

PROACTIVE FINANCIAL PLANNING FOR WOMEN

BY CHERYL JACKSON

"The financial industry has a history of treating women like little men," said Heather Ettinger, executive vice president and partner of Ohio-based Fairport Asset Management. "It is time to wake up and realize women are powerful managers of money and will significantly change the tides of financial advice as we know it."

Ettinger originated the wealth management program, Women in Transition, for Fairport. She has successfully built the practice with an increasing number of clients ranging from women of unexpected wealth, elderly women with new responsibilities, and executive women who earn their wealth and intend to manage it closely and wisely. Although there are still many women who are experiencing a transition from a world in which the male controlled the wealth, Heather sees executive women quickly expanding in her client base.

Women, no longer peeking from the shadows of the financial picture, have emerged as top-level moneymakers. Now they are wrestling with the real problems that come along with the cash.

"I teach them to start with two questions," she said. "Are my money responses making good business sense?" and "Do my decisions support my long-term goals?"

Maybe you had a grandmother who never had her "own" money and counted on Grandpa to decide what she needed.

Ettinger says she often counsels women who have copied this picture or have taken some other passive role and feel inadequate to handle financial matters.

"The idea is to recognize and dispel any negative money messages and move them to a position of strength through financial knowledge."

Ettinger believes all women need financial literacy and is committed to helping provide it to her clients and community. "Even if you are happily married you need to understand your finances," she said.

According to the National Center on Women and Aging, 90 percent of women will be in charge of the family finances at some point in their lives.

In many households, women are putting the financial puzzle together for their families. Deciding whether or not to buy new clothes and appliances, whether or not little Sally gets to go to space camp. They, too, may be the ones to decide it's time to downsize the cable extras.

"Women in the United States make 80 percent of the consumer purchasing decisions," she said. "They have a power they haven't even realized yet."

According to the U.S. Census, women tend to live until 80 years old, whereas men are only expected to live until 74. The average age of widowhood is 56 years old and married women will typically outlive their husbands by 15 years. These statistics give women who never managed money one last challenge.

"You've got widows inundated with financial requests right after their spouse dies," she said. "Insurance, transferring accounts into her name, a long list of requests that can be overwhelming."

Ettinger said a Fairport planner would come into this situation and act as team captain, organizing and prioritizing all the financial

issues that need to be transitioned. "We want to be the calm in the storm," she said.

Another transition that affects a woman's life differently than a man's is divorce. The first year after divorce a woman's standard of living drops about 73 percent (NCWA). "We listen, educate and communicate while helping our clients during these kinds of transitions. Knowledge about

her financial affairs is a powerful tool with the aim of building her new life." Ettinger said.

In the 1900s Madam C.J. Walker became the first American female millionaire, who neither inherited her wealth nor married into it. While progress for women and wealth has been slow, they are now making history. It is estimated that by 2010, women will control over 60% of the private wealth in the United States.

"Women are no longer confined to managing the money they inherited," she said. "Sixty percent of high net worth women have earned their own fortunes. Women are no longer a segment of the market. They are the market."




Ettinger feels that women work in a way that is different than men. "They are great at looking at the big picture, planning for education and advancement," she said. "Women don't just focus on investment performance but rather on progress towards reaching the family's goals. As such they want a relationship with advisors who will empower them to make informed choices."

Ettinger says the recent economic downturn is full of lessons.

"If last year taught us anything, we should know where we are spending our money," she said. "The financial crisis was a gift that forced us all to ask, 'Does our family budget reflect our values?'"

Ettinger says financial planning is the key to a better life. "You can spend your life scrambling and running around in circles," she said. "Or you can plan for comfort, vacations, charity and peace of mind."

And for women she has this message: "This may sound a little hokey," she said, "but I believe that women can change the world. We are the heart. We offer values and ethicality around money. That is why we need to step up and be involved with the stewardship of our wealth." 

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