

THE CURE FOR MONEY MADNESS

BREAK YOUR BAD MONEY HABITS, LIVE WITHOUT FINANCIAL STRESS – AND MAKE MORE MONEY!

By Spencer Sherman

“We all want to do the right thing with our money—make it grow, spend it wisely and use it to make the world a better place. But something is stopping us from doing that, and Spencer Sherman has a name for it. It is “money madness” and whether yours is debt, overspending, taking too much risk, or ignoring your finances altogether, there’s a cure to be found in this book” — **David Bach**,

**#1 New York Times bestselling author of Start Late, Finish Rich
and The Automatic Millionaire**

With the financial markets in free fall, credit markets frozen, and the U.S. officially in a recession, millions of Americans are consumed by the fear of losing their jobs and life savings, while panicked investors have been fleeing the stock market in droves in a desperate bid to find a safe haven for their money. Yet, as top-rated financial advisor **Spencer Sherman** shows in a timely new book, while fear may be an understandable response to today’s deeply turbulent times, allowing emotions to rule one’s financial decisions and behaviors is both a recipe for disaster and an expression of “money madness.”

Named by Worth magazine as one of the top wealth advisors in the U.S. for four years running, Sherman offers readers a proven, step-by-step plan for overcoming their fears, safeguarding their future prosperity, and achieving greater peace of mind in **THE CURE FOR MONEY MADNESS: Break Your Bad Money Habits, Live without Financial Stress--And Make More Money!** (February 3, 2009; Broadway Books; Hardcover; \$24.95). This breakthrough personal finance guide offers a fresh new perspective on saving, spending, earning, and giving, and it introduces **The Rainbow Portfolio™**, a “madness-free” approach to investing that minimizes risk, provides protection against volatility, and has realized an average return of 14 percent per year over the past 35 years, outperforming the S&P 500 by 3 percent over that period.

In **THE CURE FOR MONEY MADNESS**, Sherman explains that:

- The root of money madness lies in emotionally charged “**money messages**” that are transmitted to us in childhood and that often reflect the particular culture, economic background, beliefs, and even politics of our family and community.
- Money messages form our unconscious and distorted perceptions of money, giving rise to a “**money monster**” that lurks in our adult psyches, ready to haul out the defining emotion of the past to regulate our behaviors in the present—invariably with disastrous consequences.
- Money madness doesn’t just put a dent in our wallets—energy, joy, peace of mind, and physical health and even relationships are all adversely affected when the money monster is governing our behavior and driving us to acts of money madness.

To help readers break the hold emotions have over their financial lives and tame their money monsters, **THE CURE FOR MONEY MADNESS** provides a series of self-awareness exercises that enable them to

identify their childhood money message and track how money madness impacts their spending, investing, saving and working behaviors, as well as how it affects their friendships, family, and romantic life. Sherman also gently takes readers through the process of confronting and quantifying the cost of their money madness in terms of lost opportunities, and shows them how to challenge their behaviors by changing the financial context of their life and how to break their habitual money patterns.

To help couples escape money madness and recession-proof their relationships, Sherman offers a simple, yet highly insightful quiz that allows them to quickly determine their “**Financial Intimacy Quotient**” (FIQ) – a reliable measure of how well partners communicate with one another about money. He then lays out his proven eight-step program designed to enable couples to transcend the barriers to honest communication, improve financial intimacy, and deepen their relationship. Through a series of simple psychological and spiritual exercises, each member of a couple will learn how to explore the money messages they learned as children and discover how they affect their partnership today, communicate freely about the role of money in their lives, co-design a joint financial life based on their shared values, and boost their harmony, closeness, and, ultimately, net worth by working as financial partners, free from money madness.

Finally, Sherman draws on his 20 years of experience as a certified financial planner and wealth advisor to introduce the **Rainbow Portfolio™**, a madness-free wealth-building strategy that realizes superior returns for little effort and virtually no stress, leading to more money, better sleep, higher energy levels, better health, and expanded time to pursue other life activities. Virtually automatic, structured to keep money monsters at bay, and requiring only once-a-year re-balancing, the Rainbow Portfolio is a super-diversified portfolio composed of 14 different asset classes imperfectly correlated with each other to provide protection against short-term volatility. As of November 30, 2008, \$10,000 invested in The Rainbow Portfolio on January 1, 2000 was worth \$14,000, whereas \$10,000 invested in the S&P 500 on the same date was worth only \$7,500.

Based on a profound, practical, and proven method for understanding and making peace with money, **THE CURE FOR MONEY MADNESS** establishes a new pathway to

achieving greater prosperity while experiencing less stress at a time when millions of Americans are consumed by fear and uncertainty about their future financial and emotional well-being.

