



*The North American Securities  
Administrators Association presents:*



**WOMEN**  
*IN*  
**TRANSITION**

*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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# Why Investor Education for Women in Transition *(continued)*

- 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

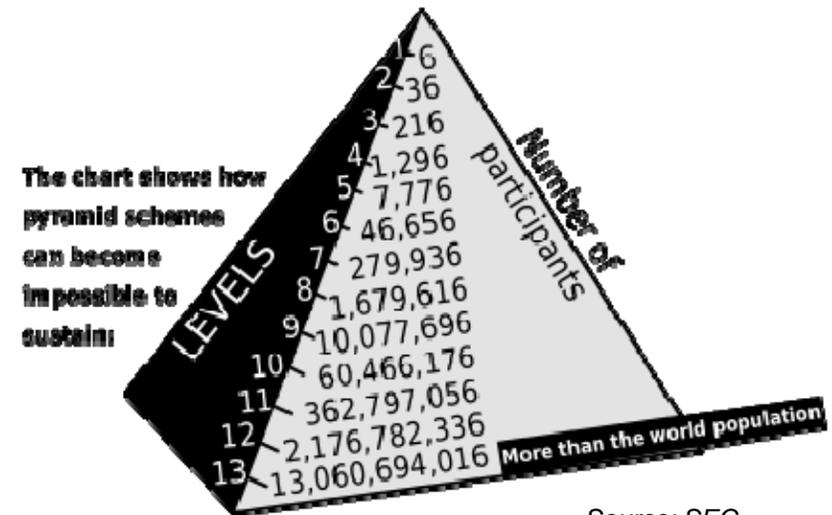


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# Scams Targeting Women

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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# "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](http://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

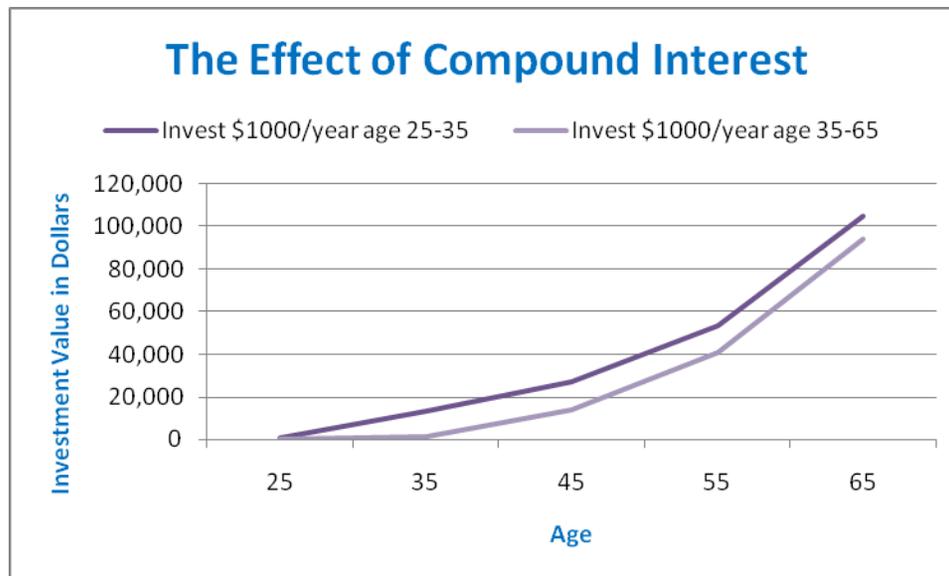
- **Plan ahead.** When do you want to retire? How much money do you think you'll need for a comfortable retirement?
- **Continually re-evaluate** your financial plan. What level of risk is acceptable to you now? How about in 10 years? 20?
- **Avoid Surprises.** Do you understand the terms and conditions 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

**X 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*
- SEC Office of Investor Education & Advocacy:  
[www.sec.gov/investor.shtml](http://www.sec.gov/investor.shtml)



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