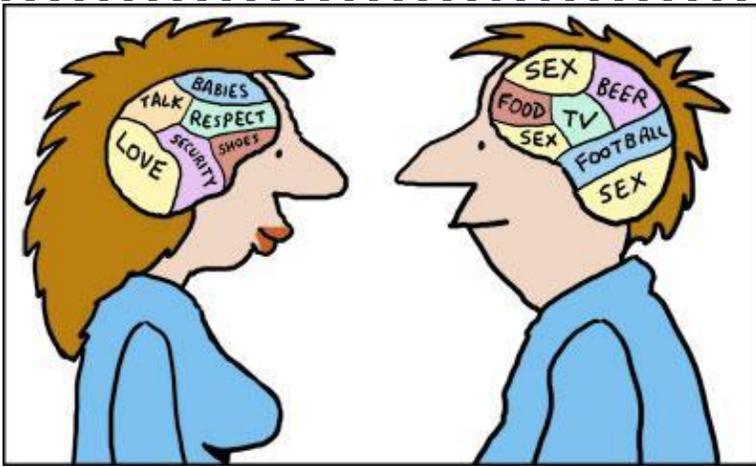


# LIVE FINANCIALLY FEARLESS:



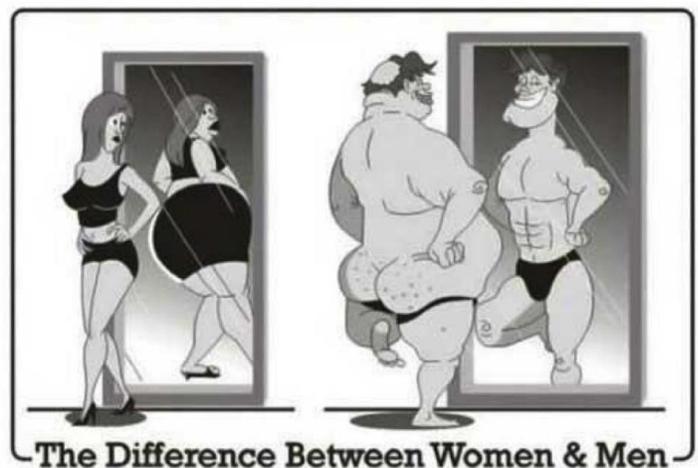
## TIPS FOR MEN AND WOMEN

BY JEAN ANN DORRELL



Over the past two decades, researchers have confirmed what comedians have known forever: Men don't like to ask for directions, and women like to have confirmation and do things in the company of others. Men are from Mars and women are from Venus. These fundamental stereotypes especially show up in the different ways these two groups approach finances. One thing I have learned in my 25 years in the financial industry is the way men and women manage, view and process information they receive about money, seems to be in two different universes.

According to one study, when it comes to personal finance topics that appeal to the genders, men are more interested in investing (83%) and entrepreneurship (54%), while women prefer the topics of savings (79%) and frugality (67%). So, it makes sense that their financial priorities are different. I have compiled specific tips for men and women, as well as tips for both groups, to keep in mind. These guidelines will help you take control of your finances and bring you one step closer to *Living Financially Fearless*.



## MEN

Over the last 50 years, some aspects of the man's role have changed and some have stayed the same. When it comes to finances most men still make the big decisions, take bigger risks, and continue to earn more than their female counterparts. However, they are starting to share in the financial responsibilities with women more and more, as a result of gender equality and women earning more in the workplace.

Men tend to be more autonomous when it comes to finances. They will find the answers to their questions on their own, mostly by searching the internet or talking with a financial professional (this is where that idea of "men don't stop to ask for directions" comes into play). Men also tend to stress less when it comes to finances. Only 29% of men are likely to become stressed compared to women at 43%.



As I stated, men take more risks than women; not just in finances but in everyday life. Most of this is due to the genetic make-up of men. Several studies show testosterone is one of the key components associated with risk-taking. Whether it stems from nature or nurture, men tend to be more confident and aggressive with finances. This can be both a good and bad thing at times, but it is important to acknowledge. Men, use the following tips to help you become more self-aware moving forward.

## **STICK TO YOUR MONTHLY BUDGET**

Too many people don't know where their money goes or what they can't live without. Not only is it important to know your monthly budget, but it's also important to stick to it and not splurge on too many unplanned expenses. Having a budget allows you to plan your expenses so you don't spend more money than you have coming in.

