Thank you, and good afternoon, everybody. I am very honored to introduce Mikelann Valterra. I heard her speak in Seattle, and she was inspirational. As a financial counseling professional in private practice since 1996, Mikelann Valterra has worked with hundreds of individuals, couples, and small businesses to improve their relationship to money.

Clients work with her to resolve their money issues in a supportive way, without shame or guilt. She addresses the emotional connections we all have to money, which helps clients understand their financial behavior. Originally from the northwest where she completed undergraduate work in economics, Ms. Valterra earned her graduate degree from John F. Kennedy University in California studying consciousness and human potential.

Her graduate work took her to the Institute of Noetic Sciences, a premier think tank on emerging paradigms and consciousness research. She helped developed several conference series and inquiries on money that dealt with the personal, spiritual, and global sides of finance, including the three year series, “The Soul
of Money.” She has appeared on TV and radio shows throughout the country and has written a book, *Why Women Earn Less: How to Make What You’re Really Worth.*

In addition to writing and lecturing throughout the United States, she is also a proud board member of Women Business Owners.

Mikelann?

M. Valterra

Thank you, Karen. Well good morning. I guess. I’m in Seattle and everyone else is spread all over the country. I want to go deeper into what Barbara said. She said so many just absolutely fabulous things, and I love her book. I want to start with what do we mean by underearning? What is the definition of underearning?

There are two definitions that I like. The classic definition is have you fallen into the pattern of repeatedly earning less money than you need? [In] that definition, when you look at it, the most important word is “pattern,” because a lot of people tend to look at individual circumstances -- “Well, it was a bad boss.” “Well, the economy was down for a couple of years. That’s why I didn’t make as money as I could have.” My challenge to you is when you look back over your career over the last ten, 20, 30 years, do
you see a pattern? Do you see a pattern of consistently earning less money than you need?

Now a definition that, personally, I like better than that is underearning is defined as the pattern of earning below your potential. Are you earning below your potential? That’s why this is very personal. No one is going to look at you and say, “Well, you’re an underearner,” because only you know what your potential is. But in your gut, in your gut you know it. You know if you are earning below your potential.

So I think one of the things that’s important to point out is underearners are not under workers and they’re not under achievers. Most people I know, women in particular, they work so hard. In fact, a lot of people that would be considered underearners have actually achieved a lot of things professionally and are very well known. So the frustration is why is that when I’m working so incredibly hard it doesn’t translate into more money? It is incredibly frustrating.

So what I want to do is I want to give you some of the real basic examples of underearning because you can talk about underearning quite a bit, but until you look at it in your own life, I think that’s
where it really starts to come home. So I’m going to give you six common ways that people underearn, and as you hear them, I want you to just make a note to yourself or write it down on a piece of paper which one have you fallen into. Have you ever done this because -- although we don’t have time right now to get into the psychology of it -- for some people, just being aware of the behavior can be enough to actually stop the pattern.

So the number one way that people underearn -- and this does definitely affect women more so than men -- is that they do not negotiate. They don’t negotiate, or if they do negotiate, they don’t negotiate enough. In fact, it’s estimated that women who negotiate in every job versus women that just simply take what they’re offered in any job, the difference is a million dollars over their career, that if you negotiate at the very beginning and that’s it, just negotiate that one time negotiation when you land that first job, that’s a million dollar difference over a career.

So I’d say that the number one way people underearn is by not negotiating, but that also is related to not asking for a raise. How many of us have sat in the same position for years working so hard -- and this is where the resentment comes in, that we are working so incredibly hard -- we wait to be noticed. This affects women
more than men -- the frustration of if life was fair, we’d all work really, really hard, someone would notice us and say, “Oh, you worked so hard. Thank you so much, and here’s a raise.” But life isn’t fair. You don’t necessarily get what you deserve. You get what you demand. You don’t get what you deserve, you get what you demand. So not asking for a raise, failing to raise your fees if you’re self-employed, and not negotiating would all be that number one example.

The second example that I’d bring up is under-billing, which is very insidious. All I mean by under-billing is all of the professionals out there that bill for less time than they actually put in with a client around a project. Again, a lot of times, the internal talk is, “I should have been able to do more in less time. I really want to give them a good deal.” Women are very relationship-centered. Barbara talked about one of her second reasons in terms of women can be too codependent. Because we are so relationship-centered, a lot of times, women short-change themselves in the workplace in many, many ways. One of the ways that this comes out is under-billing, or not charging enough for our services.

