

YOUR MONEY

Hot Topic: Our Budgets, Ourselves Women face some special financial challenges.

By TARA SIEGEL BERNARD

Several personal finance books aimed at women landed in my mailbox recently. They were hard to miss. The books had pink covers and the catchy, if cringe-worthy, titles, “Shoo, Jimmy Choo!” and “Hot (Broke) Messes.” And then there was the one I found on Amazon, “A Purse of Your Own.”

The titles may seem better suited for the cover of Glamour magazine. But that doesn’t mean women don’t face special financial challenges. Women live longer, earn less and take more breaks from the workplace to care for children and elderly parents. And though studies show that women tend to save a slightly higher percentage of their paychecks than men, they ultimately end up with smaller balances because of their lower earnings.

Does that mean women need specially tailored financial advice?

Women who are suddenly single, like divorcees and widows, obviously may need help. And singles, in general, may have special needs, like disability insurance, because they don’t have a spouse’s paycheck to fall back on (though you can make the same case for single men). Financial advisers also say many women need to be prodded to evaluate whether they’re being paid what they’re worth.

But the vast majority of the financial advice is the same, regardless of sex.

The real issue, experts say, is that many women, despite strides in education and in the workplace, simply aren’t as confident and knowledgeable about

financial matters as men. This problem persists even as women handle many of their families’ routine money management duties, like paying bills and making many purchasing decisions.

“Research has shown that women, even professional women with good jobs and successful careers, tend to be less financially literate than men,” said Annamaria Lusardi, an economics professor at Dartmouth College who has studied the issue. “The gap in

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financial literacy between women and men is large not only among older people, or those 50 and older, but also among young adults, an age group where women are more likely to have a college degree than men.”

That’s similar to what Eleanor Blayney, a financial planner who focuses on middle-age women, said she found when she gave a speech to her fellow alumnae at Mount Holyoke College a few years ago. “At the end, the hands went up, and they were all stuck at the very beginning of my speech,” said Ms. Blayney, who has a new book on the subject, “Women’s Worth: Finding Your Financial Confidence” (Directions). “They were scientists, professors, municipal elected officials. These were women with brains and jobs, and they were just at a loss to even know where to begin.”

Not all women lack financial skills, of course, and many may simply lack time. But studies show that women don’t find money and investing as interesting as men. Women also prefer to learn about money in person or in groups with others in their situation, as opposed to curling up with a book (the jury is out on whether pink covers help).

According to a 2007 study on gender differences by Tahira Hira of Iowa State University and Căzilia Loibl of Ohio State University, women are still less likely to be socialized in financial matters, and they are more likely than men to find investment decisions stressful, difficult and time consuming. The study also found that it often takes a life event, like getting married, to prompt women to save and invest, whereas

men were more likely to start investing gradually.

But while women may be less likely to enjoy investing, studies show that they may inherently be better investors than men. Females are less prone to risky behavior, for instance, and, unlike their confident male counterparts, they’re more likely to fess up to their own ignorance.

“One reason that women might be better financial decision makers, despite displaying, in general, lower literacy than men, is that women know what they do not know,” said Professor Lusardi, who is director of the Rand Financial Literacy Center.

Here’s a look at several resources geared to women:

ON THE WEB LearnVest.com is a new personal finance site for women in their 20s and 30s, but it plays down its femininity. “I wanted to approach this in a hip and sensible way,” said Alexa von Tobel, the 26-year-old founder who dropped out of Harvard Business School and started the site. “It’s personal finance in plain English in a way that women are more focused on.”

After users answer five questions about their phase in life, education, job situation and what they want to accomplish, the site generates a personalized action plan, including a checklist for various categories, like “understanding my salary.” Items on the list, which are marked off as you complete them, may include reading materials or exercises tied to a topic, like whether you should rent or buy a home.

Unlike the personal finance site Mint.com, LearnVest’s budgeting tool requires you to enter your information. Nor does it link to or automatically track your accounts. But it tells users how much money they have to work with after taxes and calculates weekly disposable income.

LearnVest also has a library of many financial topics — Cliffs Notes, as Ms. von Tobel describes them — as well as several other neat features, including a periodic 30-day financial boot camp, where participants receive an e-mail message each day with advice on tackling a small financial task.



IN PRINT The books that landed on my desk offer solid advice, if you can get past some of the silliness. Catey Hill, author of “Shoo, Jimmy Choo!” (Sterling) frosts her advice in pink, and she piles on the girlisms. “How did a cute, employed girl like yourself end up having to hock her skinny jeans on eBay just to pay the rent?”

