

THE SUCCESSFUL INVESTOR

A PUBLICATION OF WAYPOINT WEALTH PARTNERS

FALL 2011



Waypoint Wealth Partners is an independent wealth management firm providing investment management and wealth planning services to individuals and couples. We specialize in working with successful families with school-age children, helping parents plan and navigate the myriad issues and decisions common to this demographic.

We understand that time is your most precious resource as you juggle the demands of career and family. For that reason, we focus on organizing and simplifying all the pieces of your financial life and developing an actionable plan with key success metrics to keep you on track toward achieving what's most important to you.

At Waypoint Wealth Partners, we strive to develop long-term relationships, deliver tangible results and have a meaningful impact on our clients' lives.

Southern California

4695 MacArthur Court, Ste. 1100
Newport Beach, CA 92660

Northern California

595 Market St., Ste. 2740
San Francisco, CA 94105

1255 Treat Blvd., Ste. 300
Walnut Creek, CA 94597

(877) 768-4802

www.waypointwp.com

Clear communication

It sounds so simple: communication. We think "Sure my spouse knows where I've stashed the passwords" or "Of course my financial planner is hearing both of our needs around money."


But as most of us know, that's often not the case.

Chuck's partner column discusses the importance of making sure the nitty gritty around daily finances is captured and then communicated to other family members. It's simple to do and an essential step for financial peace of mind. See page 2.

Our client profile, Linda, talks about how

important communication was to her children when she and her ex-husband decided to divorce. She shares some valuable lessons on page 4.

Our contributed columnist, Susan Bross, tackles how different money styles can impact couples and offers advice about how to stay on the same financial page. See page 5.

And finally, we introduce the Women of Wealth study, which explains how the financial services industry is not hearing what women need and why it's essential that they do. See page 7 for details and learn how to get a copy. 



Chuck Bowes, Principal



Annette Brinton, Principal



Ed Runyon, Principal

"The single biggest problem in communication is the illusion that it has taken place."

— George Bernard Shaw

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Family CFO needs to communicate

If you manage the finances, be sure that other family members know the basics

Who is the CFO in your household? Is it just one person or is the responsibility shared? We find that with most of our clients, there's a primary person who handles the finances.

877-768-4802
chuck@waypointwp.com,
annette@waypointwp.com, ed@waypointwp.com



Chuck Bowes
Principal

We have written about the importance of having a shared vision of the future and measurable goals that will help you get there. Equally as important is that the family CFO communicates how the nuts and bolts of the family finances are organized and where all the critical information resides.

Be sure to include your CPA, trust attorney, insurance brokers, personal attorneys, guardians for any minor children, as well as school name and contact information for families with young children.

Our experience is that with the majority of families, the basic information regarding finances is scattered about like the fall leaves in a dense forest.

It is also a good idea to keep a list of close family members and their contact information. This sounds so simple but can really make a difference to someone searching through your computer files trying to find grandma's phone number or the name of your child's school.

Passwords may be kept online, while insurance policies are in the file cabinet and contact information for the trust attorney is in the Rolodex. Does your spouse, partner or other key family members know where all this information is kept?

CFO To Do's

1. Capture financial information in one place.
2. Keep it safe and secure.
3. Be sure to tell your spouse, partner or key family member where it is.
4. Enjoy peace of mind once these tasks are complete.

Additionally, keep copies of your important financial documents, including trusts, tax returns and insurance policies. You can keep these in hard copy or on the computer but just be sure to let the non-CFO know where they are.

If so, bravo! If not, it's time to look at the nitty gritty and get organized. It may sound overwhelming but it's not. This column outlines everything you need to do and provides suggestions about best practices.

Did you know? Quicken has an "EmergencyRecordsOrganizer" as part of the software? The ERO tracks emergency contacts, important documents and property information.

