

Women and Money



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Bio's

- 
- **Cary Carbonaro MBA, CFP® , NAPFA
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 - **Michael Borowski, CPA, CFP®**
 - See Handouts



Stonegate Wealth Management

- Who We Are....
- Based in Fairlawn NJ with offices in NY and FL
- \$225,000,000 in Assets Under Management
- Founded in 1993
- Top Wealth Manager in Bloomberg Magazine
- Top 100 Financial Planning Firms in the USA
Worth Magazine
- Multiple TV and Newspaper Appearances



Agenda

Men vs. Women



Stereotypes of Men and Women

In society men are often viewed as the bread winner while women are viewed as the homemaker.

Stereotypes of Men and Women

Men and women think about money differently because:

1. They are raised differently by their parents.
2. They are paid differently.
3. They perceive things in different ways.

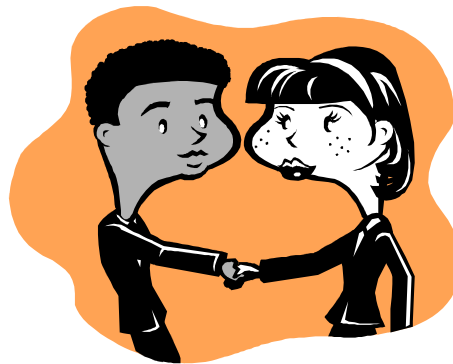
The Differences

Men

- Analysts
- Spatially Inclined
- Efficient at focusing
- Soloists

Women

- Synthesizers
- Verbally Inclined
- Better at integrating
- Ensemble Players



The Differences

Men and women are not on equal footing, especially when it comes to money. Consider the following statistics:

- Women earn an average of 73 cents for every \$1 earned by men. That means women are earning over 25% less than men.
- One woman in five over the age of 65 receives a pension.
- Women have fewer benefits to look forward to and must make them go further they will most likely live longer.

Women's Values

Women Cherish:

- Warm, close relationships
- Girlfriends
- Men who are thoughtful, caring and considerate
- Children's accomplishments

Women take Pride in:

- A warm, comfortable and orderly home
- Physical appearance
- Multi-tasking
- Making the world a better place



FAST FACTS

- Elderly women getting by on Social Security are reaping benefits of about \$600 -- 25 % lower than the average benefit for a man.
- Studies now tell us that nearly half of all new marriages end in divorce
- The average American has at least \$5000 worth of credit card debt and pays roughly 18 % interest on top.
- Women represent only 3.3% of the five most highly paid officers at Fortune 500 companies, compared to men who make up 96.7% of top earners.
- When projecting the amount of retirement savings women expect to have saved by age 65, men expect to save \$480,000 vs. women's savings of \$170,000.
- Even with social security, older women are two times as likely as older men to be poor.

FAST FACTS

- Nearly 60% of Medicare beneficiaries are women and this proportion rises with age
- Even with social security, older women are two times as likely as older men to be poor.
- 54.8% of women are concerned about the amount of debt they have. See Maxed Out!
- If you start setting aside \$2,000 a year at age 25, keep it up till age 35 and never add another penny and that money grows 10% a year until you turn 65, you'll have a \$204,572 nest egg. At age 45, you'll need to stash nearly \$3,500 a year for 20 years to save the same amount.



FAST FACTS

- Women are now starting new companies at twice the rate of men.
- Women's median pension benefit income is \$3,000 -- approximately two and a half times less than a man's median benefit.
- Women are much more likely than men to be unsure of the amount they have currently saved towards retirement: 32 % of women vs. 19 % of men.



Fast Facts

- There is a noticeable void of financial content for women on the web.
- Women earn less social security benefits than men.
- Women statistically live longer than men, so they are required to save more for retirement.
- Women make up the largest percentage of the elderly poor today.
- Many women are afraid to admit they don't have a thorough understanding of personal finance.



MYTHS THAT KEEP WOMEN FROM TAKING CHARGE OF THEIR MONEY

- MONEY IS JUST TOO COMPLICATED TO UNDERSTAND
- I DON'T HAVE ENOUGH MONEY TO INVEST OR SAVE
- IF I TAKE RISKS WITH MY MONEY, I'LL LOSE EVERYTHING
- I DON'T HAVE ENOUGH TIME TO MANAGE MY MONEY
- IT'S SELFISH TO PUT MYSELF FIRST
- IF I TAKE CHARGE OF MY MONEY, I'LL ANTAGONIZE OTHERS AND MIGHT END UP ALONE
- SOMEONE ELSE SHOULD BE TAKING CARE OF ALL THIS FOR ME



What I Have Seen!

- Women rely too much on Spouse, what happens if they get divorced or dies?
- Women are too conservative barely keeping up with inflation
- Women are intimidated and overwhelmed so don't know where to start
- Women live longer and are very independent except when it comes to money

