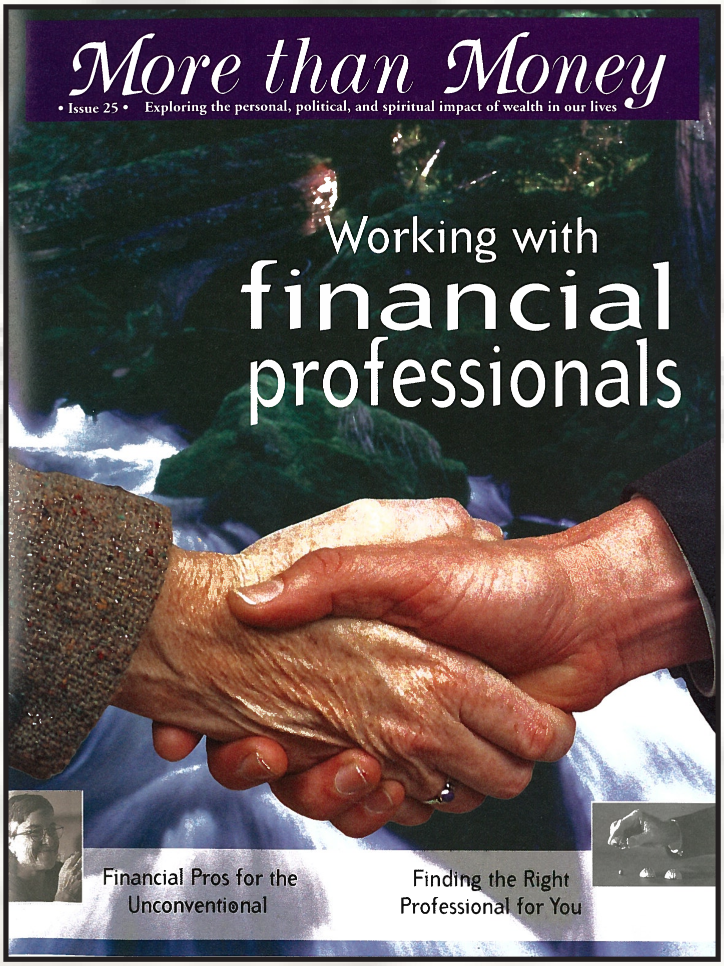
MORE THAN MONEY

Timeless themes & personal stories | Exploring the impact of money in our lives

Archive Edition

Working With Financial Professionals



Issue 25, Spring 2000

A Complimentary Giving Resource
Provided By

BOLDER GIVING
Give more. Risk more. Inspire more.

Welcome

Welcome to **More than Money** Journal

More Than Money Journal, published quarterly from 1993-2006, was one of the first public forums where people shared personal stories about the impact of wealth on their lives. Groundbreaking for its time, each issue is filled with examples of ordinary people struggling to align their money and values in their spending, investing, giving, legacy, and relationships. The themes and stories in these journals are timeless and ring as true today as when they were first published.

More than Money Journal was a project of More Than Money Institute, a nonprofit peer educational network that touched thousands of people through its publications, presentations, gatherings, journal discussion groups and individual coaching. When More than Money Institute closed in 2006, its founders Anne and Christopher Ellinger (whom you'll see in More Than Money as Anne Slepian and Christopher Mogil) went on to launch another initiative called Bolder Giving. Individual articles from the journal were archived online with the Project on Civic Reflection.

Today, Bolder Giving is thrilled to be able to offer full back issues of More than Money Journal as a resource for families with wealth, philanthropic advisors, and all those exploring the impact of money in their lives. On the Bolder Giving website you can download issues individually.

Online, you can also order beautiful bound copies where 6-10 issues of the journal are compiled by theme:

Giving
Lifestyle, Spending & Investing
Money and Values
Children and Inheritance
Money and Identity
(See full listing on back page of this journal)

We hope that More than Money Journal brings you fresh ideas for aligning your money and values, and that you use the stories to start conversations with your own clients, family members, and friends. (Note: We have removed many last names from the personal stories in the journals, to protect the privacy of those who gave us permission before the days of internet).

About

BOLDER GIVING
Give more. Risk more. Inspire more.

More Than Money Journal roams the full territory of money and values. Bolder Giving has a more pointed mission: to inspire and support people to give at their full lifetime potential. A national, non-profit educational initiative, Bolder Giving invites you to help create a culture of greater generosity and to take your next step in becoming a bold giver.

At www.boldergiving.org you will find interactive tools and resources to help you explore three ways of being bold:

Give More: explore your lifetime giving capacity.
Risk More: step beyond your giving habits.
Inspire More: spark conversations about bold giving.

Bolder Giving's resources include:

Stories of Inspiration- The Bolder Giving website features stories of over 100 remarkable givers who have given at least 20% of their income, assets, or business profits. We host monthly teleconferences and web chats for informal conversations with these bold givers. Bolder Giving's stories have been featured widely in the press - on CBS and ABC evening news, in People and Inc. Magazines, The Chronicle of Philanthropy and elsewhere - and speakers are available for presentations and media interviews.

Support for Donors- Bolding Giving provides giving tools such as personal coaching, referrals to donor networks, workshops, the Bolder Giving Workbook and other publications, and a content-rich website. Please see the list of publications in the back of this magazine.

Resources for Advisors- Bolder Giving offers presentations, workshops, and publications for fundraisers, financial professionals and philanthropic advisors.

We invite your participation and support.

Thanks to the financial support of a few foundations and many individuals, Bolder Giving is able to offer free downloads of More Than Money Journal on our site. If you receive value from this publication, we invite you to donate online or contact us to explore ways of being involved as a donor, partner, or volunteer. Bolder Giving is a 501(c)3 tax-exempt organization, so all contribution are fully tax-deductible.

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More than Money is a quarterly publication written for people questioning society's assumptions about money, and particularly for those with inherited or earned wealth seeking a more joyful, just and sustainable world.

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From the Editor

Those Who Share Our Financial Dreams

I was an idealistic 23-year-old when, in 1980, I inherited not only a share of my grandmother's portfolio, but also the Wall Street advisors who had managed her invest ments for decades. "Don't interfere!" they warned, when I expressed a tentative interest in social screening. "We've been in this business longer than you've been alive. We can't afford to be constrained by your concerns." One of my first acts of financial responsibility was to find new advisors–ones who not only knew their business, but who also listened respectfully and supported my social values.

Many of us who read this journal have financial dreams that step outside of the traditional aims of growing and preserving capital. We may seek for the ways we earn money–from investments to our employment—to actively support the kind of world we want for our children. We may repeatedly ask ourselves the elusive question, "How much is enough?" and aim to use whatever surplus we define in creative, strategic philanthropy. We may have open and vulnerable discussions with our parents or children about estate planning, or loan significant money to friends, or choose to give less wealth to the next generation rather than more, or in innumerable other ways step outside of long-held family and society norms about the "proper" use of wealth.

Blazing new paths is not always easy. Having sufficient, supportive, and competent professional help can make all the difference, enabling not only more peace of mind, but also the integrity we seek between our deepest values and all aspects of our financial lives.

Given how hard it is to even find car mechanics we can rely on, how do we find professionals we can entrust with much more sizable assets? What do we mean by "trust," and what helps to build a solid and enduring relationship between financial advisor and client? With car repairs you find out soon enough whether your vehicle is performing well or has problems, but how do you judge the performance of financial advisors? These are some of the challenging questions we explore in the articles and interviews feature *More than Money.*

Since that first act of independence in 1980, I have changed investme managers two more times, and each new relationship has been stronger tha the last. Yet, working on this issue of *More than Money*, I've realized I coul get more help from a wider variety of professionals and educate myself to b a better–informed and more proactive client. I hope this issue encourag you, too, not to settle for "good enough," but to get all the help you nee to birth your fullest dreams.

Christopher Mogil

Christopher Mog

IN THIS ISSUE...

MELISSA ESPERANZA

ISSUE 25 • SPRING 2000

From the Editors

Personal Stories

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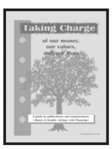


Features

COURTESY OF JOANI BLANK

Personal Stories

Up Close and Personal

Satisfied? Delighted? Fed up? How happy are you with your financial professionals? Is it possible to find experts you can trust to serve your financial interests, to understand you on an emotional level, and to honor your values?

The following personal stories reveal some of the challenges and delights that people with wealth experience in cultivating trusting relationships with financial professionals. At different points on the path of taking charge of their finances, our interviewees explore their problems and successes, uncertainty and confidence, and share some of the wisdom they've gained along the way.

Happily Unconventional

Adapted from an interview with Joani Blank.

Joani Blank is the founder of Good Vibrations, a nationally known worker owned and run emporium and catalog featuring products and advice that contribute to healthy sexuality. Her investment and philanthropic habits are as unconventional as her business.

I have what I think is an unusual approach to money. I love having money because of what it enables me to do and I hate having it because I feel guilty about the unfairness of the widening gap between rich and poor. But I'm not self-conscious about having it.

It's important that my financial pros understand my idiosyncrasies so they know how to advise and support me. For example, I loan money to all kinds of people. I currently have about $120,000 outstanding in $1,000 to $10,000 loans and a couple over that, one for $15,000 and one for $20,000. I get such a kick out of doing that! I have money, so why not help my friends? If I get it back (and I usually do), I can keep giving it over and over.

In one case I loaned money to a friend who's a hair stylist so she could buy her own salon. In another I helped a musician friend buy an 18th century string bass. It would normally have cost $80,000 but she had an opportunity to buy it for $13,000. I loaned her $6,000 and she had enough money of her own to make up the difference.

I've never shopped around to find financial professionals I could trust. Friends who know my worldview have just steered me to people with similar philosophies. One of my favorite people is the woman who does my taxes. She has served as one of my "money therapists" over the years, and I frequently ask her advice about money stuff. She does my daughter's taxes now, too.

I met my first financial advisor– an accountant who got fed up with the corporate world–though a small business network I belonged to. He had me fill out one long, comprehensive form that covered everything, my sources of income, how much I spent, what I spent it on, and what I like to give money to. I was impressed with how thorough it was. Then we talked about investing, retirement, saving for the future, how to support my child, saving for her, anticipating her inheritance from me–an overall plan.

