



Sovereign Financial Services
Women's Investing Basics

www.sfsadvisers.com

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Introduction.

Through my years of working with Sovereign Financial Services and being a part of a firm that truly believes in knowing what you are investing for and how you want your future to look, I realized we needed an area designed for women by women. I recognized that women coming to us have not always planned for their future and I wanted to find a way to help them prepare for not only the what-ifs, but the road that lies ahead.

We take the time through our discovery process to learn your money personality, about the resources you have and how to make them work for you. My mission is to help women become confident savers, spenders and investors. Through education and empowerment we can help you take control and plan for the lifestyle & future retirement you want. The foundation of our client relationships is built on trust and putting our clients first. We, at Sovereign Financial Services, want you to ask the questions that will empower you to make the best decisions for your future.

Included in this E-Guide you will find plenty of do's and don'ts, tips and tricks as well as organizational worksheets to get you on the right path for financial freedom.

Call our office at anytime with questions or to get more information.



Melissa Miller

Sovereign Financial Services

www.sfsadvisers.com

Finances for Women 101.

Top 5 Financial Tips to get you started

Here are a few items to focus on to get you started in the right direction for planning for your tomorrow. It all starts today!



1. Define Your Goals

Setting goals that you can benchmark is a start to your financial future. Start with the short-term 1 year goals. Move on to your 2-5 year goals and finally the long term 5 years and beyond.

Have a list that you can refer to and check off and add the things that become important to you in the future.

2. Money Management

Understand your income and expenses. Set a budget that you can use to plan and track how and where your money is going and benchmark the adjustments that need to be made to keep you on your road to financial empowerment. The Guide to Getting Organized, Budget Worksheet and Net Worth Worksheet on the following pages are great tools to find out where you are today.

3. Credit

Pull your annual credit report to ensure nothing is out of place. Confirm your score and set the goal to only charge what you can afford to pay off every month.

We know that things may arise that are out of your control, so having a plan in place before things happen will save you from the need to use credit for those surprises that are guaranteed to happen.

4. Reserves

The key to being prepared for those unexpected costs mentioned in #3 is to build your reserves. Having the means to cover the “what-if’s” and the uh-oh’s allows you to fund the expenses without dipping into your nest egg or using credit cards. We like to see 6 months of your expense costs set aside to cover the unexpected.

5. Education

Ask questions and work with an Adviser who understands your goals and investment objectives. Map out a plan so your investments can stay the course. You should review your plan annually and make the adjustments to meet the financial changes in your goals and situations. In our experience, the goals of our women clientele change through different stages in their lives, from building a career, starting a family, caring for loved ones, college planning for kids and planning for retirement. Your adviser should be asking the questions to know what is important to you and writing a plan that is tailored to your unique financial goals and means.

You are in control and there is no cookie cutter answer to investing. Women have many challenges to overcome with investing including living longer, less pay and more time away from work than men. Becoming an educated investor now will help guide you through any bumps in the road that may be ahead.

Key Types of Financial Accounts.

Working with an Adviser who knows your financial goals, means and dreams, will help guide you through the types of accounts you should have. Your Adviser will discuss how the accounts should be set up as well as what types of contributions that should be made. Here is a basic list of the key financial accounts you could come across in your discussions.



1. Brokerage Account

An arrangement between an investor and a licensed brokerage firm that allows the investor to deposit funds with the firm and place investment orders through the brokerage house. A brokerage account allows you to buy and sell everything from stocks and bonds to mutual funds, currency, futures and options contracts, depending on the broker. Over the long term, the return on a diversified investment portfolio is much greater than a savings account interest rate, which likely won't beat inflation.

2. Traditional IRA

An Individual Retirement Account to which you contribute pre-tax or after-tax dollars, and which allows your money to grow tax-deferred. When you make withdrawals after age 59½, they're treated as current income.

3. ROTH IRA

An individual retirement account allowing a person to set aside after-tax income up to a specified amount each year. Both earnings on the account and withdrawals after age 59½ are tax-free.

