



7 Money Mistakes Every Woman Should Avoid

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Dear Hard-Working, High-Performing, and Exceptional Woman,

My name is LM Stamper (everybody calls me Stamp) and I'm the Founder & Managing Director at Evermore Wealth in Dallas, TX. (That said, we serve clients in all 50 states)

I'm honored that you've downloaded this guide, and I hope you find it helpful. To give you some context about why I created this, here is some information about me...

I've been a financial advisor for over 12 years. My specialties include helping women over 50 create, manage, and protect their wealth in the most tax-efficient and economically-sound way possible, with a specific focus on the maximization of retirement income.

I love working with women for several reasons; some of those being, I've always had my deepest and most meaningful relationships with my female clients. Additionally, as a father of a young daughter, I feel that women in America are not afforded nearly as many opportunities as their male counterparts, and as an underserved market, I want to do all that I can to change that. Lastly, guys are knuckleheads and they tend to think they know it all, LOL. (Just kidding, or am I?)

Lots of people want to know about a financial advisor's certifications, so I will be upfront about mine. I am a fiduciary and I hold the Retirement Income Certified Professional® designation, Series 6, 7, 63, 65, 66, Life & Health licenses.

I've also been fortunate enough to have been featured in MarketWatch, the Business Innovators Magazine, and the Fox, ABC, NBC, and CBS news outlets.

My investment philosophy revolves around peer-reviewed and academically proven saving and retirement planning concepts. These include diversification from not only market declines, but also tax diversification, asset location, and ensuring the proper transfer of wealth so that more of your assets move to your intended beneficiaries versus financial institutions or governments. I find this philosophy serves professional working women exceptionally well.

I would love to hear from you to learn more about you. Please don't hesitate to reach out to me by calling or texting me directly at 817-846-3005, emailing me at Info@LMStamper.com, or setting an appointment using the link below:



www.TalkToStamp.com

Thank you again for downloading this. I appreciate you.

Sincerely,

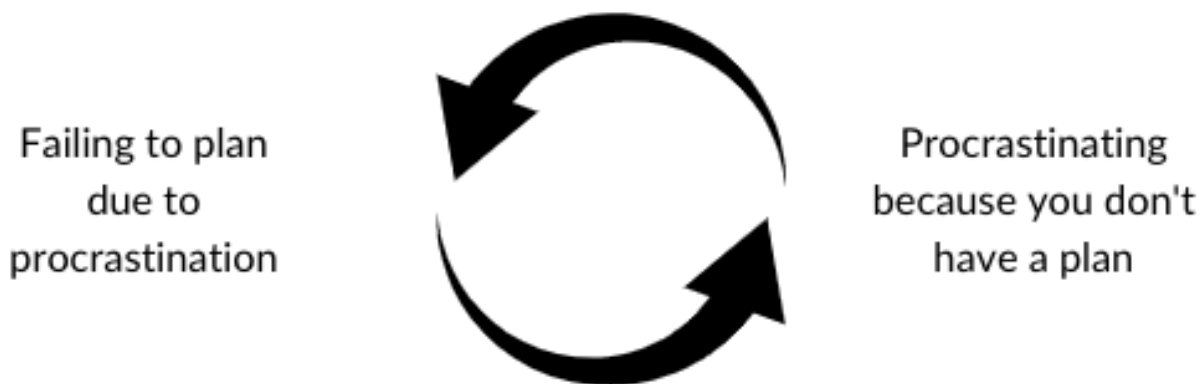
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MISTAKE #1: Failing to Plan

“He who fails to plan is planning to fail.” – Winston Churchill

A survey from MagnifyMoney⁽¹⁾ found that the biggest money regret among Americans is not investing sooner. A whopping 77% regret not investing earlier in life. When asked to give advice to younger Americans, 54% of investors said to start as soon as possible.