My current advisor, David, is informal and friendly and interested in me as a person. I talk about emotional issues pretty easily, so it's important to me that he is willing to relate on that level, to understand my priorities and my excitement about various projects. Also, although he has no children of his own, I'm very impressed that he seems to really understand the complex relationship I have with my daughter, who is now a young adult.

David is one of the financial planners in the First Affirmative Financial Network, an association of financial professionals who work exclusively in socially responsible investments. I've never worked with a financial professional who wasn't committed to socially responsible investments. David's wife is my bookkeeper and we're friends, too. It's important to me that I can call him any time. Sometimes we'll talk about something for ten minutes and he'll forget to bill me.

This kind of relationship may be hard for some financial people to understand if they are accustomed to looking only at increasing wealth or reducing taxes for their clients. It's my impression that some professionals will do whatever is within the letter of the law to help their clients avoid taxes. That may be legal, but it doesn't always feel ethical to me, so I steer clear of advisors like that.

I've invested in two privately held corporations. One sells sustainably harvested wood and the other is developing superconducting materials that can be stored at ambient temperature. This technology could dramatically decrease the amount of electricity that's needed and has hundreds of sustainable applications.

Also, although I don't like the stock market, I recently bought my first stock: 100 shares of a high tech software company. It feels like gambling, and I'm not particularly into gambling. My advisor asked, "Why are you buying this?" I said, "Because I thought it would be fun to play at being a stockholder." He may not share my enthusiasm, but he understands it and supports me.

My advisors know I'm going to do what I want anyway. What I like most about my financial professionals are their flexibility, their willingness to adopt my perspective when advising me, and their understanding and support of my attitudes. I'm something of a control freak, so when I have a little extra money to invest, David will tell me about some new things I might get involved in. Then I'll make the decision. For example, last year I started putting money away for my grandchildren in the form of educational IRAs.

"My current advisor, David, is informal and friendly and interested in me as a person. I talk about emotional issues pretty easily, so it's important to me that he is willing to relate on that level, to understand my priorities and my excitement about various projects."

I grew up with a prejudice against people who make money by having money. Now I guess I'm doing it, even though it still doesn't make sense to me. That's one of the reasons why I include philanthropy in my "portfolio" of socially responsible investments. I'm pleased that I'm able to give away fifteen percent or more of my income almost every year.

My advice to others who want to hire a financial advisor is, "Remember that your financial professionals work for you." Make sure they know as much about you as possible and ask them any questions that seem relevant. Base your decision to work with them on their responses. I don't have a problem being open with most people–even relative strangers–about either sexuality or money. So if I can encourage others to open up and relax about money by being relatively open and relaxed myself, then I've done some good.

How do I know if my financial professionals are highly competent? I don't. I guess I won't know until one of them messes up, and so far none of them ever have.

COURTESY OF GEORGETTE FRAZER

Disempowered Inheritor Turn Financal Pro

Adapted from an interview with Georgette Frazer, CPA/PFS, CFP

Although I grew up in a wealthy neighborhood and was aware of the privileges of wealth, we didn't have the same kind of money ourselves. I didn't know I would someday be wealthy, until my father died.

In the late 60s early 70s, I was working as a botany research clerk to put myself through college. It was a very transformative time. People were considering the political implications of everything. I studied for a degree in resource economics, learned about community organizing and economic theory, and got involved in the women's movement. When a group of women started a credit union, I volunteered to help. It was exciting to put my politics into action to help women gain power over their money and their lives. I joined the credit union board and eventually became president. We offered a lot of seminars and individual counseling to our members to help them understand and gain control of their finances.

Then my father died, and for me, everything changed. During my parents' married life, Dad made all the larger financial decisions and had given Mom an allowance. So my mom was a classic example of a widow who was in the dark about important aspects of her financial affairs. Together, she and I went through their papers and tried to figure out what was what. This opened my eyes even more to the need to help people get control of their money.

Also, suddenly and unexpectedly, I found that with Dad's death, I had been left with a lot of money from a trust, but it seemed tainted, a bad exchange for the loss of my dad. Angry and sad and uncertain, I turned to my first professional helper. I assumed a woman would understand my feelings and needs and values, so I was relieved and hopeful when a member of the credit union referred me to a woman broker. I automatically trusted her. What a mistake!

She helped me develop a stock portfolio, then encouraged me to put part of my inheritance into an annuity with a company her firm recommended. She said, "If you're going to put the rest of your money in stocks, you should have something safe like this."

Then the firm she had recommended went bankrupt. I first heard about it on the news, then through a letter the firm sent. My broker wouldn't even return my calls. When I finally got through to her, she said, "The firm approved the sale. My research people said this investment was a good one." She never said, "I'm sorry." or showed concern for how I felt. I felt betrayed, as though she had turned "company agent" on me. Although my money was restored, this experience raised my awareness of how impersonal this industry can be.

I had heard about a profession called financial planning. It attracted me right away, but I wanted to be a different kind of financial professional than my broker had been. I wanted to help people understand their life picture and empower them to take charge. So I studied for a Masters in accounting and became a CPA and a CFP specializing in personal finance.

I've been very happy with that choice. What I like most is helping people put their values to work in the arena of money management. I advise people looking for a financial advisor to ask that advisor about whatever is important to the prospective client.

From the beginning I found that clients supported my efforts to focus on values but my more traditional colleagues didn't, so I joined First Affirmative, an association of advisors specializing in socially responsible investments, in order to meet like-minded professionals. I also work with attorneys, tax professionals and non-profit development officers. It's very important for clients and professionals to talk with each other. One person can't be an expert at everything. Being part of a team of trusted professionals is empowering for me and for my clients. It has made all the difference.

Inheriting a Financial Advisor

Adapted from an interview with Churchill Dunn

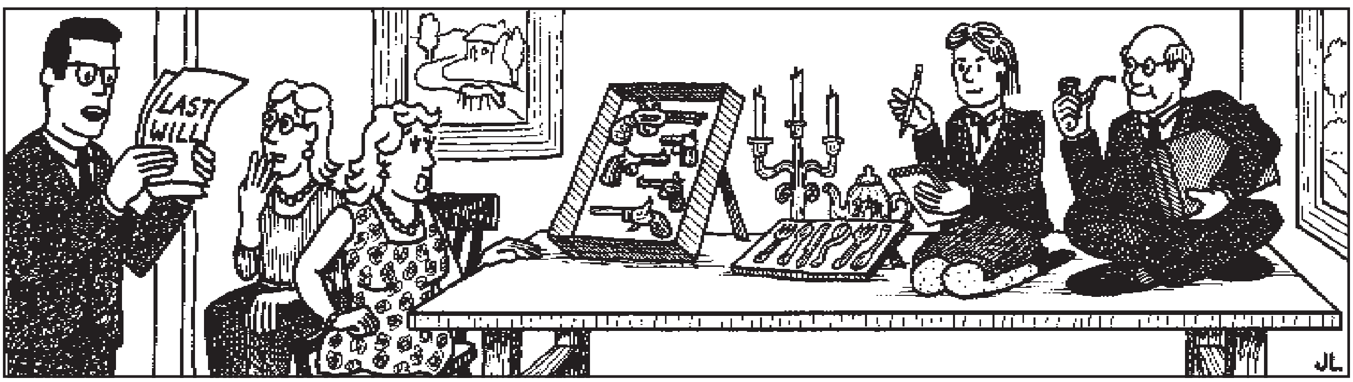
I was 16 when I first met with my mother's financial advisor. I really wasn't that interested in learning about the world of finance. I just wanted to get an idea of how the stock market worked. Marie encouraged me to think about the companies that I saw people talking about or spending money on. I ended up investing in The Gap, which did really well. It was a great exercise to learn how to identify stocks that both had some value in my life and were fruitful investments.

Marie was—and is—a patient teacher. She always lays out for me all the options in any major decisions I have to make, and we discuss them all before she makes her recommendation. Sometimes I just want to cut to the chase and have her give me her advice rather than have an in-depth discussion, but she insists I think for myself. She also encourages me to ask questions, which I really appreciate about her and when I do she says, "That's a great question! I'm so glad you asked me that." I still don't find financial management that interesting, but at least Marie demystifies it so I don't feel intimidated.

One challenge of "inheriting" a financial professional is learning how to assert my own ideas when I feel less experienced than both her and my mother. For instance, my mother is a firm believer in SRI. And most of my investments have social screens that I chose myself. But at one point I wanted to ask Marie if I was making the most money that way, and it was hard to bring it up because socially responsible investments are the focus of what she does. One day I asked her bluntly, "How come everyone's talking about how the stock market is booming and I don't feel like my investments have gone up as exponentially?" I told her I wanted to play around with a small amount of money in non-SRI investments. It was difficult but important to me to assert myself that way. She appreciated me raising the issues with her and encouraged me to invest in a non-SRI stock if I wanted to.

In addition to Marie, I have another financial advisor, Andrew, who also works for my mother. Andrew and I talk bi-monthly about my long term financial planning and taxes. Neither Andrew nor Marie takes for granted that I will be their client just because my mother is. Marie even said, "I want you to realize that it's your choice whether or not to have me for your advisor."

I look forward to my relationship to Marie continuing to evolve as I become more confident as an investor. My lack of interest and initiative was in part due to the young age when I started working with her. I now see how fortunate I am to have inherited a financial advisor who is sympathetic to my world view and is helping me to have confidence in my own ideas about how to manage my money.



"... and to my beloved daughters I bequeath my antique pistol collection, the family's precious heirloom silver, and my trusted money managers, Mrs. Rachael B. Parks and Mr. Stephan W. Brown."

