The North American Securities Administrators Association presents:

Invest in Yourself
Overview

- What is the **Women In Transition** investor education program?
- How Does **Investment Fraud** Impact Women?
- How Can Women **Protect Themselves** from Investment Fraud?
- Where Can Women Go for **Investment Help**?

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Women In Transition
Investor Education Program

• Raises awareness of the emotional and socio-economic factors that may make women hesitant to take control of their investments
• Provides specifically tailored investor education tips and resources to empower women in phases of financial transition, including:
  • Marriage
  • College-bound Children
  • Aging Parents
  • Job Loss, Divorce or Widowhood
  • Retirement

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Why Investor Education for Women In Transition?

• About **99%** of women will be financially responsible for themselves or their families at some point (Wi$eUp)

• More women than ever before – **40%** – serve as their household’s primary breadwinner (Wi$eUp)

• Many women still **earn less** than men for comparable work

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Women typically **outlive men** and must be financially prepared for a longer retirement.

**Less than half** of women have a retirement plan (Social Security Administration).

Nearly **2/3** of women ages 40 to 79 have experienced a major financial transition such as divorce or job loss (AARP).

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Women and Money

• Who is more financially confident – women or men?
• Who is the typical investment scam victim?
• How can financial confidence affect your financial decision-making?
• What are some other emotional factors that may impact your relationship with money?
  Work-Life Balance, Gender Roles (Cinderella Complex), Risk Aversion and Fear, Emotional Highs and Lows

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Affinity Fraud

In an affinity fraud, the con artist claims your trust because he or she is a member of the same ethnic, religious, career or community group.

How to Avoid Affinity Fraud

• Don’t rely on reputations or personal relationships to make investment decisions
• Make sure you thoroughly understand the investment and risks
• Ask for professional advice from a neutral outside expert
• Ask your local state or provincial securities regulator for information on the salesperson and investment opportunity

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Scams Targeting Women

Networks such as workplaces and churches can be fertile ground for scams targeting women, including:

- Gifting Clubs
- Women Helping Women Pyramid Schemes
- Cold Calls

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Source: SEC
“Casanova” Fraudster

Michael Soutar

- Exclusively targeted women
- Previous conviction for aggravated assault and forgery
- Used investor funds for tailored suits and watches
- Indicted December 16, 2004 for securities fraud
- Escaped one day later
- Featured on “America’s Most Wanted”
- Captured May 2005
- Locked up by the New Mexico Securities Division for 38 years

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Ponzi Schemes

The Ponzi Scheme is a **house-of-cards** swindle in which high returns are paid to initial investors out of the funds of later investors, who end up losing all or most of their money.

- Beware of promises of high, guaranteed profits with little or no risk
- Avoid promoters who fail to provide clear explanations
- If you don’t understand how the investment works, don’t invest
- Ask for detailed information in writing
- Look for unbusiness-like conduct
- Request detailed information from your local securities regulator on the investment and promoter

In the early 1920s, Charles Ponzi fleeced investors of $10 million with the promise of a 40% return in just 90 days.

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Other Common Scams

- Bait and Switch
- Commodities
  Precious metals, oil and gas
- “Free” Meal Seminars
- Unsuitable Investments
  Selling a 25-year annuity to an 85-year-old woman
- Bogus Credentials

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Investigate Before You Invest

If it sounds too good to be true … it probably is.

• Contact your local securities regulator to
  • Check the registration of the promoter
  • Make sure the investment is properly registered for sale in your state or province
  • Obtain the background and disciplinary history of investment professionals

• If you think you are the victim of a scam – report it to your state securities regulator

For your local regulator’s contact information, call NASAA at (202) 737-0900 or visit www.nasaa.org

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How to Approach Financial Transitions

Women are particularly vulnerable to investment fraud and other financial challenges during periods of difficult transitions when their financial status can undergo dramatic shifts.

