



NO ONE CAN CALL FINANCIAL analyst Suze Orman a slouch. The former waitress at the Buttercup Bakery in Berkeley, California, gave her life a good shaking in her early 30s when she accepted a position as an account executive at Merrill Lynch. Building a career on savvy self-edification and homespun common sense, Orman rose through the ranks to become vice president of investments at Prudential Bache Securities before she founded the Suze Orman Financial Group. Eight years ago, she brought her no-nonsense wisdom and scrutiny of financial powerhouses to the masses with her Emmy Award-winning *Suze Orman Show* on CNBC — which broadcasts from Englewood Cliffs. Her work has earned her an unprecedented six Gracie Awards, which recognize the nation's best programming for, by, and about women. *New Jersey Life* caught up with Orman after a taping to ask what women should know about their finances; get tips from her latest book, *2009 Action Plan*; and find out why the sought-after speaker enjoys interacting with New Jersey audiences.

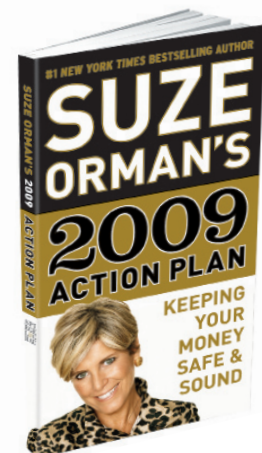
What is the No. 1 financial mistake that women make?

Since it is a woman's nature to give, she believes that the purpose of money is to give security to everybody else before she gives it to herself. She should understand that the true purpose of money is to take care of herself so that

Coining Phrases

Ladies, listen up! **Suze Orman** is on a mission to empower you to take control of your finances. Mission control is her studio in Englewood Cliffs.

BY PATTI VERBANAS



she has the ability to take care of those who are dependent upon her. Think of this: When you're on an airplane, they say if you have a child with you, make sure you put the oxygen mask on *your* face before the child's, because if you put it on the child's face first and something happens to you, there is nobody left to take care of the child. The same is true when it comes to money. When you constantly take care of everyone else's financial needs first, if something happens to you, who will take care of your children?

What can parents do to raise children who are savvy about money?

Involve your children in the financial process as soon as they can understand money, when they have the ability to understand what it costs to run a household. Start with these questions: How much money do you think is a lot of money? How much money do you think it takes, per month, for Mommy and Daddy to run this household? Then show them. Talk about how much money it takes to pay for electricity so that the family can watch television, play computer games, and keep the milk cold. Talk to them about needs versus wants. These are our needs: We have to feed ourselves; we have to pay our mortgage; we have to put gas in the car. Tell them that the money to pay for those needs comes from Daddy and Mommy going to work. Then, when they want to buy something, do not say, "I can't afford it." Instead, ask, "How many hours do you think it would take for Mommy and Daddy to pay for this? Is it worth our time working for three or four hours? Is this a wise thing to do, child, when you consider our needs?" They get it very young.

What financial advice would you give to college-bound teenagers?

Half the teenagers who go to college don't know what they want to be when they graduate. And college is made easy for them. Their parents take money from a 401(k) or a home equity line of credit, put it on a credit card, or get a Plus loan. They do whatever it takes to send their kids to school so that the

kids don't have to pay anything when they come out. And the kids do not give serious consideration to whether they *should* go to college right after high school or take a year off to work and think about what they want to be when they graduate. This question has to be asked: Is it worth it to go into debt when the child doesn't really know

what he wants to be? Perhaps your child is better off going to a community college the first year or two. That would allow him to get a sense of what he wants to do without running up significant loans. Go to an in-state college. Go to a public rather than private university. Go somewhere that it makes the most sense financially. ➔





Orman on the set at CNBC global headquarters in Englewood Cliffs.

Tell us about your People First, Then Money, Then Things philosophy.

I came up with that in 1998. My next-door neighbor, who was about 6, was having a lemonade sale. I asked her, “Can you tell me the five most important things in your life?” She said, candy, television, her house, money, and her parents — in that order. I asked her, “What does it take to buy the candy, the television, and the house?” She

said, “Money.” Then I asked, “What does it take for parents?” She said, “Love.” I asked her, “Don’t you think your parents should be the most important thing, then money, and then those things?” She agreed. That’s how the phrase started. Like my little neighbor, people value things more than they value money.

What is the biggest lesson you learned from your various jobs?

Always trust myself more than I trust others. When I started at Merrill Lynch, which was my first job, they told me to call clients and tell them to buy this and buy that. When you first start as a financial adviser, what do you know? You’re not a financial adviser; you’re a salesperson. In my gut, I began to get in touch with the

fact that what they were telling me to do wasn’t the best thing for the clients. And in the end, it was true. I started to learn that few financial institutions really had the best interest of the client at heart, and that if it didn’t feel right to me, I needed to not do it. I learned the greatest thing: to do what is right versus what is easy.

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You’ve been taping *The Suze Orman Show* in New Jersey for eight years. What impresses you most about the state?

I speak all over the world, and very seldom do I like to speak in the same place twice. I figure: Why go back to a place two times when I can go to a new venue and organization? But there’s one event that I’ve returned to: *The Star-Ledger* hosts an annual day of financial education at Rutgers, and I’ve spoken or served as the keynote speaker several times. I consistently say yes to the event because I love the questions the New Jersey people ask. I love the entire interaction.

What parting words do you have for women in terms of mapping out their financial goals?

Here’s what I’d like you to understand, ladies: If you happen to be in a relationship with a man who says, “Don’t worry your pretty little head about it,” I’m telling you right now that you *should* worry. The time to find out about your money is not when you have suffered an emotional loss — when your spouse dies. It is right now.

You might think you are doing fine financially, but ask yourself, “Are you positive? Are you invested knowingly where you should be invested and in the way you want to be invested?” If you really want to be the powerful women that you were all born to be, you better know where every penny is and why it is invested the way it is. You better have a will and a living revocable trust. You better make sure that everything is titled the way it should be. You better check the FICO scores for yourself and your partner to make sure that nothing is out of order.

I get thousands of e-mail requests from women asking, “How could this have happened to me? He told me everything was OK.” You have the time right now to make sure you take control of your finances. If you don’t and you become one of the thousand stories that I read about every day, you have nobody to blame but yourself. **NJL**

Visit newjerseylife.com for an excerpt from Orman’s 2009 Action Plan: Keeping Your Money Safe & Sound.



local legend