The Struggle to Trust

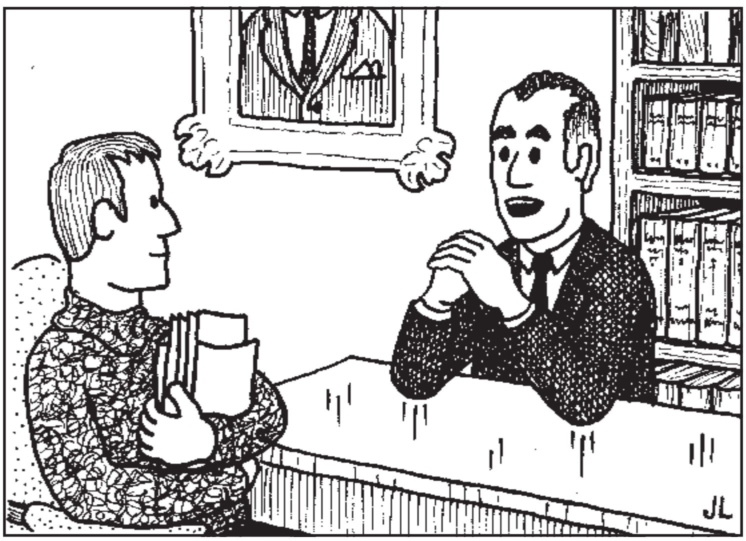
adapted from an interview with Paula Anderson

In her early 40s, single and childless, Paula Ander-son feels stuck with advisors with whom she is uncomfortable, and she is terrified of looking for new ones.

I've always been well taken care of. Now that I'm in my '40s, however, I am just starting to think about taking charge of my own finances. There's the matter of my will, for instance. A while ago, when I was getting ready to leave on an extended trip, I had a will drawn up that leaves everything to my siblings and their offspring. That's not the way I want it now, but I am single and childless and I find it terrifying to face what to do with what I have when I'm gone.

My father is my primary financial advisor. He's a lawyer and he says you go to lawyers for everything. He's a force to be reckoned with in the world, people listen to him, and I trust him completely. But he's 78. I don't know what I'll do when he is not around to answer my questions.

I inherited a stock portfolio when I was in my 20s. I also inherited a stockbroker, who I refer to as "Uncle" Bob since he knows more about my financial life than most of my relatives. He's an older man and deals mostly with clients who are like him. He'll say, "I'm invested in these stocks and I wouldn't buy you anything I wasn't invested in myself." He's very patronizing. He once said, for instance, "Hey, how about Tampax? Let's invest in Tampax because you're a woman." I wanted to say, "I don't have a uterus so I don't use them," but I didn't. That pretty much tells you about my relationship with Uncle Bob. I'll stick with him while my father is alive, but eventually I would like to find an advisor who is more simpatico.



"I have been investing your money for the last twenty-seven years, but I think it's time for you to go out and hire someone who is a bit more in sync with your values. Just don't be late for dinner son, Mom's making something special!"

My portfolio pretty much rides along unchanged. The only other financial professionals I've seen are a couple of CPAs. The first one I went to looked at my papers and said, "You look like a little old lady coming in with a shoebox full of all these 1099s" and laughed unpleasantly. I felt humiliated and angry but I didn't say so. I just didn't go back.

The woman who prepares my taxes has made a few snide remarks about how little I earn, or how I spend my money. So I've learned to limit the information I give her. It's not a good situation, but I'm uneasy at the thought of confronting her and unsure about how to find someone else. I still believe that God and the bank are the only ones who should know anything about my financial balance.

I was raised to be a rather private person and exposing the nature of my financial assets to someone is really intimidating. I feel like a little kid. How do you go to somebody, raise the issue of what to do with your money, and feel safe about it?

I work at home part-time writing and researching, and I try to do good work beyond that, volunteering, making quilts for cancer patients, etc. And I have well-connected friends who I might get referrals from. But I'm not out there networking.

Trust is a huge issue for me. I'm afraid of being taken advantage of and I'm afraid of failure. I was raised with very high standards, so I came to believe that it's easier to do nothing than to be wrong. The funny thing is, I'm willing to take risks when it doesn't involve money.

I would like a financial professional who could help me clarify my values and teach me to manage money rather than to focus on making more of it. That would be a starting point. I like knowing that because I have money, I can "make a difference."

The Bank of Larry

by Ruth Anne Harnisch

The first time I walked into the Money Management Services office in the early 1980s, I had just suffered a devastating bankruptcy and divorce. I'd lost my home. My brother and his wife offered to let me live in the converted attic above their house. They suggested I see Larry Cherry, who helps people plan their financial lives.

At first I was traumatized by fear and pain and could not face bills, paychecks, or anything money-related. Larry's office devised my budget, banked my paychecks, and paid my bills. I gratefully allowed Larry to manage every dollar I earned.

Within three years, Larry guided me into a condo purchase and started my retirement savings. He thought I should be thrilled to see $11,000 in my account. I wasn't. "I'm grateful," I told him, "but we both know $11,000 is a drop in the bucket of life. I'm still one step away from being a bag lady."

Several years later, I married for love and got money in the bargain. Nobody was happier for me than Larry. We continued to plan my financial future using my new assets. Soon my needs outgrew Money Management Services.

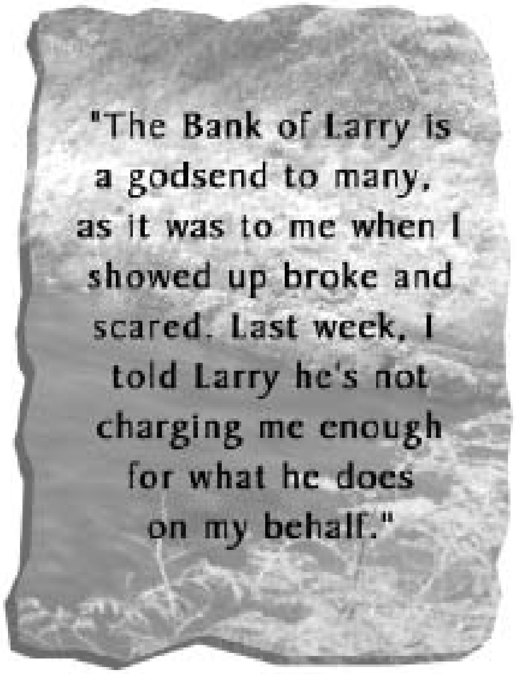
My husband is really, really rich, and he made me just plain rich. Our personal business requires sophistication and specialization. Our team of financial professionals comes from some of the most venerable institutions in the world. We have God-knows-how-many attorneys (marital lawyers, estate planners, real estate and tax attorneys, and private foundation specialists). We have personal bankers, accountants, and investment professionals who help us with our stocks, bonds, trust accounts, and properties.

But I still work with Larry. I want to "dance with who brung me," even though I'm dancing at the Symphony Ball instead of the Wildhorse Saloon. Now, Larry and I are partners in using my money creatively to help others.

As for the brother who took me in, I bought him a new house. Larry structured the deal so that each of us gets maximum tax benefits and minimum liabilities. I did the same with my sister's house. And my manicurist's car. And a couple of small businesses that could never have qualified for loans from any bank except what we lovingly came to call The Bank of Larry.

A limo driver told me about his dreams, and I told him if he was serious to call The Bank of Larry. My dental hygienist worried about retirement savings, because she has none. I sent her to the Bank of Larry.

Recently, I saw a "Letter to the Editor" in our local paper from a woman proudly struggling to make ends meet. I wrote her, offering to pay her fees if she wanted professional help to make the most of what she has. Larry is now helping her collect child support, and he recommended that I loan her what she's owed until the state processes the payments.



Larry's clients include a husband and wife who couldn't bring themselves to tell their daughter that they'd blown her college money until two weeks before she was supposed to start classes. Larry thought if I met this young woman I'd be so impressed that I'd scholarship her through The Bank of Larry. He was right.

A condition of receiving a loan or a major financial gift from me: you must work with Larry and follow his plan for your "financial security". It's all 'strictly business' and I'm not involved. Larry's the one who collects, advises, issues ultimatums. Larry teaches people to fish while I'm treating them to a fish dinner.

The Bank of Larry is a godsend to many, as it was to me when I showed up broke and scared. Last week I told Larry he's not charging me enough for what he does on my behalf. He has to be reminded that I, Rich Woman, am the client, and not the people I send him.

MtM

The Challenge to Find Financial Pros You Can Trust

by Judith Sawyer

Judith Sawyer has been an editor of business-to-business publications for 25 years. She served as managing editor of this issue.

Based in part on interviews conducted by Sally Sheklow

Armed with some basic know-how and an understanding of your own needs, you, too, can find, evaluate and manage the advisors that are right for you.

Larry Evans had his first encounter with a financial advisor when he was 18. He recalls, "I remember meeting with this old guy who I couldn't relate to at all. I sat there listening and thought, 'This sounds just like a sales pitch.'" It wasn't until several years, and two advisors, later that a friend recommended someone who shared his own values. "Until then," he says, "I thought financial professionals were all about the same."

Roger Strauss, helping his mother with estate planning, was unhappy with the accountant their lawyer brought in. His mother wanted to create a land trust and protect the trees. The accountant suggested they "subdivide this land into seven parcels to make a killing." Strauss says, "This accountant was a poor communicator who talked in numbers, gave scenarios, built this whole structure of options. He didn't understand our values of land stewardship. My mom also didn't like his speech pattern. He had a way of just spitting out words. He talked to me and not her. I think he was being sexist and ageist. He wasn't even speaking to her, the person whose money it is."

