RAYMOND JAMES®

WELLS FARGO ASSET MANAGEMENT

Women and Wealth: The Power of Your Money

Taking control of your financial well-being

Life happens. Be prepared.

As time goes on, so do your financial needs, but the financial planning journey is typically different for men and women.

Every woman needs to have a financial plan because strategies may need to be different than a man's—equal in importance but not identical in objectives or how to reach them.

A longer life span, a lifestyle that may take you in and out of the workforce, and lower lifetime earnings may be just a few of the reasons.

Let's look at life's transitions and the financial challenges that may come with them.

As a companion to the *Women and Wealth: The Power of Your Money* workshop, this guide serves as both a discussion overview and a workbook to jot down your notes. Use it as a reference tool when you meet with your financial advisor or whenever life changes occur.

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Steps you can take on your own

Taking charge of your finances begins with staying on top of them. Here are a few ways to take an active role in monitoring your personal situation. How many of these steps have you taken?

1. Be actively involved in your finances

☐ Organize your finances

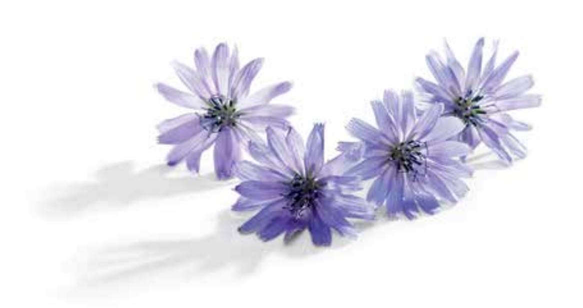
- Create a list of all your records, including assets, liabilities, insurance policies, etc.
- Consolidate your financial records into one place, either in electronic or hard-copy format
- Know your income and expenses, both monthly and annually

☐ Know where your money is located and how to access it

- Maintain access to all financial documents
- Understand what accounts you own and why they were established
- Identify which accounts have immediate liquidity and which have financial repercussions for withdrawal
- Have access to passwords, safety deposit box keys, etc.

☐ Stay involved in financial decisions

- Mortgage details
- Insurance needs
- Investments



☐ Understand how shared assets are reported

- Monitor credit card balances, account balances, credit scores, etc.
- Review tax reporting

☐ Participate in the household budget process

☐ Name beneficiaries on all your financial accounts

☐ Understand how to build and maintain a good credit score

- Know your individual credit score
- Contact credit-monitoring firms to see a range of your scores
  - Equifax, Experian, TransUnion
  - Ensure the web pages of the credit-monitoring firms post a secure-user logo or statement
  - Establish individually owned accounts to build credit

    Examples:
    Major credit cards and department store credit cards

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- ☐ Contribute to your employer-sponsored retirement plan or other retirement vehicles up to the maximum limits

- ☐ Consider continually researching and reading about investing and finances in general

  Examples:

  A Beginner's Guide to Investing: How to Grow Your Money the Smart and Easy Way[1]

  The Elements of Investing: Easy Lessons for Every Investor[2]

2. Select and work with a financial advisor

- ☐ Ask relatives, friends, or work associates for financial advisor recommendations. If you have specialized needs, search the internet for advisors who have expertise that meets your needs
  - Check their background through the Financial Industry Regulatory Authority (FINRA) http://www.finra.org/ for licensing and history
  - Consider Yelp and BrightScope websites for client feedback

- ☐ Interview advisors to make sure you are compatible
  - Let the advisor know what your expectations are up front
  - Discuss your situation, your needs, and your fears
  - Have your advisor adapt their consultation to address your questions and diminish any anxiety you may have.
  - Ensure your advisor listens to your needs, goals, and concerns and can provide a customized plan around them—in writing.

- Ask questions that allow you to feel comfortable with the advisor managing your money.

  For example:

  How long have you been in the industry?

  Do you have a financial education background or advanced certification? (For example: CFP® certification)

  What made you want a career as a financial advisor?

  What is your investment philosophy?

  What is your fee structure? Are you fee-based, commission-based, or salary-based?

  Do you provide references? What would they tell me about you?

  What is your unique value proposition? What do you do that is different from other advisors?

  What is your client service model?

  How often do you contact or follow up with your clients? Monthly? Quarterly? Annually?

