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JIM: Today with people living longer, a lot of women are facing the issue of having to make a lot of financial decisions for themselves where traditionally men were a lot more in that role and today we’re seeing women taking the dominant role in making the decisions and sometimes it’s more of a partnership. I know as a financial advisor I like to see people participating together on those things. Who we have with us today is Heather Lindsley and she’s an advisor that’s really focused on women’s issues and women’s planning. Welcome Heather.

0:35

HEATHER: Thanks Jim.

0:37

JIM: You know I’m a guy so I don’t always relate the best, at least my wife tells me all the time I’m not relating very well with women, and I know you have unique issues and different ways of thinking about things obviously, and when it comes to financial planning, I know I’ve had guests on in the past where in the male dominated society of financial planning, because I don’t see a lot of you women in the room when I go to a lot of these meetings and then I hear the statistics that the males are dealing with the males in the relationship and the financial planning and the male passes away and all of the sudden the woman has no connection to that financial advisor because they weren’t included and I think that really puts him in a vulnerable position because now all of the sudden they’re looking elsewhere not knowing where to start, not having the background, not having had the opportunity to be included in a lot of those meetings. I think it really puts them in a vulnerable position. What are some of the unique challenges that you come across when you’re working with women on their plan?

1:35

HEATHER: Well I think one of the big things, Jim, is that women do live longer, potentially 4.8 years longer, so that’s a long time to live by yourself and the ongoing Medicare costs and health issues that present themselves later in life and now generally speaking the woman is the one who takes care of the ailing family member and now she’s got to figure out how to take care of herself. That is a very big concern for a lot of people and quite honestly a lot of people haven’t planned for that until it happens and then they scramble to figure out where to come up with the funds and how to take care of themselves and how to make sure that the rest of their family is still okay because once a mom always a mom. You know you’re always going to be concerned about those below you and want to make sure that they’re okay as well when really the point should be they’re number one now and people should be helping them. The problem is what people. If mom doesn’t have a good relationship with somebody then now the children step-in and maybe the children have an advisor and that’s great but maybe that advisor has no idea what mom’s been through and the things that she’s wanted in the past and wants for her future. It makes that very difficult to get that relationship up and going. So many women will just fade away to the background and just try to do it on their own and won’t even ask for help. I just recently started working with an 87 year old woman. She lives by herself, she still drives her car, she can’t hear very well, but her daughter finally talked her into meeting with me because she was just so nervous about talking to anybody because she was afraid number one that she didn’t do a good job of saving, she was afraid that she wasn’t going to have enough money to live on, and then she was afraid that it was going to cost money to talk to me. Those are all very big fears for people today and so once we broke through those and had some good conversations and I actually met with her with her daughter in the room and at the end of the meeting she was giving me a hug and she was sending me home with sandwiches and pie and it’s a great feeling when somebody breaks through that resistance and somebody really embraces the knowledge that you have to share.

3:26

JIM: You know that’s incredible. I hear about that all the time and one of the things you brought up I see a lot of these decisions made and long-term care is a big issue as people get older. I think it’s one of the biggest issues. I think I remember just seeing recently the three most costliest diseases in America were heart condition, cancer, and dementia, and dementia was almost double what the other two were and so it’s a big issue, but a lot of people go uninsured and they figure their family can take care of their own and I’ve had a number of experiences with couples where the husband needs help and his health is failing and the wife there is the caregiver basically killing herself trying to keep him out of the nursing home or assisted living or whatever and it almost never fails; they injure themselves and they’re the ones that end up needing the care when all is said and done. Have you found that to be the case a lot of times?

4:22

HEATHER: I do find that to be the case quite often actually, Jim, and I think the biggest downfall there is pride. No one wants to admit that they can’t do what they’ve done forever. Spouses have taken care of each other their entire lives without anybody stepping in and having to be there for them and so it’s very hard for them to reach out at those important times and say I need some help, so then that is exactly what happens. One or the other of them is helping the one that needs the help and then there’s an injury. They fall and you can’t get help and you can’t help them and it snowballs and it becomes a travesty really because now the family is brought in on the backend and they don’t know what to do either.