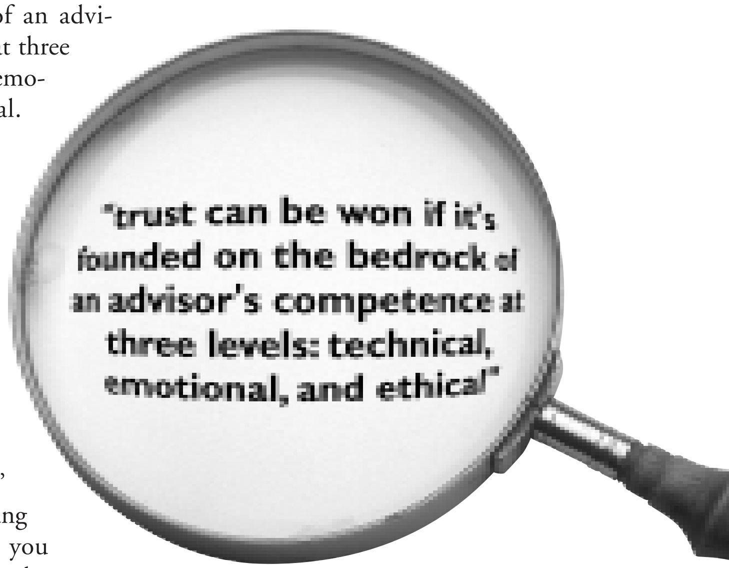
Olivia Anderson inherited a money manager from her grandfather. She likes him but dreads calling to ask for money, because he makes her feel she has to justify what she's spending it on. Furthermore, remarks he has made about "her generation" indicate that he doesn't see her as an

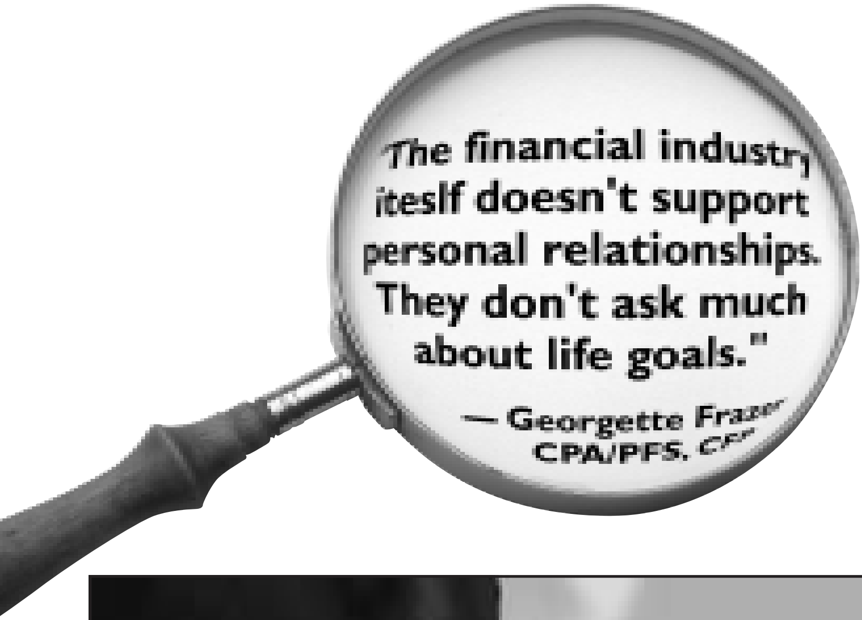
individual. She's thought about finding another advisor but says, "It would go against everything that's been laid out for me." She asks, "Do you work with what you have or do you break away from what's already there?"

Evans, Strauss and Anderson have one thing in common: In wrestling with how to allocate their assets, each suffered from dealing with financial advisors who didn't understand their values and who seemed to make little attempt to understand them.

TRUST BUILDING

"Wealthy people," says wealth counselor Joanie Bronfman, "are taught to assume that others are interested in them only because of their money. These beliefs form an obstacle to the development of trusting, close relationships." This is especially true with regard to financial advisors, who, if unscrupulous, may see wealthy clients as their ticket to ride onto easy street. However, both clients and financial professionals agree that trust can be won if it's founded on the bedrock of an advisor's competence at three levels: technical, emotional, and ethical. Certified financial planner Richard B.Wagner, JD, CFP, puts it bluntly, "Trust the people you're dealing with but have enough knowledge to know whether they're misleading you." Even if you are young or inexperienced, you can learn to assess those competencies for yourself.





NIGHTMARE CLIENT

- Is overly trusting or overly suspicious.
- Is vague and indecisive.
- Won't admit what she doesn't know and never asks questions.
- Frequently misplaces her financial records.
- Doesn't say what's really on her mind.
- Withdraws her account without first airing her complaints.

DREAM CLIENT

- Thinks about her personal and financial goals; knows her assets and expenses.
- Reviews her statements regularly.
- Immediately reports any changes affecting her financial situation.
- Makes clear agreements and holds to them.
- Comes to meetings with a list of questions and concerns.
- Respects her advisor's time and expresses her appreciation.

Adapted from *Choosing and Managing Financial Professionals - A Guide for Women Investors* by Stone and Stanny, 1995. $15 ppd. From Resourceful Women, 415-561-6520.

WHAT TO LOOK FOR

As Deanne Stone and Barbara Stanny point out in their booklet, *Choosing and Managing Financial Professionals,* the term "financial professional" (FP) is loosely used, a catchall title that encompasses a range of experts – money managers, stockbrokers, certified financial planners, investment management consultants, accountants, estate planners, lawyers, bankers, and insurance agents. Each has some area of expertise to offer, but many of their services overlap. Which ones you choose and how you decide to use them depend on your needs.

But judging from experiences like those of Evans, Strauss and Anderson, finding a responsive, understanding and competent advisor is not always easy. The very size of the field is intimidating.

The financial industry has entered a vastly expanded new era. Laura Koss-Feder in "Smart Ways to Find a Financial Planner" (*Money* magazine, March 1997) estimated that there are "some 450,000 stockbrokers, insurance salespeople, and outright cranks who claim to be effective financial planners." Furthermore, there are few legal barriers to prevent any Tom, Dick or Mary from setting themselves up as a financial advisor.

How, then, given such a disconcerting array of choices, do you separate the wheat from the chaff? How do you find advisors who are qualified to do what they say they can do? How do you evaluate their expertise and trustworthiness? How do you find those who share your values, or who are at least willing to hear you out and help you achieve the financial goals that matter to you?

CHANGING ROLES

Traditionally, financial advisors of all sorts have focused on preserving capital, increasing assets, and reducing taxes. Being good at number crunching and researching financial services has been the prevailing measure of competence. Small wonder, then, that most people's image of financial professionals is still based on that model. "The financial industry itself doesn't support personal relationships," says Georgette Frazer, CPA/PFS, CFP. "They don't ask much about life goals."

Nevertheless, awareness that some clients want more than just an expanding portfolio is growing, especially among "certified financial planners"—

continued on page 13...

continued from page 12...

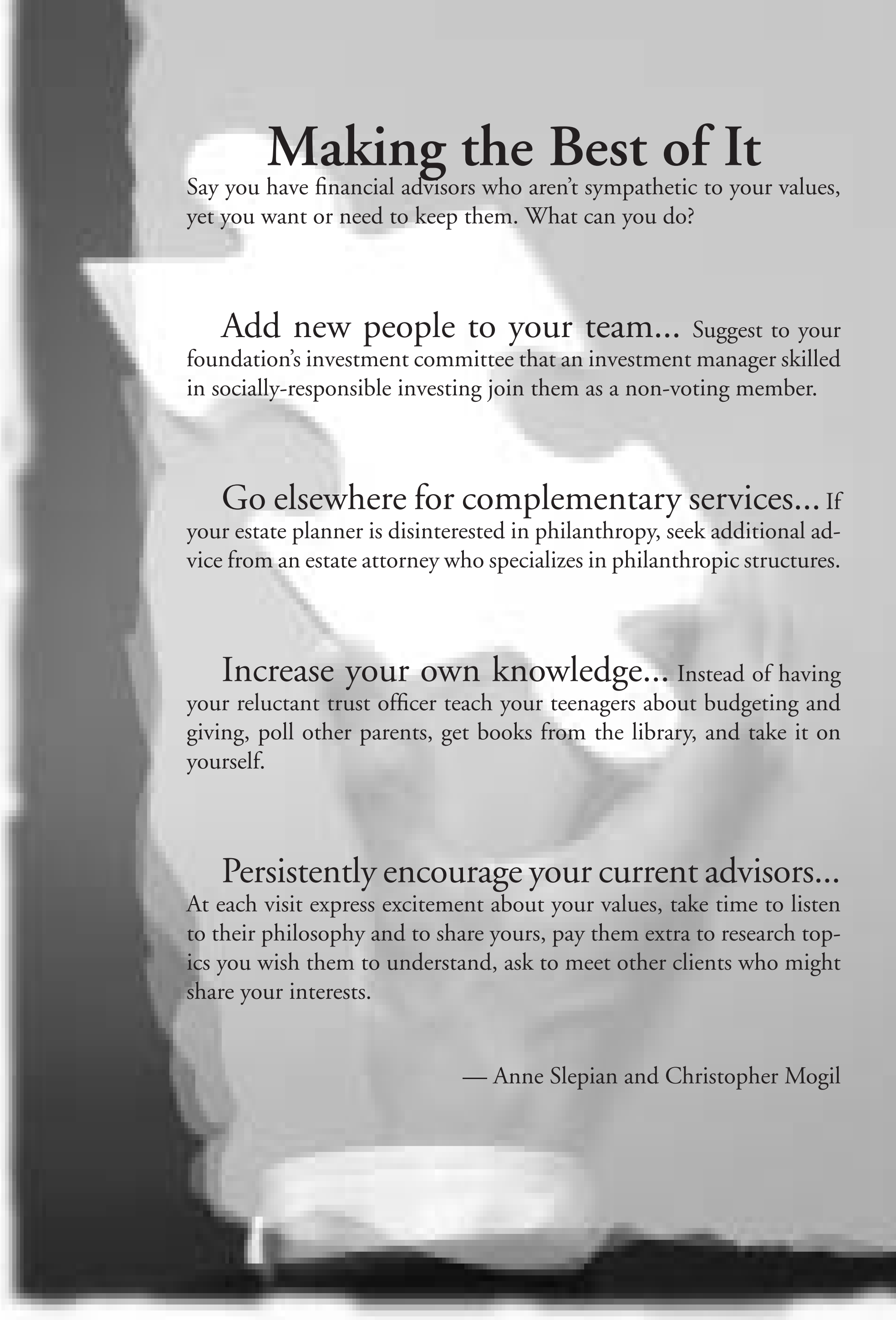
professionals who specialize in helping clients understand their total financial picture. Today's holistic financial planning pros can not only help you with retirement and estate planning, asset allocation, and tax and cash flow planning, but they can also help you create a detailed, long-term financial plan that will let you deploy your resources in more satisfying and socially responsible ways.

HOW DO YOU FIND THEM?

Let's assume that you want to find a certified financial planner (although the process that follows would be similar no matter what kind of advisor you sought). First, ask friends whose financial situations are similar to yours for leads, or seek referrals from other professionals you trust, such as lawyers, accountants or bankers. If you have no other recourse, there are planners' trade groups you can contact. The National Association of Personal Financial Advisors (NAPFA), for example, and the Financial Planning Association (FPA) have professional standards for membership. The Social Investment Forum publishes a list of investment managers who engage in the social investment field, including some who also do financial planning. (See Resources, page 23)

Now that you have asked around and found two or three promising candidates, it's time for the "job interviews," and you're the one who's hiring. It's your responsibility to ask the right questions, to probe for the planner's technical, ethical and other qualifications. At the same time, you'll see how comfortable you are with the planner and how well the two of you communicate.