- Ask the advisor for client references

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☐ Discuss or develop a financial plan with your advisor

- Provide your advisor with the titles of your will, trusts, and other legal documents to ensure they are registered correctly
- Encourage your advisor to work closely with your accountant or attorney on your behalf
- See the "Topics to Discuss With Your Financial Advisor" section, page 15

☐ Meet with your financial advisor on a regular basis

- Determine the frequency of meetings
- Ask what you can expect at these meetings

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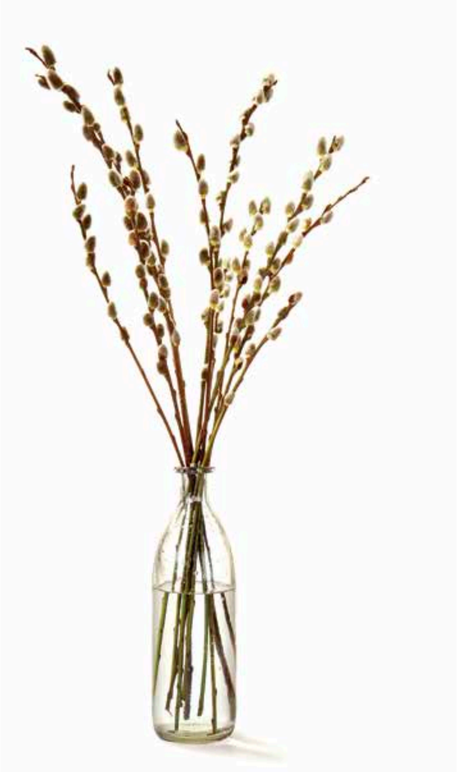

3. Understand your financial plan and documents

You will want to review your financial documents with your advisor. Understanding them will help make these meetings beneficial for both of you.

Every woman should have a financial plan that includes some or all of the following:

☐ Legal documents:

- Trust, if needed
- Will
  - Details your intentions and how your estate and money will pass upon your demise
  - Pays debts and taxes and transfers assets to your estate
- Guardianship instructions for minor or incapacitated children
- Power of attorney (POA)
  - For unmarried children over the age of 18
  - Durable POA to provide financial control if you become incapacitated
  - Health care POA/health care proxy to provide health care control (for example: long-term care, in-home support, etc.)
- Do Not Resuscitate order, if desired, to respect the wishes of a patient not to undergo CPR or other methods of life support
- Appointment of fiduciaries to administrator the trust and estate

☐ Retirement planning

- Create a savings (investment) plan
  - Determine the percent or dollar amount and frequency of investments
- Contribute to your employer-sponsored plan (for example: 401(k), 403(b))
  - Consider investing at least up to the plan's matching contribution limit
  - Understand which retirement vehicles you qualify for (401(k) versus Roth 401(k); Roth IRA versus traditional IRA)

☐ Income planning

- Understand the order in which you will withdraw income from your retirement vehicles
  - Consider tax consequences of your withdrawals (taxable versus tax-deferred versus tax-free accounts)
  - Factor in the need to draw your required minimum distribution, no later than April 1 after you turn age 70½

☐ College planning, if appropriate

- Establish college education funding objectives
- Understand advantages and disadvantage of 529 plans
  - Gifting considerations
  - Tax considerations at distribution (who owns the account, who pays the tax, how colleges regard this asset, etc.)
- Consider Uniform Gifts/Transfers to Minors Act accounts as another route to meet college costs

☐ Insurance planning

- Review your coverage for life, home, auto, disability , long-term care, and umbrella policies

☐ Philanthropic intentions

- Be clear on your gifting and charitable giving plans

Have your entire financial team (accountant, attorney, and advisor) work together on your behalf

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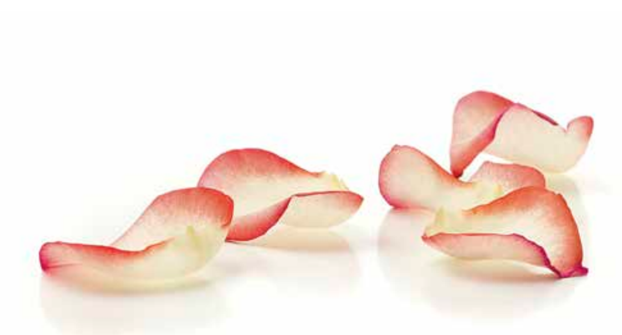