5:00

JIM: We see a lot of career women now and it’s more of a team as far as when it comes to finances and I’m starting to see a lot more couples plan together as a team when it comes to financial planning but there’s still a lot of those old traditional family situations where maybe the husband is the breadwinner and the wife is staying at home raising the kids. I’ve also found the experience where sometimes if that husband’s the main breadwinner and he’s feeling secure in his position, they might be taking chances with not having enough life insurance because God forbid something happens to that husband or disability and he’s in the main breadwinning years and the wife has been a stay-at-home mom, it can be really challenging to go out and get that job and then there’s no life insurance to provide funds, can really put a woman in a very precarious position if she’s made that sacrifice to be a stay-at-home mom. Do you run into that much?

5:52

HEATHER: I do run into that and I think it’s very difficult to show the value of a woman who stays home and takes care of the house to a man who thinks that he’s been the provider all along. He just assumes that there’s the money there and a lot of times I hear the give-back there is well there’s my retirement account. We don’t need life insurance because she’s got my retirement account and my come-back to that is but why would we want to have to take all of your retirement income that’s 100% taxable and create an issue where she still could have income problems because now she has to use your retirement money maybe 20 years sooner than she would have if you lived, and again then you’re looking at outliving your income, so I try very hard to express there are a lot of things a woman does around the house and what her value is. I recently met with a young couple who have 9-month old twins and a 3-year old and I have yet to get them to embrace that we really need to work on the life insurance end of it. That is very important to me. I want them to be secure in their protection for their family. I don’t want anything to happen to either one of those people, but the sad fact is it happens every day. I can’t imagine either one of them being able to exist without a nice life insurance policy to get through that difficult time.

7:08

JIM: I look at the cost of daycare today and I think men sometimes forget the value of what that wife is bringing by being a stay-at-home mom. It’s not cheap to go to daycare. On the other hand, let’s say you do have a situation like that. I know daycare centers are not 24/7, just drop them off and pick them up whenever you want, they have schedules, they have set times and sometimes what we find a lot of times a mom has that benefit to be a stay-at-home it’s usually because the husband is working in a job that pays usually pretty well that goes with a lot of responsibilities and a lot of times they’re in salaried positions where they’re expected to work late, start early, work on weekends from time to time. Daycare centers don’t accommodate all that, so if all the sudden you go to your boss and you say you know what, I could only work 9:00 to 5:00 now because my daycare facility isn’t open, what’s going to happen to your job and your income, and people just don’t think about those things. If the wife dies and now the husband’s being impacted, they’re thinking there’s no economic problem and I see a lot of these stay-at-home moms with no insurance whatsoever and I don’t think they’ve ever really thought it through. Do you see that a lot of times?

8:21

HEATHER: I do see that from time to time as well, Jim, and I just really bring in the fact that the majority of these families they’re young. They’re young and the life insurance is so inexpensive. I just try to say you know for this little bit of money a year, you’re looking at maybe $200 or $300 a year and you’re going to have $100,000, $250,000, $300,000 of the coverage, and maybe that’s not as much as they need but at least it’s something; it’s a padding, it’s a cushion that is going to give some relief to the other spouse should the worst happen. It’s the education. I’ve heard several times in this industry that you need to tell somebody something six, seven, eight times before they’re willing to understand it and absorb it and really get a grip to what they really need to do and agree to buy something. Every year we go back and we have this same conversation and I hope that they get onboard and that we get things taken care of and eventually I like to say that the majority of people come around and they do take on that responsibility to buy that life insurance and it might make things a little bit tight initially but it’s like anything else. We build it into our budget and it just becomes part of life and it’s okay.

9:26

JIM: Another thing I see a lot of times too is the husband being the breadwinner feels a lot more secure and a lot of times they take big chances when it comes it investing their money and I know when dealing with wives a lot of times when I’m looking in the eyes of the wife as I’m talking to the husband and they’re explaining to me their investment philosophy that’s full speed ahead, we need to make a killing, and the wives are sitting back oh my God what’s going on. I see that difference as well. I’m fortunate because I have both spouses come in and I make sure they both get a chance to get input, but that’s where women need to stand up a little bit and talk about that’s important to them because sometimes they don’t have that what I call that money talk or they discuss those things and make sure there’s a consensus because if for no other reason something does happen to the man or the husband, the wife is at least in a position where they’re been involved in the process and it’s a smoother transition if they’re ever forced into that. We’re going to take a short break. When we come back, Heather, let’s talk about some of the ways you combat the challenges of getting this communication going, getting the women involved, how do you do that, so please stay tuned.

