INTRODUCTION

Smart Women Love Money—What Does That Mean?

Love.

We all know what love feels like. When you love people, you love having them around. You take pleasure in nourishing them and watching them grow and thrive. You are committed to them and their well-being, and you want them to achieve their full potential. In a word, you *treasure* them.

Take a moment and think about all that you love in your life. You love your partner or spouse, your children if you have them, your closest family members and friends—maybe even a pet. You might even say you love certain *things*, such as the beach where you and your family spent the summer when you were a child, or a favorite hobby, such as painting or running marathons. Perhaps you'd even say you love your job.

While the feelings you have may be a little different for each of these people and things, you know you love them because you consider them priorities in your life. You carve out time in your schedule to spend with them because you know the time and energy you invest in them will bring about great returns in the form of happiness, stability, growth, and health.

Now, take a moment to consider: when was the last time you felt this way about money? If you're like most women I know, the answer is probably "Never."

When I was brainstorming a title for this book, someone proposed *Smart Women Love Money* and, I'll admit, I cringed a bit. Even as someone who works with money *for* a living, who helps clients invest their assets precisely so they can have more money in the future, I was fully aware of the emotions most women have when it comes to money. In contrast to the phrase "smart men love money," which seems like a neutral, self-evident statement, saying "smart women love money" evokes a different reaction. Women might *like* money—they like getting a raise or a bonus, saving money by bargain hunting, and having some extra cash set aside for a rainy day—but few, if any, women I know would say they *love* money.

And when it comes to investing and managing money, many women experience emotions much closer to hate or fear. They think they aren't good at math; they don't understand the investment industry and therefore worry they'll get taken advantage of if they get involved; they think it's boring or that, by showing an interest in money, others will consider them shallow or greedy.

After all, when we think about women who "love" money, two images usually spring to mind: the vapid gold digger in pursuit of a rich husband, and the ruthless, unfeeling corporate villain who sacrifices personal relationships in exchange for more, more, more. These stereotypes (and make no mistake, they *are* stereotypes) are completely one-dimensional: women who have sacrificed the truly “important” things in life in exchange for the almighty dollar. In our minds, women who love money *only* love money; there is no room in their lives for anything else.

I didn’t want my would-be readers to think this was a book about becoming a money-hungry cliché or that I was saying women weren’t smart for valuing relationships, morals, or any other nonfinancial aspect of our lives over the unbridled pursuit of monetary gain. I didn’t want women to be turned off by a phrase they found unfeminine, impersonal, or just downright tacky.

But then I had an epiphany. I wanted to write a book about investing—saving, monitoring, and caring for your money in a way that will help it grow over time—that would empower women to make better, savvier, more informed decisions about their financial futures. My hope is that, by reading this book, you will gain the tools you need to retire comfortably, provide for your family well into old age (and even after you’re gone), and achieve any goals in the meantime that might currently seem like pipe dreams. In other words, I wanted to write a book about making money a priority in your life—not at the expense of everything you hold dear but *in support* of it. And isn’t that what love is?

I wrote this book because I wanted to share with women just how easy (and exciting) it can be when you understand how to invest your money wisely. Given all the chatter, hype, and sometimes panic that surround the world of investing, it’s no surprise that women (who have not been socialized to care about money) are wary about dipping their toes into what they see as uncharted waters. But I will show that investing does not need to be complicated or so fraught with emotion. Once you understand the basic rules (which I present as my Five Fundamentals), investing is a relatively painless process that will provide you the resources you will need to thrive not just today but well into the future.

But I also wrote this book because I do want you to learn to love money, not for its own sake but because when you care for and nurture it, you are really caring for and nurturing yourself and the things that are most important to you. Smart women love money because they realize, consciously or subconsciously, that most of us will be solely responsible for our own finances at some point in our lives.[1] They know that even if they work hard and save, any money that isn't earning a return will eventually be depleted (in amount and overall value) due to inflation and myriad future events they cannot predict. They know that even if they are happily married, gainfully employed, and have a supportive network of family and friends, they might not always be able to rely on others to bail them out in case of an emergency. They know, therefore, that it makes sense for them to want to understand how best to oversee the management of their own money, to be responsible for their own investment portfolios, and to be engaged in ensuring their own financial security.

