



# GRIT WITH GRACE

## The Heart of the Matter: A Short Story

By Randy Kaufman

with research assistance from Dustin Lowman

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*Due to the highly sensitive nature of my work, I cannot share details that haven't been anonymized and veiled. So, I wrote a short story. It's a work of realistic fiction, much like the numerous historical fiction books I consume. Though fictional, Mary and Kevin's tale contains characters with traits based on real clients, circumstances that amalgamate real financial challenges, and results based on the real outcomes I've helped my clients achieve.*

*Whether or not we've ever met or worked together, you may see something of yourself — your emotions, your history, your financial concerns — in this story. Please don't hesitate to reach out if you do.*



### Chapter 1: The Townhouse

Mary's Upper West Side apartment was a capsule of her family past. She'd quit her job as a financial journalist and raised her twins — a boy and a girl — in these rooms, and the rooms bore the imprint of their upbringing: framed grade-school art projects, photos from infancy all the way through young adulthood, marks on the doorsills as their heights had approached, then met, then exceeded hers, and innumerable other fragments from the mounds of time she'd invested in the health and security of her family.

Time was not the only thing that she and Kevin — at the time, her husband — had invested in the family. Kevin, a software industry veteran, had been a winner twice over; first, with one of the few companies left standing after the dotcom boom and bust, and then with a company whose single-letter logo flashed on the home screen of nearly every smartphone owner in the civilized world. They'd had stock, the stock shot up, and they spent.

They spent, and what they bought became entangled with their identities. The apartment was jettisoned and replaced with a \$20 million townhouse, replete with antique furniture, a modern art collection

bound for a museum one day, and a staff to manage it all. A bevy of sales people in designer suits and Hermes ties hawked products good, bad, and ugly — many of which found their way into the townhouse.

Mary and Kevin joined the NYC social circuit, attending a few charitable events a week. In their spare time, they traveled the world — on private jets — and delegated much: people to pay the bills, do the grocery shopping, and eventually, raise the children. More crept in over the years. And, then more and more appeared, as more feeds the desire for more: two vacation homes — one in Aspen, one in the Hamptons — more art, more designer clothing, two racehorses housed in Saratoga and Florida, a collection of antique watches fit for a king, jewelry fit for a queen.

As newcomers to money, they naively conflated it with happiness, and imagined “things” could bring comfort and security in this chaotic world. Searching in all the wrong places for the peace of mind and happiness they knew before the wealth took over, they never reclaimed it.

The twins neared college age. One was going to Harvard in the Fall, Kevin’s alma mater; the other was off for a year of study abroad, with plans to attend Yale when she returned from her adventures. They were happyish — as happy as kids can be when raised by a rotating host of nannies. Their trusts, which they just learned about, brimmed with funds to support the rest of their lives. As the kids prepared to fly the coop, Mary and her husband’s worlds diverged.



It happened gradually, then all at once. In the blink of an eye that it took her children to morph from infants into adults, Kevin was marrying his former assistant, and Mary, in her fifties, was ousted, as easily as they had sold their starter apartment. You could find her up all night, wandering the four floors of the now-spectacular Townhouse, inspecting the rooms where her family had nested, reliving chapters of a book in which she was the main character.

The divorce left Mary with \$8M after some careful estate planning by Kevin and his lawyers, which removed racehorses, art, and much of the stocks from the marital estate. For many, \$8 million would be more money than they could imagine. But for Mary, in her mind and in her reality, she was destitute. Could she survive without her children, her husband, and the lifestyle to which she had grown accustomed? Her dignity, her social circuit, her designer gowns, her private jets, and her second and third homes had infiltrated her brain over the years and become her identity.

Mary gingerly stepped into a new phase of life — one that looked very different from how she thought it would look. Sleep eluded her; she lost 15 pounds off an Upper-East-Side-thin frame already. She was a smart woman and a former finance expert, but had ignored the family finances over the decades, assuming there would always be enough. She trusted Kevin, but failed to verify that trust, enabling him

to embark on an affair with a work colleague and do the “creative” estate planning that gave him access to money.

Now, she feared losing not only her lifestyle, but her townhouse, the townhouse that had meant so much to her. She was worried that if she didn’t have the best of everything that her friends and family would think less of her. She knew that the future was coming, and she was worried that, for the first time in ages, she wasn’t prepared for it.

So, she scheduled a meeting with one of my colleagues and me. After outlining her situation, my colleague brusquely said to her, “Well, why don’t you just give up the townhouse? It costs over \$50,000 a month and is worth over \$20 million. You’re alone now. Surely it would help you support your lifestyle.”

I pushed the tissue box to her side. Mary wept.

On paper, my colleague’s suggestion made sense. The townhouse was worth a lot of money, money that would substantially extend Mary’s runway and reduce the risk that she was on a collision course with bankruptcy.

But people don’t live on paper. And money, which seems so reducible to dollars and cents and decimal places, exists only partly on paper. Mary was not weeping because she stood to make so much money. Mary was weeping because, if she let go of the townhouse, she’d be letting go of a life — a life she’d loved, full of people she still loved, people she desperately didn’t want to lose.

I came around to Mary’s side of the table, tissue box in hand, and gave her a hug. Our approach was going to have to be much more nuanced — and much more emotionally attuned to Mary’s state of being.

