Wi$e Up Teleconference Call
Invest in Yourself
March 31, 2005
Question and Answer Session

Coordinator  Thank you. I would just like to remind all speakers your lines are open.

B. Stanny  Oh, good. I have a question.

J. Walstedt  Go ahead.

B. Stanny  Joel, you mentioned the handbook for prudent investing. How do we find that?

J. Framson  You can go onto the AICPA Web site, I believe.

B. Stanny  AICPA Web site.

J. Framson  And Christine, hopefully, can correct me if I get the numbers wrong or the letters wrong. It should be, I believe, www.aicpa.org/pfp.

B. Stanny  .org/--

J. Framson  PFP, as in personal financial planning, which should take you into
our financial planning division. I believe there should be a link there to be able to find the handbook.

B. Stanny  
Great. I think that would be a great resource.

J. Framson  
It really is a wonderful resource.

B. Stanny  
How much is it?

J. Framson  
I believe you can buy it directly for $35. It’s fairly nominal.

B. Stanny  
Thank you.

J. Framson  
You’re welcome.

J. Walstedt  
Sarah, do we have any questions lined up?

Coordinator  
We do. Thank you. Our first question is from Adria Chamberlain. Your line is open. You may ask your question.

A. Chamberlain  
Hello. My question is actually about step one in six ways people underearn in that they don’t negotiate enough. I’m definitely willing to negotiate a salary but how do I find the tools when your
employer comes back and says, “No?” How do you further that negotiation? What kind of tools, catch phrases can one use to negotiate, as I don’t have any negotiating skills?

M. Valterra

Well, I need to say a couple of things. When it comes to raises, I think there’s this perception that raises are won through a dramatic sell job. Most raises are won through organized campaigns in that it really does take a while to lay the groundwork and lay the groundwork. So before you would want to go in and talk to anyone about anything, you would definitely want to make sure that you had done the research first.

I’d say the easiest way to do the research -- I mean this is the wonderful thing about the Internet nowadays -- is simply go to Google and type in “Salary Survey.” There are a number of sites that you can go to, but the more research you have and the more knowledge you have about, first of all, are you being underpaid or not would be probably one of the most useful things that you can come up with.

When you’re talking to bosses, you’re basically talking about what’s the job worth? What did you find out research-wise, and what are you worth? What do you bring to the job? What skills
make you unique, different, better? Can you quantify it? Can you show any way that you’d saved them money or made them money?

If you are in a situation, though, where it is absolutely - because I hear this a lot - for whatever the reason, there’s no way that I can ever, ever get a raise in this particular company because of whatever the reason is, then it’s possible that it’s time to move, that it’s time to move to another company, which is a very unpopular answer, but that’s one of the things I’m always trying to discern with people -- is it really not possible and you’ve hit a dead end and the only way to continue rising in your career is to move to another company, or can you put together enough research both about yourself and about the position to make a reasonable case?

The last thing I’d say, though, is if you do get turned down for a raise, I would make sure that you spend a lot of time with the boss understanding exactly why, what the reasoning is so that you can address it. Sometimes, it’s like “Okay, well if I work on A, B and C, then can we revisit this in a year?” I would definitely make sure that if you do get turned down that you spend enough time to understand exactly what the reasoning is.

A. Chamberlain It seems more that their reasonable raise is 3%, which to me is not
a raise. That’s a cost of living raise.

M. Valterra Yes, I agree.

A. Chamberlain A raise is merit-based or time-based, and so I’m trying to like up the ante?

B. Stanny I think what Mikelann was saying was fabulous. One thing that I learned from my interviews is no just means not now.

M. Valterra Exactly.

B. Stanny No just means not now and what Mikelann was saying about laying of the groundwork, that’s what these women told me. They really had written testimony where they documented what they did, had endorsements from others, and the negotiating ploy that worked the most often, based on what Mikelann was leading to, is if you go out and look for another job, it doesn’t mean you have to leave, but you’re in a better bargaining position when you have an outside offer.

M. Valterra Yes, exactly. Exactly. Actually, let me just say one thing. I had a client who just got a raise and she never actually negotiated. She
spent all of this time writing everything down and had all of these wonderful bullet points. The thing to keep in mind is raises in an organization can take an awfully long time. I mean she felt like this process took forever with e-mails going back and forth and back and forth about “Here are all of my accomplishments. How can I help you bring this to HR? How can I help you bring this to your boss above you?” I mean I think this took three or four months, but she ended up with a 12% raise. So it was a very interesting but long process.

