K. Jenkins-Pultz

Thank you, Jane. It is my pleasure to introduce Candace Bahr, an entrepreneur, financial advisor, and advocate for women with a national reputation for excellence and service in the financial industry. Candace is a managing partner of Bahr Investment Group and a Registered Principal with Linsco Private Ledger. She has over 25 years of experience helping clients manage their wealth, but her true passion is helping women through financial transitions, such as the death of a loved one or an unfortunate divorce.

In 1988, Candace’s commitment to teaching women how to become financially independent led her to co-found the non-profit organization Women’s Institute for Financial Education, known as WIFE.org. WIFE.org now has 30,000 members throughout the United States and provides valuable on-line resources to inspire and motivate women to take small steps over time that will lead to long-term financial security.

Here in San Diego County, Candace and WIFE Co-Founder Ginita Wall are well-known for their Second Saturday Workshops, offering professional information and advice to women thinking
about divorce or in the process of a divorce. These workshops have been running continuously for 15 years, serving over 5,000 women and some men.

Candace’s work as a financial speaker, columnist, writer, advisor, and television commentator has been recognized locally and nationally by leaders in the business community and the financial industry. Her book, *It’s More Than Money - It’s Your Life! The New Money Club for Women*, was published last year.

We’re delighted that Candace has offered to share her expertise with us today, and I’m very pleased to welcome Candace Bahr to today’s Wi$e Up program. Candace?

C. Bahr Thank you so much, Kelly. When I saw the topic of this program, “Facing a Financial Crisis,” I actually renamed it. I renamed it to a chapter that we have in our book. I call it “What To Do When Life Happens,” because don’t many of these things happen to us at some point in our lives? Now, I can only imagine that some of you are thinking, “Now, wait a minute. I’m listening to these wonderful programs that are offered through Wi$e Up and the Department of Labor because I’m trying to get myself on the right track financially here, and I’m just beginning, and you’re talking to
me about facing a financial crisis.” For some of you it might seem like we’re talking about your boat sinking before it even gets out of the port, but what I’d like for you to do is think a bit about this like a lifeboat drill.

I don’t know how many of you have ever taken a cruise, but I remember the first time that I was fortunate enough to take a cruise, and we hadn’t even gone out of the port yet when there was a big announcement that went over the loudspeakers and the horn blew and [they] said, “Everybody on deck for the lifeboat drill.” What they did on the lifeboat, of course, is had all of us meet in a pre-designated place. At first, of course, it’s a little bit disconcerting because you’re thinking, “Here’s this huge ship. I’m going on my vacation. I’m going to have a wonderful time, and they’re telling me what to do in case this ship begins to sink.” But then as I thought about it more, I realized that the captain and crew of the ship had thought through all of the contingencies that we needed to do and certainly they needed to do in case of emergency, and that actually was very comforting.

Now, it’s probably a one in a 1,000 chance that anything would happen on a cruise ship that you might need to use a lifeboat for, but doesn’t it feel great when you know what to do in case of an
emergency? That’s really what we’re going to be talking about today--facing a financial crisis before you have one. One of the issues that we have, and we actually now just surpassed 6,000 women that have gone through Second Saturday, “What Women Need to Know About Divorce” here locally in San Diego. We have raised over $60,000 for charity and helping women re-enter into the workforce and re-enter into college. One of the issues that we have found consistently that women tell us is “If only I had prepared before I found myself in this situation.” Hopefully, for many of you, we are in the position where we’re going to talk to you a little bit about some significant things today that can help you if you do find yourself taking a detour on the path of life. You’ll have that safety of knowing that we’ve done the lifeboat drill.

Now, the statistics are for a cruise ship disaster of any sort, probably again, less than one in 1,000, but the statistics in our financial lives are much higher. That is, we know that from the book that Janet wrote and from the statistics that we’ve seen there’s about a one in two chance that you may at some point get divorced. There is about a one in six chance, not a one in 1,000, but a one in six chance that one of us may be disabled. In fact, a 22-year-old man--and I’m guessing it’s not significantly different
for a 22-year-old woman—is eight times more likely to be disabled for three months than to die. Between the ages of 35 and 65 a person has a 25% chance of being disabled for a year or more.

Now let’s talk about jobs and losing jobs. I really don’t know what your personal chance of losing a job is, but if you work in the airline industry or for General Motors or Ford you might not feel like you have a whole lot of job security right now. Of course, with regard to death we all know that none of us will get out of this world alive. About 70% of the time it is the woman who is left alone after her husband passes away. With numbers like these, let’s go through and do our own lifeboat drill. The great news is that with regard to this drill the information that I’m going to give you and the information you’re going to get from our two other speakers today are things that can help keep you on the financial path so we don’t have to divert ourselves. Let’s get started.