Most women are smart when it comes to the day-to-day decisions about how to earn, spend, and save money. We hunt for the best consumer deals and save up for big expenses such as a family vacation or a down payment on a house. Many of us are even working to close the gender wage gap by negotiating higher salaries on par with what our male counterparts earn.

But too many women are reluctant to focus on the long term and the big picture. In contrast to men, women seem to be wary of becoming involved in the overall management of their personal finances and investments. A 2015 survey by investment firm BlackRock found that of the 4,000 Americans polled, only

53 percent of women had begun saving for retirement, compared to 65 percent of men. Women's average savings were less than half those of the men surveyed ($34,900 versus $76,800).[2] Meanwhile, Vanguard, one of the world's largest mutual fund organizations, reported in mid-2016 that the average balance for women's 401(k) retirement accounts was $75,771, while men's 401(k) accounts contained an average of $115,835, a difference too large to be explained by the gender wage gap alone.[3]

And despite having been born into a world in which we have the freedom to pursue pretty much any career, start our own businesses, and independently manage our own money (a privilege women have had only since 1974, when the Equal Credit Opportunity Act gave them the right to apply for credit without having to have a male cosign), younger women aren't taking full advantage of their rights to invest for their future. A 2014 Wells Fargo study found that while 61 percent of millennial men had begun accumulating retirement portfolios, only half of millennial women had done so.[4] This is worrisome because while women tend to earn less than men—meaning it's more difficult for us to save in the first place—our life expectancy is longer.[5] So a woman's investment nest egg needs to be larger and/or work harder over the course of her lifetime if she wants to be financially secure in retirement.

Why is this? Why is it that women have made strides in so many other areas and yet still have a blind spot when it comes to managing our own money? Admittedly, there are some very tangible obstacles confronting women who try to become financially successful. They may be in a field such as teaching, nursing, or social work that are dominated by women, where they can't parlay their education and skills into the kind of high earnings men with similar credentials might earn in male-dominated professions or jobs. A woman may have taken the "mommy track" in order to raise children and now find that employers subtly discriminate against her when it comes to determining promotions, bonuses, and work assignments.

But there are also many myths and misconceptions that surround our relationship with money—pernicious ideas that get in the way of our better judgment and keep us from making the decisions that will ultimately allow us to thrive. You may not be able to prevent the gender discrimination that has led to your making a lower salary than a male peer. Nor, even if you want to, can you single-handedly reverse the cultural trends that have rendered mothers and daughters the primary caregivers to their young children and elderly parents, giving us little choice but to take time away from our jobs and therefore end up with fewer automatic contributions to our retirement accounts and Social Security. But you can take the steps to combat the myths about women and money—in your own mind and in society as a whole—by educating yourself, learning how to invest wisely, and building a portfolio that will provide you the resources to live a productive and secure life for years to come. In fact, because of the myriad factors that cause women to earn less than men over their lifetimes, it's all the more imperative that we make what money we do have work for us as much as possible. This book is the first step in doing just that.

Women and Money: It's Complicated

In the late 1960s, psychologist Matina Horner, then a PhD student working on her thesis, conducted a study in which she told participants a story about a fictional struggling medical student and asked them to describe the outcome of the character's life. Horner told male participants a story about a character named John, while she gave female students the story of Anne. Horner found that 65 percent of the females described negative outcomes for Anne and had concluded that professional success for Anne would bring about negative consequences in her personal life in the form of social rejection, criticism, and alienation.