WHO'S WHO: MAKE A LIST

WHAT'S THIS: EXPLAIN WHAT EVERYTHING IS

Make a list of your financial team members and their contact information. WWP clients should put us at the top of that list because we regularly interface with other members of your team and have copies of many of your key financial documents. Here, we'll start your list for you:

This may sound too simplistic, but it's actually a really important step to take. Create a list of all your accounts, including a brief description of what it is, account numbers, user names and passwords. For example:

Wealth Management
Waypoint Wealth Partners
Chuck Bowes, Annette Brinton, Ed Runyon
San Francisco or Newport address

Fidelity or Schwab accounts
John Doe's account: XXX-XXX-XXXX
(username + password)
Jane Doe's account: XXX-XXX-XXXX
(username + password)

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These are the IRA accounts for John and Jane and money is for retirement. Quarterly statements are kept electronically on the computer in the office. This is managed by Waypoint Wealth Partners, so questions can be directed to Chuck, Annette or Ed.

Chase, Wells Fargo or Bank of America

Joint Checking: XXX-XXX-XXXX
(username + password)

This checking account is used to pay for regular expenses. Monthly statements are kept electronically on the computer in the office.

Money Market: XXX-XXX-XXXX (username + password)

This is where all deposits go, including John Doe's bi-weekly paycheck. Our monthly mortgage is taken from this account between the first and fifth of each month.

The contact for our Chase accounts is Sally Johnson at the Chase branch at 1234 Money Way, San Francisco. Main phone at this branch is (415) XXX-XXXX.

ING Orange Account

Savings: XXX-XXX-XXXX (username + password)

This is our emergency fund, which we aim to keep 6-8 months of living expenses readily available. We also use this for big ticket items and transfer funds from ING to Chase joint checking when needed. Electronic transfers are simple but do take up to five business days to complete.

So on and so forth. Be sure to include all financial accounts for your family on this list including IRAs, 401(k)s, 529s and children's savings accounts.

If you are helping to care for an aging parent, be sure to create a separate list of their information.

And finally, if you have a list of your passwords tucked away somewhere, be sure to indicate where that is.

EXTRA INSURANCE: LIST THOSE POLICIES

Just as you captured all your financial account information above, you need to create a list of all your insurance policies and indicate where they are kept.

Life Insurance

John's: XXX-XXX-XXXX (username + password)

Jane's: XXX-XXX-XXXX (username + password)

Life insurance policies are kept in the white financial binder

under "insurance policies" as well as on the computer under "business/financial—insurance policies."

There is no specific contact for the policy, but you can reach the insurance company at 800-XXX-XXXX.

Be sure to include property insurance, umbrella policies, car insurance and life insurance.

LOCATION, LOCATION, LOCATION

So now that you've gathered all this information (it wasn't that hard, was it?), where should you put it? Every family will figure out what works for them, but here are some options:

- A good, old-fashioned three-ring binder.
- Electronically on a computer, but be sure to have a solid back-up system in place. There's probably nothing worse than having a hard drive crash with so much essential information.
- Files, clearly marked and easily accessible. A file cabinet in the home office makes sense, but tucked away in a dusty bin in the attic isn't optimal.

Whatever method works best for you, it's also important to consider investing in a fireproof safe. This could actually hold the binder or a CD. Be sure that more than one person knows where the key is or what the combination is so information can be accessed.

TALK AMONGST YOURSELVES

The lists are made and the fireproof safe is brimming, but there's one more critical step: communication. Be sure to tell your spouse, partner, executor of your estate, your financial planner — someone, anyone.

It is so important to spend just a few minutes every year updating and sharing the basic, boring, mundane aspects of your increasingly complex financial life to ensure that all the appropriate people in your family know where to find the key information if they need it.

It may sound like a daunting task, but it's very manageable and will provide peace of mind to you and your family. If you think it sounds tough to compile this information, imagine what it would feel like for someone you love to start sorting, searching and gathering this information from scratch.

The new year is right around the corner so put this on your list of resolutions, follow these simple steps and complete your financial spring cleaning before the first flower blooms. 🍀

Forging a new path

How one woman gained control, stayed strong and found a better side of herself

"It's a path you don't picture yourself on," says Linda W., a recent divorcee from the San Francisco Bay Area. "You never prepare yourself for divorce."

