

# Financial INDEPENDENCE

By Elizabeth Loda

Money and finance were “taboo” topics of conversation in my family when I was growing up; we lived with a “those who have it shouldn’t talk about it” mentality. In college, I was amazed to discover that other students had their own checking accounts, and I was totally shocked by my future husband’s family’s openness about financial matters. Still, this was the very beginning of a journey that eventually ended with an MBA in finance, a CFP certification and a life long commitment to financial planning, especially concerning those issues specific to women.

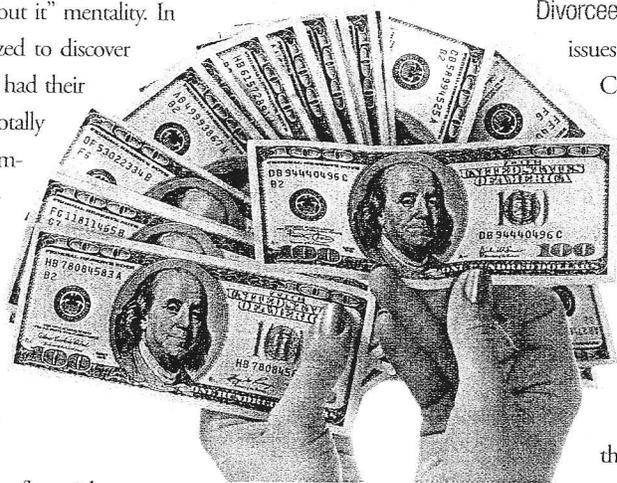
Our culture puts a premium on financial success and security, but often, for women, withholds the opportunity, exposure and experience required to become fluent in financial language and comfortable

interacting in the world of investments. Women on their own face some daunting cultural and circumstantial challenges.

**Divorcees** – You may have paid little attention to family financial issues beyond the monthly budget and checking account.

Complex court agreements often govern former spouse’s assets, beneficiaries and financial responsibilities to children. Problems that all women face over a short-fall of retirement income are often exacerbated by divorce. Reentry into the employment market can be very difficult. Certainly, divorcees often are required to make important decisions on substantial assets without much preparation. They need to move slowly and cautiously.

**Widows** – Widows must deal with grief, as well as the added responsibility of financial decision making. Support groups often have little time for financial issues, and recent widows are frequently targets of investment and financial scams. Sorting out documents, changing account registrations and deciding when to make



Smart women and their money.

portfolio changes, changing beneficiaries on IRA accounts and annuities, as well as rewriting wills and trusts, complicate the challenges.

**Single women** – The “always have been” single woman has learned to depend upon herself to make financial decisions and lives with the consequences. Hopefully she has formed a strong support network of professionals and has chosen appropriate beneficiaries for retirement plans, insurance policies and annuities are issues. There are complex considerations if these beneficiaries are charities. Many single women live in a non-traditional family partnership, in which case support and care of an unmarried partner may be an issue. Special attention must be paid to ownership and titling of property, legal agreements, tax deductions, life insurance and medical and healthcare powers. For example, assets held in joint ownership with rights of survivorship

(JTROS) will have income and capital gains and losses reported to the first individual listed. Assets held as tenants in common will be evenly split between owners. In the event of death, an automatic transfer to the surviving partner is not assumed. Credit ratings are separate for unmarried partners, which can be a huge advantage over married spouses, particularly if one partner is not financially prudent.

**Second marriages** – Second marriages offer new opportunities for women on their own, but also present a set of new and unfamiliar challenges. These may include pre- and post-nuptial agreements, balancing concerns of both families, not to mention the more mundane day to day issues of sharing expenses and paying bills. Often one spouse has substantially more assets than the other, adding complexity to spending decisions. Second marriages call for careful estate planning, so be sure you

have a living will, health care and financial powers of attorney, as well as wills and trusts that address your new situation.

The financial and investment rules are always changing; incorporating a continuing education component to your affairs is an important ingredient to an overall sense of financial well being. Gaining knowledge from unbiased sources is the best medicine for financial anxiety, regardless of the age, gender or circumstance. **M**

*Elizabeth Loda and regular columnist Steven Weber are investment advisors for the Bedminster Group, a fee-only advisor providing investment and financial counsel to clients in the Lowcountry since 1997. Information contained herein obtained from sources considered reliable. Accuracy cannot be guaranteed. This is not a solicitation to buy or sell any securities. Opinions expressed are solely those of the author and do not necessarily reflect those from any other source.*