To describe this phenomenon, Horner coined the now-famous term "fear of success." "Once [women] could walk through doors that previously had been closed to them," Horner (who later became the president of Radcliffe College at Harvard and was my thesis adviser in college) says today, "They encountered on the other side of those doors unanticipated negative reactions and consequences that they had never before experienced. Previously, the costs of not using their talents had been obvious. But now there were new costs to pay. . . . As more [women] made it into nontraditional arenas, the realities of the negative consequences they faced became evident. They developed their expectations by observing and experiencing the real world." Consequently, women learned to fear and therefore avoid success in areas where achieving success is generally perceived as unfeminine or requiring "too high a price." In contrast, the men in Horner's study perceived achieving success in these areas as having nothing but positive consequences for all aspects of their lives.

The same stereotypes are at work when we think of women and money. Women are socialized to be likable, to be nurturing. And despite the fact that money is a gender-neutral tool we all use to provide for ourselves and our loved ones, caring about money just doesn't jibe with our ideas about femininity. You're probably already familiar with the research that shows women who ask for raises are not only less likely to receive them than their male colleagues but are also more likely to be vilified by their bosses in return—labeled bitchy, aggressive, and demanding while men are regarded as assertive and smart for asking to be paid what they think they deserve.[6]

This stereotype plays out in many ways. Writing recently in the *Harvard Business Review*, Whitney Johnson, professional investor turned management thinker, told a story about a friend who decided to make her new enterprise a nonprofit instead of a for-profit business. Why? "Because women were willing to make donations hand over fist, but they wouldn't invest," Johnson wrote.[7] Admittedly, these were probably affluent women who could afford to pass up the prospect of some investment returns, but why would they prefer to give money away rather than earn a return on a bright idea? It's irrational—until you consider that women are still taught, from an early age, that giving is good and demanding something in exchange is somehow not quite "nice."

Meanwhile, old-fashioned notions about gender roles still play into our approach to money. In her seminal book *The Feminine Mystique*, Betty Friedan chronicled a frustrated generation of women who, despite being well educated and capable, had been coaxed into relinquishing anything other than the most "feminine" roles of wife, mother, and housekeeper. By contrast, during this era, the man of the house fulfilled the masculine duties of earning a living and providing for his family. Money, therefore, was a man's domain.

Of course, modern women have seized back their independence, and the vast majority would laugh at the idea of being told what is or isn't "feminine" in terms of their work and lifestyle. Regardless of whether or not they are married, most women work—indeed, most families cannot afford to live on a single income—and many bring home healthy salaries. In fact, 38 percent of women in heterosexual marriages earn more than their husbands.[8] Ever in pursuit of greater equality in the world and at home, they ask their husbands to share the burden of child care and other responsibilities; compared to their mothers and grandmothers, many succeed at achieving this balance.

And yet, compared to men, women in general take little to no interest in their family's long-term financial well-being. One study by global financial services company UBS found that 99 percent of men and 92 percent of women say they share "overall" financial decision-making with their spouses. But on delving into the details, the bank found that most respondents meant they talked about and agreed on day-to-day financial matters, such as paying bills or making purchasing decisions. When it came to the *investment* decisions, the results were quite different. Half of all couples viewed investing as solely the man's responsibility—and that percentage didn't change much from older to younger couples.[9] That means the men in these couples are single-handedly deciding what life insurance products to buy, how much to set aside for retirement funds and how to invest it, and other long-term financial-planning decisions—even though both partners will have to live with the consequences. (One female engineer acquaintance of mine explained to me that because her husband was handling the family investments, she did not want to learn about investing because she thought it would imply she was worried he wouldn't always be there to handle the investing; she didn't want to educate herself on financial matters because she thought it would jinx her husband's chances of living a long life!)

Because of these gender stereotypes, women are often reluctant to identify themselves as investors and don't fully understand what it means to be one. A 2015 survey by BlackRock found that while 94 percent of women had personal goals that required money to achieve, only 28 percent described money as being an important priority for them. Only a third of those who were investing made the connection between their decision to begin doing so and the fact that putting their money to work in this way would bring them closer to achieving those personal goals. Meanwhile, even though many of them had started putting money away in various investments, a mere 22 percent were willing to describe themselves as "investors."[10]

