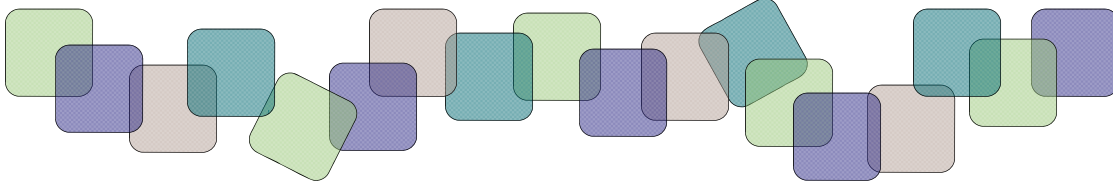


# The PERIODIC PONDERANCE

VOLUME 10, NUMBER 3 :: 1525 SPRUCE STREET, SUITE 300, BOULDER, COLORADO 80302 :: 3RD QUARTER 2009



PRESENTED BY  
The **W** health  
conservancy, Inc

S  
u  
m  
m  
e  
r



2  
0  
0  
9

Summer afternoon - summer afternoon; to me those have always  
been the two most beautiful words in the English language.  
—Henry James



## Changing Your Name the Right Way

From a financial standpoint, it pays to get your name change right. Why? An incomplete or botched name change can land you in trouble with the IRS and can even damage your credit rating.

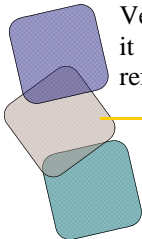
Your first step in the process should be the Social Security Administration. They will issue you a new Social Security card with your new name. They will also notify the IRS of your new name. If you attempt to skip this step and file your taxes using your new name, the IRS is likely to reject your return.

Your next step should be the Department of Motor Vehicles to get a new driver's license. While you're there, it would also be wise to change your vehicle registration to reflect your new name. Other entities that should be in-

formed of your new name include your health insurance provider, attorney, financial advisor, retirement account custodian, brokerage/investment account custodian, bank, mortgage lender and/or landlord, auto/home/life insurance provider, medical provider, and utility company.

If you fail to notify any of the above entities that you have accounts with, your good credit history could disappear. Without notification of a name change, these entities will have no record of your new name credit history; they will only have credit history for your previous name.

If all else fails, you could always try your luck with one of several name change kits that are available via online vendors. However, the jury is still out on their overall worth and effectiveness. Buyer beware!



## Generations of Thought . . .

By Raquel Hittman

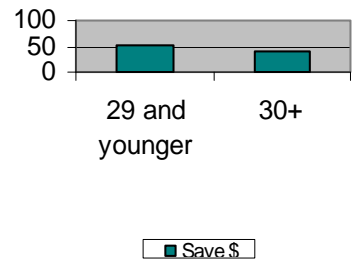
Two recent studies have provided some interesting insight into the thinking of young people. The first, a survey released in late June by the Pew Research Center, received widespread coverage and reported that the “generation gap” is the largest it has been since the 1960s, when generational conflicts regarding Vietnam, civil rights and women’s liberation were common. The survey reported that eight in ten people believe there is a major difference in the point of view of younger and older people today. People aged 18 to 29 reported disagreements regarding social values and morality, including views on dating, lifestyle and family, including a higher tolerance for gay marriage and interracial relationships. People aged 65 and older reported differences in manners and a sense of entitlement. Also, approximately two-thirds of the older age group said religion is very important to them, compared to 44 percent of people in the younger age group. Another area of reported difference is in the area of technology: about 75 percent of people aged 18-30 went online daily, 64 percent use their cell phone for most or all of their calls and 87 percent use their cell phone for texting; while only 40 percent of those aged 65 and older reported going online daily, 6 percent use their cell phone for most calls and only 11 percent use their phone for texting.

The second study was conducted by TheMint.org and Northwestern Mutual and reported in the June issue of *The Journal of Financial Planning*. The study was trying

to find out information about people’s financial habits and asked the question, “If you spotted a great item at the mall that you couldn’t afford right now, what would you do?” Of those 29 and younger, 54 percent said they would save money each month until they could afford the item. Only 42 percent of people 30 and over said the same. Young people answered similarly when asked about using credit cards to purchase items they could not afford. Only 7 percent of people under age 30 said they would use a credit card and worry about how to pay for it later, versus 13 percent of people age 30 and over.