Men's hobbies and extracurricular activities can get very pricey. Expenses for hunting, fishing, boats, cars or collecting of any kind can add up quickly. In addition, men spend more of their money on technology and electronics at a rate of 54% compared to 23% of women. This can tempt you to stray from your budget.

One important tip is to set a spending goal for variable expenses. Once you have subtracted all of your monthly, fixed expenses, you can decide what you are going to do with the remaining amount: go out for a nice meal, save up for a big expense (like a new car, home renovations, family vacation, etc.) or put it in retirement savings. Unlike fixed expenses, you have a degree of control over variable expenses; these are the areas you can cut back the most and start getting ahead in your finances.

Creating a budget gives you control over the feeling of chaos you may have about your finances. Staying out of debt always involves difficult choices; you can't have it all right now. But, you might be able to have it all soon if you can stick to your budget and save! Creating a budget allows you to make informed, purposeful decisions as to how to allocate your money in the best possible way to reach your goals.

## **DON'T BE AFRAID TO HAGGLE**

You would be amazed where you could be saving money on your monthly bills. Whether it's having the same account for several years, paying your bills on time, or how competitive some industries are, there are some great ways to save! These companies want your business so a lot of times they are willing to give you a better rate in order to keep you as a customer.

### 1) Car insurance

Most of us pick a rate one time, and then never revisit for several years. But, by simply calling and asking, or quoting a competitors rate, you could save \$20 to \$50 per month on your car insurance (that's \$240 to \$600 per year; it all adds up). Most companies won't come right out and offer you a lower rate as long as you are willing to pay your current payment. Sometimes all you have to do is ask.

Car insurance is one of the most competitive industries out there. They want to keep you as a customer and they want to keep you happy. Don't be afraid to work for a lower rate.

### 2) Health Care

If you're healthy or having an elective surgery, you're obviously in a better position because you have the opportunity to do research, shop around and compare prices using resources like [www.healthcarebluebook.com](http://www.healthcarebluebook.com). Health care costs vary much more than most of us realize. Don't be afraid to ask your doctor if tests or medications are necessary and if there are cheaper options out there. If you have health insurance that will cover a portion of your expenses, ask if your doctor will accept the insurance carrier's definition of "reasonable and customary" costs — since that figure might be very different from what your doctor's billing department charges.

Patients facing an emergency are in a tougher spot; it's certainly possible to go back after the fact and ask if the doctor will accept less (and you should) but you'll obviously have less clout. To support your case, research what other providers charge for the procedure performed.

### 3) Phone, TV and Internet Service

Nothing makes people more mad than TV, Internet and phone-service providers than awesome "teaser rates" that vanish after six months to a year. But just because you're not a new customer doesn't mean you shouldn't try to get a better rate.

Generally, keep track of what competitors are currently charging new customers, and indicate to your current provider who is about to raise its price that you are considering switching. Tell them the deal you saw, and ask them to match or beat. If they say no, call back and speak to someone else. If you can't get any movement on the rate, try asking for another concession such as a DVR or another add-on. Sometimes, just pointing out that a competitor is offering a better deal can be enough to get your provider to come through with a lower price.

## PRIORITIZE YOUR DEBTS

No matter what your financial situation, as long as you have debts or regular bills, you should prioritize them and have a monthly payoff plan. Know which debts you are trying to get rid of the most quickly (so you can throw more money at those when you have a little extra cash), and know which ones you can keep making the minimum payment on each month until your other debts are taken care of. This will mostly be based on interest rates. It is important to know all of your interest rates (and sometimes other fees), balances and minimum monthly payments for each debt you have.

Be sure to consider fees that may affect your priorities. For example, some credit cards have annual fees that you can avoid if you pay off and cancel the card. Some loans have prepayment penalties, which may make quickly paying off those loans less cost-effective than it would be if you only had to consider the interest rates.

If the interest rate on a particular account is subject to change, as is the case with credit cards that have introductory rates, be sure to consider this. Your priorities may need to change when the rates change.

When prioritizing by interest rates, use the effective interest rate, the rate that takes into account any tax deduction. This is usually applicable to mortgages or student loans. Since interest payments on these loans are tax-deductible, the cost of such loans is actually a bit less than the stated interest rate. Calculate the effective rate by multiplying the stated interest rate by 1 minus your income tax bracket. For



example, if you're in the 30% tax bracket and you have a mortgage with a stated rate of 10%, the effective interest rate is 7.0% ( $10 \times (1 - 0.30)$ ).