- Marriage
- College-bound Children
- Aging Parents
- The Unexpected (job loss, divorce, health crisis, etc.)
- Retirement

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Marriage

- Begin an **open, honest dialogue** about your current financial situation and your investment goals before walking down the aisle.
  - Talking about money early in the relationship may help establish and sustain equality in your financial partnership.
- A financial professional could help you communicate your financial expectations and start married life with **mutually established goals**.
  - Contact your local state or provincial securities regulator to make sure your financial services professional is properly registered and has a clean employment and disciplinary history.

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College-bound Children

• Establish, in advance, what you expect your child to contribute to his or her educational expenses

• Do your homework. Research 529 college savings plans and other scholarship and loan options to finance your child’s degree without dipping into your retirement savings. Remember, scholarships and loans are available for college but not for your retirement.

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Aging Parents

- Talk to your parents about their finances. Knowing their financial situation is critical to protecting them from unplanned-for expenses and fraud.

- The elderly are a favorite target of fraudsters due to their age and accumulated wealth, so learn how to spot red flags of fraud.

- Are you in the Sandwich Generation? NASAA has tools and tips for women whose own financial needs are sandwiched between the needs of their children and parents.

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Planning for the Unexpected

Protect your financial security from an unanticipated change in financial situation such as job loss, divorce, separation, widowhood or health crisis.

- Set aside emergency funds. Aim to save at least $1000 for things that break (pets, cars, appliances) and 3-6 months of living expenses for things that leave (health, jobs, spouses)
- Know your assets, including savings, insurance policies, pensions and retirement plans

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More Planning for the Unexpected

- Store your financial-related documentation somewhere **accessible** and **secure**
- **Get help** from an investment professional. Just be wary of unsolicited offers – scam artists prey on people who are feeling desperate
- **Understand your employee benefits.** Ask your employer for the **summary plan description**, which outlines the plan’s terms and conditions
- **Conserve** your retirement funds if possible

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Retirement

- **Plan ahead.** When do you want to retire? How much money do you think you’ll need for a comfortable retirement?

- **Continually re-evaluate** your financial plan. What level of risk is acceptable to you now? How about in 10 years? 20?

- **Avoid Surprises.** Do you understand the terms and conditions of your accounts? You don’t want to be hit with unexpected taxes and fees.

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Compound Interest

• It’s never too early to start investing
• Start early, contribute regularly and be patient

Starting at age 25 and investing $1000/year for just 10 years will add up to $10K more in retirement savings than starting at 35 and investing the same amount annually for 30 years.

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**The Latte Factor**

Small expenses can add up big-time. Before you buy that latte, think about what impact those dollars could have in your retirement account.

$6.50 quad venti soy 3-pump no foam with whip peppermint white mocha

× 5 days/week

$32.50/week $162.50/ month $1,950/ year

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Getting Started on Your Finances

• Are you where you want to be financially?
• What obstacles are standing in the way of your financial goals?
• What steps can you take today to move closer to where you want to be financially?
  • Set a realistic budget
  • Assess your risk tolerance
  • Get help from a vetted professional
  • Investigate before you invest
  • Remember: it’s never too early or too late to save and invest

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Where to Learn More

- **NASAA**: [www.nasaa.org](http://www.nasaa.org)
  Investor education resources for investors of all ages; Contact information for all state and provincial securities regulators

- **Wi$eUp**: [wiseupwomen.tamu.edu](http://wiseupwomen.tamu.edu)
  Financial education program for Generation X & Y women

- **Wi$er**: [www.wiserwomen.org](http://www.wiserwomen.org)
  Women’s Institute for a Secure Retirement

- **Alliance for Investor Education**: [www.investoreducation.org](http://www.investoreducation.org)
  Become an effective manager of your own assets

- **Dollars from Sense**: [www.dollarsfromsense.com](http://www.dollarsfromsense.com)
  Provides the basics of investing and personal finance


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