Some women may think the references are cute, but others will find some of the tortured metaphors, like comparing little black dresses to financial basics, distracting. At least, they may wonder how long it will take to get to the budgeting and spending advice buried beneath, which, by the way, is solid.

In contrast, “**Hot (Broke) Messes**” (Business Plus), which comes out next month, has a more serious edge. The book, written by Nancy Trejos, is a memoir that details the author’s descent and slow emergence from debt — all the while doling out advice as The Washington Post’s personal finance writer. Ms. Trejos weaves advice about budgeting, getting professional help and credit cards into her tale, which is an engaging read and likely to resonate with younger women.

Several female financial planners, meanwhile, recommended some of Barbara Stanny’s books, including “Secrets of a Six-Figure Women” (HarperBusiness, 2002).

IN PERSON If you’d rather learn more about money with other women, you might consider a discussion group, or even starting a group of your own. Now in its 10th year, Women & Co., part of Citigroup, is a national group mainly of professional women. “We aim to provide education and insight to what we believe are the issues that women face,” said Lisa Caputo, the group’s founder and Citi’s chief marketing officer.

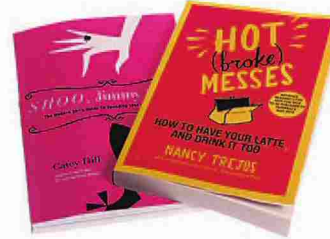
The group has a relatively robust Web site, but more impor-

tant, it provides classes and other educational special events throughout the year. Membership costs \$125, though the fee is waived for Citigold customers. (Just remember that the group is run by a bank that would like to sell you more services).

There are groups at the local level, too. Galia Gichon, founder of Down-to-Earth Finance, a financial education company in New York City, runs “Simply Money” seminars several times a year. Women get together to learn about a new topic each week. It costs about \$300 for 12 sessions, or about \$40 a class. She also gives “teleclasses,” the latest one being on organizing your financial life.

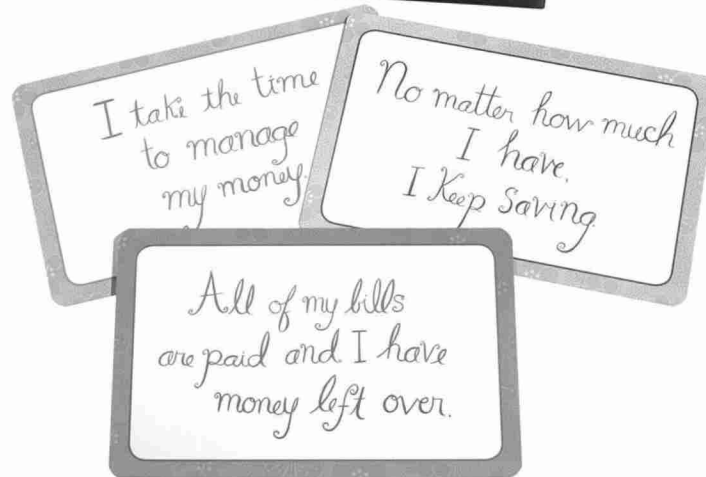
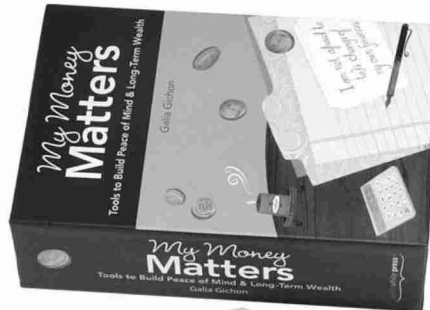
On the West Coast, the non-profit group WISE — that’s Women Investing in Security and Edu-

cation — runs annual conferences and mixers after work. “The educational aspect of WISE is really crucial,” said the founder, Helen Olsen, a retired molecular biologist whose interest in finance began to bud when she joined an investment club many years ago. “And we do it by having fun,” she added, “and enjoying each other as well.”



ALESSANDRA MONTALTO/THE NEW YORK TIMES

A recent spate of finance books are aimed at women.



WILLIAM P. O'DONNELL/THE NEW YORK TIMES

“My Money Matters,” by Galia Gichon, uses flash cards and workbooks. The author leads financial seminars with women.