According to the *Journal*, other periods of financial instability have led to similar results, and they point to higher personal savings rates as an example. Personal savings rates during the early 1940s reached more than 25 percent, and today’s rising savings rates may be a signal that people are starting to return to an era of higher fiscal responsibility. Maybe the young and the old will be able to find common ground in at least one very important area...

If you spotted a great item at the mall that you couldn't afford right now, what would you do?



Do what we can, summer will have its flies.

– Ralph Waldo Emerson

The sky is falling!  
The sky is falling!



Myra Salzer



Published by  
**THE WEALTH CONSERVANCY, INC.**  
 1525 Spruce Street, Suite 300  
 Boulder, Colorado 80302  
 303-444-1919  
 FAX 303-444-1479  
 thewealthconservancy.com  
 twc@thewealthconservancy.com  
 © 2009 The Wealth Conservancy, Inc.  
*Honoring your worth /  
 Taking care of your wealth*

## Periodic Profiles: David Gage, Ph.D.



Myra's interview this quarter is with David Gage, Ph.D., clinical psychologist and founder of Arlington, VA-based BMC Associates ([bmcassociates.com](http://bmcassociates.com)), a firm dedicated to preventing and resolving disputes among business partners, family business owners, board members, and co-inheritors. Dr. Gage's curriculum vitae is impressive as is his history of many speaking engagements, interviews and published articles. Dr. Gage has also published a book: *The Partnership Charter: How To Start Out Right with Your New Business Partnership (Or Fix the One You're In)*.

David Gage "grew up in a family business" as do many people, but the experience led him in a different direction than most. Both of his grandfathers had businesses, but it was his mother's father's family business that was very influential to his eventual career. He described the story this way: "A couple of months before I was born my grandfather had a heart attack at a very young age, around 50, and my mother and her brothers told him he needed to slow down and enjoy life. Right at that time, my parents saw an ad for the auction of the summer house of a former mayor of Chicago. His widow was selling the magnificent summer estate they had built on a lake, deep in the woods of Wisconsin in the late 1920s. The estate included a main house with nine bedrooms, a guest house, a caretaker's house and a two-bedroom apartment for the mayor's bodyguards—plenty of room for my family and my cousins to all stay on summer weekends. In those days, all four of my mother's brothers and my father worked for my grandfather. Many years later, I came

to realize that I had observed a lot of family dynamics related to the family business over those years. Those family dynamics convinced me at an early age that I never wanted to work in the business!"

A couple of decades later, in the 1980s, after becoming a clinical psychologist, and when he was supervising psychiatry residents at the University of Maryland Medical School in family therapy, he realized that those strange family dynamics were a big part of what got him interested in psychology and specializing in working with families. "It was at that time that I realized how much I knew about the intense and personal dynamics that are part and parcel of most all family businesses and how often those dynamics influence family business owners' decisions." A few years later David started a firm specializing in working with businesses that have co-owners. Ironically, the boy who swore he would never work in his family's business, ended up working with many family businesses.

In response to a question about his own family working with a consultant, David replies, "When my grandparents were still alive, they hired a consultant to work with their family. What I came to understand years later is that he was an industry expert (this was the construction industry). He was an industry expert who became a consultant, and that is a problem for many family businesses: the experts that they consult rarely are experts in family dynamics and family systems. So the help they give and the solutions they provide don't really get at the entire range of issues that are important in family businesses." Getting back to David's own family's experience, he says, "So, eventually the work that they did together collapsed when one of the five families left the business and invoked the buy/sell agreement. Like so many buy/sell agreements, it didn't cover all of the bases." The ambiguities resulted in a 10-year legal battle, complete with lawsuits and countersuits and appeals

to the state's Supreme Court. David's mother and her four brothers, his brother and cousins who worked in the business, and even David and other nonworking, co-owners of the business were involved in the legal wrangling. "It was very complicated," David says, "but not so different from many family business conflicts." Try as he would to get his own family to hire mediators to help them shift the conflict from adversarial to collaborative, it never happened. "That was a real personal disappointment. My family always had great difficulty sitting down and talking out their differences. I wasn't able to change that."