Does your financial planner need to share your values? Bob Levin, a satisfied client who has had no trouble with his financial advisory team, says, "I don't care what their values are. If they're good, like a good psychiatrist or lawyer, they will listen to you and respect your wishes." For Larry Evans, however, shared values, even a shared sense of spirituality, are critical. To ascertain whether you've found that, he advises, "Listen to your intuition, to see if feels right or doesn't."



Making the Best of It

Say you have financial advisors who aren't sympathetic to your values, yet you want or need to keep them. What can you do?

Add new people to your team... Suggest to your foundation's investment committee that an investment manager skilled in socially-responsible investing join them as a non-voting member.

Go elsewhere for complementary services... If your estate planner is disinterested in philanthropy, seek additional advice from an estate attorney who specializes in philanthropic structures.

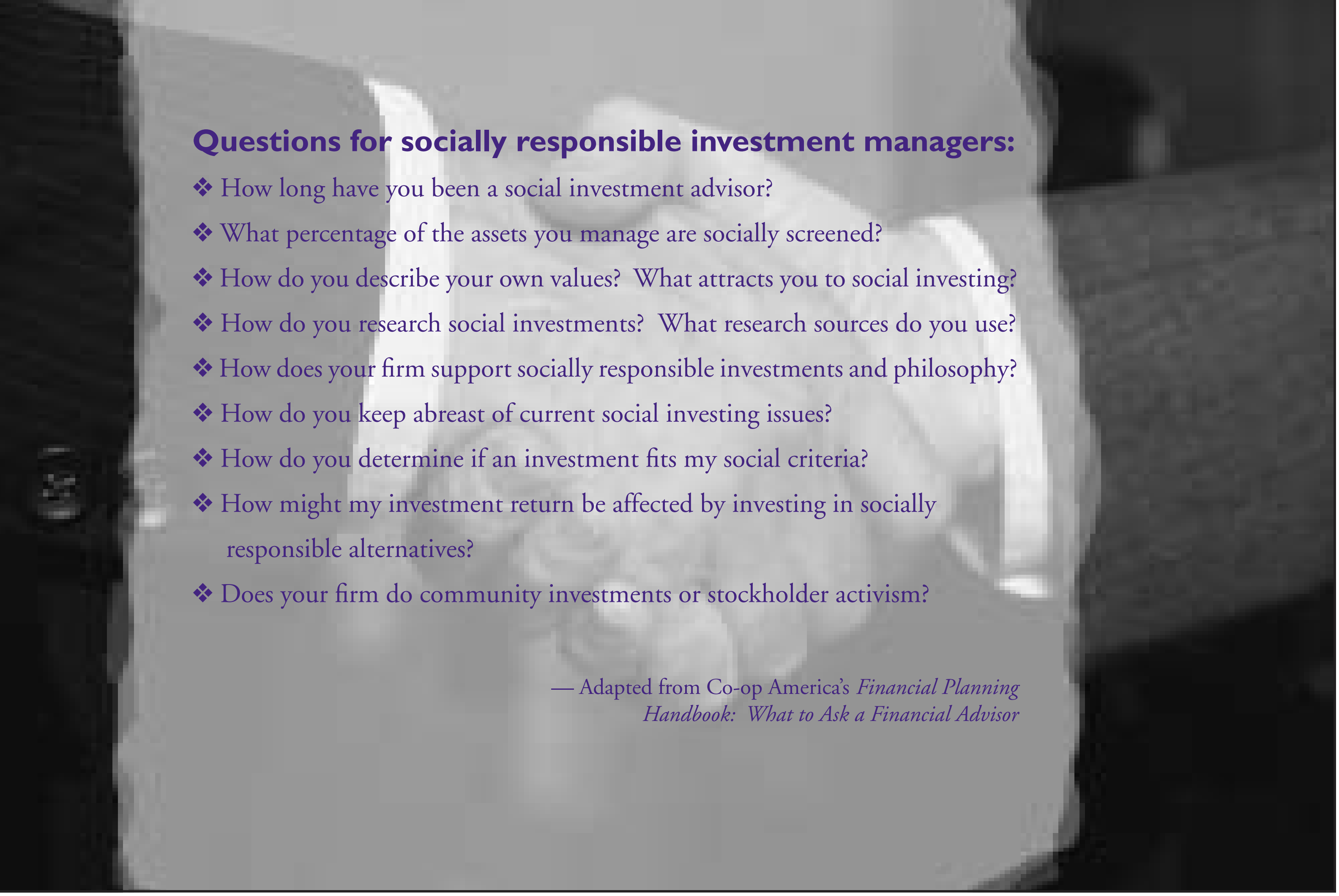
Increase your own knowledge... Instead of having your reluctant trust officer teach your teenagers about budgeting and giving, poll other parents, get books from the library, and take it on yourself.

Persistently encourage your current advisors... At each visit express excitement about your values, take time to listen to their philosophy and to share yours, pay them extra to research topics you wish them to understand, ask to meet other clients who might share your interests.

— Anne Slepian and Christopher Mogil

FEES AND EXPERTISE

To be sure the planner is qualified to advise you, he or she should have at least five years' experience in a financially related field, such as accounting, insurance, banking or stock brokerage, as well as actual advisory work. Look for academic degrees posted on the wall, from an undergraduate degree in business to a Master of Science and Financial Planning to a Master of Business Administration,



Questions for socially responsible investment managers:

- ❖ How long have you been a social investment advisor?
- ❖ What percentage of the assets you manage are socially screened?
- ❖ How do you describe your own values? What attracts you to social investing?
- ❖ How do you research social investments? What research sources do you use?
- ❖ How does your firm support socially responsible investments and philosophy?
- ❖ How do you keep abreast of current social investing issues?
- ❖ How do you determine if an investment fits my social criteria?
- ❖ How might my investment return be affected by investing in socially responsible alternatives?
- ❖ Does your firm do community investments or stockholder activism?

— Adapted from Co-op America's *Financial Planning Handbook: What to Ask a Financial Advisor*

as well as credentials that involve the broadest training, like a Certified Financial Planner (CFP), Chartered Financial Consultant (ChFC), or Professional Financial Specialist (PFS). These latter certificates indicate the planner has passed a series of exams, taken continuing education courses in financial planning, and agreed to comply with the group's code of ethics. None of these say anything about his or her judgment or integrity, but they're encouraging signs.

It is also your responsibility to ask how an advisor gets paid. Time after time, when talking about their advisors, clients confess to financial planner Greg Garvan, "I really don't know how I pay the guy." Garvan's business is fee-only, but he knows plenty of honest advisors who work on commission. The point, he advises, "is to be a very aggressive consumer and say, 'I'm not only looking for the cheapest deal in town, but I sure want to understand what I'm paying for and what I'm not.' And if people won't be up front with you or if they take offense, say, 'Forget it,' and find someone else."

The next step is to ask the planner for names of clients in your circumstances and call them. Don't just accept a general accolade. Ask about the planner's strengths and weaknesses: Is she responsive to phone calls? Does she take time to explain why her proposals are appropriate for you? Is her fee structure fair, and do you have questions or concerns about it? Then go one step further and ask the advisor for names of lawyers, accountants and other pros she has worked with. Ask those people whether the clients they've referred to the planner were satisfied with the service they received.

When you decide to do business with a planner, insist on a contract or an engagement letter. This specifies, in writing, the terms of your agreement, the services you can expect, and how long the agreement will last.

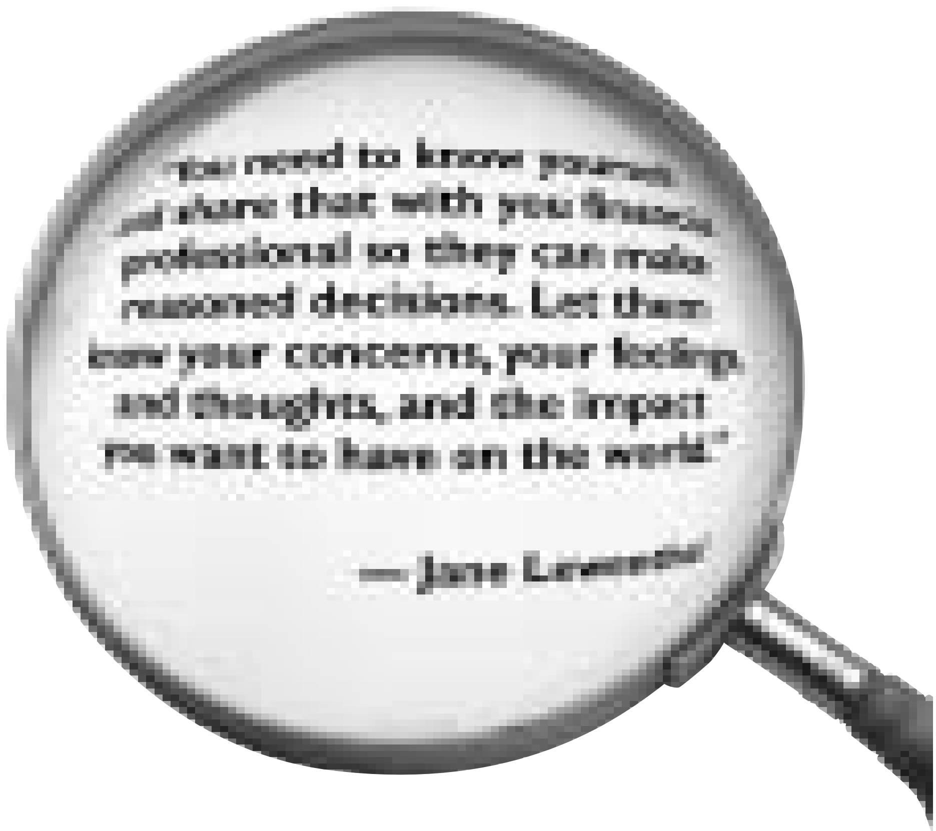
You may need several meetings to discuss your current financial picture and your goals. Only then should the advisor complete a comprehensive plan. You can then ask the planner to implement the recommendations or take them to your stockbroker, mutual fund, or other advisor.

