you gave us honest and thoughtful responses to a handful of open-ended questions. For every common theme that became apparent—you repeatedly cited credit-card debt, not saving more when young and trusting husbands with money as your biggest financial mistakes—there were insights that were independent-minded and inspired. To those who participated, thank you. And for the results, read on!

Romancing the Prenup

While cohabitation agreements are on the rise (owing to later and multiple marriages and same-sex partnerships), asking for one still seems to telegraph that you're greedy or lack faith in the union. Translation: you don't really love me. "Drafting a prenup that will govern finances in the event of death or breakup tends to throw a wet blanket over the fantasy of walking into the sunset," explains Arlene G. Dubin, a New York City matrimonial lawyer (212-554-7651; mosessinger.com). Dubin's first marriage lasted twelve years; her divorce proceedings took seven. After drafting a prenup helped her to trust enough to marry again, she decided to write a book on such contracts. Her title, *Prenups for Lovers* (Villard), is hardly tongue-in-cheek. Dubin keeps her prenup in a Tiffany bowl, along with other wedding mementos.

So how do you create a fair and effective agreement? First, commit to honesty and full disclosure. "The longer you wait, the harder it is," says Dubin. To begin, talk about values, lifestyle and expectations about who will be supporting whom. Figure out exactly what you want to cover, including all property and assets, and what will happen to those assets in the event of death, divorce or long-term illness. Also keep this advice in mind:

Don't assume that a will and a prenup do the same things. Individuals draft wills, but two people sign legally enforceable prenup contracts.

"You should each be represented by separate counsel," says adviser Patricia Angus, of Shelterwood Financial, in order to achieve an enforceable agreement. Prenups are governed by state law, so make sure your lawyers have local experience.

A key issue is what happens after childbearing. If a woman stays home or scales back her career, the agreement ought to address issues such as greater spousal support or the economic reality of reentering the workforce.

Finally, start several months or a year in advance so that there's no pressure before the wedding.

(fool.com) or on TV networks with business programs, such as CNBC. See how what you think jibes with what you read or hear.

- Start trading with the money you've earmarked.
- If you'd rather keep this discreet, it's easy. Set up an account with an online-trading brokerage, such as TDAmeritrade.com, CharlesSchwab.com or Fidelity.com.

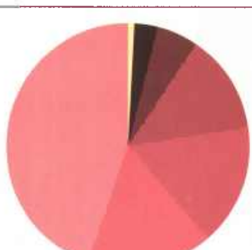
Lesson Four: SHARE THE DECISIONS

"WOMEN OFTEN run the checkbooks, but they don't get involved in the overall picture," says Botanica Capital's Rosalie Wolf, who has been a financial executive at such organizations as International Paper, Bankers Trust and the Rockefeller Foundation. Such abdication can have scary pitfalls. "The person in charge will do what he thinks is right, not what she thinks," Wolf explains. "Even when women earn more money than their men, they cede control because most men feel better if they are in charge."

Minneapolis music producer and philanthropic consultant Marian Moore knows this all too well. When she was eighteen, she came into a sizable family inheritance (her great-grandfather was a pioneering corporate tycoon). Eventually, Moore married a commercial fisherman and builder who didn't have much money, and they had three kids. Now fifty-one, divorced and cofounder of a philanthropic consultancy, Play Big (playbig.ca), she says: "When you're the one with the wealth, it's outside the cultural norm. It's really tricky because it's easy to slip into the enabling role." Choosing her words carefully, Moore says she had to decide between "giving the man money" and "sharing the checkbook to balance the power." For her marriage, "trying to ignore the power dynamic" did not work.

How can you resolve money tensions within a relationship? Surprise, surprise: you need to communicate. "It's all about being conscious and having the difficult conversations," says Moore.

Many advisers suggest that couples make a formal date to talk about their financial health at least once a year, say, when the New Year rolls around. When you start your conversation, make



MARITAL STATUS

- Married (once): 44.5%
- Single, never married: 16.5%
- Married (more than once): 15.9%
- Separated or divorced: 12.9%
- Living with partner: 5.6%
- Widowed: 3.0%
- In a domestic partnership/civil union: 0.6%

HOW MANY CHILDREN DO YOU HAVE?