I've found that many people don't have a plan because they procrastinate, and they procrastinate because they don't have a plan. It's a vicious cycle. If you're in it, you should break it as soon as you can.



MISTAKE #2: Thinking A Financial Plan Is Solely About Investing

A big misconception about financial planning is that it's all about investing. Don't get me wrong, investing is a large part of financial planning. Still, there are many other parts, such as:

-  **Goal identification.** This includes short, medium, and long-term goals. A good financial advisor can help you assign a dollar figure and a target date to your goals.
-  **Budget and cash flow planning.** In 2021, Debt.com surveyed 1,000 Americans and found that 80% were budgeting. Out of the budgeters, only 4% were using a financial advisor to budget⁽²⁾. I believe part of this is due to people not realizing that advisors can help them create – and stick to – a budget.
-  **Debt management.** A solid financial plan includes how you will tackle any debt you have. For example, you may make different decisions based on the type of debt you have, such as credit card debt vs. low-interest mortgage debt.
-  **Retirement planning.** Financial advisors are typically “numbers” people, who love creating spreadsheets and inputting numbers into retirement savings calculators.
-  **Insurance coverage.** Insurance is an important part of protecting your financial downside, and can include health insurance, disability insurance, auto insurance, home insurance, renter's insurance, life insurance, and more.
-  **Charitable giving.** Your financial plan should include your philanthropy and legacy wishes. A financial advisor can help you maximize your gifts with tailored recommendations based on your situation.
-  **Estate planning.** This includes creating a will, which outlines your final wishes with regards to your assets, dependents, and who you want to administer your estate. It also includes keeping your beneficiaries up to date and establishing powers of attorney in case you become incapacitated.

Feeling overwhelmed, yet? And that's merely the tip of the iceberg. Women face a unique set of challenges in retirement that are different from those encountered by men, such as the fact that they typically live longer and are more susceptible to requiring long-term care.

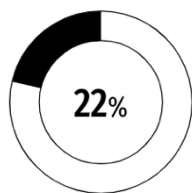
Due to these factors, it becomes essential for women to not only save more aggressively for their retirement but also to be proactive in managing and planning their financial future. This involves carefully evaluating the potential implications of taking time off work to fulfill caregiving responsibilities, as this can have a substantial impact on one's retirement savings and overall financial security.

Moreover, addressing other concerns that might affect your financial well-being is crucial for my clients striving to secure a comfortable retirement. One such issue is the persistent gender pay gap, which results in women generally earning less than their male counterparts throughout their careers. This discrepancy can lead to lower social security benefits for women, as these are often determined by lifetime earnings.

In addition to these challenges, women saving for the future must also be mindful of the financial implications of major life events, such as divorce or widowhood, which can significantly affect their retirement income. Ensuring that you have a comprehensive understanding of the legal and financial aspects of these situations is vital to safeguard your financial interests and maintain your independence.

By taking a proactive approach and addressing these unique challenges head-on, you can not only mitigate the risks associated with longer lifespans and caregiving roles but also build a strong financial future that enables you to enjoy your retirement years with confidence and peace of mind.

MISTAKE #3: Not Communicating With Their Partners About Money



According to a survey of 191 Certified Divorce Financial Analyst® professionals, 22% of divorces are caused by “money issues”⁽³⁾. If you have a spouse or partner, it is critical that they are involved in your financial picture.

I am interested in long-term working relationships with my clients, which means it's imperative for me to know them better to make sure the financial plan reflects the reality of the household.

I understand that most relationships have one person who handles money more than the other. Still, both partners are decision makers. Their questions and tastes should be reflected in the financial plan. For example, one partner may dream of traveling the world while another spouse imagines buying a log cabin in the woods. One partner may have an aggressive risk tolerance (more on that later) while the other finds it difficult to stomach market volatility.