4. Employer Plans (401(k) 457(b) 403(b) & SIMPLE IRA)

A 401(k) plan is an employer-sponsored plan offered by certain corporations. Typically, larger companies are more likely to provide a 401(k) for employees, as the costs can be significant. A 403(b) plan is a tax-deferred retirement plan also known as a tax-sheltered annuity. It's offered by certain public schools, tax-exempt organizations and church groups, rather than businesses. State and local governments, along with certain tax-exempt, non-governmental entities may offer a 457(b), which is a deferred compensation plan.

To contribute to a 401(k), 403(b) or 457(b), you'll indicate the percentage of your income you want to put into the plan. Your employer will withhold that amount from your paycheck and make the deposit on your behalf. For 2015 & 2016, the contribution limit for eligible employees is \$18,000 for all three plans. The elective deferral limit for SIMPLE plans is 100% of compensation or \$12,000 in 2015 and 2016. Catch-up contributions may also be allowed if the employee is age 50 or older.

For Current year and up-to-date contribution limits always check the IRS.gov resource pages.

<https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-contributions>)

5. SEP IRA

A Simplified Employee Pension Individual Retirement Arrangement (SEP IRA) is a variation of the Individual Retirement Account used in the United States. SEP IRAs are adopted by business owners to provide retirement benefits for themselves and their employees.

6. Annuity

An annuity is a contract between you and an insurance company in which you make a lump sum payment or series of payments and in return obtain regular disbursements beginning either immediately or at some point in the future.

The goal of annuities is to provide a steady stream of income during retirement. Funds accrue on a tax-deferred basis, and like 401(k) contributions, can only be withdrawn without penalty after age 59.5.

7. CD (Certificate of Deposit)

A certificate of deposit (CD) is a savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination. CDs are generally issued by commercial banks and are insured by the FDIC. The term of a CD generally ranges from one month to five years.

8. Money Market

A money market account is a type of savings account that usually earns a higher amount of interest than a basic savings account. The minimum balance for this account is often considerably higher than the minimum balance of a basic savings account. Financial Instruments with high liquidity and very short maturities are traded. The money market is used by participants as a means for borrowing and lending in the short term, from several days to just under a year.

Here are a few of the key tips on what to do and not to do when starting your investment plans.

1. Do Your Planning

Looking back at Do's and Don'ts of investing for Women our Financial Tips 101; use your long term plan that you can benchmark. Starting with a custom plan that was build around your goals and dreams that can be a living document that changes with you.

2. Do Research

Look for steady performance and a solid track record for the fund manager that you research, ask your Adviser the questions as to why they are choosing one investment over another and have them explain why it is a fit for you.

3. Do Stay The Course

Building a plan that meets long term and sticking with it. Women tend to follow the buy and hold strategy better than men, but why is that important? Short term investing may not allow your investments time to reach their potential. Stocks are an essential part of your portfolio, though prices may rise and fall, five decades of market research shows that stocks consistently outperformed all other major asset classes over the long term.

4. Don't Buy Last Years Top Performers

Last year's winners should not be expected to have that same success year after year. There are far too many factors that play into and affect stocks and bonds; such as political issues, interest rates and overall economic health.

5. Don't Time The Market

To have this work you would need a crystal ball. Being able to know when to sell stocks before they fall and to buy them just before a surge is not something that is a given.

CNBC has a great article and video on what you're really missing out on when panic sets in and you sell when the market is in a correction.

<http://www.cnbc.com/2015/08/25/what-market-timing-can-really-cost-you.html>

6. Don't Put All Your Eggs In One Basket

It is a very well-known saying with a ton of truth. Choosing only one security or fund? What happens when that funds bottoms out? So does your entire portfolio!

7. Do Diversify

This does not guarantee you won't lose money, but it does allow you to better manage risk. By using different asset classes and investments (stocks, bonds, cash, etc.) some may fall while others rise to help offset some of that loss.

Getting Organized for Women's Investing.

Before you can meet with Advisers to find the right fit, you need to have yourself organized and have a better understanding of your financial picture. The more prepared you are for the meeting the more you will benefit from the initial discussion.



Over the next few pages we have included checklists and worksheets that will have you well prepared for your consultation.