Whatever financial professional you hire, you will want to keep monitoring their performance and your relationship. Jane Lewenthal, an investment management consultant for 15 years, primarily plays this role—evaluating and supervising money managers on behalf of clients. She gets to know a client's values so she can help them choose the right managers, recommends asset allocations and changes, monitors and evaluates each portfolio for performance, and oversees and coordinates the team on behalf of the client. When necessary, she also fires managers who don't perform well—something a client who forms a personal relationship with one money manager can find hard to do. She also knows which experts to call when an attorney is needed to draft a charitable structure, for instance, or when advice is needed on the tax implications of social venture capital.

Lewenthal stresses, however, that it's ultimately the client's obligation to manage their financial advisor. To be able to do that, she says, "You need to know yourself and to share that with your financial professional so they can make reasoned decisions. Let them know your concerns, your feelings and thoughts, and the impact you want to have in the world." If someone treats you condescendingly, Lewenthal counsels to put a stop to it. "Don't let anyone treat you that way. It's their responsibility to explain in a way you can understand. Don't just rubber stamp recommendations. You don't have to become a technical expert, but you must hold the expert responsible to explain and inform."

Elizabeth Glenshaw, a socially responsible investment advisor, emphasizes that financial advisors need to question when they are imposing assumptions that don't fit their client's world. A telling case in point involved a man she describes as "a little eccentric." She recalls, "He would come into the bank where I worked, take out a chunk of money in cash, go down to the park, and toss it in the air. He did this about once a year. He had plenty of money and it made him so happy to watch people's reactions to the 'found money.' It drove the bankers nuts, worrying about him literally throwing his money away.... I thought, 'What the heck, he gets such pleasure out of it. Who are the crazy ones here?' I think this captures all the emotions people harbor about money. I can't say it was right or wrong, but it made him happy. This really influenced my approach to building relationships with my clients. It's what they want to do that's most important."

Though finding the right financial advisors takes effort and persistence–from evaluating your goals, to the interview and selection process, to managing the relationship, to evaluating your returns–the payoff will be your own increased financial empowerment as well as the pleasure of having your affairs in smooth working order for a long time to come.



MTM wishes to thank the following financial professionals for their input for this article:

Georgette Frazer, CFP/PFS, CFP, First Affirmative Financial Network, Marshfield, WI

Greg Garvan, Financial Planner & Investment Manager, Money With A Mission, Newton, MA

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Jane Lewenthal, Investment Management Consultant, AG Edwards, Boulder, CO

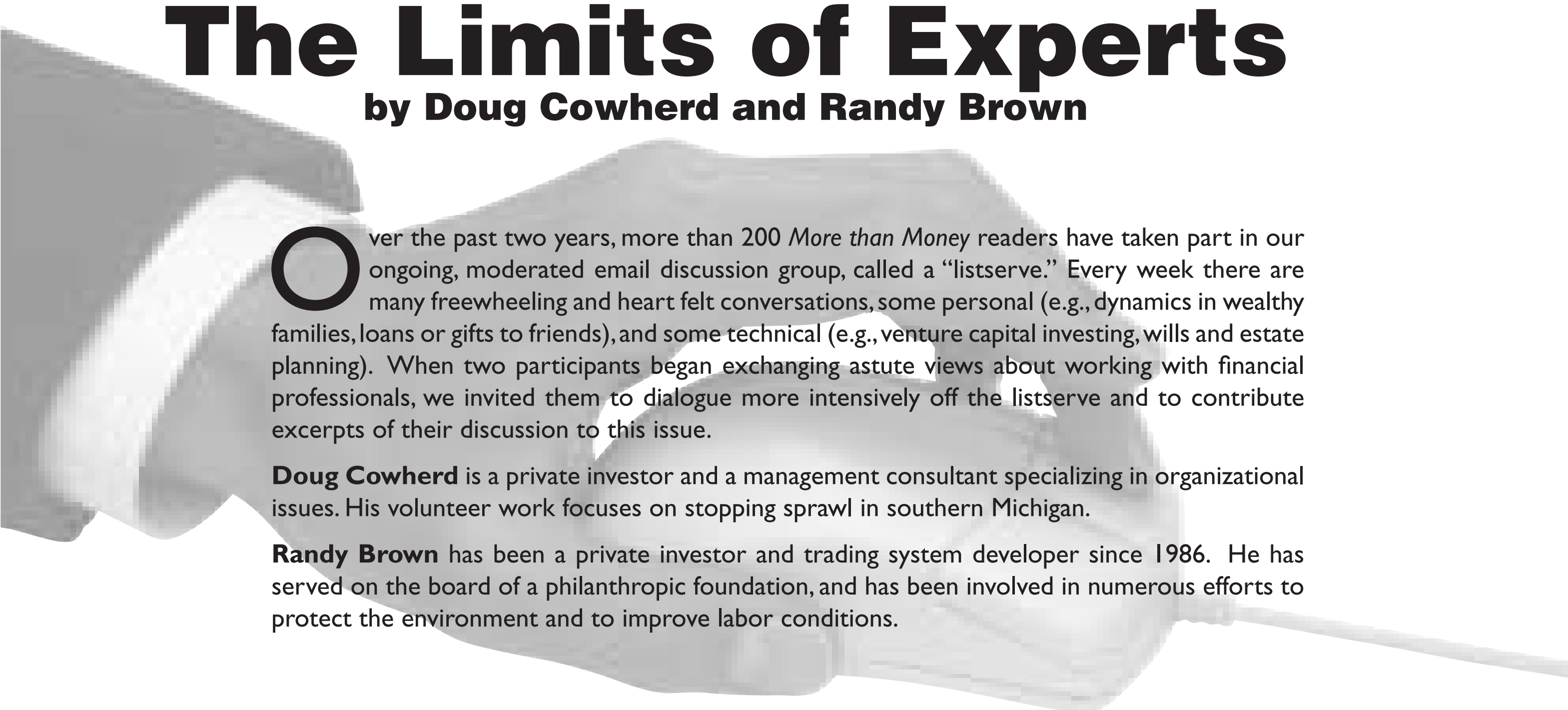
Laurie McClain, Socially Responsive Investing, Eugene, OR

Bruce McKenzie, Senior VP, Northern Trust Company, Chicago, IL

Richard B. Wagner, JD, CFP, Worth Living, LLC, Denver, CO

The Limits of Experts

by Doug Cowherd and Randy Brown



Over the past two years, more than 200 *More than Money* readers have taken part in our ongoing, moderated email discussion group, called a "listserve." Every week there are many freewheeling and heart felt conversations, some personal (e.g., dynamics in wealthy families, loans or gifts to friends), and some technical (e.g., venture capital investing, wills and estate planning). When two participants began exchanging astute views about working with financial professionals, we invited them to dialogue more intensively off the listserve and to contribute excerpts of their discussion to this issue.

Doug Cowherd is a private investor and a management consultant specializing in organizational issues. His volunteer work focuses on stopping sprawl in southern Michigan.

Randy Brown has been a private investor and trading system developer since 1986. He has served on the board of a philanthropic foundation, and has been involved in numerous efforts to protect the environment and to improve labor conditions.

DOUG In my experience, clients are overly prone to think that advisors who are "like them" in some visible way (e.g., age, gender) will work best with them. But only time will really tell. Most advisors will be on their best behavior during initial meetings. The essence of an advisor's character will become clear only over a period of years, and perhaps only when poor investment returns or errors occur. Dealing with trouble will reveal more than all the character references, surface similarities, and comfy chitchat in the world.

> *"In their search for good investment advisors, most people ignore the more important issue of becoming a good client."*
> — Doug Cowherd

In their search for good investment advisors, I think most people ignore the more important issue of becoming a good client. Good clients get much more value from their advisors than bad clients do, but most clients are far from good due to their woefully inadequate financial educations. This fault could be improved with dest effort if clients focused their attention in the right areas.

What are the basics of a good financial education? The list starts with simple building blocks such as knowing the elementary facts about stocks and bonds, mutual funds, the tax system, inflation, and compound interest. Next, a client must know how to judge whether an advisor is following sound basic principles. Can clients actually do this? You don't need to be able to play the violin to tell if a violinist is good, but you do have to know some basics about music. So, too, you don't need to be as well informed as your financial advisor to be able to evaluate their fundamental competence. But instead of wasting your time reading about clever investment strategies and "great" mutual funds you need to thoroughly explore some fundamental topics such as:

- ♦ What are the historic average returns for various asset classes and how much do these returns vary?
- ♦ How do various kinds of asset diversification affect short-term and long-term risk of losses? How is an "acceptable level" of investment risk determined?
- ♦ How does it feel to lose a lot of money? How do most people respond to this? How important is it to avoid changing investment strategies in response to losses?
- ♦ Can investors successfully "time the market?"
- ♦ What are the basic ways to reduce transaction costs and taxes?

You can engage in serious study of these issues by asking advisors for relevant articles and book chapters, by asking them to deliver private seminars on key topics, and by hiring a second advisor to provide an alternative perspective on these subjects.

Finally, to be a good client you need to understand the costs and benefits involved in the advisor-client relationship from the advisor's self-interested perspective. Only then can you begin to understand where the advisor's interests diverge from yours and be able to judge whether you are being treated fairly. Understanding how advisors are paid is a start. However, knowing what you can do to help advisors (e.g., promptly provide full information) or hinder them (e.g., delay decisions, make unreasonable demands) makes you more attractive to high-quality advisors. If you knew, for example, that preparing quarterly performance reports was costly to the advisor (and worthless to all involved), you might ask your advisor to substitute a private seminar on one of the topics listed above.

The main point about being a good client is that your knowledge of a handful of basic financial issues can allow you to determine if your advisor is following prudent principles, in good times and in bad. A good financial education may also enhance your ability to do something that no advisor can really do for you: maintain a sound strategy even if you are going through a period of bad returns. There may be nothing more important to your long-term financial success than these two things.

COURTESY OF RANDY BROWN

Randy Brown

RANDY Doug, I agree wholeheartedly with your points about how to get the most from experts. Let me add something about the limits of what experts can do for you. I believe no one really knows what's going to happen with the price of heavily traded financial instruments such as stocks. Here's why: heavily traded financial instruments are already priced according to expert consensus. That's what a market does. Finding an expert whose opinion is better than the consensus of all experts is difficult. For example, those who have done well by luck rather than skill tend to stay in business, while their unlucky cohorts drop out. So a good track record might reflect luck rather than skill. If you want to try to evaluate an advisor's skill, I suggest looking at a five-year track record.