Financial advisors have the benefit of working with many different couples, which gives them insight into what works and what doesn't. For example, I had the opportunity to work with a couple, Sarah and Mark, who were struggling to manage their finances effectively. They had been married for five years, but still maintained separate bank accounts, credit cards, and investment portfolios. Their primary concern was finding a balance between their financial independence and the shared responsibilities that come with being a married couple.

Sarah and Mark were unsure whether they should merge their finances or continue maintaining separate accounts. They had different spending habits and financial goals, which led to disagreements and stress in their relationship. Sarah was a meticulous saver, focused on long-term investments and retirement planning, while Mark was more spontaneous with his spending, prioritizing short-term enjoyment and experiences.

To help them navigate this financial conundrum, I scheduled a series of meetings to thoroughly understand their individual financial situations, goals, and concerns.

After analyzing their financial profiles, I presented them with a tailored plan that would balance their personal financial preferences with their shared responsibilities and goals as a couple, which involved opening a joint account to manage their household expenses, such as mortgage payments, utilities, and groceries, while at the same time, maintaining separate personal accounts for discretionary spending, allowing each of them to have a sense of financial autonomy.

This arrangement would enable Sarah to continue her diligent savings habits and Mark to indulge in his hobbies without causing friction in their relationship.

To further solidify their financial partnership, I suggested that they create a joint investment portfolio, focusing on diversified investments that aligned with their combined risk tolerance and long-term goals. This would allow them to work together towards a secure financial future while respecting the individual investment preferences that they could explore in other individualized accounts such as their 401(k)'s and IRA's.

Following my recommendations, Sarah and Mark were able to find an equitable solution that addressed their concerns and allowed them to manage their finances more effectively. The new arrangement fostered better communication, transparency, and trust between them, ultimately strengthening their relationship, which allowed them to focus on building a prosperous future together, both emotionally and financially.

MISTAKE #4: Trying to Time The Market

There's a saying in the personal finance world that "time in the market beats timing the market". Yet, that doesn't stop people from trying to jump in and out of their investments at perfect times. When the market is at all-time highs, people may say they're waiting for it to cool off. When the market is in a correction (defined as a drop of at least 10% from recent highs) or a bear market (a drop of 20% or more from recent highs), people may say they're waiting for things to get better. Surely you can see the problem here.

Research from Charles Schwab⁽⁴⁾ analyzed various market-timing strategies to see how they might have worked in the past. As always, past performance is no indication of future results, but here's what history tells us...