Another study, commissioned in 2016 by the investment app Stash Invest, found that 79 percent of millennial women believed investing was "confusing." Even worse, 60 percent of them couldn't see themselves in the role of investors. In their eyes, a typical investor was an old white man.[11] When we think of investors, we think of men in suits shouting on the floor of the New York Stock Exchange, or Jordan Belfort, the party-loving stockbroker portrayed by Leonardo DiCaprio in *The Wolf of Wall Street*. Even if we have investments—such as a retirement account—we don't think of ourselves as investors. In actuality, an investor is anyone who puts money to work hoping to get a financial return. That means anyone who has money in a retirement account—e.g., a 401(k), IRA, 403(b), etc.—or in any account that is invested in the stock market and/or in bonds, is an investor, as is anyone who invests in a private company hoping to get a financial return. In other words, most women actually are investors, whether they think they are or not!

As disheartening as I find this statistic about women's inability to conceptualize themselves as investors, I can't blame women for thinking this way. Society pays lip service to the idea that being prudent in your spending and saving for retirement is a good thing, but advice on how to invest sensibly, and stories about the rewards that come from that, never seem to get much attention. Even when *Glamour* magazine profiled "American Women Now, 50+ Powerhouses" in its September 2016 cover story in an effort to demonstrate the sheer diversity of their interests, activities, backgrounds, and career paths, not a single one of these powerhouses—women the magazine described as "ambitious, outspoken, unstoppable"—worked in finance or even mentioned being an investor.

Even some of our most high-profile and high-powered female role models have succumbed to this thinking. With her 2013 bestseller *Lean In*, Sheryl Sandberg, the chief operating officer of Facebook—who has an estimated net worth of more than $1 billion—became one of the leading advocates for women in the workplace, urging them to embrace new challenges and opportunities as a way to combat inequality. But before the tragic death of her husband in May 2015, Sandberg had spoken about how she ceded control of the family's finances to him as part of their 50/50 division of responsibilities. In 2013, when asked by *Time* about her net worth in the aftermath of Facebook's initial public offering, she ducked the question by implying only her husband knew the answer. "He manages our money," she said. "I have essentially no interest."[12]

I almost fell off my chair reading those words in the magazine I had picked in a doctor's waiting room. Admittedly, Sandberg had the luxury of being able to have no interest. Even after her husband died, she could recruit plenty of financial advisers to step in; any mistakes wouldn't leave her and her children destitute. But conveying the idea of being "uninterested" in money—however honest—was an unfortunate message to send to thousands of women who admire her. Most women simply can't afford to emulate that nonchalance and risk jeopardizing their financial futures.

Achieving Financial Equality through Investing

Unfortunately, in both my personal life and my professional life, I have encountered too many women (even some who have earned MBA degrees from top universities) who, like Sandberg, seem to lack any interest in or engagement with investing. Many women either delegate the investing to the men in their lives, or else they don't invest enough. Perhaps they have some savings and maybe even a tax-sheltered investing account such as a 401(k), but they often leave too much sitting around in cash, uninvested and not earning a return.

This is why I started my company, PowerHouse Assets. After spending the early part of my career in corporate law (a job I was, to say the least, not passionate about), I found my career passion and cofounded an independent wealth-management firm that grew to have billions of dollars under management. While I found this career much more fulfilling, I also started looking for ways to help even more people. By this point I had noticed it was mostly men who were coming to me for advice. Too many women were not paying enough attention to their investment portfolios, leaving them at a high risk for ending up with too little to live on later in life, or at risk of having to start overseeing their investing when a crisis arose—

usually not a good time to have to learn something important and completely new. (A couple of years ago, a friend's elderly father suffered a terrible accident and was not expected to live much longer. He and his wife were concerned how the wife would oversee the family finances as the husband had always handled them, so I paid an emergency visit to them to allay their fears. I was glad I was able to help. However, it would have been much better for the family if this had been addressed before there was a crisis.)

Whenever I could, I involved women in the discussions about financial planning and investing. Involving both partners in a heterosexual couple was beneficial to both parties for many reasons. For one, it helped the woman feel empowered about managing money while simultaneously relieving the full burden of financial planning from the shoulders of the man. You wouldn't buy a house or a car or enroll the kids in private school without consulting your spouse or partner. Why would you make decisions that could affect your entire family's future without doing the same?

