

KATHY NOLAN, PRESIDENT OF FAMILY FOCUS FINANCIAL GROUP, TURNS THE BOYS' CLUB OF FINANCIAL PLANNING ON ITS HEAD. NEW NAME: THE SAVVY WOMEN'S CLUB

"I try to get women to wake up and smell the coffee – we live longer than men, and we need to pay attention to what's going on because we may not always have a partner to handle it for us," says Kathy Nolan, President and Founder of Family Focus Financial Group in Jackson, New Jersey. As one of the few women retirement planners in the industry<sup>1</sup>, she has made it her mission to help families, especially women, to successfully manage, save, and protect their assets.

Kathy knows better than most what a boys' club the world of finance can be. As a young woman from Jersey City, she marched onto Wall Street in the late 1970s and early 1980s to begin her career in positions with top financial firms including Oppenheimer and Janney Montgomery Scott. She recalls, "You just had to be tough and play in the boys' club. It was sometimes a challenge – sometimes you weren't taken seriously. But when you hold your own and don't back down, men respect you and your reputation starts to build." While significant leaps have been made by women in finance over the last three decades, reports have shown that only 30% of financial advisors are women<sup>1</sup> – even though women control or influence 67 percent of household investment decisions in the United States. According to reports from the Federal Reserve, that number includes the 51 percent of private wealth women directly control.

Even though women are a powerful economic force, culturally, they haven't been encouraged to master their finances, and they're not happy about it. According to a Boston Consulting Group survey, 73 percent of women are dissatisfied with the financial services industry, feeling overlooked and excluded. "We don't want financial advice that is male dominated. We have different priorities and interests. The process, and the way we get there, are different," says Kathy.

Her priorities differed when she traded Wall Street for more flexibility in her family life after her son Sean was born. But she didn't leave her career entirely behind, finding instead a new direction and a purpose closer to her heart. She expanded her financial knowledge to include insurance and real estate, working for MetLife, with a focus on helping small business owners provide health insurance coverage, retirement planning, succession planning, and estate preservation. In 2007, she and Sean – by then grown up and graduated - formed Family Focus Financial Group. There, she's made it her mission to get women involved in planning their financial futures, whether they're married or single, young or retired.

It's almost an untapped market. Kathy says her female clients include doctors, engineers and teachers, highly educated women, who have never learned about finance: "They don't have a clue what's going on with their investments." She attributes it to a blend of cultural and biological influences, as well as women's never-ending To-Do Lists, which rarely include taking care of themselves. "It's in women's nature to put their interests last. Finances are way down at the bottom of that list," she says, adding, "Women need and want help desperately and I'm committed to encouraging them to become actively involved in their financial affairs."

In the early 1980s, Kathy was often the only woman in the room when she started out on Wall Street. Now, while she sees more and more women in charge of their finances, few of them have a solid understanding of financial planning. She says "They either become ultra-conservative and keep their money under the mattress, or in low bearing savings accounts, or they're so aggressive because they've listened to some smooth talking stock broker, and regret it." When women do try to learn about their investments by asking questions of their money managers, they're often met with dismissal says Kathy,

“They feel they’re talked down to, that they couldn’t possibly understand the investments they have. They’re told don’t worry about it, I’ll take care of everything for you”.

The average age of widowhood in the United States is 56 years old, which means an increasing number of women have to “worry about it.” “Society has taught women to let the men be heads of the household and control the major financial decisions. Men traditionally handle investing. And while some women are interested in learning and are embarrassed to admit they don’t understand, others aren’t interested at all – even if they have spouses or partners who encourage them to get involved,” says Kathy. She doesn’t judge these women for not knowing finance, or even for not feeling interested in it. Her goal is to help them learn to handle their money, whether they hold their purse strings through choice or necessity.

Should a woman approach retirement planning differently than a man? Kathy Nolan believes they absolutely must. Since women live, on average, five years longer than their male counterparts, spend more time out of the workforce to take care for children and elderly family members, tend to gravitate towards lower paying careers like teaching and nursing, and are still paid less for the same work – they have less money in their retirement accounts. This is when it becomes all the more important to be aware of budgeting, saving, securing their money. “The last thing any woman wants is to be a burden, or to have to ask their kids for anything,” says Kathy. But a burden is exactly what these women may become if they don’t prioritize their own financial well-being. “Women need to be taught that it’s okay to take care of themselves now. Get serious, and focus on yourself for a change,” Kathy says.

Kathy Nolan is quick to point out that Family Focus Financial Group isn’t exclusively for women; many of her clients are married, and she insists both spouses come to the appointments for planning. “We want everyone engaged, involved, and paying attention,” she says. Even though it’s a slow process and participation takes some encouragement, she promises that “it’s really fun. They’re just overwhelmed because no one has ever talked to them like that before.”