10:36

BREAK

11:15

JIM: Welcome back as we continue to visit with Heather Lindsley. Heather’s an advisor that has worked a lot focusing on women’s issues and being that that’s near and dear to heart, she’s a woman herself; she sees a lot of these challenges. You’ve really made it a personal mission to better educate women so that they’re in a better position when bad things happen and when good things happen. Before the break, Heather, we were talking about the lack of communication, the fact that women are living longer, they end up being the care provider and then when they need a caregiver there’s nobody there to take care of them. We talk about the need for security and what happens if they’re a stay-at-home mom, some of the risks that they’re taking on? A lot of issues facing women and a lot of times they’re not even at the table to discuss the solutions. What are some of the ways that you deal with the circumstance to empower women to be in a position to be more part of the solution and to have that security when they go to bed at night knowing that hey they’ve been heard and if things happen we’re in a better position and prepared to handle these things?

12:18

HEATHER: Well Jim there’s been quite a few situations recently where it’s actually the woman who contacts me and says I think we really need to come in and have a conversation with you. There are some things I have questions about. I’m not really clear as to why we’re doing this or where everything is at and I just want to get a better understand of our financial situation. I think that is indicative of how the world is changing and that women are stepping up and saying in the past I let you take care of everything but I’m not going to do that anymore. When they come in we just sit down and we have several different software packages that we can use that will put all of our assets in a fashion that we can see them and we know what they are and we can discuss them whether they’re qualified or non-qualified and if it’s social security money or if it’s a pension that’s coming in and we can just look at how we’re going to need those particular assets in retirement to provide us with the kind of lifestyle that everybody wants, then we go into that conversation well what is it that everybody wants. Just because the man wants to retire on the lake on a fishing hole doesn’t necessarily mean that that’s what the wife wants and there are several times in the meeting where I’ll just sit back and let the husband and wife have a conversation because really it’s a conversation that’s never been had. One assumes one thing and one assumes the other and never have they met in the middle. It’s one of those opportunities for advisors to just sit and listen and then come back with the questions and say okay now this is what I heard, let’s talk about how we’re going to get there and make sure we’re all on the same page. I think that really helps bring both of them into the conversation and then the women feel more comfortable when they leave knowing what’s going on.

13:43

JIM: I’ve made this comment many of time and that is I’ll ask the question of the couple how long did you spend planning your last vacation, how much time did you put in, and I mean people literally will put in hours and hours and hours. They’ll plan months in advance and they have every detail worked out but yet when it comes to planning their retirement, the couple doesn’t even talk about it and maybe they had a discussion when they first got married what their dreams were and then that was the last discussion they ever had. It’s amazing the amount of effort people will put into a vacation but yet retirement might be a 30 or 40 year vacation and they don’t even give it a second thought. You run into that too?

14:23

HEATHER: Yeah I do. It really seems that that is the way that they just keep plugging away at everyday life because let’s face it, all of the sudden it will be Christmas and what did we get done this year. It’s the same thing with retirement. People just keep working and going through everyday life and the kids go off to college and then they get married and now you’ve got grandchildren and all of the sudden it’s time to retire. 30 or 40 years of working and putting money away is gone, it’s time to retire, but we don’t know what retirement looks like. We haven’t really sat down to think about what that envisioning is.

14:51

JIM: Most couples that I run into don’t really understand how the pension works, how survivorship options work, how social security works, and they usually wait until they retire to figure all that out and the folks that I find that have pensions and social security it usually represents 80% to 90% of their retirement income to not figure out what that all means until we’re six months out from retirement and it’s kind of exacerbated by the fact when I have clients reach out to find benefits they always get the answer well that’s something you figure out six months before you retire we’ll send you a package and then you elect your options. People are a little bit out of touch and I just wanted to share this. I had a client not so long ago where the husband and wife came in and the husband elected life only options on his pension and they were getting significant income and basically they were living on about $7000 of income, which was pension, social security, all these different things, and if he died the wife would have been getting $1500 a month, a huge drop. She had no idea and they even bought some investment products that had some guaranteed income features and things like that and the guaranteed income on every one of these products was focused on his life only and the income guarantees went away when he did and you’re talking about how important it is for women to speak up, to ask the questions. She didn’t understand what that was. Nobody really sat down with them and figured that stuff out, and I don’t know if the husband truly knew the risk that was being taken or not and here was a decision the advisor and him got together and figured out what was best for them and didn’t include the wife at all, not even in the discussion or when it came to survivorship benefits. It is really important for that wife to make sure she understands she’s being protected, even though it might be going across the boundaries a little bit of what was normal supposedly years ago. Are there some other things that you suggest that women make sure they’re aware of and know and things that they should be careful for?