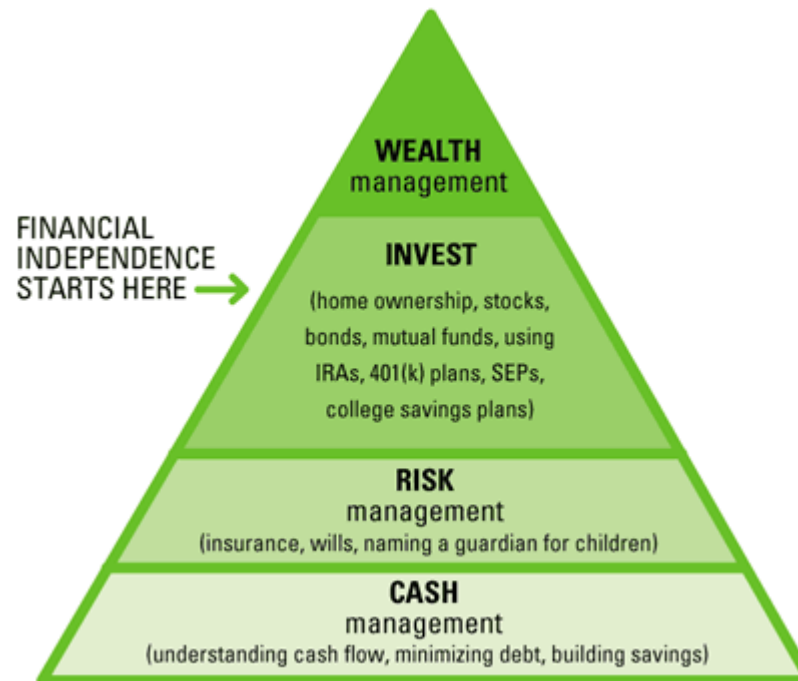


What does this Mean?



- As women, we need to...
- Take control of our own finances.
- Manage our money wisely.
- Implement a financial plan.
- Educate ourselves financially.
- Establish a positive attitude about money and life.
- Remember to "have fun along the way".

Pyramid of Financial Freedom



Budgeting

- Everyone should know how much they spend
 - Software to track spending – Quicken
 - Does Bank Reconciliations
 - Tracks Investments
 - Generates records and reports for tax preparation.
 - Maintaining your personal finances like a well run business (Managing your Cash Flow).
 - Comparison shopping.
 - Taking advantage of no interest or no payment options.
 - Using credit in an effective and efficient manner.
 - Mint.com
 - Quicken.com



Online Banking or Traditional Bill Paying

- Make sure your bills are organized.
- You should set up online payments immediately.
- For traditional bill paying, make sure you know due dates.
- Be careful with having your account automatically debited by a vendor.

Credit

- It's a very effective tool if used properly and responsibly. Cash is and will always be "KING", but there is a time and place for credit to be used.
 - There are different types of credit.
- 1. Tax Deductible
 - a. Mortgages
 - b. Home Equity Loans
 - c. Lines of Credit
- 2. Non-Tax Deductible
 - a. Credit Cards
 - 1. Make sure to reconcile activity monthly
- www.creditkarma.com
- Myfico.com

Emergency Fund

- In the past it was recommended you have 3-6 months. In today's economy we would recommend 6-12 months.
 - Checking or Savings account. Don't take any risk with this money.
 - Home Equity Line of Credit (HELOC). If you own a home inquire about this.
 - Rates are low
 - Interest only payments available
 - No interest accrues unless you access the line.
 - These have gotten harder to get during the crisis.



Asset Allocation and Diversification

- These are the two most important concepts that you need to know. 90% plus of your investment return is influenced by asset allocation. You do not need to be a great stock picker.
- Your asset allocation will be determined by your risk tolerance and your goals and objectives.
- Show Sample



Financial Planning and Why It's Important for Everyone



Like most people, you have hopes, dreams, and life goals for yourself and your family. These might include buying a home or business, saving for college education for your children, taking a dream vacation, reducing taxes, and retiring comfortably. Financial planning is the process of wisely managing your finances so that you can achieve your dreams and goals — while at the same time helping you negotiate the financial barriers that inevitably arise in every stage of life.



Financial planning can help you...



- Set realistic financial and personal goals.
- Assess your current financial health by examining your assets, liabilities, income, insurance, taxes, investments and estate plan.
- Develop a realistic, comprehensive plan to meet your financial goals by addressing financial weaknesses and building on financial strengths.
- Put your plan into action and monitor its progress.
- Stay on track to meet changing goals, changing personal circumstances, changing stages of your life, changing products, markets, and tax laws.



What is a FIDUCIARY?

- A financial advisor held to a Fiduciary Standard occupies a position of special trust and confidence when working with a client. As a Fiduciary, the financial advisor is required to act with undivided loyalty to the client. This includes disclosure of how the financial advisor is to be compensated and any corresponding conflicts of interest.
- NAPFA believes advisors must receive compensation only from their clients, must disclose any possible conflicts of interest, and must be loyal to the best interests of their clients.
- <http://www.focusonfiduciary.com/>



What is a FIDUCIARY?

- Compensation – NAPFA members are compensated solely by their clients, and do not receive any outside inducements for recommending investments or financial products. This is the true definition of being a “Fee-Only Advisor.”
 - Loyalty – An advisor who is loyal to only his or her clients will not be swayed by outside forces to recommend investments with higher commissions or payouts.
 - Disclosure – People must understand how their financial advisor is being compensated and whether or not any potential conflicts may impede an advisor’s ability to provide truly independent advice. Disclosure must be made before a client works with an advisor or implements any of his or her advice.

What is a FIDUCIARY?

FIDUCIARY OATH

- The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client. The advisor shall provide written disclosure to the client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflicts of interest which will or reasonably may compromise the impartiality or independence of the advisor. The advisor, or any party in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product. The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business.

- **What the Fiduciary Oath means to you - the client**
 - I shall always act in good faith and with candor.
 - I shall be proactive in my disclosure of any conflicts of interest that may impact you.
 - I shall not accept any referral fees or compensation that is contingent upon the purchase or sale of a financial product.

Advisor Signature

- For more information please Visit www.FocusonFiduciary.com
- <http://www.napfa.org/consumer/faq.asp>



Suggested Reading and Websites

- www.stonegatewealth.com
- www.cfpboard.org
- www.napfa.org
- www.focusonfidiciary.com
- Money Magazine
- Kiplinger's Personal Finance
- Wall Street Journal Personal Finance Section



Questions

- Open
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