I also noticed the traditional investment industry could be off-putting and even discriminatory to women, and I was not alone. When Sallie Krawcheck, one of the top female financial executives in the country, worked at Citigroup and Merrill Lynch in the early 2000s, she monitored brokers to ensure they were speaking to both partners in a couple. Interviewing the brokers afterward, she would ask how much time each had spent talking with each spouse. A broker might say he spent 55 percent of his time talking to the husband and 45 percent addressing the wife, but when Krawcheck referred him to the tape of the conversation, he'd find he'd addressed 90 percent of his remarks to the man. Not surprisingly, Krawcheck says the firm was losing many recent widows as clients.[13]

This unequal treatment at the hands of the financial industry, coupled with the stereotypes that lead them to believe they don't understand investing or that investing should be handled by men, discourages women from asking the questions necessary to get them the answers they need, because they worry about looking foolish or ignorant if they speak up. In an effort to correct this, my company runs gatherings called PowerHouses, during which women can learn about investing in an informal setting (such as a friend's home) in small groups. My goal in designing these meetings is to make them as relaxed and unthreatening—and as informative—as possible.

The women who attend these meetings learn how very simple it actually is to invest their money, following the same fundamental rules you will read about in this book. But one of the best things they learn is that they aren't alone in the way they handle their investment portfolios. Many women confess for the first time that they don't even open their financial statements. Others acknowledge openly—again, for the first time—the psychological difficulty they have in investing the cash that has been accumulating in various accounts (often for years) and their fear that the market will go down after they finally act. Most admit the dizzying array of investment products—mutual funds, ETFs, discount brokerages, etc.—leaves them feeling bewildered and overwhelmed, so they don't know where to start. Some say the prospect of spending time on investing seems boring, that they'd much rather spend their time doing things that are more "fulfilling" or fun. Almost all say they feel too busy to make their own investing a priority, so they never get around to it. Money, which should be their ally— the means by which they can secure their futures and open a world of opportunity—has instead become a source of anxiety.

Each of these women, individually, is very smart and talented. But many of them show up to a PowerHouse gathering because they know they have a blind spot—a lack of understanding about what investing is and how it works—that hampers their ability to invest wisely. Thankfully, this financial blindness is always curable, although the sooner it's treated, the better. In fact, women who attend a PowerHouse always tell me they wish they had focused on their investing sooner (to which I always reply that it's better to start focusing today than it is to wait another day). They also realize that investing is not boring. For example, one woman told me, "It was the best two-hour meeting I've ever been to!" Another said, "It was really great to see women excited and interested in money but more importantly not dreading the thought of it." Even years after women have come to a PowerHouse, they remember what they learned, and it changes their perspective on investing: women realize they must get their money working for them in a way that makes sense—the sooner the better, because money that is not invested has an opportunity cost, and will lead to opportunities lost.

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Through these PowerHouses, I have seen firsthand how presenting women with simple, straightforward information about investing can transform the way they think about their money and instill in them the knowledge and confidence necessary to take more control of their financial destinies. But as satisfying as it is to host these small, intimate gatherings and to work with these women directly, I believe we have to do more. Too many women have been shut out of the investment industry, not because they aren't allowed in (while discrimination certainly exists, there are no legal or physical barriers preventing women from opening investment accounts) but because our culture and society have led them to feel they don't belong. They've been taught that money is a man's game they aren't suited to play. We've seen how individual women succumb to these stereotypes by saving less for retirement or turning a blind eye to long-term financial decisions. But it goes deeper than that; this financial blindness—and the inequality that results from it—leaves *all* women behind. While we have made great strides over the past several decades in advancing women's equality—fighting for fair pay and equal opportunities, calling out sexism and discrimination when we see it, and encouraging our sisters and daughters to chase their dreams with the same confidence our brothers and sons do—we have largely ignored the very real consequences that come when we don't embrace the role of financial steward and investor.