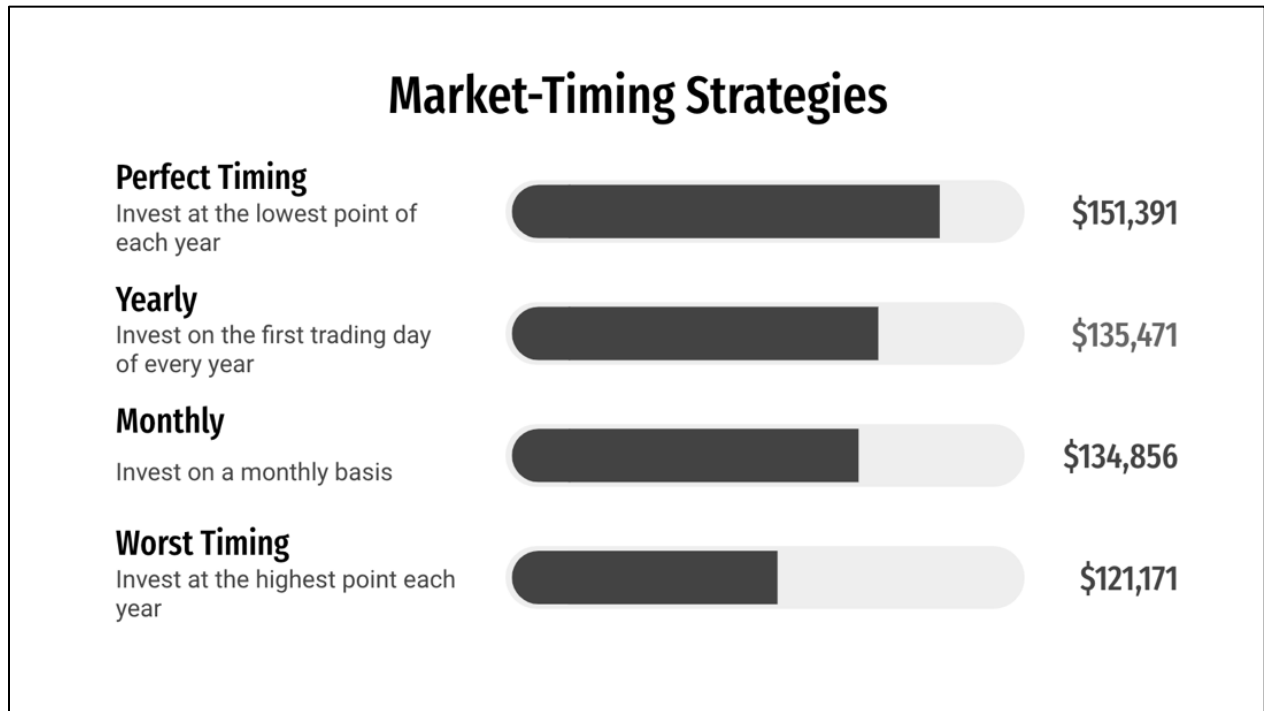
Schwab researched the performance of a few hypothetical long-term investors following different investment strategies. Each investor received \$2,000 at the beginning of every year for the 20 years ending in 2020 and put the money in the stock market, as represented by the S&P 500® Index.

The first investor had *perfect* timing. He was able to invest his \$2,000 at the lowest point of each year. For instance, instead of putting his money to work immediately at the start of 2001, he waited and invested on September 21, 2001 – that year's lowest closing level for the S&P 500. His next investment was on October 9, 2002, the lowest closing level for the market in 2002. He continued this perfect investment strategy until 2020.

The second investor invested her money on the first trading day of every year. She didn't wait, and her strategy didn't require a complicated strategy. As soon as the market opened in a given year, she put her money to work.

The third investor was similar to the second, except that he invested his money on a monthly basis. He divided his \$2,000 into twelve equal portions, which he invested at the start of each month. This is known as "dollar cost averaging". You may already be doing it if you have 401(k) contributions deducted from each paycheck.

The fourth investor had the *worst* market timing. She invested her money each year at the market's highest point. Her first investment was on January 30, 2001 – the year's highest closing level. She continued this terrible market timing all the way through 2020.



So, what are the results?

Well, it shouldn't be a surprise that the perfect market timer had the best results. He ended up with \$151,391. You might be thinking, "Wait, I thought you were telling me *not* to time the market."

I am. Take a second to think how someone might perfectly time the market. Maybe that person has a crystal ball. Perhaps financial news channels blare all day, every day in the background of that person's home. Imagine the time – and sheer luck – required to pull off such a feat. I'm sure you have more important things to do with your time. Especially when you consider the rest of the results...

The second investor, who invested her money immediately, ended up with \$135,471.

The third investor, who made monthly investments, ended up with \$134,856.

The fourth investor, with the worst marketing timing possible, ended up \$121,171. Again, past performance is no indicator of future results, but our terrible market timer still ended up with nearly three times what she would have if she hadn't invested in the market at all.

Besides, it's my belief that a financial advisor should guide you through market highs and lows to help you stay the course. Every minute you're not worried about timing the market is another minute you can use to enjoy life.

MISTAKE #5: Not Knowing Their Risk Tolerance

This is another area where good financial advisors can pay for themselves. It's also an area in which do-it-yourself investors struggle because they lack an objective third-party's perspective.

Risk tolerance is an investor's ability to withstand losses in an investment portfolio. In other words, it's how comfortable you will be maintaining your positions when they decline.