When clients come in for the first time, Nolan likes to spend the interview just getting to know them. The men, however, usually walk in with a different idea. “A man will come in with his statements and his folder, and after five minutes he’s like ‘let’s get to it.’ I stop them there and ask – ‘How did you two meet?’ ‘How does it feel to be retired soon?’ ‘What are your plans?’ I want them to tell me about themselves, and it’s disarming for men, but women love it,” says Kathy. She notices other differences between the sexes too: where “men want to know how something works, what’s the return, what are the mechanics,” women want to know what the product or strategy does to benefit them. “This is the money they’re going to use to travel, start a new career, leave their families or donate to charity,” she says.

That same sensibility guides Kathy’s advice to her clients, which takes into account the bigger picture of their finances, their lifestyles, their goals and their needs. “The couple who just came in, I’ve been encouraging them to sell their home because it’s time. They’d love a smaller place where they don’t have the maintenance and expense. I’m not a realtor, it doesn’t benefit me if they do that, but I see it as a reality that they don’t need this big house anymore. Why not make your life simpler so you can enjoy it more?”

Helping her clients coordinate their efforts is one way in which Nolan goes above and beyond what more traditional financial planners do. “I’ve got clients who come to me, and through conversations about family dynamics, we uncover things like needing to get their parent’s estate in order, which would

ideally happen before the client completes their plan.” It can take months to get all the pieces in play, in the right order. “I do my thing, and I know what I’m good at, but I encourage them to get other things done sometimes before they work with me,” she says. The ability to plan and place the various pieces of her clients’ financial puzzles together correctly is one of the benefits of getting to know them thoroughly, and, she says with pride, “It’s the right way to do it.”

When working with couples, Nolan says housewives can be the most challenging clients to bring on board. They tend to rely on their partners the most when it comes to setting up their retirement plans. Nolan understands the impulse: “Stay-at-home moms are so focused on their families that their spouses often take charge of the financial details. Age doesn’t seem to matter – younger women are just as disengaged as the older ones! In our society, women take care of people; it’s ingrained in our culture.”

Kathy doesn’t ask that women become experts, but she does believe they need a basic general knowledge, “so they know to ask the right questions, and know when they’re being manipulated.” Kathy has faith that knowledge combined with intuition is a strong guide, “You feel in your gut if something is right or wrong. You can rely on your intuition to guide you – don’t act out of fear or ignorance, but do act if it feels right. When women rely on that instinct, they do fine. When they allow themselves to be influenced by the opinions of others, that’s when they run into trouble.”

Kathy created the “Savvy Women’s Club” classes to give women a safe and accessible place to learn the basics of managing their finances. “Women come here wondering if we’re trying to sell them something, but after the first class, they leave on Cloud 9, saying ‘I didn’t think it would be anything like this.’” Nolan and her students sit around a table in a relaxed, informal environment. She encourages her students to bring their daughters and their grandmothers, which she says results in a great mix. “We’ve had women in their 20s and women in their 70s in the same class and they both loved it. The younger ones appreciate the wisdom of the older women, and the older women appreciate the perspectives of the younger women. It’s a really nice chemistry.”

The Savvy Women’s Club series of classes begins with participants getting to know their own financial personalities, whether they’re “Avoiders,” “Planners,” or “Collaborators,” with a psychologist as guest speaker. It’s a way for the women to ease into the numbers through introspection and dialogue, developing a more holistic understanding of their attitudes towards money. Then they’re asked to find out “their number”: “Their homework is to learn what amount of money they absolutely need to have to live every month – haircuts, drinks with the girls, things you don’t even think about have to be part of your number.” Then Kathy encourages them to separate the needs from the wants. “There has never been one woman who hasn’t trimmed at least \$240/month from her budget, just on little things. One woman trimmed \$800 per month. That’s a lot of money when you add that up over the course of a year. Knowing your number, being aware, setting realistic goals – all has to do with knowing, your purpose, what is really important to you,” she says.

The other classes in the series teach women to create savings and investment strategies around their individual values. They cover basic investing – like explaining the difference between a stock and a mutual fund – and talk about budgeting, finance, and debt. The women learn about how taxes and inflation affect their purchasing power and investments, the different types of insurance, and the strategies and legal documents of estate planning. Ultimately, Kathy asks the women to know the purpose of their financial plans, and to create their long and short term goals accordingly.

She says the most rewarding part of the process is “seeing women start to feel confident and have the light bulbs go off in their heads, and say ‘hey, I get it now and can do this.’ You have a bright future, you just have to plan for it. You can’t keep your head in the sand!”

<http://www.benefitspro.com/2013/03/11/need-for-female-financial-advisors-growing><sup>1</sup>

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