This baffles me. After all, you might need a boss to sign off on a raise, and who knows how long it will take for our government to be comprised of as many women as men? It might be a long time before we close the gender wage gap or pass legislation to guarantee paid maternity leave or elect a female president. But you don't need to wait for anyone else's consent before you get more engaged in your financial future. You don't need to ask permission to invest your money (even if you don't have that much to start with) in a way that will help ensure you have enough to live on when you get older and, hopefully, even enough to pass on to your children and grandchildren so they can go to college, pursue their own goals, and feel secure as they learn to manage their own finances.

Because women still are reluctant, unwilling, or unable to relinquish their inhibitions regarding money and investing, and accept it is possible—and even responsible—to love money, they still haven't achieved financial parity with men. Until the idea of women loving money is no longer so emotionally fraught, too many women will remain on the sidelines, failing to put their money to work for them by investing it. And as long as women postpone taking on this responsibility for investing their money and securing their future, they won't be financially equal to men. How can women achieve full equality if they haven't reached financial equality?

Perhaps you're now thinking about the women in your family. Perhaps you have a mother or grandmother who married young, never worked, was widowed in her seventies or eighties, and is now living a perfectly comfortable life on her late husband's pension, savings, or other investments. And perhaps you will end up exactly the same way—you'll marry well, your spouse will be a savvy investor who lives a nice, long life and leaves you and your family with a nice nest egg to take care of all major expenses and then some.

But the statistics aren't in your favor. As many as nine out of every ten women will be solely responsible for making all financial decisions for themselves at some point in their lives, even if they do marry a man they believe now shoulders that task. This applies even to happily married women: the rate at which women are widowed is twice that of men, according to government census data.[14] Women who don't marry at all are a growing number: a record 46 percent of American adults younger than 34 are single, having never married, a figure that rose 12 percentage points in only a decade.[15] Meanwhile, women in same-sex couples might find themselves even harder pressed to save enough money for their later years given that both partners may be vulnerable to the stereotypes about women and money. Women in America are still 35 percent more likely to be poor than men,[16] and while the reasons for this are complicated, a contributing factor is that women have smaller investment portfolios.

Women can make great progress financially if we take the higher earnings that our changing work culture has made possible for a growing number of women (if not yet for all) and investing them to secure our financial future and make possible an array of other choices and opportunities decades down the line. Too few women take that step. Even if they're aware of the gender pay gap, financial blindness leaves them oblivious to the gender investment gap and its consequences for them. If we fail to move the dial on this problem, it could end up costing individual women tens of thousands or even millions of dollars over the course of their lifetimes. For those at the lower end of the wealth spectrum, it could spell the difference between comfort and poverty in their old age. For those who are affluent, it means whether or not they will be able to create a personal legacy, philanthropically or otherwise.

I think finance is feminism's final frontier, which is why I wrote this book: to share the knowledge I have used with my clients so all women have the tools they need to achieve financial freedom and maximize their life's opportunities and choices. As I guide you to that frontier in the chapters that follow, and show you how straightforward it can be to oversee how your money is invested, I hope you'll also contemplate the bigger journey you can undertake: from a fear or wariness of money to a love of it, or at least a love of what it can do for you and the ways in which it can empower you.

Don't let factors that are somewhat or completely beyond your control hold you back from investing for your future. The state of the economy will vary; the job market will be more or less healthy than it was last year; our life spans will differ, as will the length of our careers and our earning power; the investment returns we can generate at various points in time will be wildly different. But we can control how we respond to each of these factors, and above all, we can ensure we are proactive in seizing opportunities and managing risk. Because there is a lot at stake.

A Guide to This Book

This book is for all women who want to learn the basic principles of investing so they can put their money to work for them—whether you already have some investments but aren't sure if you're managing them as efficiently as you could or you don't know the difference between a stock and a bond and are just starting to put money into a retirement account. You can learn to invest no matter what your income level. I recognize that if you are in a lot of debt or living paycheck to paycheck, you may not be in a position to start investing right now, but I will walk you through what you need to do to get started on the investment path. As I'll show, the beauty of investing—as opposed to leaving your money in cash in a regular savings account—is that it allows your money to work for you, to earn more money in a way that grows your assets even when you're not paying attention. And over the long haul, this strategy can prove more effective and efficient in growing your money than years of raises or promotions.