THE CURE FOR MONEY MADNESS: Break Your Bad Money Habits, Live without Financial Stress – And Make More Money!

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ABOUT SPENCER

SHERMAN

Author of THE CURE FOR MONEY MADNESS



Spencer D. Sherman, CFP, MBA, is founder and CEO of Abacus Wealth Partners, a wealth advisory company that manages more than \$800 million dollars of private investors' assets. Named by Worth Magazine as one of the top wealth advisors in the U.S. for the past four years running, Sherman has also been named one of the top money managers in the U.S. by Bloomberg Money Manager and as one of the 150 best advisors for doctors by Medical Economics. His financial advice has been featured in publications such as Men's Health, Kiplinger's Personal Finance, and Benefit, a philanthropy magazine for which he served as a financial columnist, as well as on CNBC.

Sherman has led workshops on Curing Your Money Madness with best-selling author Byron Katie, with his business partner, Brent Kessel, and Financial Intimacy and Freedom workshops with relationship expert Anne Watts. Venues where he has led workshops include The School for the Work with Byron Katie, Kripalu Center for Yoga & Health, Esalen Institute, The California Institute for Integral Studies and various professional and industry conferences.

A member of the Social Venture Network and the Social Investment Forum, Sherman's financial expertise is informed by his commitment to social responsibility. A native of New York, he was educated at Brandeis University (Phi Beta Kappa) and The Wharton School of Business at the University of Pennsylvania, where he received his MBA. He is a Certified Financial Planner. He lives in Sonoma County, California, with his wife and children.

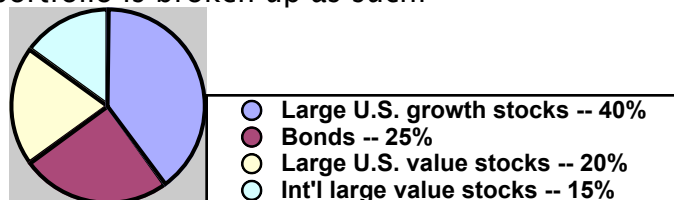
THE RAINBOW PORTFOLIO™

From **THE CURE FOR MONEY MADNESS**

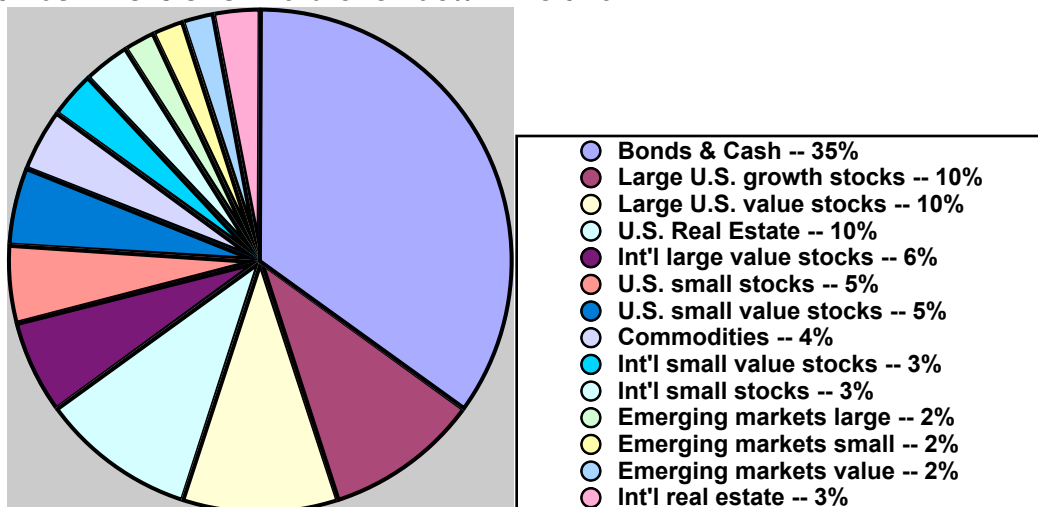
by **Spencer Sherman**

Spencer Sherman, author of the forthcoming book **The Cure for Money Madness** (Broadway, Feb. '09), has been named one of Worth magazine's top advisors in the U.S. for the last four years running. A main focus of his new book is the "**Rainbow Portfolio™**," an ultra-diversified allocation of assets Spencer has developed that includes nearly four times more classes of assets than a typical high net worth portfolio.

Basically, a typical portfolio is broken up as such:



The **Rainbow Portfolio™** is broken down like this:



Each asset within the **Rainbow Portfolio™** brings the benefit of being imperfectly correlated with the other asset classes in the portfolio, and each such addition thereby ratchets up the potential for decreasing volatility and making more money -- on average at least 3% better than the S&P. In fact, as of November 30, 2008, \$10,000 invested in The **Rainbow Portfolio™** on January 1, 2000 was worth \$14,000, whereas \$10,000 invested in the S&P 500 on the same date was worth only \$7,500.