COURTESY OF DOUG COWHERD

Doug Cowherd

I'd ignore what has happened in the past month or year. Short-term statistics are popular simply because they sell magazines. Five-year statistics don't change often, and so they aren't "news."

DOUG I'd go even further with this critique. It sounds reasonable to say that you should evaluate the performance of investment advisors. However, the time period necessary to statistically determine whether an advisor's performance is due to chance or skill is at least twenty years, depending on how confident you want to be. I suspect you'd agree that an advisor with a good five-year record today might just be someone who focused on large U.S. growth stocks. This wouldn't tell me much about an advisor's investment skill, just his or her bias.

RANDY I also think most experts underestimate risk. They tend to go on what has happened in the past, which is usually a reasonably good measure and perhaps the only quantifiable one. But we can all be sure of one thing: nothing is certain. I hear experts say that to reduce risk you need to diversify into a variety of investments. But what if those investments all fall together in a market crash? Just because they didn't in 1987 doesn't mean they won't the next time. Long Term Capital, a hedge

Join the discussion

To get a further taste of the listserve, read *More than Money* back issue #22, "The Power of Talk." You are eligible to participate in the e-mail discussion group, if you: 1) are a *More than Money* subscriber, 2) perceive yourself as affluent, and 3) want the support of other affluent people in exploring the practical and emotional impact of wealth in your life.

It's easy to sign up: just send a message to impact@efn.org stating that you would like to sign up for the e-mail discussion group. We will take care of the rest.

Once you are signed up, you will receive a message from us with instructions, participation guidelines, and e-mail etiquette.

If you ever want to unsubscribe, all you have to do is send us a message at impact@efn.org.

fund run by top experts, assumed that the future will be like the past and made some highly leveraged bad bets you may have heard about. I'm not saying don't invest, just be aware that investing is like driving: you can drive safely and still get hit by a drunk driver. True diversification is not as easy as many experts believe.

DOUG I agree. I think most people under estimate risk because they overestimate the predictive power of historic rates of return. Most asset classes have seen huge deviations from the long-term averages for time periods as long as 20 years. For example, it has not been uncommon for U.S. stocks to suffer substantial losses over five-year periods despite the comforting historic average annual return of over 10 percent. Surveys show that few people grasp this.

The concept of diversification is also misunderstood in a way that creates an illusion of reduced risk. I think that over very long periods, diversifying your securities to include a variety of countries and asset classes can provide higher returns for a given risk level. But this doesn't mean that common forms of diversification will provide meaningful protection from severe short-term losses. Diversification into cash or hard assets (e.g., real estate, art), or shorting stocks might provide shelter from short-term storms (at great long-term cost), but there is no evidence you can get this protection if you invest primarily in stocks and bonds. For example, in the summer of 1998 several low-correlation asset types (e.g., small-cap U.S. stocks, emerging markets, gold, oil) crashed in unison. In the long run, it would be hard to find asset types that are less correlated. But in the short term, "unrelated" sectors can crash together due to strange combinations of global events.

Ironically, I think the underestimation of risk displayed by most investors and advisors is somewhat counter-balanced by advisors' tendencies to invest more cautiously than a client's risk profile would indicate. I've seen many cases where advisors tilt conservatively so as to avoid big short-term losses that might lead clients to find a new advisor. Lowering the advisor's career risk is the hidden factor behind many an investment strategy.

RANDY An investor doesn't need absolute confidence in an advisor-just enough to make paying their fees worthwhile. If the advisor's methodology is rational and consistently followed, that helps give me confidence. Another thing I look for is whether the advisor put his or her own money at risk rather than just the client's. It's easy to get great results by taking chances with someone else's money. I'd also look for a track record that spans both up and down periods for the appropriate benchmark and ignore the track record's absolute performance. What matters is performance relative to the benchmark. I'd compare apples to apples: advisors report their performances in different ways. To address the problem of selective reporting, I'd want to see the track record of all the accounts or management styles used by an advisor.

DOUG Randy, I think you and I still differ on the practical utility of selecting advisors based on their performance records. In theory, you've got the right idea about how to do it: track their long-term records across different market conditions, compare them to relevant benchmarks, include all their accounts, and make sure the advisor's own money is at stake. However, in practice this is virtually impossible for any individual investor to do.

Few advisors have audited performance results, and besides, auditors can examine only the account records that advisors give them. Low-performing accounts may be left in the back of the filing cabinet. Second, it is difficult to determine an appropriate benchmark because advisors have clients with different risk orientations. Third, the time period required to assess whether chance is at play is quite long, but delay in getting professional advice might be very costly.

My conclusion is that you have to become knowledgeable enough to evaluate the most critical elements of an advisor's work. I think advisors who pass the most basic criteria of good chemistry and appropriate compensation, and who have good basic plans for their clients, are likely to outperform what their clients could have done on their own. This is especially true if the advisor is working on issues like taxes, transaction costs, risk, and estate planning as well as just trying to produce good gross investment returns. This may be a small number of advisors. Not because most advisors will beat market indexes, but because amateurs are likely to do so much worse owing to the serious errors their emotions will draw them into. I think clients who devote enough time to their own education can get a lot of value from advisors.

RANDY You've convinced me. The average investor cannot hope to learn enough to evaluate a performance record and so must rely on evaluating the advisor's policy, intelligence, and compensation arrangement. If amateurs are likely to do much worse than random indexes (beyond the transactional costs), maybe the rational thing to do is to hire someone to invest for you who will do the opposite of what you tell them! MtM

Questions to ask yourself

The more aware you are of your own attitudes, beliefs, and values about money, the better client you'll be. We encourage you to reflect on how the answers to these questions might affect your working relationships with your financial advisors:

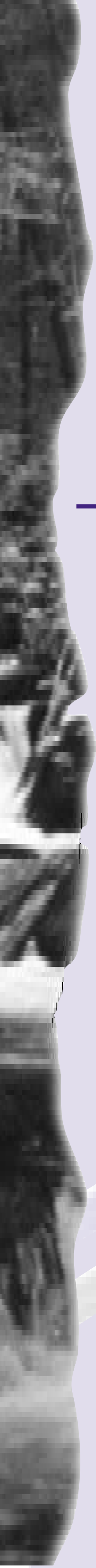
What issues commonly arise when you deal with someone in an advisory or authority role?

How well can you separate your financial security from your sense of psychological security?

As a person with wealth, how do you feel and think about yourself, and how do you imagine others perceive you?

How well do you understand the ways in which your relationship to money is similar to and different from those of your family?

— Stephen Goldbart, Ph.D. and Joan Difuria, MFCC.
Money, Meaning, and Choices Institute, San Francisco, CA



Managing the Managers

"Critical to the evaluation of any manager's performance is the creation, at the outset of your relationship, of an Investment Policy Statement, clearly establishing your financial and social goals and an agreed upon strategy for achieving them."

by Aaron Edison and Christopher Mogil

Aaron is a documentary filmmaker and a long-time *More than Money* subscriber.

Lay of the Land

Ah, yes, the bottom line. How do you evaluate investment managers' performance? Can you get help to monitor your managers? At what points do you have reason to express concerns-and when would you fire someone? This article sums up some guiding principles offered by several experienced investment consultants.

When it comes to evaluating performance in a financial advisor, there's oversight as a noun ("letting my manager invest 15 percent of my portfolio in one company was an oversight") and oversight as a verb ("I'll never be an expert on mid-cap international offerings, but if I don't oversee this manager's performance relative to his peers, who else will?). Just as the parts of your portfolio subject to frequent monitoring and strategic change are considered to be under "active management," money managers are most likely to adhere to your goals when they are under your active oversight.

Critical to the evaluation of any manager's performance is the creation (at the outset of your relationship) of an Investment Policy Statement, clearly establishing your financial and social goals and an agreed upon strategy for achieving them. Typically such statements stipulate guidelines for asset allocation and set benchmarks for performance, usually pegged to the same investment style indices.

Accounts & Accountability

Until the 1990s, primarily only institutions and individuals of very high net worth made use of professional portfolio managers. Today, thanks to sophisticated computer tracking programs and the burgeoning growth of the investing class, individuals with as little as $250,000 can avail themselves of an array of money management services focusing on socially responsible investment. Even at that entry level, it is now increasingly common practice to engage multiple managers who are good at different management styles in order to diversify effectively and reduce risk to your portfolio. The primary management styles to choose among are growth (selecting high growth stocks, often at a high price), value (selecting stocks that appear undervalued by the market), core (a combination of growth and value), international, and bonds. Additional diversification is realized through varying the market capitalization of stock, i.e., large, mid, and small cap stock.

Given the new multi-manager model, many people wonder how to interface well with their managers. One can deal directly with small advisory firms who custody their accounts at large full-service institutions or one may hire in-house managers at one of the large institutions themselves. Increasingly, however, a second tier of financial professionals is emerging, who are sometimes called "investment management consultants" or "managers of managers." One can hire such a person up front, and he or she can help you with your investment policy statement (to formulate, implement, and monitor it), as well as with your managers (by hiring, overseeing, negotiating fees with, and, if necessary, firing them).

A hybrid option is now being offered by large firms in which oversight is provided in-house. At the low end of the asset spectrum, starting at $250,000, this takes the form of a “wrap account” in which a flat fee covers all management and transaction costs. Clients select from among a small pool of in-house portfolio managers and interface exclusively with a supervising financial consultant who acts as a planner and a manager of managers.

Beginning at the $1 million level, an investor may choose an alternative to the wrap fee structure, and work with what’s considered a more conventional fee plus commission structure. Here the management fee is lower, but the client assumes transactions costs. The pool of managers from whom one can choose increases tenfold (including non-staff managers) and the client retains the right of direct access to them. In this arrangement, the supervising financial consultant serves as a second layer of oversight, while the client reserves the right to do his or her own due diligence.

What if one has not engaged a consultant up front, but at some point down the line wishes to review the performance of a manager? One-shot consultations are available at full price from full-service firms: one charges $5,000 per manager. A cursory review of a portfolio could take as little as two-three hours, while in-depth interviews with each manager could take a couple of days. It is not unusual for a client to ask one money manager to review the work of another (for example, to evaluate a portfolio for companies that don’t pass a set of social screens). It is increasingly common to engage a consultant manager of managers to consult on an ongoing basis, especially since an annual review is prudent anyway and any incremental increase in expense is often negligible.