It is important to determine what type of strategy you need. Are you living comfortably? Or, are you trying to make ends meet? These will make a big difference in how quickly you should pay off your debts.

## PROTECT WHAT'S YOURS

At the end of the day, it is your responsibility to protect the well-being of you and your family. It's important to make sure all wills, power of attorney and insurance policies are current and up to date. Do this every year or at least when a major family event occurs (death, divorce, etc.).

- *It's your information. Protect it.*  
Never give out personal information, such as account numbers, over the phone or online unless you know the company and initiated the call. Telephone and online scams are common and constantly changing, so you have to be proactive and protect yourself.
- *It's your retirement savings. Plan ahead.*  
We are living longer, so we have to be smarter about our finances as we retire.
- *It's your house. Keep it.*  
Your home may be the most valuable asset you have. Unfortunately, many people are thinking up scams to take that away from you. Before you do anything that would put your home on the line, make sure you understand what you are doing and can explain it to a friend using your words.
- *It's your money. Ask questions and learn to say no.*  
If you want to work with a financial advisor don't be afraid to ask lots of questions or to interview a few before choosing one. Furthermore, scammers target polite people because they have a harder time saying no. If you feel pressured to make a decision, chances are you are being pressured. Just saying "No, I'm not interested" could save you from being scammed.

## WOMEN

The role of women has evolved tremendously in the last several decades, and it continues to change. One study shows women are earning nearly three times more than what their mothers did. Another study says more than 55% of full-time college students are women. Women are working more, living longer and tend to have more of a bleeding heart when it comes to finances. When the topic turns to money, so many women fall into a horrible default mode of "I can't do this" or "I don't know what to do." I want you to commit to one month of telling yourself, "Yes, I can." That crucial change in attitude is the first step.

Keep in mind you don't need advanced math skills or a business degree to get up to speed on managing your money. You just need to know the basics. Easy-to-follow tutorials are available for free on the websites of personal finance magazines such as *SmartMoney*, *Money*, and *Kiplinger's*. (Go to [www.smartmoney.com/university](http://www.smartmoney.com/university), [www.money.cnn.com/pf/101](http://www.money.cnn.com/pf/101) or [www.kiplinger.com/basics](http://www.kiplinger.com/basics).) Use the following tips to take control of your finances.



## PUT YOURSELF FIRST

This might be one of the toughest things for women to do because it is instinct for us to take care of and worry about everyone around us before considering ourselves. We have all heard the airlines tell us, "Put your mask on first before

helping others.” This is a constant reminder for women because it’s not a common characteristic to put ourselves first.

Don’t let someone else drive the money car. Women tend to get more overwhelmed and stressed from outside issues than men (kids, parents or animals are sick, organizing important appointments, planning family trips, etc.) When we get pressed for time, it’s easy to want to dump our financial issues in someone else’s lap. I compare it to handing over the steering wheel in the middle of a stormy ride while you sit in the passenger seat covering your eyes. But not understanding the journey or planning your own route will only get you lost. It’s hard for women to make themselves a priority, but YOUR finances are a critical piece of YOUR future.

## TAKE INVENTORY

Studies show that men do most of the legwork when it comes to investments, but it is important for women to know the basic information of where your income is coming from, where the money is going and contact information for important people. [Click here](#) for a financial worksheet to help you get started. This will give you a good snap shot of where your finances are and will make it easy to have the information in one place. I think it will surprise most women what they have learned by the time they complete the worksheet.

It is extremely important to do this sooner rather than later. I have known a lot of widows and divorcees who wish they had started asking questions sooner, before their husbands weren’t there anymore. Don’t wait for an excuse to do, or not to do, this. The sooner it is complete and tucked away safely, the better off (and more in control) you will be.

## SAVE, SAVE, SAVE

We all know it is important to save, but keep in mind, this doesn’t just mean save for your “rainy day fund” (Note: Most financial experts recommend having at least three to six months of income in savings set aside specifically for emergencies or a “rainy day.” These are unexpected events like job loss, death in the family or a broken down car.). Women are living an average of eight to ten years longer than men so they need to save more. One study predicts that 75% of women will

eventually be widows. While this is an unsettling percentage, it is reality and women need to be prepared.