ONE	TWO	THREE	FOUR OR MORE	NONE
16.9 PERCENT	27.4 PERCENT	10.4 PERCENT	5.4 PERCENT	40.0 PERCENT

High-net-worth women ($500,000 or more in investable assets) are, on average, 52. High-net-worth men are 59.

—HNW INC.

sure you're in a relaxed mood and setting, but also check the paperwork, including summary statements for all financial accounts for the previous twelve months. Review monthly income, expenses and savings—you do have a budget, don't you? You want to evaluate all assets and liabilities and see whether investments are performing at expected levels. Consider not only what must be done but what you'd like to do. Also look into the following:

- What kind of debt have you acquired in the past year, including mortgages, cars, boats, planes, personal or business loans, and other commitments?
- What are your current short- and long-term expectations about money? Depending on your age, explore such concerns as long-term-care insurance; disability insurance; new financial-services offerings, like retirement-income insurance (which guarantees a fixed annual income from your invested retirement accounts so that you don't outlive your money); and how to manage the effects of inflation.
- What big-ticket items do you anticipate, including college tuition or life-stage changes, like a graduation or a wedding?
- Usually, one partner is more conservative about spending and saving than the other. What do you need to compromise on?
- Philosophically, explore how you can align your wealth with your and your partner's values. This includes savings and giving decisions and estate planning. You have an up-to-date will, right?

"Conflict is inevitable," says Patricia Angus, a wealth adviser at Shelterwood Financial Services, in New York City, who often works with affluent families (212-937-1030; shelterwoodfinancial.com). "It's how you handle it that counts."

Lesson Five: DON'T SETTLE FOR SO-SO ADVICE

HORRIFIC EVENTS don't always happen to someone else. Jennifer Caprile knows this all too vividly. Six years ago, when

How to Work With Financial Pros

Explain your expectations. "Women are looking for someone to trust. They want advice and to know they're going in the right direction," says Darcy Bhatia, a partner at Highmount Capital, in New York City (646-274-7470; hmcap.com). If your adviser doesn't provide satisfactory answers or can't translate terminology about market metrics, you might have a bad fit. Request a course correction, or shop for another adviser.

Where to start? Ask for referrals from friends and associates. Seek recommendations from your lawyer or tax accountant. Interview several advisers to find rapport, then ask for references.

Don't "girl" out. Schedule regular meetings, and don't let a partner or husband handle these alone. Get involved. You don't want to suffer a crisis and have no personal relationship with your portfolio manager.

Create a kitchen cabinet. "Women don't have the peer groups that men have and often don't get different input from enough advisers," says Mary Mattson Kenworthy, of Lehman Brothers (866-493-6440; lehman.com).

Follow your instincts. "In general, women take a long-term approach to investing," says Merrill Lynch's Alyssa Moeder. "Unlike some men, they're not as concerned with cocktail talk or tips about a stock going up 75 percent."

Be clear about your tolerance for risk. And make sure your adviser honors it. Be aware of all your investments.

Keep tabs on performance. Check rates of return and the asset-allocation strategy, and know how your investments performed against the market. If you switch advisers or aggregate assets from another firm, make sure there's a transition strategy that's thought out and tax efficient.

Understand fees and communications. Fees tend to vary depending on how much money is under management. Ask about your adviser's practices, management fees, commissions, product fees, and load or performance fees. Identify who at the firm will respond to your inquiries. Discuss whether meetings will be held quarterly or annually.