When Linda and her ex-husband decided to divorce in 2008, it shattered the life that she had known and loved. She was a stay-at-home mother of two boys, who were 7 and 4 years old at the time. Linda was home with the children, while her husband worked full time and traveled regularly.

Then the marriage shifted and divorce was on the horizon. Linda says it felt like, suddenly, she was on her own. There were big decisions to be made about the children, the house and the finances, all while grappling with sadness and loss.

Linda, who grew up in Marin, found great comfort from her wonderful family and supportive friends.

She also surrounded herself with capable professionals in areas that were out of her comfort zone. Her financial planner helped her figure out if she could stay in the family home. Ultimately she did, which provided needed stability to the boys' lives.

She also found an attorney she could trust and someone to help with her taxes, which she didn't want to have to manage.

All these steps help her gain control of a life that had been whirling out of control.

"You mourn the loss of what you pictured your life to be," says Linda, remembering back to that painful period.

Although Linda's life today is different than she expected,

Linda's Lessons

Stay connected to finances

Thankfully Linda was completely in tune with the family finances. She paid most of the bills and understood what their financial picture looked like so there were no surprises.

Maintain a good network, professionally and personally

Linda took time off to raise her boys but maintained a professional network. This allowed her to consult when the boys were young and enabled her to find a perfect, part-time job shortly after the divorce.

Keep priorities straight

Linda and her ex-husband have been able to keep the children their top priority. "We work well together and during the divorce, we would look at the finish line and realize we need to settle this and make it as painless as possible."

Find ways to take control back

Linda was overwhelmed when the divorce became a reality. She felt she had lost control over most aspects of her life and found great comfort in taking back control, little by little. She found it vital to surround herself with capable professionals who could help remove stress from her life and give her peace of mind.

she's carved out a new reality that is filled with family, work and community.

She has an ideal part-time position with a local Internet company, which she found after getting through the initial stages of the divorce and reaching out to her network.

"I thought it would take a long time to find a job because I had a lot of parameters," she says. "But within four weeks, I landed a perfect job."

She loves her job, enjoys the team she works with and finds it fun to work for a company that resonates with so many people.

Her part-time job allows her to be around for her boys, who attend the local elementary school and are happy and thriving in first and fifth grade.

"I realized I was a lot stronger than I thought. I really was able to find a better side of myself," she says with a smile. "Right now I live day by day and that works just fine."

She and her ex-husband are diligent about putting the children first and work together to plan the year and holidays so there's as little impact as possible.

"At the end of day, it doesn't matter to the boys when we celebrate the holidays," Linda says. "As long as they are with family."

It may not be the life she imagined, but it's one that brings a smile to her face as she settles into a comfortable couch in her family home, with the boys laughing in the next room. —

Different money styles create challenges for couples

Have you ever had a discussion with your spouse/partner about money and you realize that he or she is looking at you like you just walked off the set of a horror movie with your makeup still on?

You were simply stating a "truth" about money and discovered that your dearest one had a completely different perspective.

Why is that? Why does your spouse/partner have such a different perspective about money? The answer could be as simple as "opposites attract," which often holds true for money styles.

You can see how it might happen. Someone who is savings-oriented might be attracted to someone who is easy and joyous about money. Someone who spends easily might be attracted to a partner who is more security conscious and "buttoned-up" around money.

A couples therapist once told me that whatever attracts a person to his or her mate is likely to drive that person crazy over time. A savings-oriented person eventually could see his or her mate as irresponsible for spending money easily, while an easy-spender could chafe at the perceived frugality of a saver.

Have you ever wondered where these seemingly ingrained perceptions, attitudes and beliefs come from?

All families have implicit rules about money that are communicated non-verbally, as well as intuitive rules from heritage and legacy, according to the book "For Love & Money: Finances, Feelings and Relationships" by Bernard Poduska, professor at Brigham Young University.

Children learn to live within the paradigm of those rules and subsequently filter information about money through the perspective of that paradigm.

Once this idiosyncratic money paradigm is in place, the filter through which he or she sees the world reinforces those thoughts thousands of times, until the weight of the attitudes and beliefs feels like "truth." There's nothing to intervene on this process because children

usually don't get systematic education about money.

