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Daily money managers can step in to tame personal finances

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Time-pressed professionals and the elderly unable to handle their daily financial affairs are spurring a nascent business in money management.

These so-called daily money managers say they go far beyond the role of a traditional bookkeeper. Depending on the needs and desires of a client, a daily money manager will handle regular bill payment activities, deposit checks and maintain records. In more involved situations, they'll actually write and sign checks to pay bills and handle a range of matters such as negotiating with creditors and reconciling insurance paperwork with doctor and hospital bills and other complex projects.

"I'm not a bookkeeper," says Mary Farrell, who handles the business affairs that can become rather complicated for some of the Bay Area's upscale residents who she counts among her clients.

"In some cases I negotiate fees for other professionals whose services are needed," says Ms. Farrell, who founded her daily money management service, Individual Cash Management Systems, in 1986 in San Mateo.

This new arena of financial services is growing, but a widely accepted description of what the service entails — or regulatory requirements for those practicing daily money management — don't exist.

"We don't even have our own category in the telephone book," observes Mike Stern, who recently relocated his one-man daily money management practice to Menlo Park from Dallas.

The fledgling industry's trade group, the American Association of Daily Money Managers, was founded just seven years ago and now lists more than 100 members, which is probably only a small fraction of those engaged in the business.

Such services were originally designed for those who were unable to handle their own financial affairs due to age or health issues.

In some cases, an adult son or daughter has secured a daily money manager for a parent and decided it was a service they could use themselves.

"A big impetus for me was going back to Indiana and helping my mom move from her home of 40 years," said Kate Meyers, a Palo Alto small-business owner involved in real estate projects.

"I secured the services of a bookkeeper to handle my mother's affairs and decided this was a service I could use," said Ms. Meyers, who was referred to Mr. Stern by a traditional money manager. "I was spending a lot of time handling paperwork and not doing it very well. My accountant loves it."

She turned to a daily money manager to help set up financial systems and record-keeping practices as well as handle routine bill payments and payroll matters. Ms. Meyers said she has relied on Mr. Stern for other projects as her comfort level with using a daily money manager has grown.

Another source of potential clients are women who have recently gone through a divorce or the death of a spouse.

Teresa Dentino, a 17-year veteran of the financial services industry, has developed a practice in Woodside to assist women coping with death or divorce. She doesn't provide the services of a daily money manager but helps her client decide whether one is needed.

"Much more than just the financial balance sheet is involved. There's an emotional balance sheet as well," Ms. Dentino says of her clients. "I clarify what they need to do and show them what type of options and choices they have."

When it comes to whether a bookkeeper or daily money manager is needed, Ms. Dentino says: "I help them examine the complexity of their situation and whether they'll be willing and able to sit down on a regular basis and handle their financial affairs."

Those considering the services of a daily money manager will want to ensure that the individual or firm is bonded and insured. Care must be taken because the business is largely unregulated and a great deal of personal financial information is shared with the daily money manager.

And trust is crucial since personal rapport with the manager is a key element of the professional relationship.

"As I've been making decisions, I've asked myself, 'Am I comfortable here?'" says Ms. Meyers, who met with a few managers before choosing one.

"You have to ask yourself whether it feels like a good fit or not."

Mark Calvey is a reporter for the San Francisco Business Times, a sister publication.

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