HOUSEHOLD INCOME

Almost one-third of you declined to answer, but nearly half (48.5%) of those who did have incomes of ***$100,000 and higher.*** Within that group, the largest segment (14.8%) brings in ***$100,000 to $149,999.*** 4.4% of respondents have incomes of at least ***$1 million.***

NET WORTH

Again, almost one-third of you preferred not to disclose this information, but 24.9% of those who did have net worths of ***$1 million and up.*** Within that group, the largest segment (18.2%) has net worths of ***$1 million to $5 million.***

WHICH OF THESE BEST DESCRIBES YOUR CAREER? (CHECK ALL THAT APPLY)

I work(ed) for an employer: 74.3%

I am (was) a business owner or partner: 27.7%

I am (was) an investor: 7.3%

I never worked extensively outside the home: 5.5%

WHAT HAS BEEN YOUR BIGGEST MISTAKE WITH MONEY?

Responses From Our Readers

"Thinking that my ex-husband knew what he was doing because he is a man."

"Not understanding in my twenties to invest in my own future.... I started when I was thirty-three. BIG MISTAKE!"

"Wasting a $50,000 inheritance on inconsequential things. It was almost ten years ago, and I still regret not managing that money better."

"Using retail therapy to entertain myself during my forties, instead of applying focus and discipline with my earnings."

"Allowing myself to be swayed by a broker with a well-known financial-investment firm to invest in a new, high-risk (supposedly high-return) money-market fund created by that same firm. I lost half the value of my assets in that account and have never followed the financial advice of a supposedly licensed adviser again. I do my own research and invest in known, solid mutual funds with a long history of results."

"OVERREACTING TO A DRAMATIC CHANGE IN THE STOCK MARKET. WHEN IT DROPPED PRECIPITOUSLY IN 1989, I SOLD OFF MANY OF MY INVESTMENTS, TERRIFIED THAT THEY WOULD BECOME WORTHLESS. OF COURSE, HAD I NOT DONE SO, HAD I NOT 'REACTED' AND INSTEAD RECOGNIZED THAT MY INVESTMENTS WERE SOUND AND WOULD ULTIMATELY REGAIN THEIR VALUE, I WOULD HAVE BEEN MUCH BETTER OFF."

"Mixing all our funds together when getting married. I should have retained my independent accounts so that after the divorce I could live comfortably, instead of having to split everything."

"Not pushing harder to find out what our joint finances were when I was married. My husband kept it all private no matter how much I'd ask or try to find out. Once divorced, and when he passed away, I found out he had an incredible amount of money, the knowledge of which he kept from me."

"TRYING TO KEEP UP WITH CLOTHING TRENDS WITH EXPENSIVE BRANDS. I'VE HAD TO GIVE MORE OUT-OF-DATE CLOTHING TO CHARITY THAN I WANT TO ADMIT."

"I gave someone I was dating $30,000 to invest in his 'hedge fund.' He is now in jail for securities fraud and grand larceny."

"Trusting my ex-husband to treat me equitably and not hiring a lawyer to see that I retained my assets. His new wife reaps the rewards of my stupidity."

Not taking an active role in managing my inheritance. After two lawsuits, I prevailed but lost a lot of innocence, time and the ability to trust the 'good intentions' of family. I made the rude and ugly discovery that sometimes family can be your worst enemy.

"GETTING OUT OF A BAD MARRIAGE WITHOUT TAKING THE SHARE THAT WAS RIGHTFULLY MINE. I LET MY EX-HUSBAND KEEP MONEY AND ASSETS JUST SO I COULD GET MY CHILDREN AND MYSELF AWAY FROM HIM."

SAMPLE

Among women 55 and older, more than half are widowed and close to one-third are divorced.

—U.S. CENSUS BUREAU

she was only twenty-seven, her husband was killed in a car accident near their home in San Diego. In the terrible aftermath, Caprile received several million dollars from a life-insurance policy and a lawsuit. "Our life was about struggling to buy a home and moving forward," she says. "All of a sudden I had a lot of money and survivor's guilt. I spent a long time being uncomfortable with the money."

Caprile kept working as a flight attendant until 2006, though she no longer needed the income. "It gave me some stability," she explains. She also had to come to terms with her bitter fortune. "I spent the first few years splurging, just to get rid of the money that I didn't think I deserved. I'd unconsciously do things spur of the moment, like go to Hawaii."

Women frequently go on spending sprees after being widowed or divorced. Reality takes time to sink in. Most advisers recommend that you wait at least a year before you make any serious financial decisions, including what to do about your home, assuming you can afford to wait.