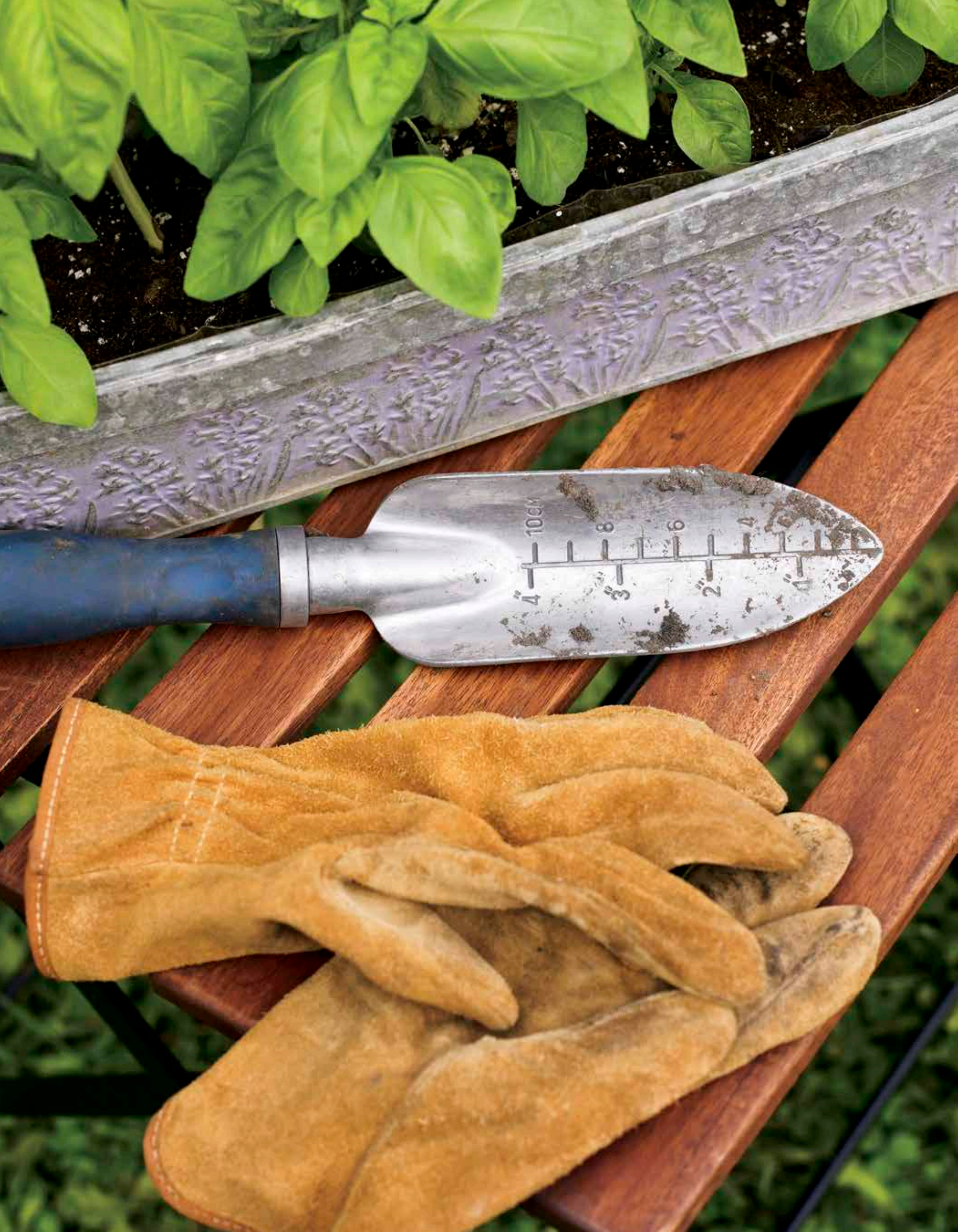
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Topics to discuss with your financial advisor

Most people, regardless of their level of investment experience or sophistication, can benefit from professional guidance when it comes to managing their finances. A financial advisor is qualified to analyze your financial situation and develop a plan designed around your unique goals and objectives.

When you meet with your advisor, openly discuss your situation, your needs, and your fears. The more your advisor understands how they can help you, the more satisfied you will be with the relationship.

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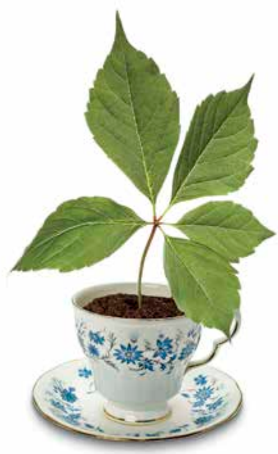

Discuss the kind of relationship you are looking for with your advisor. Once you know what qualities you are looking for in an advisor, communicate this information during the first meeting. This will set expectations from the beginning in a clear and straightforward manner.

For example:

How often would you like to be contacted? After you receive your investment statement, quarterly, annually?

How do you prefer to be communicated to? Letter, email, phone call, text?

Are you looking for tax advice?

