

Cash in the City
Affording Manolos, Martinis,
and Manicures on a
Working Girl's Salary

Juliette Fairley



JOHN WILEY & SONS, INC.

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All glory to God

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Foreword

So, you like living the sweet life. We hear you. We respect you.

You like to spend weekends in Nantucket. You're a fan of the Brazilian bikini wax. You love Cosabella thongs, dining out, and all the savvy missives you've found on the ultimate insiders' guide, *www.DailyCandy.com*.

But what are you doing about your finances?

Being a hip, fashionable sex kitten isn't cheap these days. While keeping up with the Joneses, have you skipped three meals because you were holding out for the Prada sample sale?

Though it's based on the principles of living the good life and indulging yourself, DailyCandy.com doesn't want to bankrupt you. As the founder of the coveted free daily e-mail that keeps everyone plugged in, I encourage you to read *Cash in the City: Affording Martinis, Manolos, and Manicures on a Working Girl's Salary*.

Juliette Fairley provides a how-to personal finance book for hip young city girls who marvel at how Carrie, Samantha, Miranda, and Charlotte on *Sex and the City* can look like a million bucks, live in those fabulous apartments, and not look like something the cat dragged in after an honest day's work. (Cheat sheet answer: That's television, baby, not reality!)

This book will help you to figure out how to do and have it all on a working girl's salary, encouraging you not to put your life on hold by giving tips on how to afford a vacation, start an investment club, decorate your home on a budget, and move up the ladder in corporate America. *Cash in the City* provides nitty-gritty details that you can't find in other personal finance books for women. Chapter 6, the beauty chapter, gives the names and addresses of shops in major cities where you can find designer clothes at a discount. And if working "for the man" (i.e., punching the clock and having someone else reap the benefits of all your brilliant ideas) doesn't appeal

to you, there's a chapter on how to start a business with contact information for women venture capitalists around the country.

Dig in your heels, sign up for *DailyCandy* at www.DailyCandy.com, and use *Cash in the City* as a guidebook. Trust me, you can be an "It" girl and financially savvy at the same time. (You might even save some money for your progeny . . . ahem!)

September 4, 2001

Dany Levy

Founder, DailyCandy, Inc.

Acknowledgments

It is rare indeed when an author gets a gem of an idea like *Cash in the City*. Behind any successful great idea are a literary agent and book editor with the depth and vision to see the potential for such a book. For that, I thank Linda Konner and Debby Englander, executive editor at John Wiley & Sons, who continues to be a dream editor.

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CHAPTER 1

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Introduction: The Single, Urban Woman Landscape

The single, urban, young woman needs *Cash in the City* as a guidebook to help her manage the money she makes and live a glamorous lifestyle. Financial planners aren't interested in people who make less than \$100,000 a year because they won't make much money off commissions from investing the client's money. As a result, the typical single, urban woman doesn't get professional financial advice because she will have a difficult time finding a planner who will ever take her on as a client. Even if she does make \$100,000 or more, most financial planners are not going to offer advice that's geared toward making the most of city living for a single woman. The planner won't have tips on how to decorate a sub-standard apartment or how to move ahead in a job or how to afford a chic cocktail dress for a pricey charity event.

Cash in the City includes basic financial advice in addition to offering tips on how to get into charity events for free and the pros vs. cons of living in a townhouse, co-op, condo, or single-family home.

The urban, single, young woman needs *Cash in the City* to avoid pitfalls that have put so many of her elders at a disadvantage. They include liquidating her retirement accounts instead of borrowing

against them, spending a fortune on beauty rather than finding ways to look good for less, and settling for an average salary rather than negotiating a bigger one.

Single, urban women need their own financial planning book to help them navigate the big-city temptations that await them at every corner. They need to know how not to wind up like the old lady next door who never got out of her studio apartment and how to eat when unemployed.

In addition, *Cash in the City* can shed some light on city living for young single women thinking about moving to a big city and what they can expect. Women contemplating moving need their own financial planning book so that they can begin preparing for the big adjustment to city life. They need to know how to go about finding an affordable hair salon, an affordable-yet-attractive apartment, and the ins and outs of getting ahead on the job.

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Example

Aline Romero moved to New York City from Biloxi, Mississippi, two years ago. The twenty-eight-year-old got a transfer from her job as a medical equipment sales representative. After a month in the Big Apple, the enormity of the challenge hit her.

“I never lived more than thirty minutes away from my family and friends. Isolation was the hardest feeling to overcome,” she said.

The challenge was structuring a new life. Among the things Aline had to deal with were how to meet new friends, what parties to go to, and finding a place to get her stylish hair trimmed.

Aline makes double the money she made in Biloxi, but she also pays double the rent for her small studio apartment near noisy Times Square.