In the next several chapters, I'll walk you through the same strategies I use with my individual clients and share with those who attend PowerHouse gatherings. By the time you've finished reading, you'll be ready to take $1,000, if that's what you have at your disposal today, and begin investing. And if you already have millions in your portfolio, you'll learn how properly overseeing your investing can make your portfolio grow even more. Because every day that your money is working for you by being invested properly is a day closer to the financial future you dream of.

Once you've read, learned, and digested the Five Fundamental Rules, you'll be pretty much equipped to venture out and start investing your money or properly overseeing someone else who does it for you. Then I'll walk you through how to start implementing the Five Fundamentals and discuss what questions you need to be sure to ask. I also warn you about certain investment products that may sound great but usually aren't worth the trade-offs you'll make in terms of higher fees and/or a skewed portfolio.

We are on a journey together, you and I, and I'm your guide. I'm going to give you the information you need to reach your destination: the point where you can love money because you now realize what it can do for you and how it can empower you. My hope is that by the end of this book you will realize that loving money does not make you selfish or greedy or unfeminine. It makes you smart. It makes you strong and resilient. And it enables you to take charge of your life in a way that, up until the last century or so, women were not really able to do.

If you're still uncomfortable with the idea of loving money, then think about it in a different way. Think about all the things having more money would allow you to *do*. Have you ever dreamed of starting your own business? Switching to a lower-paying but more fulfilling career? Paying for your children's education so they won't have debt when they graduate, or going back to school yourself? Having enough money to help out your elderly parents if they need help? Taking time off to volunteer or to campaign for a political candidate, or run for office yourself? Becoming a philanthropist and donating a significant portion of your money to a cause you hold dear? Traveling the world with your family so you can expose yourself and your children to new cultures and ideas? Investing can help you do all those things.

Because women have not been encouraged to invest their money properly, so many of them have adopted a mind-set that prevents them from seeing their money's true potential. In 2006 writer and publishing executive Liz Perle published a book—*Money, a Memoir: Women, Emotions, and Cash*—that explored the tangled psychological relationship women have with money. In it, she introduced an analogy of a lake and a river to describe the different ways men and women approach money. Women, she argued, tend to view money as a lake—a finite resource that is capable of being drained dry. Men, on the other hand, see it as a river, constantly being replenished by various sources. The perception that money is a lake inevitably produces anxiety. If money is a finite resource, and is only replenished (from earnings, say) very slowly, it's not surprising that stress will follow.

Every time you pay a bill or make a purchase, you're left counting the diminishing number of dollar bills left in your wallet, and worrying about how long they will last. Even if you make a regular salary, you know one disaster—loss of your job, a medical emergency—could drain you dry in an instant.

Someone who is an investor, however, has a completely different mind-set with respect to money. It doesn't just exist on its own, as a lake does, but it is constantly being replenished. Like a river flowing from its source, money keeps on flowing to you. If you need to dip into it, you don't need to worry that the source will dry up, because your investments will continue to produce returns. There's a source—your investments—and that source just keeps on producing returns.

I have seen this shift in mind-set—from a lake to a river—work a remarkable change in the view women have of money; I've also seen it visibly reduce the level of anxiety they experience when they have to deal with financial matters. One PowerHouse colleague told me she and a friend came up with a rule: they would no longer obsess about small bills and expenses and would instead focus on how to make money by earning and investing. (In her case, "small" meant less than $250, though of course that number will be different depending on your financial situation.)

By reading this book, I hope you will start thinking about money as a river not a lake, and see how this mind-set shift can unlock a vast new potential for your money—and for you. I hope money stops becoming a source of anxiety or confusion and instead becomes an ally in your quest to achieve the future you hope for. So let's get started.