Do you want to work with a team or a single individual?

Are you looking for a personal finance expert, an investment broker, an insurance agent?

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Discuss the following legal documents and if they apply to you and your situation. If you already have these documents drafted, provide the titles and dates to your advisor.

☐ Trusts

☐ Wills

- Detail your intentions and how your estate and money will pass upon your demise
- Pay debt and taxes and transfer assets to your estate

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☐ Other legal documents

- Guardianship documents for children
- Power of Attorney (POA)
  - For single children over the age of 18
  - Durable POA to provide financial control if you become incapacitated
  - Health care POA/health care proxy to provide health care control if you are unable to speak for yourself (for example: long-term care, in-home support, etc.)
- Fiduciary appointment to administer the trust and estate
- Marital property agreement (state-specific), if needed
- Declaration to physicians (state-specific), if needed

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☐ Retirement planning

- Share the details of your retirement saving plan, including any concerns or fears you have.
- Provide balance of your employer-sponsored plan (401(k), 403(b), etc.) and other retirement vehicles (Roth IRA, traditional IRA, etc.).
- Let your advisor determine if you are on track to continue your lifestyle at retirement.

☐ Income planning

- Discuss the lifestyle you plan to have at retirement so your advisor can determine if you are on track.
- Be honest about concerns of running out of money. Even wealthy women have reported suffering from bag-lady syndrome—a fear many women share that their financial security could disappear quickly, leaving them penniless and destitute.
- Be specific about what retirement accounts you have and the values. In order for your advisor to guide you, they need to determine in what order your retirement vehicles should be turned into an income stream.

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☐ College planning, if needed

- Discuss your wishes to provide funds for college education for children or grandchildren.

☐ Insurance planning

- Provide feedback about your coverage for life, home, auto, disability, long-term care, and umbrella insurances.

☐ Philanthropic intentions

- Express with your financial advisor how you feel about charitable contributions. Discuss your views, how generously you feel you can contribute, and to whom. This insight will help your financial advisor determine if and how your intentions affect your income or your estate.

Ask the advisor to head your financial team and act as liaison to your accountant and attorney

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When life-defining moments happen

In addition to the action steps we've just discussed, there are additional considerations women in transition should consider. Whether you are in financial transition or marital transition or are experiencing a change in family dynamics, the following steps will help prepare you for those changes.

Women in financial transition

Your financial profile will undoubtedly change as you near retirement, are in retirement, change jobs or careers, or open a small business. The following are areas to consider and discuss with your advisor.

1. Women nearing or in retirement

- ☐ Start preparing now for inflated prices down the road.
- ☐ Understand the escalating costs of health care and your ability to be prepared for it.
- ☐ Discuss your retirement goals, plans, and concerns with your adult children.
- ☐ Develop a plan to stay mentally and physically active in retirement.
- ☐ Consolidate your employer-sponsored plans (401(k), 403(b), etc.) into a rollover IRA.
- ☐ Discuss a strategy for generating income in case you become ill.

2. Changing jobs or careers

☐ Discuss the options you have for your former retirement plan with your advisor

- Determine the best approach: open a rollover IRA, take a cash distribution, leave assets in plan, or move assets to new employer

☐ Discuss a strategy for income in case of illness

☐ Understand your benefits package

- Determine if any restrictions or waiting periods apply
- Know the options in your new retirement plan, if applicable

☐ Update your budget—debt, savings, monthly cash flow

☐ Have an emergency fund of at least six months worth of living expenses

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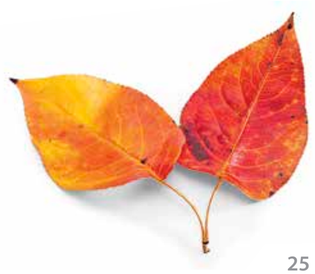

3. Owning a small business

☐ Discuss business insurance needs with your advisor

- Key person insurance pays the company in the event that you become incapacitated
- Business continuity plans ensure that the business goes on in the event of a natural disaster, such as a hurricane, flood, or earthquake
- Buy/sell agreements between partners set up all the details of a sale ahead of time, in case an opportunity or emergency arises

☐ Discuss with your advisor a strategy for income in case of illness

- Life and disability insurance can protect you and your family in the event of death or injury

☐ Create an exit plan if you choose to leave the business

- Plan for succession or the eventual disposition of your business
  - Will you pass the business to the next generation or a business partner?
  - Will you sell it to a third-party buyer?
- Hire a team of professionals who can support you through a sale or change in ownership
  - Your financial advisor is the key to putting together a network of trusted resources.
  - A tax advisor will help identify the right structure for the business before a sale and develop tax-efficient strategies.
  - An accountant prepares the financial statements for review by potential buyers.
  - An attorney specializes in the legal aspects of the buying and selling of businesses.
  - A business valuation expert determines how much a business is worth and often leads the team of advisors.
  - A business intermediary/broker typically estimates the value of the business, advertises the sale, interviews potential buyers, and negotiates.
  - An estate-planning lawyer can help minimize taxes on the proceeds of a sale and plan so that assets from a sale smoothly transfer to beneficiaries.