A. Chamberlain  Okay. Great. Thank you so much.

J. Walstedt  Thank you, Mikelann and Barbara. Sarah, do we have another question?

Coordinator  Thank you. Cheryl Demello, your line is open. You may ask your questions.

C. Demello  Yes. I wanted to know if, I think it was Barbara, could give me the “Secrets of Six-Figure Women,” and I think maybe if she could list those, a few secrets.

B. Stanny  You want me to list the secrets of the six-figure women?
C. Demello: Yes.

B. Stanny: I actually have it divided into the secrets they have and the strategies that they used. The secrets that they had are what I was referring to -- that it doesn’t take a lot of money to create wealth, that it’s not limited to certain jobs -- but the thing[s] I found most fascinating were the strategies that they used. The strategies that they used had more to do with the way they thought than what they did. It was when I shifted my thinking that I changed everything.

Let me just go over them real quickly. The strategies are: number one, you have to have an intention, which I mentioned, an intention to profit. I just put on my little computer screen a post-it note, “I’m going to make $125,000,” which is three times what I’ve ever made in my whole life, and I did.

The second: you have to be willing to let go of what’s not working. This was huge. I didn’t expect it. Letting go is a huge secret and strategy. You have to be willing to get in the game. As one woman who went from a welfare mother to now have a multi-million dollar business said, “It’s just a matter of getting in the game and playing the game.” There are two kinds of games.
There’s the underearner game, which is played not to lose, to look good, to be safe and comfortable. The high-earning game is to go as far as I can with all that I’ve got. If I fall down, I get back up.

There is that stretch, which is to do what you think you can’t do. Every woman came to a point where she said, “I can’t do that,” and she did it anyway, and that is exactly what separates the underearners from the high earners. There’s what Mikelann was talking about. You have to speak up. As one woman said to me who was a seventh grade dropout, “You get what you demand not what you deserve.” So you have to speak up. You have to ask for what you want, and you have to be willing to say no to what you don’t.

I’ll tell you one of the most interesting ones for me too is that it’s important to have support. Underearners tend to hang around with people who are trying to pull them back, who are like naysayers, not because they’re bad people, because they’re scared themselves. It’s important to surround yourself with people who are cheering you on. And the sixth is you have to obey the rules of money.

I’ll tell you the most interesting thing. I interviewed women who made anywhere from $100,000 to $7 million, and what shocked
me -- the biggest surprise I had -- is how few of them were wealthy because they were so busy making money. It’s worth managing it. It’s just what Joel said, that it’s the ones who work with financial advisors. It wasn’t the ones who had the most money. It was the ones who took the best care of their money. So those are the secrets.

J. Walstedt Very interesting, Barbara. Before I ask Sarah about the next question, what about women who live in small towns, maybe one company towns who don’t have as many options as those of us who live in the big cities? Do any of you have any suggestions about that?

B. Stanny Oh, yes. I can just speak for me. I interviewed quite a few who lived in small towns, small southern towns, small Midwestern towns. The same principles apply. We’re not talking about big company towns. Big companies are one way to do it, but you can go to small companies and do the same thing, and you can work on your own and do the same.

J. Walstedt Interesting. Sarah, do we have another question?

Coordinator I’m showing no questions at this time.
J. Walstedt  Well then let me throw one out. How much does someone need to make in order not to be underearning?

M. Valterra  Can I answer that? This is Mikelann. I get that one a lot. People always want a specific number, and I’d be curious how Barbara answers it. They always want to hear, “Oh, well if you make more than $127.5….” How I answer it is I use a definition of how I define “enough.” So I would define enough as “Are you making enough money to cover your needs?” would be number one, and that seems like the most obvious. Are you making -- number two -- enough money to cover your wants? That is very relative, and I would put that under the category of “Do you make enough money to enjoy life? Are you enjoying life?”

