

Women, Money & Power

According to the “Women, Money and Power” study released last week by Allianz Life Insurance Company of North America more than half of all women want to learn more about retirement planning and entry-level saving and investing. Approximately 30% of the women are eager to strengthen their financial planning skills, but many are not sure where to begin. The most meaningful and effective source of information is through human contact. The women studied said they are overwhelmed by materials, information is too complicated and hard to understand and financial terminology seems foreign.

The Allianz study identified the top five financial planning topics women want to learn about:

- Planning for retirement/maintaining lifestyle in retirement – 54%
- How to start saving or investing on very little income – 53%
- Basics of buying smart (savvy shopping, buying vs. leasing, etc.) – 46%
- How to buy/select the right insurance products (life, long-term care) – 41%
- Definition of basic financial terms (IRAs, annuities, mutual funds) – 40%

The study confirmed much of what I’ve learned from hosting Money Wi\$e Women Conferences for the past six years -- beginning with women are eager to learn and learning about finances is like learning a foreign language. Today, more than ever -- there are lots of great resources available to help you on your journey to living financially healthy. But, you’re not going to become proficient in the language of finance by attending one workshop, reading one book, reading the Wall Street Journal or one meeting with a financial advisor. The good news is that learning about money can be fun, make you feel confident, secure and powerful.

Don’t waste another day wondering where to begin or if you have enough money to invest. You can invest as little as \$50 a month and watch your investment grow using the magic of compounding interest. If you’re worried about what’s happening in today’s stock market – it’s actually a sale and what woman doesn’t love a good sale?

Okay, where do you begin? My recommendation is find a good financial advisor because she can be your coach and mentor. She will help you identify your problem areas, develop strategies to help you reach your financial goal, help you set priorities, save you time by researching and help you make money with your investments.

Begin the process of finding a good financial advisor by obtaining the names of three candidates. Ask your friends, co-workers and other trusted sources if they have any recommendations. If possible interview all three financial advisors before determining which one best fits your needs. Below are some questions to ask when you conduct your interview:

- Can you tell me about your work, educational experience, and how long you have been in business? There is no right or wrong answer to this question. However, the longer the individual has been in business, the more experience they have. Additionally, a financial advisor may have broadened her knowledge base and obtained credentials by taking classes.
- How are you paid for your services? There are several methods a financial advisor can be paid for her services. One method is fee-based services, which means that the financial planner charges either an hourly rate or a flat fee. The hourly rates usually range from \$100 - \$250 per hour. Another method is commission only, which is where you pay a commission each time you buy or sell an investment. Some financial advisors use a combination of commissions and fees. You’ll

pay a flat fee and commission on your transactions. You need to research to determine which fee structure best fits your needs.

- How often do you or someone from your office communicate with your clients? Your financial advisor can be your financial coach. Therefore, you want to communicate with her at least twice a year to ensure you keep in touch with your investments. Your relationship with your financial advisor is important in achieving and maintaining financial fitness. Remember it's up to you to know how your investments are being managed.
- Can you provide references of clients with needs similar to mine? Talking with other clients can be very valuable. Ask them if they are happy with the service the financial advisor provides. You might also want to ask if the financial advisor has any strengths and/or weaknesses.
- Are you registered with the U.S. Securities and Exchange Commission (SEC)? May I see a copy of your Form ADV (Uniform Application for Investment Advisor Registration)? This form lists a breakdown of where her income comes from; relationship and affiliations with other companies, financial advisors' educational and employment history, types of securities the firm recommends and the firm's fee schedule.

Attend a Money Wi\$e Women Conference this fall or look for a financial conference in your area. Read the Money Wise Women blog. Visit the Money Wise Women website for a list of financial websites, books and other resources on the Money Wise Women website.

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