

Money Matters

By Suze Orman, best-selling personal finance expert

We need to move money front and center in this conversation. Not later. Right now.

I am excited that “A Woman’s Nation Changes Everything” is bringing such formidable intellectual power to bear on the vitally important topic of how women’s evolving role in every facet of society can be better served by corporate and legislative policy. But all of our best efforts will be for naught if we don’t focus on the real catalyst for change—altering the dysfunctional relationship many women have with money, especially women who are struggling to survive in abusive relationships but also including those many women who are now coming to terms with the “power of the purse” as the new breadwinners in American society.

It starts with basic financial literacy. In the recent Prudential study “Financial Experience & Behaviors Among Women,” less than 25 percent of the women surveyed said they are “very well prepared” to make financial decisions.¹ Women are grappling with everyday spending, savings, and investment decisions, often after earning the lioness’ share of the family income, yet they feel overwhelmed and underqualified to put that hard-earned money to work. How can we expect women who cannot understand or manage their own family finances to climb the ladder at a Fortune 500 company?

Until women accept the need to make themselves a priority, they will continue to struggle to find their way in the new world order. Women need to feel great about using their hard-earned money to fund a Roth IRA rather than using the money to buy more things their already cared-for kids don’t really need. Women need to say no when asked to co-sign a loan because they know it may jeopardize

their own credit score and financial security. To allay very real bag-lady fears,² women must see the value of paying down their mortgage to ensure a secure retirement rather than sending that money to a grown child with a full-time job and ample income to help pay down student loan debt.

The money disconnect is just as pervasive for stay-at-home mothers. Please let's not lose sight of this vitally important subset of our female population. I am talking about stay-at-home moms who come to me for advice on how to ask their partner for money since he is the one earning the money. I tell them: You don't ask. You share. A woman needs to understand her equal value to her family. She needs to respect herself. She needs to not put herself on sale.

Then there are the mothers, daughters, sisters, aunts, female employers, employees, and friends who spend every last penny they have helping everyone else without considering the personal impact it will have. I've learned in my career that when it comes to money, women feel as if the goal of their money is to take care of others before they use it to take care of themselves. Women fail to see how saying yes out of love, or out fear of what others will think or do to them, is so wrong and dangerous if it robs them of their own financial security.

If you are a woman and are uncomfortable with what I just said, you are most likely living evidence of what I am talking about. You probably think it is crass or myopic to lay so much responsibility at money's feet, because you aren't comfortable with money in your own life. Please understand that I more than most know all about the breadwinner phenomenon. I know the stress that comes from making my own way in life, losing everything I had or could borrow, and then clawing my way back into the black to take control of my own life and my own business.

Men often reach for the metaphor "winning a ballgame" to describe negotiations, but women opted for the victim's metaphor of "going to the dentist." It's hard to thrive in the workplace with that mindset.

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Whether the negotiation is a salary, a business deal, or a delicate bit of office politics, a woman can't succeed if she lets herself be pushed around rather than pushing her own agenda. I agree that there are very real cultural and corporate biases that hold women back. But I do not agree on any level with the notion that the main solutions to these challenges are solely institutional.

What needs to be fixed, first and foremost, is utterly personal. Women must own the power to control their destiny. They must want to own that power. They must feel it is okay to give to themselves as much as they give of themselves. I do not say this as an indictment. My message is not one of shortcoming or failure. I am inspired and awestruck by all that women are achieving today, at how far women have progressed professionally, personally, and culturally, compared to their mothers and grandmothers. I am asking that we focus on how we can push the amazing evolution of women's role in society into its next phase where women embrace their money and therefore their power.

The challenge is how do we make this happen? Don't expect or even want someone else to do it for you. Don't wait for someone else to legislate it for you. Don't ask someone else to manage it on your behalf. That's the definition of powerlessness, and too often it is exactly how women still navigate this new world of ours.

Until now. We can change this once and for all. We can chart a course that redefines a woman's relationship with money. Recognizing that women have the tools to embrace their role as a major economic force in our country means we are indeed a woman's nation. Now let's transform it into a powerful woman's nation. It all starts right here and right now.

ENDNOTES

- 1 Prudential, “Financial Experience and Behaviors Among Women” (2008), available at http://www.prudential.com/media/managed/2006WomenBrochure_FINAL.pdf.
- 2 Allianz, “Women, Money and Power” (2006), available at <https://www.allianz.com/en/press/news/studies/archive/news6.html>. Nearly half of respondents said they had thoughts of becoming a bag lady.