In due course, Caprile met with several male financial planners to sort out an investment strategy. "I would tell them what was happening, and they'd say, yeah, yeah, yeah, and you should invest in this and that mutual fund, and you should be interested in these bonds. I felt like they were giving me a generic spiel. They weren't listening."

Eventually, the young widow found her way to Candace Bahr, a wealth manager who runs the Bahr Investment Group, in the San Diego area (760-431-9288; bahrgroup.com), and who is also cofounder of the nonprofit Women's Institute for Financial Education (wife.org). "Candace listened for two hours, asking questions like how I saw myself in five or ten years," says Caprile. "I felt like she was taking the time to recommend unique investment strategies, rather than rolling me in with the rest of her clients."

Now thirty-four and still healing, Caprile has resettled in Los Angeles, begun philanthropic work in Africa and Vietnam and gotten on top of her investments. But her frustrating experience with advisers surfaces as a recurring complaint. "Women specifically have issues at major brokerage firms," says Bahr. "A lot of what we need to do is listen. But many people in the industry are trained to give solutions as quickly as possible and go on to the next person."

Teaching Kids the Value of a Buck

Advisers and parents suggest these techniques to instill a sense of identity, productivity and compassion in kids who are growing up in wealthy families:

Start bringing your kids to meetings with financial advisers from age fourteen or so. That way, they can become knowledgeable early on and see what it takes to assemble a good team of advisers.

Follow Warren Buffett's example. Tell your kids they won't inherit much money. "As someone who inherited, I question the assumption that one should pass along a big inheritance," says philanthropic consultant Marian Moore. "Kids have a better chance of creating their own lives and acting on their own vision and values without the burden of wealth."

Set up financial vehicles that can hold the money in trust in some way, so that kids don't have unlimited access to it but are still supported. A 529 college-savings program, for instance, can shelter money for qualified educational expenses. Have a chat with a seasoned adviser to review your options.

Get kids involved in philanthropy at a young age. Form a family foundation or establish a donor-advised fund, and make sure your teen is present when it's decision time.

Work with advisers who understand and talk about the emotional issues that come with being wealthy, not just the investment side of things.

Collaborate with kids to draft a family compact or mission statement. Such an activity typically covers the source of the family's money, potential giving plans, how family members view their responsibilities about wealth, and purposes or goals that can unite the family.

HOW INVOLVED ARE YOU IN MANAGING YOUR HOUSEHOLD'S LONG-TERM FINANCIAL INVESTMENTS AND AFFAIRS?

Very involved	Somewhat involved	Not involved
66.2%	27.6%	4.5%

IF YOU ARE MARRIED OR PARTNERED, WHO PAYS THE BILLS FOR YOUR HOUSEHOLD?

We share the work	I do	My spouse/partner
39.5%	39.3%	20.7%

WHO MAKES THE MAJOR FINANCIAL DECISIONS AND INVESTMENTS?

We share the responsibility	I do	My spouse/partner
72.6%	16.1%	11.4%

Women's dissatisfaction with financial pros typically falls into two categories. The first involves advisers who are patronizing and dismissive. "It's a red flag when advisers become impatient with your questions and tell you not to worry because they'll take care of it," says financial analyst Teresa Dentino, whose Silicon Valley firm, the Financial 411, often advises divorced and widowed women (650-851-8959; thefinancial411.com). The other category, a disconnect between client and adviser, stems from the differing ways in which women and men approach finances and process information. Advisers accustomed to dealing with men tend to focus on metrics, rates of return, stocks or sector data. Women, however, usually want to discuss goals like retirement and financial security, family succession and charitable-giving plans. In other words, what the money will do, not how it multiplies. It's a very different conversation and relationship.

As a result, women are actively seeking advisers who can meet their needs. "In the last couple of years, I have been approached by more and more women looking for a broader range of advice," says adviser Angus, of Shelterwood Financial. "They want to know how to incorporate the wealth into their lives, to prepare the next generation and to understand how to guide the family's values and mission."