Red Flags?

Itching to fire your money manager purely for underperformance? Relax, haste may make waste. For one thing, most financial professionals recommend giving managers at least two to three, and ideally five years, in which to demonstrate their abilities. In addition to potentially better performance, one of the primary benefits of having your assets managed individually is increased control over the realization of capital gains taxes. Investors who put their money in mutual funds are typically at the whim of the portfolio manager who is not looking at your individual tax picture. Excessive changing of investment advisors can be extremely tax inefficient.

You probably want to cut your managers up to 5 percent slack in underperformance for a couple of years (relative to pre-established peer-group indices) before stepping in with the tough questions. A 15 percent underperformance relative to the benchmark over two years, however, could constitute clear grounds for going elsewhere. Line up a new manager before terminating the first. In dire circumstances, give the manager immediate written notice to freeze the account until further notice to give yourself time to make alternative arrangements.

Thanks to the following for advicer on this article:
David Crocker, Sr. VP at Solomon Smith Barney
David Hills, Sr. VP, Investment Management Consultant, A.G. Edwards
Lisa Leff, Senior Portfolio Manager, Trillium Asset Management

“Thanks for indulging me in this little exercise. If we make it home alive I’d be more than happy to trust you with my account!”

From the Editor

Getting All the Help We Need

by Anne Slepian

My friend Sara would like to commit $15 million to philanthropy – but she can barely find time to return my calls, much less take on this formidable project. Dan, who gives away $500,000 a year, longs to start an innovative foundation to support sustainable development, but his desk is buried so high with papers he can barely function. Janet joyfully gives $10,000 a year and wants to give more. She suspects she doesn't "need" one of her three million, but her financial records are in such chaos she can't balance her checkbook, much less calculate her surplus. For many wealthy people I know–myself included–what most holds us back from contributing more is not the lack of good financial professionals, but the simple embarrassing fact that our lives are unmanageable.

I could scream! We're letting our money pile up and not doing more with it, not because we don't care but because... We've got so many errands? We're inundated by clutter? We don't think we're important enough to help? Help could be readily available. Whether on a per-project or ongoing basis, we could bring competent, trustworthy, kind people into our lives to help us create order and workability.

Tracy Gary, who has advised women with wealth for 25 years, has witnessed people bloom by working with personal assistants. She warns, "Starting the relationship can be rocky, as the person with wealth works through whatever shame she carries about the dysfunction in her life. But as a trusting relationship grows, I've seen people's whole lives become lighter and happier. A good personal assistant is a real partner, someone who helps you articulate your priorities and stick to them, and who cares enough to facilitate your effectiveness."


COURTESY OF TRACY GARY

Tracy Gary

"A good personal assistant is a real partner, someone who helps you articulate your priorities and stick to them."

—Tracy Gary

Wendy shares her personal assistant, Chris, with three other women she met through a women's philanthropy network. "Chris works for each of us one day a week," Wendy Says, "She pays bills, runs errands, watches my daughter, and makes phone calls. Her personality is ideal for the job and for my family, and she makes a huge difference in my life. I pay her $45 an hour for computer financial work, and $25 an hour for basic jobs like running errands. I also work with a professional organizer ($75 an hour) on my taxes, sorting all my papers, throwing out old bills. Both assistants have helped free up my time so I can focus more on philanthropy."

Of course, it takes persistence to build the right relationships. After trying several personal assistants, my friend Jane now prefers a monthly bookkeeper. Dan finally hired a philanthropy assistant yet still needs an organizer for his paper chaos. As for me, I'm still squeamish about hiring someone to help with such things. I ask, "Shouldn't I handle tasks myself? Would hiring help replay a pattern of rich people pampering themselves? Or is NOT getting help re-enacting a pattern of isolation and self-protection that keeps many of us from being more effective?!"

As someone committed to using privilege effectively to make a better world, I question whether my inhibitions are shortsighted. If I spend $10,000 on getting help that enables me to contribute even $30,000 that I wouldn't have otherwise (not to mention to be a happier person and better leader), isn't that worthwhile? If I aim to accept the joys and responsibilities of having wealth, might learning to be a fair employer be one of them?

One thing is clear: for most of us who read this journal, it is fully within our reach to get all the help we need, both from financial professionals (lawyers, bankers, investment managers) and from daily-life helpers such as personal assistants and professional organizers. With skillful, sympathetic help to carry out all our tasks, we can be more powerful stewards of our resources, and increasingly, more fully and joyfully ourselves.

Resources

Books

Choosing and Managing Financial Professionals: A Guide for Women Investors, by Deanne Stone and Barbara Stanny. 1994. $15 ppd. from Resourceful Women, P. O. Box 29423, San Francisco, CA 94129; 415-561-6520, or distaff@rw.org (This organization offers financial education classes, support groups, and conferences for women).

Co-op America Handbook for Financial Planning, which includes the *Social Investment Forum Directory*. 1999. This handbook, the *Co-op America Quarterly*, and the *National Green Pages* are included in a one-year individual membership ($20) in Co-op America, 1-800-584-7336, or www.coopamerica.org (This organization educates socially-conscious consumers and businesses).

The Inheritor's Handbook: A Definitive Guide for Beneficiaries, by Dan Rottenberg. Bloomberg Press, 1998.

Investing with Your Values: Making Money & Making a Difference, by Hal Brill, Jack Brill and Cliff Feigenbaum. Bloomberg Press, 1999.

Managing Your Inheritance: Getting It, Keeping It, Growing It – Making the Most Out of Any Size Inheritance, by Emily W. Card and Adam Miller. Random House, 1997.

The Seven Stages of Money Maturity, by George Kinder. Random House, 1999.

Smart Questions to Ask Your Financial Adviser, by Lynne Brenner. Bloomberg Press, 1999.

The Stewardship of Private Wealth: Managing Personal & Family Financial Assets, by Sally S. Kleberg. McGraw-Hill, 1997.

Associations

American Institute of CPAs: 888 999-9256, www.aicpa.org. The premier national professional association for CPAs in the U.S.

Financial Planning Association 800- 945-4237, www.fpanet.org. The membership organization for the financial planning community. They provide planner search assistance at 800-282-PLAN (800-282-7526).

National Association of Personal Financial Advisors: 888-FEE-ONLY (888-333-6659), www.napfa.org. The largest association of comprehensive, fee-only financial planners in the U.S.

National Association of Professional Organizers: 512-206-0151 (referral line), www.napo.net. Links you to personal assistants who can help you organize your life.

National Association of Securities and Dealers Public Disclosure Hotline: 800-289-9999, www.nasdr.com. Helps investors choose a broker or securities firm by providing information about the conduct of member firms and their brokers.

The National Fraud Exchange, (800) 822-0416, www.mari-inc.com. Collects sanction and reprimand data from over one hundred regulators of the financial services industry. Will run a background check on an individual or company for $39.

Websites and Software

www.cobinvest.com

Coalition of Black Investors, includes financial education, links, other resources.

www.cob.ohio-state.edu/dept/fin/overview.htm

Ohio State's Virtual Finance Library, with links to many other websites pertaining to finance.

www.fool.com

The name derives from Elizabethan drama where only the court Jester (the fool) could tell the king the truth without getting his head cut off. Here you can learn "to manage your finances, get information on your stocks, ask a Foolish question, or mock the Wisemen of Wall Street."

www.MorethanMoney.org

Click on "Links and Resources" for Web and non-Web sources of financial information, socially responsible investing, financial advisors, and more.

www.SocialFunds.com

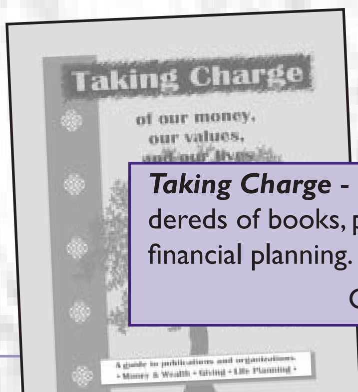
Provides financial education, investment research and analysis, professional financial services, and industry news.

www.thestreet.com

Financial reporting and analysis.

Quicken 2000 Deluxe

The user-friendly personal bookkeeping package integrates an easy-to-use financial planning module.



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Available at www.boldergiving.org

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An invitation to explore in the coming year ways to become more bold in your own giving, and to take the next step that's right for you.

Give Half Pledge

Bold Givers, be counted! This pledge is for people of all financial levels who commit to giving 50% -- of income for three years or more, of business profits, or of net worth.

Bolder Giving Workbook

Through articles, exercises, and stories from outstanding givers, this workbook offers step-by-step guidance for people exploring their lifetime giving potential.

We Gave Away a Fortune

This award-winning book features stories of sixteen people who gave 20% or more of their wealth and highlights common themes among them.

More Than Money Journals

Explorations of the impact of money in our lives. Each 16-32 page issue includes personal stories, articles, and resources. Available in three different formats: free pdfs of each issue, print-on-demand books that compile 5-7 issues by theme, or separate articles you can browse online. *(See list of 40 back issues in right column.)*

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#20	How Much to Give?
#23	Partners in Community Change
#26	Effective Giving
#34	The Art of Giving

Lifestyle, Spending & Investing

# 4	How Much is Enough?
# 8	To Spend or Not to Spend
#15	The Human Side of Investing
#25	Working with Financial Professionals
#27	Lifestyles of the Rich and Simple

Children and Inheritance

# 9	Money and Children
#24	What Are We Teaching our Children?
#32	The Great Wealth Transfer
#33	Embracing the Gift
#39	Money and Children

Relationships

# 1	Money Between Friends
# 5	Money and Couples
#17	Cross-Class Relationships
#30	When Differences Divide
#37	Money and Community
#40	Money and Relationships

Money and Identity

# 3	Money, Work, and Self-Esteem
# 7	Money and Spirit
#14	Young and Wealthy
#18	Art and Money
#19	Women, Money, and Power
#22	Money and Death
#36	Money and Work

Money and Values

# 6	Outrageous Acts with Money
#11	Embracing our Power
#28	Who Knows You're Rich?
#29	Money Changes Everything
#31	The Everyday Ethics of Wealth
#35	Money and Leadership
#38	Money and Happiness

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