Referring to his firm, David said, "I started the business to resolve conflicts with partners and family business owners, and it was some years (maybe six or seven) before I realized that families and partners get into conflicts in pretty predictable ways. There's a whole set of discussions and negotiations that people who are partners—family or non-family partners—should have, and things they should come to agreement on in order to prevent conflicts down the road. That's really the whole thrust of the book I wrote on the partnership charter: people need to discuss, negotiate and agree on a broad range of topics—business, financial and interpersonal—in order to strengthen their partner relationship so that they never run into that kind of conflict."

"Timing is critical. There are transitions of various types—from one generation to the next, or when a sibling is coming into a business—that beg for people to sit down with someone who can bring to the table a clear understanding of what the issues are. This is so important because nobody is trained in how to be partners. I'm happy to say that I teach a course in the business school at American University where we do look exactly at that—we teach MBA students how to have business partners."

(See Gage—Continued on page 5)



## One of a Kind—Let's keep it that way

By Melissa Foyer and Raquel Hoffman

A client of TWC recently asked a really good question: Should I get identity theft insurance? Unfortunately, identity theft is a reality – every few seconds someone's identity is stolen in the U.S., and the aftermath of cleaning it up is painfully laborious. So, how do you avoid having to go through that? Sadly, no services can prevent the problem from occurring, so we're left with identity theft insurance, credit monitoring services, and our own efforts to protect our identity.

Identity theft insurance is a fairly new product that claims to protect you from losses resulting from identity theft and the time it takes to clean up your credit if you become a victim. In reality, though, the coverage usually isn't worth purchasing. It typically only covers you for costs incurred to restore your credit, such as fees to pull your credit report, legal filing fees, lost wages and childcare. It does not pay for actual losses related to money that is stolen from you. If your identity is stolen, you will ultimately be responsible for restoring your credit as many creditors will not deal with third parties; they will only talk to you. Also, in many cases the insurance is offered by the same credit card companies and banks that are already failing to protect your personal information. Finally, you may find that you are already covered through your homeowner's policy as some insurance companies have added identity theft coverage to their existing homeowner's and renter's policies.

The basic idea of a credit monitoring service is that they will notify you when there is a change to your credit report, then you can determine if it is a valid change or if you suspect fraud. The various credit monitoring programs differ in what services they provide, so it is a good idea to look at the details of the program if you are interested in signing up for one. For example, some offer counseling services if your identity gets stolen, and that can mean they'll point you in the right direction or they may do the heavy lifting for you by preparing necessary paperwork. This service is offered by many banks, credit card and independent companies (such as LifeLock, Trusted ID, IDWatchdog and Identity Guard) and the cost seems to range from about \$10-\$20 per month. The pro of this service is that you will be notified in a timely manner if there is a change to your credit report (and there may be other useful services) and it may give you peace of mind. The con is that it doesn't prevent the problem from happening - the best protection we can have is to take smart precautions to protect our identity.

Here are some tips to keep your identity safe (excerpted, in part, from About.com):

**Shred your mail** after you read it if there is important identifying information on it. Consider the weekly mail that you receive. How many items have important information on them? It may be in the form of credit card offers, bank statements, investment statements, or even drivers license renewals. All of these things can expose you to identity theft.

Invest a few dollars on a document shredder and make sure that you shred all of your mail and discarded documents.

**Notice if a bill arrives late** in the mail, there may be cause for concern. Better yet, pay bills online. (Really—that is safer.)

**Consider a post office box.** This prevents identity thieves from being able to drive down your street and reach into mailboxes to snag mail with personal information.

**Opt out of credit card offers.** Call 1-888-5-OPTOUT (1-888-567-8688) to learn more about opting out of pre-approved credit offers that clog your mailbox. You can also opt out by visiting the [www.optoutprescreen.com](http://www.optoutprescreen.com). Stopping the mail from ever reaching your mailbox is a great preventative measure.

**Take care when creating passwords.** With more and more people turning to the internet for financial services, having a good personal password policy is a must. This means creating passwords that would be impossible for someone to guess. Don't use something like your birth date, last name, dog's name, and so on. Create a strong password that is hard to crack. Generally you want to use at least eight characters with a combination of numbers and both capital and lowercase letters.