The third example that I would give you is not marketing yourself.
What’s interesting about that is when you hear that, a lot of people assume I’m only talking to people that are self-employed. It’s true that if you are self-employed and you don’t market yourself, of course you’re not going to have any clients. However, marketing yourself applies even more so to people that are in salary positions because all I mean by that is are you visible? Are you visible? If you want to progress in an organization, you have to find ways to make yourself visible.

Again, unfortunately, men tend to excel at this more so than women. Women, a lot of times, our strategy is “I’ll just work really, really hard and hopefully someone will notice me.” Then of course I say, “Well, how is that working for you?” “That just doesn’t work very well.” So can you find ways to increase your visibility in the workplace? Can you write for the company newsletter? Can you speak up more in meetings because if people don’t know who you are and what you’re doing, it’s going to be very, very hard to make a case for a raise when it’s time for that to happen.

The fourth reason or the fourth example of underearning that I would give you would be excessive volunteering. This one really pushes a lot of buttons for people, so let me be really clear here.
I’m not saying volunteering is a bad thing. We all have causes that we believe strongly in that we want to give our time, money and attention to. The question is, if you’re actively saying, “Gosh, I wish I made more money,” and then you are giving yourself away for free - you’re giving your time away, your experience away, you’re just giving it away for free -- there’s a disconnect there.

So what I would recommend is that you practice asking a very, very important question and it's this: What is in it for me? The next time that someone asks you to volunteer in some capacity -- and this may be in the workplace and it may be outside of the workplace -- the next time someone says, “Can you do such and such?” you need to say -- and you don’t have to say this out loud -- “What’s in it for me? What’s in it for me?” because women often times, as you know, have a really hard time to say no. If there’s something in it for you, then so be it. If it’s more exposure or maybe it’s more contacts. I volunteer in my son’s classroom. There’s a lot in that for me. I get to know his teachers, his classmates, etc. But you’ve got to be really clear if you are donating your time, skills and experience, what’s in it for you. Do not be afraid to ask that.

The fifth example I would give you would be not having a career
plan. Again, women fall into this more so than men, that we work so hard, but we have a hard time looking and seeing the future. We have a hard time planning the future. Where do you want to be in five years? Where do you want to be in ten years? Women will work so hard, and they will work, just to work, without a plan of where exactly am I going?

It doesn’t have to be this big huge deal. You could go to a Starbucks on a Saturday morning, get a cup of coffee and say, “Okay. Here’s my pen and paper. Where do I see myself in a year, and how much money do I want to be making in five years? How much money do I want to be making in ten years?” Don’t be afraid to ask yourself those questions and then struggle to come up with an answer.

When you look at some of the differences between men and women in careers, what you find is women do not set their expectations as high as men do. In fact, they did an interesting study. They took a group of college graduates and they said, “Okay. How much money do you think that you’ll be making at the peak of your career? Just give us a number. How much money do you think you’ll be making at the peak of your career?” These were graduates coming out of the same program with the same
The male graduates guessed 30% more. They said, “Well, I’m going to be making” and whatever the number was, and all of those numbers ended up being 30% more than women expected to make. What we know is the higher your expectations, the more likely you are to make that much money. The higher your expectations going into a job negotiation, the more likely you are to reach that number. So dream, dream a little more. Expect more. Spend time in planning your career. Absolutely spend time in planning your career.

The last example I’d give you of underearning is that a lot of people will either quit a job too soon or they will stay in a job too long. They will quit a job too soon before they’ve gotten all of the skills and experience that they could out of it. Or you’ve heard the classic, “Don’t quit a job until you have another one,” but what I find even more often happens to women is the opposite, that they stay in a job too long. One of the rules of combating underearning is never take a dead end job and never stay in a dead end job. Why is that? Well because it’s a dead end. That’s why.

So what’s the plan? How are you going to move towards the training.
future? So there are an infinite number of ways that people underearn. I’ve given you six. So what I would challenge you to do is if we were doing a seminar, I would have you sit there for five minutes and really go back through your life. Go all the way back to baby-sitting and see if you can find as many examples in your own life as you can from times that you undersold yourself, that you earned below your potential, that you made less money than you needed because I really believe that the more conscious we get of all of these examples, the less likely we are to engage in the behavior. But a lot of times, we’re just not thinking about it and it is so easy to undersell ourselves.

J. Walstedt

Thank you, Mikelann for those wonderful insights, those wonderful examples that we can all learn from. I wish I had heard your presentation when I was just out of college.

Now, let me turn the program over to Christine DeRosa, Senior Manager for Personal Financial Security for the American Institute of Certified Public Accountants, to introduce our third speaker. Christine?