17:00

HEATHER: I think that the issue of long-term care, Jim, is becoming such a huge factor. I had another couple in that have planned so well for retirement. They are doing such a great job. The question came out is there anything that we’re missing, is there anything from our picture that is missing that is going to not enable us to have everything that we want in retirement and that’s what it was, long-term care insurance. Nobody likes to be presented at the ninth hour that they need to purchase something else before they retire, or something that they’re going to have to pay for all the way through retirement, but it’s a big deal. One in four people are going to have a long-term care need and a lot of people are going to have that need before they even hit retirement, so to me that is very important and I bring that up even with my young people. I bought long-term care insurance at 37 years old. Granted I’m in the business and I see the need for it, but I have people that I’m still educating that today at that age because I think it’s that important that we look at all aspect of our life because if you have one spouse that needs to be taken care of in a facility or even at home, that is going to put such a damper on your retirement that the other person might not be able to survive anyway.

18:07

JIM: Literally I’ve seen it wipe people out. We help people with planning trying to stretch those assets out when it comes to that and they don’t have insurance, but the rules are getting such that you pretty much are going to be on spenddown. When your finances aren’t secure it’s hard to be healthy and especially for the women. I’ve seen more women writing out checks to pay for the long-term care or assisted living or whatever for their spouses and they’ve never had any experience maybe with pill paying and anything else and all of the sudden they’re writing out checks for $5000, $6000, $10,000 a month. It has a devastating impact on their psyche, on their well-being and it’s just important to make sure that you’ve got those bases covered. Any last suggestions you would have for the women in our audience and the men that might be listening; what words of advice do you have for them as well?

18:56

HEATHER: I just think particularly for the women that are listening if you are at a point in your life where you thought it was too late to ask questions or if you’ve always been afraid to ask questions, I think it’s just time to stand up for yourself and find that person you can talk to, find somebody that you can walk in their office and sit down and talk to them as a friend and just say you know I have some questions and don’t be embarrassed. It’s never too late to ask for help and it’s never too late to start planning.

19:20

JIM: What advice would you give for the men listening out there that usually just took care of this and didn’t include their wives?

19:25

HEATHER: I think that it would be a great opportunity for the man to have the gesture to say honey I’ve taken care of you for all this time and I think it’s important that I share with you what I have planned for us in retirement and I think it’s important for us to make sure that we’re on the same page.

19:40

JIM: In my case, my wife really never was that interested in the details, especially early in our marriage. One thing I made sure of I learned early in the career the devastating impact of losing a loved one, a lifetime partner, but they were the person taking care of everything and they were your advisor and your mentor and all that and all the sudden your left just basically naked in the woods with nobody there to help out that can step-in. That’s a very vulnerable and scary position to be in. I made my wife sit through all the planning stuff and then as far as maintenance I pretty much take care of that. I update her a little bit, some things here and there and things that we’re doing, but she’s always been involved in the decision making. The reason I did that was to make sure that she wouldn’t be in a vulnerable place if I wasn’t there to protect her. I think for the men listening out there you owe it to your wives because let’s face it, most of us are going to check out first and we’re going to leave our wives with all this that we’ve worked for and if we want to make sure it’s protected for our spouse and ultimately maybe our kids and grandkids we have to be good stewards and make sure our wife is in the best position to handle things if we’re not there to help her. Thanks Heather. I really appreciate you sharing today a woman’s perspective on how important it is that women are involved in the planning process. Thank you.

20:53

HEATHER: Thanks for having me, Jim.

20:55

JIM: Thanks for joining us this week and tune in again next week as we explore another phase of the Real Wealth process, and remember if anything you heard in today’s show you’d like to get more information about contact your Real Wealth Advisor. Also, if you feel that any of this information would be helpful to a friend or family member, just click the forward to a friend button.