Why is this important?

It's important because it helps you grow your money while being able to sleep soundly at night. An objective third-party can ask you some questions to unearth your risk tolerance and make tailored recommendations based on your answers, that will help keep you "off the cliff" when markets get rocky (and they always do). This one move could prevent you from making catastrophic mistakes.

This was quite evident after reviewing the results of Vanguard's Advisor's Alpha® study⁽⁵⁾, which found that working with a financial advisor added 3% per year to an investor's returns. A large part of that boost is from behavioral coaching.

MISTAKE #6: Not Fully Diversifying Their Strategy

Have you ever heard the statement “You should diversify your investments”?

The stereotypical investor has a 401(k) with a match, an IRA, and a brokerage account full of various mutual funds and stocks of their favorite companies. They always seem to be riding high when the market is doing well. But what happens when the market has a bad day?

They freak out. They panic. They feel like they should have done something differently.

Research from Statista⁽⁶⁾ stated that 193,306,783 Americans invested in the stock market in 2022. By concentrating 100% of their saving strategy in the stock market, the overwhelming majority of people are taught to plan financially in such a way that can negatively expose them to the adverse ebbs and flows of the market.

I love this quote:



"It's not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for."

— Robert Kiyosaki

You should be diversified amongst all asset classes, not *just* money in the stock market. The key to a sound retirement strategy is to have multiple buckets of money working for you at all times **and** insulating yourself so that you always have some money growing on your balance sheet every year - no matter what.

MISTAKE #7: Not Getting Help

Picture two people in a gym preparing for a workout. One person has never been to a gym before and doesn't know how to use the weights, machines, or cardio equipment. The other person is a champion bodybuilder.

BOTH of these people can benefit from a personal trainer.

The same is true in financial planning. I may be biased, but I think both inexperienced and veteran investors alike can benefit from a fresh pair of eyes. The benefit is obvious for people who are unsure what to do, but more subtle for do-it-yourself investors. Because even though DIYers may know what they're doing, that's not a reason to avoid seeking help. Based upon that logic, one could ponder why Tiger Woods has a swing coach or why Tom Brady has a throwing coach.

And in addition to the "I can do it myself" myth, there are several myths people believe that keep them from seeking help...

- ▶ Financial advisors are only for rich people.
- ▶ Working with a financial advisor is too intimidating.
- ▶ A financial advisor will put all my money in stocks and that's too risky.
- ▶ I should only work with a local financial advisor.
- ▶ Financial advisors are too expensive.
- ▶ Hiring a financial advisor means I have to give up control.
- ▶ All financial advisors are created equal.



BONUS: Questions to Ask Before You Hire a Financial Advisor...

By now, I hope I've made it obvious that I am a financial advisor who works specifically with professional working women. I would be honored to take the time to speak with you and learn more about your situation. If you would like to schedule an appointment, please use my scheduling link here:



www.TalkToStamp.com

I want to help you on your journey to hiring a financial advisor, even if it isn't me. So, here is a list of questions you can use to ask during your search:

- 🔊 How do you get paid?
- 🔊 Are you a fiduciary?
- 🔊 What is your investment philosophy?
- 🔊 Who is your typical client?
- 🔊 What are your credentials?
- 🔊 How would we work together?
- 🔊 How would you communicate with me?
- 🔊 What services do you provide?
- 🔊 What's important to you?

SOURCES

1. <https://www.magnifymoney.com/blog/investing/investing-regrets/>
2. <https://www.debt.com/research/best-way-to-budget/>
3. <https://institutedfa.com/Leading-Causes-Divorce/>
4. <https://www.schwab.com/resource-center/insights/content/does-market-timing-work>
5. https://www.ifa.com/articles/advisor_alpha_view_from_vanguard/
6. <https://www.statista.com/statistics/270034/percentage-of-us-adults-to-have-money-invested-in-the-stock-market/>

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