As an adult, he or she unconsciously operates in the world with this individualized money perspective. It doesn't cause many problems until a mate is chosen. Now you have two people with two very different (if not opposite) money styles trying to communicate and reach agreements. Both think he or she is right about money truths, and that the other person is being difficult, not hearing or simply wrong.

What to do? In my work with couples around these issues, I explain that the style differences are most apparent in a conceptual conversation.

For instance, "Should we go to Paris for a month this summer or not?" or "Should we send our son to private school?" These types of conversations are conceptual, and the differences in money styles can derail the discussion.

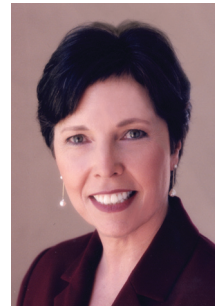
I suggest that couples meet regularly about money, to deliberately share tasks and look at the numbers.

The questions above would sound more like this: "I've priced out a month in Paris for this summer, and it looks like it will cost XYZ" or "I've visited private schools, and the one that looks the best will cost ABC." The final question to both would be: "Can we fit this into our budget?"

When the conversations focus on the numbers and the feasibility of those numbers within the context of lifestyle expenses, the black-and-white nature of numbers can circumvent the style differences.

I believe that there is an achievable, harmonious path through the financial arena of a relationship, and my passion is in finding that individualized path for each couple. ☺

Susan Bross is a nationally accredited financial counselor in San Rafael since 1993. As a financial counselor, she helps individuals, couples and entrepreneurs nationwide develop a practical and emotionally healthy relationship with money. You can reach her at susanbross@brossmoney.com.



Susan Bross

WWP team adds employee, stays involved in community

Waypoint Wealth Partners welcomes Memory Whittaker as a new full-time client service associate. Memory will join Stephanie to ensure that all client administration and back office needs are met in a friendly, professional and timely manner. Prior to joining WWP, Memory worked at Merrill Lynch and Charles Schwab. She can be reached at 877-768-4802 or memory@waypointwp.com.

Ed and Chuck volunteered at the recent "Financial Planning Days" sponsored by the Financial Planning Association. Ed participated in Southern California and Chuck in Northern California. The event is designed to encourage individuals who do not otherwise work with a financial professional to attend and address their questions with no obligation. Chuck was quoted in both the "Contra Costa Times" and the "San Jose Mercury News" about the pro bono event. Chuck is the incoming board president for the Financial Planning Association East Bay.



Chuck also participated in an inaugural golf tournament fund-raiser for the Financial Planning Association East Bay. More than 100 golfers teed off at Round Hill Country Club in Alamo on a bright September day. The tournament raised more than \$3,000, which will be used to continue and expand pro bono activities.

Annette just concluded a women's leadership development program that included a 12-day trip to Peru where they hiked the Salkantay trail to Machu Picchu. "It was the trip of a lifetime! I feel so fortunate to have had the opportunity to do this. I can't wait to go back!"



Chuck is an at-large representative for the Oakland Wildfire Prevention District. He was recently interviewed for a video about the district that will be used to educate people about the 1991 Oakland Firestorm.

Annette saw Nobel Laureate Daniel Kahneman speak about his research and findings about human judgement and decision making. Professor Kahneman is the first psychologist to be awarded the Nobel Prize in Economics for his work in behavioral finance. He sites that "The idea that any individual can beat the market, without inside information, is extraordinarily unlikely. Yet the market is full of people who believe they can and full of other people who believe them. It's one of the great mysteries of finance."

Chuck hosted the fourth-annual annual family camping trip for his children's school. There were 75 parents and kids who enjoyed two days in early October at Memorial Park in San Mateo County. The group spent two full days in the great outdoors, roasting marshmallows and watching the ever popular skit night.



Ed has had a couple of recent outdoor adventures including hiking to the peak of San Jacinto Mountain near Palm Springs and rock climbing on a variety of routes near Lake Tahoe.