Lesson Six: INSPIRE YOUR CHILDREN

MOSTLY, IT STARTS WITH MOMS, who "tend to be closer to such things," says Alyssa Moeder, a private-wealth adviser at Merrill Lynch (212-236-1661; ml.com). "The number-one concern is how wealth will affect their children." Increasingly, though, both parents are troubled. How do they turn children whose lives may revolve around gated communities, private planes, exclusive schools, fancy cars and several homes into self-sufficient, confident adults? What will motivate kids to strive and achieve? The millions of new millionaires—largely freewheeling boomers—who earned their money the hard way, are, well, freaked out by how easy it all looks to their offspring. "Usually, the more that money is just handed out, the more the fire in the belly goes down," says Bay Area adviser Joan DiFuria. With more or fewer zeros to their credit, all wealthy families are facing similar challenges. "The culture speaks with a boom; the sound of parents is much softer," says Joline Godfrey, whose Santa Barbara company, Independent Means, offers financial-education programs for youngsters (805-965-0475; independentmeans.com).

As parents, one way or another, we model the behavior. Last spring, Godfrey got a call from a potential client. The Los Angeles mom had gathered a group of ten families whose daughters were graduating from a private high school. Could Godfrey set up a half-day retreat to teach the girls financial basics about budgeting and credit cards to prepare them for college? And how much would Godfrey charge for that? Godfrey figured $5,000, or $500 per graduate. The mother was appalled. "She said that was way too expensive and she couldn't possibly consider it," says Godfrey, who lets a beat go by before adding, "I'm sure each family spent three times that much on each girl's prom dress."

Yet alongside such indulgent (or is it negligent?) choices are models like Meg Whitman, who runs eBay, the online auction behemoth. In 2007 *Forbes* estimated Whitman's worth at $1.3 billion. But as her net worth skyrocketed with the success of eBay, she and her husband, Griffith Harsh, a neurosurgeon, made a conscious decision not to change their day-to-day lives, Whitman says. "When you live in these communities, it's easy to forget that Silicon Valley isn't the average U.S. town. It's the responsibility of parents to keep kids as grounded as possible." So even today, with their two sons off at college, the couple drive a Grand Cherokee and a late-model hybrid. They chose not to trade up. "We live in a very nice Colonial-style house, but it's modest by Silicon Valley standards," she notes.

Recently, those parental decisions were validated when their older son mentioned that staying in their house and not buying a bigger, more impressive one made a "huge difference" for him because he never felt uncomfortable among his friends.

There are other ways to communicate values to your kids, as well. In 2002 Whitman donated $30 million to build a new college at Princeton, which opened its doors last year. "Women give less money to their alma maters than men do," she says about the gift. "I wanted to change the averages."

WHAT DO YOU DO WITH THE MONEY YOU MAKE FROM YOUR OWN WORK AND INVESTMENTS? (CHECK ALL THAT APPLY)

Pool all of our money together	Keep it in my own accounts	Pool some but keep some separate	Use it for my personal expenses
38.7%	35.5%	34.5%	25.4%

YOUR MAJOR ASSETS ARE:

75.5 percent	*In my name and my spouse/partner's name*
20.0 percent	*In my name only*
2.3 percent	*In my spouse/partner's name only*

IF MARRIED, DID YOU HAVE A PRENUPTIAL AGREEMENT?

IF YOU HAD TO DO IT OVER AGAIN, WOULD YOU HAVE ONE?

WHAT IS THE BEST ADVICE YOU COULD GIVE ABOUT MONEY?

SAMPLE

"MONEY IS ENERGY; IT IS NOT A GOAL IN ITSELF. USE THIS ENERGY TO CREATE A JOYFUL LIFE AND A HEALTHY, PRODUCTIVE SOCIETY. FOCUS YOUR MONEY ON WHAT YOU VALUE MOST."

"TRY TO BE RESPONSIBLE WITH YOUR CREDIT CARD.

PAY AS YOU GO!"