## Chapter 2: The Heart Of The Matter

As with all clients, my work with Mary split into two main categories: the emotional and the practical. Even if clients don’t always have overt emotional connections with money, money is always significant because of what it represents to people: family security, fond memories, independence, love, and more. Understanding what’s important, and nurturing the actions that will bring these visions to life is the core of my work.

### The Emotional

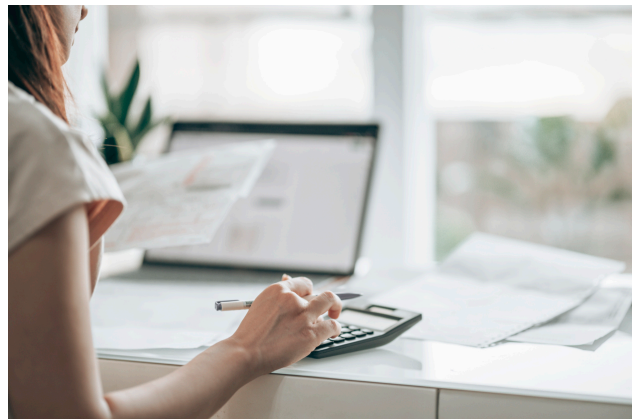
- **Understood what Mary’s money and possessions meant to her.** When my colleague suggested Mary give up her townhouse, he didn’t realize he was asking her to turn away from things and people she loved. In Mary’s life, as in everyone’s, there are certain non-negotiables: things that bring them an essential security. My first task was to understand what these were — and by extension, what having

“enough” meant to Mary.

- **Didn't judge what was important to her.** This is as important a step as the first one. Things that matter to one person seem frivolous to another; no doubt, many people deem my admitted addiction to beautiful jewelry a waste of money. To them, it is. To me, not so. It's not my place to judge what's important to my clients — in fact, it's no one's place to judge what's important to anyone else. My duty to Mary was not to editorialize, not to preach solutions, but to understand her values — to get into her mind, and out of mine.
- **Didn't assume lessons would be obvious.** Lessons always seem obvious after we've learned them. It's easy to forget that others have not had the opportunities that we've had to learn them, or the kinds of voices that make learning them a pleasant experience. Mary hadn't sat down and figured out exactly what she was spending, exactly what she had, and exactly that she had about five years before she would be out of money. No lesson was too obvious to explain, and I delivered every explanation with compassion.

### The Practical

- **Created a budget.** Knowing what was important to Mary, what Mary had in the bank, and the rate at which she was spending, we could distinguish her essential from her nonessential, and make a budget that would keep Mary afloat. More importantly, it was a budget that Mary could buy into on practical and emotional grounds. The horses — gone, along with a staff of three, and some of the jewelry she never wore was sold at Christie's. She raised millions. This gave her a bigger cushion, enabling her to keep what mattered most: the townhouse.
- **Set up a monthly check-in.** As client relationships mature, I generally meet with them on a quarterly basis. But in the early stages of a client relationship — especially if we're trying to avoid a catastrophic situation — we meet as often as necessary to ensure that all is progressing according to plan. A monthly check-in on spending is similar to going to a trainer who keeps you on track at the gym.



## Chapter 3: “Enough” Is Enough

### Got Mary's spending back on track, and kept her townhouse

Having established and nurtured a plan that Mary bought into, we helped Mary reduce her spending to sustainable levels on no more than 4–6% of her portfolio. Is 6% higher than I'd like? Yes, but it's far

better than the 30% she was spending before our work together. This way, she was able to keep her townhouse — and in doing so, sustain the connection to her family, to her earlier life, and to the sense of security that mattered so much to her.

### **Helped her understand what “enough” meant**

Mary became an adult in a culture where “more” was better — more money, more prestige, more space, more friends, more stuff. My position has long been that “more” is a black hole that consumes everything (including itself), while “enough” is a planet you can live on comfortably. By taking a deep-dive into what mattered to Mary, we were able to define what “enough” meant to her, and encourage actions that had “enough” as their ultimate goal.

There’s little in modern life that encourages people to be satisfied with what they have. Take it from someone who used to pray at the altar of “more”: Being able to define and live your life by your concept of “Enough” — a philosophy exemplified and chronicled by Jack Bogle — is a road to financial happiness.

Mary’s story is a common one, but it’s not the only one.

Maybe you’re worried you’re spending at a rate that will deplete your savings. Maybe you’re trying to save at a rate that will let you retire at a reasonable age. Maybe you’re trying to invest responsibly. Or, maybe you’ve got a complex stew of estate challenges, investment objectives, family governance goals, and more. Whatever your cocktail of financial goals, I’m here to help. Knowledge is power.

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## **ABOUT THE AUTHOR**



Randy Kaufman, formerly a corporate tax attorney and investment banker, is now a wealth advisor who prides herself on focusing on what matters most: clients’ peace of mind, family dynamics, and getting *enough*, not *more*. Randy is a passionate student of impact investing, strategic philanthropy, and behavioral psychology (while not a psychologist, she occasionally plays one in the boardroom). She is dedicated to helping the underprivileged, and is a proud member of global venture fund Acumen’s advisory board. A thinker, learner, and pursuer of overarching truths, she is always eager to discuss big ideas about money, and its off-and-on associate, happiness.