

ON MY OWN TWO FEET

A Modern Girl's Guide to Personal Finance

Manisha Thakor and Sharon Kedar

A landmark Oppenheimer Funds opinion poll reveals

- **50% of single women ages 21 to 34 report that “at this time in their lives money is for spending not saving”**
- **55% agreed with the statement that “they were more likely to accumulate 30 pairs of shoes than \$30,000 in retirement savings.”**

The United States is not the only country to give birth to young women whose shopping tendencies strive to emulate the fantastical lifestyles of the rich and famous that they certainly can't afford. In the UK this behavior is termed the “Madame Bovary Syndrome,” leading many young women to assume massive consumer debt in order to support a chic or extravagant lifestyle. In Japan, young adults who continue to live with and sponge off their parents – particularly young women – have earned the unflattering moniker, “parasite singles.” Eschewing the traditional values of marriage and thrift, these singles use their earnings to purchase jewelry, designer fashions, electronic devices and other luxury items.

“Don't assume that the woman dressed in designer jeans, stylish heels, and the latest handbag has got it all wrapped up, financially speaking,” say Manisha Thakor and Sharon Kedar, authors of **ON MY OWN TWO FEET: A Modern Girl's Guide to Personal Finance** (Adams Business; \$12.95 trade paperback/\$13.95 Canada; June 2007). If there's one thing their extensive experience in the financial services industry has taught them it's that despite outward appearances of affluence, a shocking number of people are literally a stone's throw away from financial disaster. Young women in industrialized nations are not only more likely to fall prey to binge consumerism and to view shopping as a form of self-expression, note the authors, but very few understand that **saving at least 15% of your gross income year in and year out – and exercising caution with your investment choices – is the only way to achieve financial nirvana.**

**OVER 70% OF AMERICANS TODAY LIVE PAYCHECK-TO-PAYCHECK
(AMERICAN PAYROLL ASSOCIATION)**

This startling statistic suggests that the three big savings objectives – *an emergency fund, a big-ticket items fund (i.e., a house, education, or car) and a retirement fund* – are either completely or woefully under-funded. The Consumer Federation of America revealed that a typical person has around \$2,000 of “unexpected” expenses yearly and half of the women they surveyed between the ages of 24 and 35 had less than \$500 in savings.

While the lessons offered in this easy-to-understand, straightforward guide are useful for women of any age, they are most powerful when implemented in your 20s and 30s when time is on your side, note the authors. Whether you’re a graduate buried under a mountain of credit card and student loan debt, a single mom reeling from the strain of going it alone, a married woman uncertain about that state of your shared finances, or simply worried that you’re not going to have enough to live on when you retire, **ON MY OWN TWO FEET** is your ticket to financial well-being. Recognized among industry peers for their financial acumen, Thakor and Kedar offer practical advice on:

- Setting and reaching savings goals that will provide you with a cushion for the unexpected, help pay for “big ticket” items in the future (i.e., a house or college education), and ensure a secure retirement.
- Achieving long-term investment success through investing in the right mix of stocks.
- Using index funds as a means to simplify your financial life as well as reap (and possibly outperform) the growth potential offered by professionally managed mutual funds.
- Super-sizing retirement saving with tax-deferred and tax-exempt accounts.
- Timing and (responsibly) financing the purchase of a house.
- Talking frankly about money with your partner, ensuring financial compatibility and protecting yourself financially in a relationship.

The authors are both graduates of Harvard Business School, and have at various points in their careers worked as financial analysts, portfolio managers, and client servicing/marketing executives for leading

investment management firms with billions of dollars in assets under management. They've grown accustomed to being assailed by women (at baby showers, in the supermarket) desperate for advice but stymied by a topic many find too boring, complex, or just plain scary.

Using illustrative examples of women dealing with a wide range of financial issues, the authors boil down the basics of building real financial security, advising women on keeping cool when the stock market offers a bumpy ride, using credit cards wisely, dealing with debt, purchasing all types of insurance for adequate coverage, building up your credit score, saving for your children's college education, and more. They answer the most frequently asked questions about investing as well as offer a complete appendices of resources with charts for estimating your future nest egg and tracking your spending, helpful websites as well as books for further reading, and more.

Acknowledging the truism that we are drowning in information and starved for knowledge, Thakor and Kedar say that their main hope in writing **ON MY OWN TWO FEET** is to empower women across the nation to live from a position of financial strength and "own their lives."

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Manisha Thakor and **Sharon Kedar** earned MBA degrees from Harvard Business School and are Chartered Financial Analysts ("CFA") charterholders. Thakor received her BA in American Studies from Wellesley College and lives with her husband in Houston. Kedar received her BA in Economics from Rice University and lives with her husband and daughter in San Francisco.