*"When I was twenty-one, my boss (a very wealthy man) said: 'Put a minimum of **10 percent of every paycheck** into savings. Save first and spend second.' I'm very thankful I did, and I give this same advice."*

"When I was little and watched *I Love Lucy,* I saw that Lucy had to manipulate Ricky in order to buy a new dress or something she wanted, because she didn't have her own money. I vowed I would *never* do that. My husband and I have been married for twenty-five years, I have worked the entire time, and I have my own checking and savings accounts. I have *never* asked him if I could buy something that I wanted (big-ticket items like cars and houses are decided upon together)."

1\. "IT CANNOT BUY YOU TRUE HAPPINESS."

2\. "WHEN YOU MARRY FOR MONEY, YOU EARN EVERY CENT OF IT!"

"Learn to delay gratification; learn to differentiate between needs and wants. I can't tell you how many thousands of dollars I spent on things I wanted and then had to beg or borrow to get the things I truly needed."

"WORK FOR YOUR DREAMS, NOT FOR MONEY. BE A GOOD PERSON WITH MORALS, VALUES AND PRINCIPLES, BECAUSE AS YOU BECOME WEALTHY, YOU BECOME MORE OF WHO YOU ARE."

"If you're going through a divorce and your spouse is hoarding the cash flow, place all of your cash earnings in the bag inside the vacuum, because that is one of the last places a domineering man would look."

"MONEY NEVER RUINS A PERSON; LACK OF CHARACTER RUINS A PERSON."

Lesson Seven:
STAY UP TO SPEED

SOME FINANCIALLY sophisticated women are coming up with customized alternatives to help other women with the process of managing money.

Carolee Friedlander, for example, recently launched just such a venture. At age sixty, after selling her global jewelry-and-accessories company, called Carolee, for millions—thus enjoying what the industry likes to call a liquidity event—Friedlander spent a year and a half on financially structuring the next phase of her life. That included setting up trusts and tax strategies to provide for her grown kids and grandkids and ongoing plans for philanthropy. The process inspired and sobered her. "The biggest learning experience was that I had to keep revisiting everything," she says. "You can't just set it up and walk away." That revelation—and her entrepreneurial drive, no doubt—propelled Friedlander to start AccessCircles, an invitational-membership organization and network based in Greenwich, Connecticut, designed to bolster the health, well-being and financial expertise of women of means by providing them with access to trusted advisers (203-661-1173; accesscircles.com). Eventually, she envisions using the knowledge and contacts generated by the network to create a proprietary online community. "It's for women who want to create change and own their wealth," says Friedlander. Stay tuned to this idea.

Then there's the wealth-advisory business that Alexandra Lebenthal recently established in New York City. The daughter of James Lebenthal and the former CEO of the famous family's municipal-bonds company, Lebenthal, like Friedlander, sold the business and took charge of a windfall, along with others in her family. "All of a sudden we had a pile of money and a big chunk of cash to invest," she recalls. "I didn't want to lose it." Lebenthal, forty-three, says she's a bigger risk taker than her husband, who also works in the financial world. "I manage the portfolio, and he makes suggestions. We do often disagree about investments." To avoid conflict, or losing their "foundation," as she calls it, the couple asked Lebenthal's brother, an equity-portfolio manager, to oversee the money.

For nearly a year, Lebenthal stayed home, taking care of their three kids and all the family finances. The financial chores and paperwork kept piling up. It dawned on Lebenthal that moderately wealthy families could use the kind of money-management support that ultrawealthy ones routinely leverage for help. With her dad, she formed Alexandra & James Inc., a wealth-management firm for families with assets of $2 million to $20 million, which offers a morning-to-night suite of services, including everything from financial planning to investing to bill paying (212-425-6006; alexandraandjames.com). "What I see as a real need for women is not necessarily investment education but a way to take care of all the organization," Lebenthal says.

Another idea for helping women take care of business comes from Jacki Zehner and her high-net-worth women's club. A decade ago, at age thirty-three, Zehner was one of the youngest women traders ever to make partner at Goldman Sachs. In 2002, after more promotions, she left the firm. Nowadays she's pursuing entrepreneurial projects, caring for her two young kids and getting involved in philanthropy—along with her husband, Gregory, who was also a Goldman Sachs partner and who has since earned a divinity degree and become an associate pastor.