“If you’re moving to the city, you’re going to spend more on everything you do: food, manicures, cosmetics, wardrobe, and haircuts,” she said, shift-

ing her weight from one flowered flip-flop to the other. “The good thing is there are more social things to do as a single person. The city is structured for people who are alone, who have no family or friends, and who are here to build a career.”

Aline decided to do a summer share in the Hamptons. Knowing no one, she answered ads in the Village Voice for share houses in Southampton, East Hampton, and Bridgehampton. She also attended the annual Sand Bar at the Metropolitan Hotel, where many share houses gather to recruit members. Aline found a house she was comfortable with and made many new friends during her first summer in New York City.



Young, urban, single women tend to gravitate to glamour jobs, such as publishing, advertising, and entertainment, but those jobs don't earn them a lot of money. *Cash in the City* will guide readers on how to balance looking good for a job or a hot date on a measly paycheck, *Sex and the City*-style.

If you are a recent college graduate or young woman thinking about relocating to an urban center near you, these are things to consider:

- *Rent will be double in whatever city center you choose to move to.* Single women spent \$4 trillion on housing, according to the Department of Labor's 1999 Consumer Expenditure Survey. Be prepared to step down a notch in your current living situation. You may be accustomed to modern appliances in your apartment. In the city, you may not have the luxury of space or you may have to make do with a tiny eat-in kitchen. In fact, your apartment building may be literally more than a hundred years old! Be prepared to adjust to a lower standard of living.

If you are too much of a princess to live in a beat-up studio, consider moving to the city with a buddy with whom you can share a renovated apartment. Although this may cramp your style, it may be the only way to afford an apartment in the center of the action of the city you choose. According to the U.S. Census Bureau, 3.7 million single women lived with roommates in the United States in 1998 compared to 18.7 million single women who lived alone. You may have more options if you're lucky enough to have parents who are willing to help you buy an apartment. In that case, Chapter 5 can give you pointers on buying a home in the city.

- *Expect food to be more expensive in city centers.* In suburban parts of the country, sprawling supermarkets sell bottles of water for 75 cents or less. In cities, expect smaller supermarkets with water going for at least \$1.25 per bottle. Although 50 cents doesn't seem like much on the surface, it adds up over time.

Even though food is more expensive in urban grocery stores, it will be cheaper to eat at home in the city. Women spent \$24.93 per week on food at home, according to the U.S. Department of Labor. Expect that amount to more than double once you move to the city because you won't be able to afford eating out as much as you did while living in Tyler, Texas. You may want to start watching the Food Channel to pick up tips on how to cook.

On the other hand, when living in the city, there will be many more opportunities to indulge in free food, especially if you take a glamour job in the entertainment or fashion business. There will be receptions and other events that offer shrimp appetizers. You can live off of that two or three times a week, but the rest of the week you're on your own.

Ramen noodles get old after a while, so practice cooking hamburgers, pasta, and fish.

Or if you're really bold and crafty, you can opt for cruising around the neighborhood like Beth Page. It may sound unbelievable, but some women have been known to do it.

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Example

When Beth Page moved to Boston from Jacksonville, Florida, she was unemployed. She had money to pay her rent but nothing left over to buy food. The twenty-five-year-old quickly befriended the restaurant owners and managers in her neighborhood.

“When I walked into a restaurant, they’d offer me wine. I would take bread instead and then they’d make me a salad,” she said, twisting her silver ring on her pinky. “Or sometimes I’d ask the deli guy for a free sample. I’d go around to six or seven different delis for free samples and that would be dinner.”

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- *Beauty will be more expensive in the city.* Single women spent nearly \$6 trillion on personal care products and services in 1999, according to the Department of Labor. Whatever your budget for hair care, spa treatments, fitness, and perfume, increase it by at least 30 percent if you move to the city. Chapter 6 details ways around the high cost of beauty.
- *Clothing will be more expensive in the city.* Single women spent \$187 trillion on apparel. If you're spending a modest amount now while living in Stillwater, Oklahoma, and you're planning on relocating to Atlanta, Georgia, you may want to continue to buy your clothes in Stillwater, where you can find fashionable clothes in upscale boutiques at a discount. There are also outlets on the outskirts of Atlanta where you can shop.

- *Parties and bars will be more expensive in the city.* If you're a recent college graduate, you may be used to happy hour specials at bars on campus, but the gravy train is over once you get into the real world of city living. While clubs in Bakersfield, California, may charge a \$5 admittance fee, expect to pay triple that amount in Los Angeles or San Francisco.

Single women spent \$14 trillion on entertainment and \$27 trillion on alcohol in 1999. To reduce the amount you spend on partying, you may want to network among your college friends to get in on the house party circuit, where food and drinks are free and you won't have to pay an entry fee!

