

their children's future. Despite a consistently rising income, their money monster keeps them overspending endlessly. Result? While the Joneses sweat blood to give their children every advantage, what they're really giving the kids is a model of stress, self-neglect, and poor money management—a legacy that could haunt the younger Joneses for years to come.

I see money madness in my friend Sandy, who bought her house, and overpaid for it, for the fireplace in the living room. She dutifully looked at the other rooms in the house, but the decision had already been made—a function of emotion, not of objective decision-making. Had Sandy really analyzed what the house would cost for repair and maintenance, or assessed whether it might make more financial sense to rent than to buy, she would have seen that it would be a financial struggle for her to own the house, as indeed it has proven to be.

But she didn't do such an analysis. Instead, she saw herself on a cold winter's night, the snow piled high outside, soft music playing, her glass of wine catching the reflection of the fire's flames as she savored the warmth within. Her own personal money monster had drawn the vision for her and kept her focused on it. It was irrational, but it was irresistible—madness at a high price.

Money Madness Comes Between People

Money madness isn't just in us, it's between us. There's a famous story about two women—call them Susan and Sarah—who had been the closest of friends for 20 years.¹ For 20 years, they confided in one another, complained to one another about their husbands, worried about their children, shared secrets. Then one day Susan finally “confessed” to Sarah that she didn't exactly *work* at the art museum, she was on its board of directors and was one of its major contributors, donating to it some of the vast wealth from her trust fund.

It left Sarah not just curious about what else she didn't know about Susan but also wondering who this woman was she'd been telling her innermost secrets to for 20 years. She felt not just dis-

tanced but betrayed, and a friendship of 20 years' duration soured irrevocably.

Families can be torn apart by money madness. Mine was. My father's partner in the shoe store he owned was his sister's husband, whom he came to suspect of pilfering from the store cash register. Because my father's money madness was that he couldn't talk about money—a trait I would learn at his knee—he allowed himself to become estranged from his sister rather than solve the issue. Soon, the two families did not speak at all. It wasn't until 37 years later, when all the principals were dead and after I had cured my own money madness, that I was able to hire a private detective and reunite with my first cousins.

I've seen money madness sunder business relationships and ruin business deals. I've seen it undermine sales and anger customers. When I first started out as a financial advisor, I was so reluctant to discuss money that I put off stating my fee till the very end of my sales pitch, then low-balled it so I could get the job. Sometimes it backfired, with a prospective client figuring that if I was promising to deliver all those services for that low fee, I probably didn't know what I was doing.

Money madness is a notorious barrier to intimacy between lovers, spouses, partners. Husbands like me don't let on about the family finances—we just stew over what the garden might cost. Wives tell husbands their new dress cost half its real price. Couples conceal bank accounts or credit cards from one another, thus living separate and secret lives and fostering a kind of lie—while living together. Trust is eroded, communication deteriorates. If you don't know your partner's sense of values, style of dealing with money, definition of abundance, vision of the financial future, can you honestly say you know your partner?

It's Not Irrational When *We* Do It

Here's the real lunacy about Sandy, who bought the house because she fell in love with the fireplace: She's a mortgage broker. She knew her behavior was irrational even as she was doing it.