Chuck recently heard The New York Times Foreign Affairs columnist Thomas L. Friedman discuss his latest book "That Used to Be Us: How America Fell Behind in the World it Invented and How We Can Come Back" (which is on Chuck's night stand). The fascinating discussion grappled with some of America's greatest challenges and offered solutions to help America become great again.

Over the summer, Rachele Runyon (13) spent four weeks touring Europe and Israel. Her grandmother, Nancy, took her on a Mediterranean cruise where they visited cities in France, Italy, Croatia, Turkey and Montenegro. After that, they stayed in Israel touring many historic sites and attending the ceremonies surrounding a family Bar Mitzvah.

Blake Runyon (11) pursued his love of the ocean by learning to scuba dive and earning his Open Water Diver certification. His training included classwork, pool sessions, a beach dive and three dives in Catalina. Coincidentally, Blake's first dive in Laguna was at the same beach where Ed completed his first scuba training dive 34 years ago.

Annette celebrated her 10-year wedding anniversary in Lake Tahoe where she and Adrian got married a decade ago. "It was a wonderful way to celebrate this milestone and reminisce about the great times we've had together over the last 10 years."



In August, Chuck and his family participated in the American Cancer Society's Relay for Life in Montclair. Team Bowes was on the track for 24 hours with family coming from Santa Barbara and San Jose to participate in this meaningful event. ☺

Women of Wealth

Why does the financial services industry still not hear them?

Waypoint Wealth Partners is an active member of The Family Wealth Advisors Council (FWAC), a national network of independent, fee-only wealth management firms that collectively manage more than \$3 billion in assets.



We are pleased to announce that FWAC has completed one of the largest studies of affluent women and their finances ever undertaken. More than 550 affluent women from 44 states participated in the study, which sought to uncover what women need from their financial advisor and how satisfied they are with that relationship.

"FWAC member firms have long track records of serving affluent women well and even we were surprised at the findings," said Chuck Bowes, WWP partner and member of FWAC. "The dialogue with women about managing their wealth is changing and we are proud to be thought leaders in the industry."

The 2011 Family Wealth Advisor Council "Women of Wealth Study" offers insights as to how differences in marital status, net worth, employment status and age impact what type of advisor women are looking for, what they expect from that advisor and what they worry about as they contemplate their financial futures.

"FWAC is deeply committed to serving the needs of women of wealth as they continue to control increasingly large amounts of this nation's wealth. We believe this study shows our commitment to changing the way women feel about the financial services industry and helps open a dialogue as to how we can all better serve the female client," said Eileen O'Connor, vice president of wealth management for McLean Asset Management Corp. in McLean, Virginia and member of FWAC.

If you are interested in receiving a copy of this comprehensive study please let us know. [e](#)

Women of Wealth Study

The Women of Wealth study surveyed more than 550 affluent women across 44 states to find out what women need from their financial advisor and how satisfied they are with that relationship. Here are a few facts from the study:

- Both the amount of wealth controlled by women and the rate at which it is increasing are extraordinary — 95% of women will be their family's primary financial decision maker at some point in their lives.
- Today, women control 51.3%, or \$14 trillion, in personal wealth, and that figure is expected to grow to \$22 trillion within the next decade.
- For the first time in history, half of all U.S. workers are female and mothers are the primary breadwinners in 4 out of 10 American families.
- The \$12 trillion women earn today is projected to grow to \$18 trillion in just five years.
- 80% of men die married, while 80% of women die single. Nearly 700,000 women lose their husbands each year, and those who are widowed outlive their husbands by an average of 14 years.
- Women under 30 are earning higher salaries than men in all but three of the 150 biggest cities in the United States.
- Women entrepreneurs are starting businesses at more than twice the rate of men, and the number of women-owned companies with revenues of more than \$10 million has grown about 40% since 1997.
- Women represent 57% of undergraduate college students and 60% of graduate students. For the first time in history, women now earn as many professional and doctoral degrees as men.

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4695 MacArthur Court #1100
Newport Beach, CA 92660

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***Family CFO** needs to communicate the basics to others.*

*Why the financial services industry still does not hear what
women of wealth are saying.*

***He said, she said:** How mixed money styles impact couples.*

Find out more inside...