Number three is “Are you making enough money to save and save for the future?” What you find is a lot of people are making enough money. You know when your needs aren’t being met, and you know when you’re not enjoying life. So they think, “Well, okay. I have enough to go to the movies and my needs are being met,” but if you are not making enough money to put money towards the future, if you’re not making enough money to save money, then you’re not making enough, then you would be
Some people put a fourth one in there. They say you need to make enough money to cover your needs, wants, savings and then philanthropic giving. Again, that one is very value-based for people. So that’s why the number is relative because you could have someone who is, let’s say, they own a deli. They make $60,000 to $70,000 a year. Their needs are met. They’re enjoying life. They’re saving for the future. They’re not underearning, but you could have a woman who is making $120,000 a year, hemorrhaging with expenses, possibly out of control with the money she does have, is totally earning below her potential because perhaps her potential is $170,000, and she would be an under earner. So that’s why this is such a personal issue.

J. Walstedt Thank you, Mikelann. Does anybody else want to chime in?

B. Stanny I would say Mikelann really covered it and I would add one thing. What happens that I found is that women will -- If you’re not making your potential, you’re an underearner -- and as Mikelann said, it’s a very relative and personal thing. But what happens is you get to a certain level -- like I got to a certain level, which I thought would be “Wow” -- but now I realize after I got there, I
could be making more. So it’s kind of a never-ending thing.

There is that perennial question “When is enough, enough?” I think sometimes we have enough income, but internally, psychologically, our soul is craving more.

J. Walstedt Okay. Sarah, do we have another question?

Coordinator Thank you. Kelly Jenkins-Pultz, your line is open. You may ask your question.

S. Jenkins-Pultz I wanted to ask Barbara, in the women that she interviewed, did you ask any questions about work life balance and what the response was from those women?

B. Stanny That’s a very good question. My fear of making more money, my big fear was that I had to work 24/7, and I didn’t want to do that.

What I found is, I asked these women -- the women who had the most balance in their life took time to think about -- this has to do with what the other speakers said -- what was important to them and to be able to say no to what wasn’t.

One of the most compelling interviews I had was with a woman who was an executive -- high level executive -- and she said to me,
“Barbara, you can have anything you want in life that’s important to you. The key is to figure out what’s important to you.” How many women -- and I have it in the book -- sat down and did what Joel was saying, a value clarification exercise to look at what their most important values were. Like this woman told me, she sat down and she listed her top five values, which were, I think, something like friendship and family and spiritual life and physical exercise. I don’t know. She said at one point, her husband bought a winery. Suddenly, her life got out of control. She realized running a winery or running a new business was not part of her value system.

So she had to start setting boundaries and saying no to whatever was related to that winery so she could keep her perspective and she could keep her equilibrium so that it fit her needs.

J. Walstedt Thanks, Barbara. Sarah, I think we have time for one more question if there’s one in the queue.

Coordinator I’m showing no questions at this time.

J. Walstedt Well then I’ll throw another one out for anybody to answer. When is it time to ask for a raise?
M. Valterra  Well the technical reason, or the technical answer, is if it’s been 18 months to two years since you’ve asked for a raise, it’s time to ask for one, or if you have been given new or additional responsibilities since you were either originally hired or whatever the situation is. So if it’s been 18 months to two years, or if you’re been given new responsibilities since your last raise, it’s time to ask.

J. Walstedt  Thanks, Mikelann. Does anybody else want to chime in on that?

B. Stanny  And when you see other people at your level are making more than you.

M. Valterra  Amen.

J. Walstedt  Okay. Before I turn it over to Sarah Miller to give us closing remarks, there was one other … to get in. Do you think there’s a generational difference in expectations about money?

B. Stanny  What I have seen in my experience -- because my daughters are in the 30s. I don’t know how old you are, Mikelann. I am in my 50s -- I see that while the girls of her generation expect -- they don’t
have a lot of the same struggles we did in breaking through the barriers of being accepted. They are so busy making money that they aren’t even thinking about managing it, and this really concerns me. There is this prince charming syndrome I see -- not that they think a man is going to save them, but that something is going to save them.

M. Valterra I’d say that it’s pretty frightening that it hasn’t changed as much as people think, that all of the latest pay allocation studies of how much people pay themselves versus pay other people - the latest statements in the last couple of years -- that women pay themselves 30% less than they pay other people in all of these random experiments and what not. It’s pretty shocking. It’s actually very shocking that in 2005 there is still so much of this internal glass ceiling for women, and there are a lot of theories as to why it is in terms of feeling. Barbara hit a lot of them. Why do we not feel more deserving? Why do we devalue ourselves? I hope it is changing, but the pay gap seems to be stuck, and it hasn’t moved as much as people would think that it would have.