Zehner soon cofounded Circle Financial Group, in New York City, which now has about twenty independently wealthy women who share resources and knowledge to manage their families' needs and fortunes. The group acts like a private multifamily office, with female members meeting every week to talk about investments and philanthropic initiatives and to use their collective heft to hire third-party advisers when appropriate. "We share due diligence and back-office support to help our members manage their financial lives," says Zehner. She believes that women at all income levels can form similar groups. "It's a peer-to-peer investment group," she notes. "To gain financial literacy, be accountable. Get a group of people together who want to share what they know, and take on topics from basic economic principles to debt instruments, real estate, investing in art, demystifying hedge funds, the markets—whatever you're interested in."

DO YOU HAVE A WILL?

44.8 PERCENT	40.8 PERCENT	14.8 PERCENT
No	Yes, and I keep it current	Yes, but it was written a long time ago

HOW IMPORTANT IS IT FOR A WOMAN TO HAVE ASSETS IN HER OWN NAME?

Very important: 73.2%

Depends on the circumstances: 14.3%

Somewhat important: 11.7%

HOW LARGE A NET WORTH DOES IT TAKE FOR A FAMILY TO BE RICH?

1 million dollars in assets	5 million dollars in assets	10 million dollars in assets	25 million dollars or more
17.7%	36.8%	27.2%	18.3%

WHAT IS THE BEST ADVICE YOU EVER GOT FROM SOMEONE ABOUT MONEY?

SAMPLE

"My dad died when I was four. One of my most vivid memories was asking him, after he'd finished reading 'Cinderella' to me, 'But what if the glass slipper didn't fit her?' 'That's why you're going to Wellesley,' he replied, 'so you can always buy your own glass slippers.'"

"When I was in third grade, my stepfather got me my own bank account with $100 in it, and each month he would show me that statement and point out the interest I had received. This taught me early on the value of compound interest and being aware of my own money."

"I TOLD AN OLDER FRIEND THAT I WANTED A MAN TO BUY ME A FUR COAT (I WAS BARELY IN MY TWENTIES). SHE RESPONDED, 'BE ABLE TO BUY YOUR OWN FUR COAT.' GREAT ADVICE, AND I'VE SINCE BOUGHT MYSELF THREE OF THEM."

ONE

"In regard to stock, I was once told that when your stock is down, you have not lost unless you sell. I watch my stock and set a parameter to be met before I am willing to part with it."

TWO

"My mother advised me to keep certain stocks as a financial hedge—these stocks have consistently paid."

HOW IS YOUR ATTITUDE ABOUT MONEY DIFFERENT FROM YOUR MOTHER'S?

"FOR MY MOTHER, DADDY MAKES IT AND SHE SPENDS IT. FOR MYSELF, STILL TRYING TO MAKE AS MUCH AS DADDY DID!"

"My family was lower class, and we struggled a lot of the time when I was growing up. Money is a reality for me, and I am glad for the things my mother taught me about what money can and can't do for me."

"My mother's generation clipped coupons weekly, only bought what was on sale at the grocery store each week, lived in 900-square-foot, three-bedroom houses (with no garage). My generation has no time to worry about coupons, shops whenever it's convenient and buys whatever is needed at the time, and lives in beautiful homes that are larger than needed just because they are new and have three-car garages."

"In my mother's generation, men were called upon to take care of the women in their lives—wives, daughters, sisters, mothers. However, from my worldview, it's extremely important for a woman to have her own independent financial resources in her own name. It's benevolently empowering for someone to have her own means, rather than depend upon someone else for her financial well-being. I truly believe that this yields greater health in the equal balance of a partnership as well—fewer power-differentiated dynamics."

"My mother was not happy about my career goals and often told me that I had more ambition than most men. She did not mean this as a compliment!"

"I SPEND MORE MONEY, RESPECT IT LESS, WANT MORE OF IT."