Women in marital transition

Whether you are divorced, divorcing, married, remarried, or widowed, your financial profile will change. The following action steps can help you get organized for that change in your life.

1. Women of divorce

- ☐ Separate emotional decisions from necessary decisions
- ☐ Change your email addresses and/or passwords
- ☐ Establish yourself as a separate financial entity from your spouse
  - Update your registration and beneficiary(ies) on all financial accounts, legal documents, and insurance policies.
  - Establish an individual credit history through individually owned accounts.

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☐ Ensure you have emergency funds available if joint accounts become inaccessible during the transition

☐ Have a copy of your marriage certificate and divorce decree accessible to show to entities such as the Social Security Administration

☐ Have your entire financial team (accountant, attorney, and advisor) involved in the separation of assets

☐ Discuss with your financial advisor:

- Applicable laws as they relate to alimony, child support, and division of property
- The process of updating your name change, if applicable

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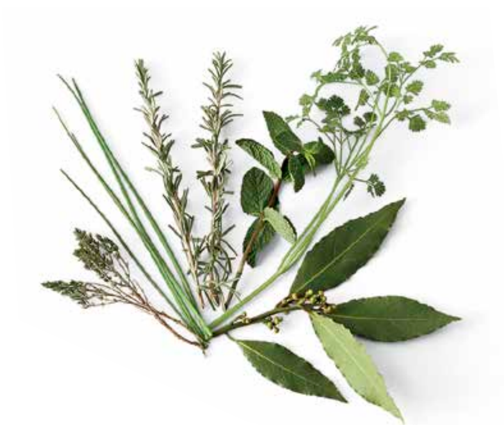

2. Women, married or remarried

☐ Understand the financial situation of your partner or potential partner

- Consider debts, loans, credit scores

☐ Decide on joint or separate accounts

☐ Set joint financial goals

☐ Determine financial roles and tasks

- Establish processes for budgeting, bill paying, investment management, coordinating taxes, etc.

☐ Update your estate plan and make sure no one is inadvertently disinherited

☐ Discuss with your financial advisor:

- Estate-planning needs of a blended family
- Process of updating your name change, if applicable

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Change in family dynamics

An important trend that affects women and that will continue to increase is that of the sandwich generation—women who are, or will be, caring for aging parents while concurrently caring for their children. As the Baby Boomer generation lives longer and the younger Millennial generation faces less employment opportunities, more women are in the position of taking care of both generations at the same time.

1. Women who are caring for aging parents and children at the same time

☐ Begin conversations about managing your parents' finances or how to improve cash flow

☐ Hold a family meeting to discuss caregiving options

☐ Review the financial state of your parents and, if possible, come to consensus on the parental care

☐ Explore all of your options for financing your parents' care or your children's college tuition before using your retirement savings

☐ Schedule time to take care of yourself. This outlet will help you remain patient and productive

☐ Read books and websites on the sandwich generation

- Search your web browser using the term sandwich generation
- Access books, whether online or from your library, for the type of information you need

☐ Discuss with your financial advisor:

- Legal and medical forms needed for aging parents
- Timing and priority of balancing sending children to college and caring for parents

2. Women who are widowed

☐ Learn now how to be prepared to settle your spouse's estate

☐ Keep decisions to a minimum immediately after the death of a spouse

☐ Separate emotional decisions from necessary decisions

☐ Establish an individual credit history through individually owned accounts

☐ Discuss with your financial advisor:

- Updating legal forms
- Reevaluating your investment portfolio
- Review your income needs and risk tolerance, which may change
- Revise your retirement plan

Partner with your advisor. An experienced financial advisor can help you look for the right solution for your circumstances. Be sure you ask questions and know where you stand.

NOTES

1. A Beginner's Guide to Investing: How to Grow Your Money the Smart and Easy Way; Alex H. Frey, Alex Frey, and Ivy Bytes (July 5, 2012)

2. The Elements of Investing: Easy Lessons for Every Investor; Burton G. Malkiel, Charles D. Ellis (January 22, 2013)

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