What I’d like to do is talk to you about developing a contingency plan, that is helping those that you might leave behind or if your spouse leaves you behind, helping them help you develop a plan for if you’re left alone. First of all, it’s very important when you develop a contingency plan to figure out where you stand financially today. I know, through the previous speakers in the ten
previous seminars you’ve had, you’ve gotten some great
information, and I would like to refer you back to the Wi$e Up
women Web site. Again, I’ve listened to the speakers that have
done wonderful jobs in helping establish net worth statements,
looking at your insurance, and so on.

The first thing that you do when you develop a contingency plan is
ask yourself how much is there. Let’s get a snapshot of where we
are currently. Review your financial statements. Pull out your
insurance policies and take a look at them. Look at your mutual
funds. Discuss your employer death benefits and retirement plans
with your significant other. If you’re not married, take a look at
this and go over this with your parents. Add up the amount of each
investment that you have and that would be available if either
spouse were to die tomorrow. Know the locations and the amounts
of all of your investments, including your CDs, your real estate,
your stocks, bonds, and collectibles. Keep them in a safe place.
Keep it in a safety deposit box and, please, let people know where
that safety deposit box is, and your key, or keep it in your home in
a lock-box that is fireproof so if something happens to you you can
run out of the house and have that available.
The second thing that I’d like to suggest that you do is, after you’ve looked at what you’ve got and what your net worth statement is, is [ask] “Is it enough?” In the event that something were to happen to your spouse or to happen to you and [you] lose your job, how much do you need? Again, we suggest keeping at least six months of income set aside so that if you were to have some sort of financial dislocation you’d have time to look at things. I now am increasingly suggesting to clients and to people that you actually keep cash set aside as well, because what we saw with [Hurricane] Katrina is people had to hit their cars, travel across the country, and they needed to get gas and so on and didn’t necessarily have access to money. So I generally suggest keeping about $100 to $200 of cash set aside in a safe place. Frankly, with interest rates hovering around 1.5% to 2% in checking accounts, you’re not losing terribly much interest.

The third thing is, “Where are our assets invested?” Discuss with your significant other or your spouse each asset that you own and make sure that both spouses understand the nature of the investment, how much income it produces, what the long-range growth potential is, how safe the investment is. Know the value, location, and performance of all retirement accounts, both at work or your IRAs and other plans.
The fourth step is I would suggest that you each year sit down and examine each investment critically. This is relevant to you whether, again, you are looking at an imminent financial dislocation or you are simply reviewing. We do client reviews right now at the end of the year. Each individual should be doing it as well. List the criteria that indicate the right time to sell. Too often a widow is left with investments that her husband made and she doesn’t know what he might have done if he were still alive. Find out now.

The fifth thing I would suggest is look at your investments and make a determination. Can I manage it myself? Perhaps only one spouse has managed the business or real estate. If the other spouse wants to hold on to the investment after her husband’s death or if the investment is going to be difficult to sell, she should begin to learn the necessary investment management and business skills right now.

Number six--and critical--who should I turn to for advice? Which key advisors know the most about your financial and legal affairs? Who do you trust to advise your spouse after your death? Both spouses should meet and know their advisors and feel comfortable
with them. I cannot stress this enough. Be a participant and understand who’s important in your life.

Number seven: Update all of your financial records. You shouldn’t have to solve mysteries or research difficult questions in times of emotional stress.

Number eight: Revise your will. Your will ensures that your estate passes to others in accordance with your wishes. Make sure that your will says what you want it to say. Of course, if you have children, this is vitally important that you set up trustees and contingencies for your children.

Number nine: What kind of insurance do you have? If your assets are not enough to maintain your standard of living in the event of your spouse’s death, you will need life insurance. Disability insurance protects in the event of a spouse being injured or unable to work. Check your homeowners [insurance] while you’re at it--your auto, your health--each year.

Finally, number ten: Design your financial education program for the year. That’s what you’re doing right now, which is wonderful. A regular program of financial education lets you prepare for the
day you will be responsible for your family finances. We have information on our non-profit Web site, which is WIFE.org. We’ve also started a program called MoneyClubs.com, which is a program that is sponsored by the Women’s Institute [for Financial Education]. It’s completely free. It’s non-commercial. It’s available to women to get together to talk about these things and help each other become accountable.

Those are the basic issues that I think are important, whether you’re married or single or you’re just starting out or you’re well-established financially. So, even if you don’t have any financial changes in your life, it’s important to have planned and continue straight on than to have to take a detour and feel uncomfortable about it. Thank you.

J. Walstedt

Thank you, Candace, for those very helpful suggestions. Now let me turn the program over to Cornelia Moore, the Regional Administrator for Regions II and III of the Women’s Bureau, which are headquartered in New York City and Philadelphia, to introduce our second speaker. Cornelia?