When you first move to the city, you'll need to create a new social circle.

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Example

Sophie Janus found an upscale bar in Philadelphia and befriended the bartender. A Southerner, Sophie had no trouble striking up a conversation.

"When I moved to Philly, I knew no one. I went up to the bartender and asked him to make a good Sidecar," she said, adjusting her Chanel chain belt. "Then I asked him to tell me the ten places where I could find a good Sidecar and people who matched the way I was dressed."

The bartender took a napkin and wrote ten Philly hotspots with a black felt-tip pen.

"That's how I started. I just ventured off by myself and learned my way around the city," she said, pursing her lips. "I still have that list somewhere in my apartment."

Now, two years later, the media planner gets invited to free house parties every weekend.

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Living in the city is different in that you may not need a car if you live in San Francisco, Boston, or New York. But even if you live in a city that requires driving, it will be different from living in the country. Another way that city living is different is that you may have to lock your doors when you leave your home. Often, in the country, people don't lock their front doors. But in the city, whether it's D.C. or Boston, the higher crime rate will require that you bolt your doors.

The single urban woman's life is different from the country-woman's life in ten critical ways:

1. The urban woman has to worry more about crime. That means she may need bars on her windows or a security system in her apartment. Living in a doorman building is safer but also costlier.
2. The urban woman deals with more traffic, which means that she'll be spending more time in her car or in a subway. Car insurance is also more expensive in urban centers.
3. The urban woman spends more on clothing. This means she will have to come up with economical ways to buy new clothes.
4. The urban woman spends more on food. She will have to learn to cook rather than eating out as much as she may be accustomed because eating in restaurants is more expensive.
5. The urban woman may have more exciting social opportunities, but, at the same time, those opportunities will be more expensive than in the country. For example, a charity benefit may cost \$40 in Fayetteville, North Carolina, whereas in Raleigh-Durham a benefit could cost upward of \$75.
6. The urban woman may have a more glamorous job than a countrywoman because jobs in entertainment, advertising,

and publishing are more likely to be located in big cities. But she'll have to look the part, which means spending more money on her appearance.

7. The urban woman may have a higher salary than someone living in the country, but that salary may not go as far in terms of buying groceries, paying for gym membership, or paying rent.
8. The urban woman may have access to more company benefits because she's more likely to work for a corporation than her sister who lives in Idaho.
9. The urban woman will feel more pressure to dress fashionably while living in the city whereas life in the country is more laid-back regarding clothing. Countrywomen won't be judged as harshly for wearing shorts and a T-shirt to work out; the city woman may feel the need to wear a matching outfit to the gym to fit in.
10. The countrywoman may feel more relaxed than her city counterpart because things are more stressful in the city. As a result, the single, urban woman may need more vacations.

This book contains advice that may be contrary to what some working women believe. Just as *Sex and the City* is over the top, some of the examples in *Cash in the City* seem outrageous too. But that doesn't mean that there aren't women out there like Samantha, Carrie, Miranda, and Charlotte who are just biding their time until Mr. Right strolls along. It may be old-fashioned, so if painting your nails, man-hunting, and highlighting your hair seems superficial and retro, pass GO and skip directly to the personal finance chapters that are filled with money strategies that can fill your pockets with cash so that you won't need a man.

Now that your fortunate situation in the big city has been explained, Chapter 2 details the money mistakes and pitfalls to side-step so that you are not compromised as Lily Bart's character was in Edith Wharton's classic, *The House of Mirth*.

CHAPTER 2

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Money Missteps to Avoid

Issues that Cloud the Single Woman's Financial Landscape

Today's single woman can be so blinded by the appeal of a certain lifestyle that she won't recognize a trap that can change her financial life forever. Imagine yourself skipping barefoot through a green forest with your long white summer dress whipping at your heels, a wreath of grape leaves crowning your head, and suddenly getting your foot stuck in a bear trap with no help in sight. Gone are your footloose and fancy-free days of dashing around oblivious to the dangers around you. You've been caught, and now you're paying the price.

Single women living in big cities tend to live for the moment because their money tends to be "me" money. In their twenties and thirties, they want to feel and look good with their money. It's about instant gratification and being entertained in all of your free time, which results in spending a lot of money. Given a choice of sitting home with a book or going out to a new movie, single women in urban settings are more likely to go where the action is.

There's nothing wrong with spending money on looking good and feeling good, but there is something wrong with spending all of your money—and not saving any for the future.

It's empowering for single women to have money all to themselves to do whatever they want to do. But this freedom can lead to a dead end later in life. Living in the moment has sound emotional advantages but also serious financial disadvantages.