In addition, today's women are caught in between taking care of their children and taking care of their parents. Children are living at home and depending on mom longer, while seniors are living longer as well. Many women assume the role of caretaker for both groups which, of course, costs more. Not only can this be financially draining, but also emotionally draining. Women should be saving more to help alleviate the financially draining piece.

Finally, women also have several potentially higher living costs:

- *Appearance*  
Looks matter. Attractive people tend to make better career progress in the business world. Add in societal expectations regarding female attractiveness and what's appropriate in the workplace, and that makes it very enticing for women to spend much more for high-end clothing, cosmetic items, personal care and, and in extreme cases, cosmetic surgery.
- *Safety and Security*  
Women by nature tend to be more risk averse, especially as mothers, so their choices in vehicles and safer-neighborhood housing cost more.
- *Money Momma*  
Women tend to spend more on holiday gifts for friends, family and associates. Furthermore, women's willingness to open their purse strings is a new emphasis of charitable organizations, who are increasingly targeting female donors for larger gifts - given women's improved financial status, more altruistic attitudes and higher percentage (but lower per gift) affirmative and continuing response to charitable appeals.

A little bit goes a long way. Even if it means setting aside an additional \$25 each week, it adds up fast. Take advantage of gains in your stock and/or bond accounts and throw a couple hundred dollars at your savings when you are able.

## NEGOTIATE YOUR SALARY & TAKE A LEAP

Another way to start putting yourself first is to ask for a raise. Only 42% of women ask for a raise from their employer. However, 4 out of 5 who ask for a raise get one. In most cases, if you have been performing consistently well, and feel that you deserve a raise, chances are you probably do. It is important to note that raises typically come only once a year at most places.

First, consider when raises are generally granted at your company. Timing is everything. Is it at the end of the year? On the anniversary of your start date? A lot of times this can determine whether or not you are rewarded.

If your performance is measurable, keep track of your accomplishments and other important figures to help you state your case. Lay out your progress overtime (list additional responsibilities, what has improved since you have been working on certain projects, etc). When making “the ask,” be straightforward about what you want and be prepared to explain exactly why you deserve it. You probably do a lot that your boss doesn’t know about, so be prepared to toot your own horn and highlight how you are performing above and beyond expectations. A raise is technically recognition that you are now more valuable than you were before, so prove that you deserve it.

In addition, one study looked at men and women applying for jobs. The study found that men will apply for a job if they meet only 60% of the criteria for the position. Whereas women won’t apply for a job unless they feel they meet 100% of the requirements. It’s the nature of women: We are perfectionists. We want everything to feel and fit perfectly when we are looking for a job. But, don’t be afraid to take that leap of faith. The more places you apply, the better your odds of landing your next job. It’s okay to be selective but if you possess some or most of the skills required, why not give it a shot? Confidence is an extremely attractive trait in job candidates and you might surprise some people, even yourself!

## LEARN TO SAY NO

Women tend to let their personal feelings affect their spending. It is hard for us to say no to a child or family member, but you have to learn to prioritize the needs of others because there will come a time when you can't say yes to everybody. At the end of the day, we are in charge of what we permit in our lives. If agreeing to the request leaves you feeling resentful and it's within your power to decline, it is time to find the best way to say "no."

Most times, our fear of saying "no" is that we might hurt someone's feelings. However, when done well, saying no can be far from mean. There is a way to communicate a negative response in a way that leaves the other person feeling valued and heard. These are three friendly "no" responses:

- *Not This Way*  
Sometimes a request is simply too large for us to take on. Perhaps we don't have the time, resources, or interest in the entirety of the project. In these situations it can often be best to simply adjust the request to parameters we feel more comfortable with. Instead of agreeing to volunteer in your community every month, maybe you volunteer for a few days each year.
- *Not Right Now*  
If you are up to your ears in work during your busy season, it is completely reasonable to ask for non-time sensitive requests to be approached in a couple of months. You aren't saying no forever, you are saying no at this point in time.
- *No, Thank You*  
And last but not least, it is always okay to just say no. You don't have to give excuses, rationalizations, or white lies. You just don't. However, you can thank them for thinking of you. You can thank them for asking. Sometimes "how" you say no is more important than the no itself. Make sure your no's are kind, considerate, and as helpful as possible.

## **BOTH**

These are financial tips you can use as a couple, or use on your own, that apply to both men and women.

### **SET CLEAR FINANCIAL GOALS**

We all have dreams for the future, and many of those dreams require money to make them come true. Your goals should be measurable, achievable and specific to your lifestyle.