MONEY MADNESS BEHAVIORS

12 COMMON IRRATIONAL FINANCIAL BEHAVIORS THAT MAY BE DICTATING YOUR LIFE

**From THE CURE FOR MONEY MADNESS
by Spencer Sherman**

Money madness is as bad for our bodies and souls as for our bank accounts and savings. It saps our energy and our health, limits our lives, can wreak havoc with our relationships, diminishes our peace of mind, prevents us from enjoying the money we have, and stops us from making more money.

The consequences of money madness are not just harmful – they’re painful. Somewhere under that madness, there’s a wound that keeps bleeding.

Here are 12 common, irrational money madness behaviors **Spencer Sherman** discusses in his new book **THE CURE FOR MONEY MADNESS**. Do you recognize yourself in one or more of these descriptions?

1. Money Muteness Madness. You can't talk about money with your spouse. What you spend, how much you earn, what you have in that secret bank account you keep are subjects that are off-limits. When a friend suggests a vacation or restaurant that are way out of your price range, you're tongue-tied. Talking about fees or salary with a client or with the boss is not just uncomfortable, it's downright stressful. You find it far easier—and you're far readier—to talk about sex than about money.

2. Money Spending Madness. You spend more than you earn even as your salary keeps on going up. You buy things you really don't use and wish you hadn't bought in the first place. You often buy expensive things on impulse. Your credit card is like another bodily appendage; it reacts like a nerve ending. You tend to buy things in bulk, then throw away most of it.

3. Money Craving Madness. You always think you need more money. Then you get more, and guess what: you need still more. Your “number”—the amount that will be enough, that will finally let you stop craving—turns out to be a moving target that just keeps changing. You become a workaholic to make more money. You hoard and save and stop spending a penny on yourself now. You spend a lot of time fantasizing about how you'll get more money and how your problems will be solved and you'll be free as a bird—just as soon as that amount of money is achieved.

4. Money Home Run Madness. You're out to make a killing. Now. Making money slowly strikes you as tedious and boring. What you want is the big payoff, the overnight zap! It's the speculation that keeps you checking the market, biting your nails and feeling the rush. You're not going to miss this ship. Not you. And when you're not checking the market, you're buying the lottery ticket or heading for Atlantic City or Vegas and the potential jackpots there. It isn't money you're really after; it's Adrenaline

5. Money Herd Madness. There's safety in numbers, as any sheep can tell you. Tech stocks are going up? You're in. It's a recession and everyone else is selling? You too. Hey! If everyone else on the block has a high-def television, then obviously you need to get one too.

6. Money Innocence Madness. Just about anyone knows more about money than you do. So you watch the talk shows to get financial advice, read the paper, follow the gurus. No need to check out something; if it sounds good on CNBC, or if your friends are doing it, or if your spouse says it's a good idea, you'll do it too.

7. Money Comparison Madness. You feel not quite equal to someone who has a lot more or a lot less than you do. It isolates you from friends who aren't doing as well, and it makes you uncomfortable around friends who are doing much better. You're a woman who knows you'll never be able to crack the glass ceiling and make as much as a man. You're a teacher who knows he's stuck at the meager annual salary the state pays. Money means rank, and that's just the way it is.

8. Money Lying Madness. Wow! Did you make a killing in the market! Actually, you didn't make quite as big a killing as you say you did, but then, you always exaggerate the truth where money is concerned—whether it's how much you earn, what you spent on your house, how much you save, how much you owe. Sometimes, you exaggerate low, and sometimes, you exaggerate high. But you always exaggerate.

9. Money Blindness Madness. Who needs numbers? You've got instinct. After all, money isn't the most important thing in the world, so for any major financial decision—buying a car, buying a house, getting a loan, investing—the numbers really don't count all that much.

10. Money Manipulation Madness. You're happy to pay for lunch, but you expect something in return—maybe dinner next month? You give your kids money, then tell them how you want it spent. Money is a tool you use to manipulate people.

11. Money Hatred Madness. You think money is the root of all evil, and you want it to stay far away from you. Wall Street? The devil's playground—and you won't invest. Rich people? Worthless. Material possessions? Childish toys. You're as angry about money as someone demonstrating violently for peace.

12. Money Indifference Madness. Money? It's not important to you. It's a part of your life you don't care about, so you let others handle it for you. Fortunately, you're certain that some divine entity is taking care of things so you can just kick back and watch the money grow on the trees.