**Create multiple passwords and change them regularly.**

**Monitor your credit report.** Thanks to [Annual Credit Report](http://www.annualcreditreport.com) (www.annualcreditreport.com), you are entitled to a free copy of your credit report from each of the three reporting agencies every year. Order one from one agency, then four months later order another, and four months later order the last one. This allows you to monitor your credit throughout the year.

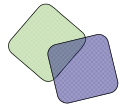
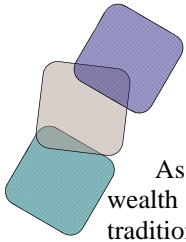
**Review your bank and credit card fraud policies.** Do they have something in place that will automatically detect potential fraudulent activity, or is it up to you to find and report a problem? How much are you liable for in the event there is fraudulent activity on your account?

**Review your bank and credit card statements monthly.**

**Be aware of online phishing scams.** Not only are you bombarded by regular mail, but your e-mail inbox is constantly being filled with messages from legitimate senders and scammers alike. Unfortunately, the fraudsters have gotten pretty good at tricking people into thinking an email is legitimate when it really isn't. The most common example is when you receive an email that looks like it is from your bank or other online service you use and they request you click a

(See I.D. Theft—Continued on page 5)





## Awkward Referrals – We love them!

By Myra Salzer

As you know, most of our clients have substantial wealth and may not necessarily have acquired it through traditional paid-work efforts. Every once in a while a client will ask, “How can I refer clients to The Wealth Conservancy without disclosing that I have money? And what if they don’t have enough to work with TWC; I don’t want to embarrass them by referring them to a firm that will disqualify them right off the bat.” It’s awkward.

But it doesn’t have to be [awkward, that is]. We are happy to talk to anyone. If the referral’s circumstances cannot justify TWC’s minimum fees, we will be happy to help them find a firm or other resource whose expertise is a good fit for them. I promise, they will not feel rejected, but rather they will feel cared for. TWC’s stands for: Honoring Your Worth / Taking Care of Your Wealth. That goes for everyone – not just clients. We recognize that we cannot be all things to all people, but we always honor our core mission.

You will not be disclosing anything about your own financial circumstances as a result of giving the referral. They needn’t know you are a “qualified” client. You could have been grandfathered in or you could be an exception – the referral would never have any reason to know otherwise. I don’t ever remember someone telling me they regretted sending a referral to us, but many times they have felt gratitude for allowing us to help their friends and relatives, regardless of whether they became TWC clients or not.

Or, easier still, if you to give us a referral’s contact information, we will send them a letter – after you have a chance to review and approve it. We will explain how we can be of help and explore whether they are a good fit for TWC or if there are better alternative options. You can be as involved as you want.

For us, there is no greater compliment and nothing can offer more validation of the accomplishment of our mission than your referrals. We are so grateful!



### A word from Amy . . .

It is with a mixture of sadness and excitement that I say good-bye to The Wealth Conservancy and all of the wonderful people involved with the firm. My husband has been offered an exciting career opportunity in another state, so I have tendered my resignation.

I’m very excited about our new adventure, living in a different city and state (we haven’t done this for 15 years or so), but I am going to miss everyone terribly. At TWC I have had the privilege of working with the best team I have ever been a part of, as well as getting to know some of the nicest clients and associates I’ve ever worked with. I am going to miss you all very much.

Have no fear, with their superior insight and intuition, The Wealth Conservancy has found someone special to step up to the plate and fill the vacancy at the front desk. We’ll be working together for a few weeks to make the transition as smooth and seamless as possible for you.

Thank you, one and all, for allowing me to get to know you and share a small part of your world. I am very grateful.



### Moving on . . .

Please say hello to Jason Nichols!

Jason comes to us with many years of experience in exactly the areas needed to (almost) seamlessly transition from Amy. He will be the person most likely to greet you when you call or visit in person and will be happy to address your needs.

Although we’re sorry to have to say goodbye to Amy, who has done an outstanding job for us and, more importantly, you, we’re excited to welcome Jason. It will be a pleasure to learn his unique way of filling the very demanding position of receptionist, administrative assistant and overall everything to everybody.

Jason can be reached by phone, of course, and at [jason@thewealthconservancy.com](mailto:jason@thewealthconservancy.com).