For example, “to get richer” is not a specific goal or realistic goal, but “to pay for 50% of my child’s college tuition” is. Start by separating short- to mid-term goals and long-term goals. Short-term goals might include a vacation, new car or wedding, while long-term goals might be a vacation home or retirement. To get started, ask yourself these three questions:

- How much money will I need?
- When will I need the money and how long will it need to last?
- How much risk can I tolerate?

Once you have categorized and started saving, be sure to monitor your progress. Check in frequently on your money to make sure your goals are on track. At each check-in, ask: Am I earning as much money as I expected with my investments and savings? Am I contributing enough? Goals are great motivators. Knowing why you do something will help you and your significant other stay on track.

### **SPEAK UP**

You aren’t expected to have all of the answers. If you need help, ask for it. There are a lot of financial professionals who are certified and trained to have most of the answers. However, be sure to choose wisely! Go with someone who comes highly recommended by friends or family members. Also, feel free have a meeting with two or three different people before choosing the one you like best. Do some of your own research and come up with questions. Be sure to go to the person’s



website before your meeting. Sometimes a person's webpage can give you a really good (or really bad) "vibe."

Be sure to ask some of the following questions:

- Are you a fiduciary?
- What certifications or other credentials do you have?
- How are you compensated for advising me?
- What types of clients do you specialize in?
- Do you have any existing clients that would be willing to talk to me about your services?
- What makes your client experience unique?

## **COMMUNICATION IS KEY (LISTENING IS IMPORTANT TOO!)**

Whether you are newlyweds or been married for 50 years, it is always important to communicate with your significant other; especially when it comes to your finances. You should always operate under a "what if I wasn't here tomorrow" plan; similar to your job. In most cases, if you were to leave your job tomorrow, somebody at work would have to know what you do or what you were working on in order to keep that part of the business running. It is the same with your partner and your financial relationship. If one of you were to leave, for whatever reason, the other one needs to know exactly what to do so that everything stays intact.

In addition, while you both should know how to operate your finances as if the other were not there, you also need to know each other's short- and long-term goals. Don't forget, a big part of communication is listening. Not only do you need to communicate your goals and wants, but you also need to listen to your partner's ideas. Keeping the lines of communication open will continue to build trust between you and your significant other and strengthen your relationship.

## **KEEP A GOOD ATTITUDE**

Finances can be stressful! But, getting to a good financial state takes time, so stressing about it every minute of every day is pointless. It's been said that "attitude is a little thing that makes a big difference." I couldn't agree more. Your mind is a thought factory, and the thoughts it produces become your actions in life. Produce

positive thoughts and you'll find ways to move closer to your goals. Produce negative thoughts and you'll never move forward.

Spend more of your time with positive people. It's been said that your success will be determined by the five people closest to you. If these people are pulling you back, saying you can't, and refuse to support you, it will be much harder to succeed. Surround yourself with a team who wants to learn about your aspirations, help you get there, and even to hold you accountable. Stay positive and you will succeed!

As you can see, men and women differ quite a bit on the way they look at, spend and save money. But the thing is – they usually have the same goals. Both men and women want to provide for themselves and their families, make good financial decisions, and build wealth for the future. We all want to live financially fearless! All of these goals will be much easier to accomplish once we realize that men and women are very different.



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**About the Author:**

*Jean began a career in the insurance and annuity industry in 1991. She has achieved numerous designations and awards. Since 2005, Jean has been awarded continuous membership to the Million Dollar Round Table elite group "Top of the Table." MDRT is an international, independent association for leading life insurance and financial services professionals.*

*Jean has achieved the prestigious Certified Estate Planner designation under the direction of the National Institute of Certified Estate Planners (NICEP). NICEP is nationally recognized by many of the industry's top Broker/Dealers, Insurance Companies, and numerous professional financial, legal, and tax service organizations that are involved in the area of estate planning. You can find Jean on NICEP's website at [www.nicep.org](http://www.nicep.org).*

*Jean is also a published author of the book, "Don't Be A Victim! Protect Yourself!"*

*Jean is has been a regular Saturday morning guest on Fox 35's Good Day Orlando in The Money Watch Segment, where she contributed valuable information regarding your financial future.*

Visit [www.TheSmartMoneyGal.com](http://www.TheSmartMoneyGal.com) to watch previous news segments.

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