Start by choosing a valuation date that will be consistent for all of your assets and account statements. Having one from January and another from July does not give an accurate picture on where you are today. We recommend choosing the closest quarter end statement available for all accounts (3/31, 6/30, 9/30 or 12/31).

Financial Documents Checklist

Date of Valuation _____

Assets & Income

- Income Tax returns (2 years)
- W-2's, 1099s or Paystubs (2 months)
- Financial Statements
 - Investment accounts
 - Employer Plans
 - Checking accounts
 - Savings Accounts
 - CD's
 - Money Market Accounts
 - Trusts
- Real Estate Records
- Personal Property list (autos, furnishings & collections)
- Whole Life insurance Policies

Liabilities & Debts

- Credit Card statements (2 months)
- Vehicle Loan statements
- Mortgage & HELOC statements
- Promissory Notes
- Student Loan statements
- Any other loan statements

Budget Worksheet

	Monthly Expenses	Annual Expenses
Home Expenses	\$ _____	\$ _____
Rent/Mortgage	\$ _____	\$ _____
HOA Fee	\$ _____	\$ _____
Home Equity Loan	\$ _____	\$ _____
Property Taxes	\$ _____	\$ _____
Telephone	\$ _____	\$ _____
Cell phone	\$ _____	\$ _____
Internet	\$ _____	\$ _____
Security System	\$ _____	\$ _____
Cable / satellite	\$ _____	\$ _____
Electricity	\$ _____	\$ _____
Gas	\$ _____	\$ _____
Water/Garbage	\$ _____	\$ _____
Lawn	\$ _____	\$ _____
Snow Removal	\$ _____	\$ _____
Pest Control	\$ _____	\$ _____
Home Maintenance / Repairs	\$ _____	\$ _____
Housecleaning	\$ _____	\$ _____
Pool	\$ _____	\$ _____
Miscellaneous Household	\$ _____	\$ _____
Total Home Repairs	\$ _____	\$ _____
Food		
Groceries	\$ _____	\$ _____
Dining out	\$ _____	\$ _____
Total Food Expenses	\$ _____	\$ _____



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Clothing Expenses

Clothing	\$ _____	\$ _____
Laundry/Dry Cleaning	\$ _____	\$ _____
Total Clothing expenses	\$ _____	\$ _____

Entertainment / Recreation

Entertainment (Exclude dining out)	\$ _____	\$ _____
Videos / CDs / DVDs	\$ _____	\$ _____
Hobbies	\$ _____	\$ _____
Movie theater	\$ _____	\$ _____
Vacations / Travel	\$ _____	\$ _____
Classes / Lessons	\$ _____	\$ _____
Total Entertainment /Recreation Expenses	\$ _____	\$ _____

Medical (Not covered by Insurance; not child costs)

Physicians	\$ _____	\$ _____
Dental / Ortho	\$ _____	\$ _____
Optometry/ Glasses / Contacts	\$ _____	\$ _____
Prescriptions	\$ _____	\$ _____
Therapist / Counselor	\$ _____	\$ _____
Total Medical Expenses	\$ _____	\$ _____

Insurance

Life Insurance	\$ _____	\$ _____
Health	\$ _____	\$ _____
Disability	\$ _____	\$ _____
Long Term Care	\$ _____	\$ _____
Home	\$ _____	\$ _____
Auto	\$ _____	\$ _____
Other (Umbrella/ Boat/ RV)	\$ _____	\$ _____
Total Insurance Expenses	\$ _____	\$ _____



Women's Investing Basics

Transportation

Auto Payment	\$ _____	\$ _____
Fuel	\$ _____	\$ _____
Repair/ Maintenance	\$ _____	\$ _____
License	\$ _____	\$ _____
Taxis & Transit	\$ _____	\$ _____
Parking	\$ _____	\$ _____
Total Transportation Expenses	\$ _____	\$ _____

Miscellaneous

Postage	\$ _____	\$ _____
Gifts / Holiday Expenses	\$ _____	\$ _____
Vitamins / Non Prescriptions Drugs	\$ _____	\$ _____
Toiletries	\$ _____	\$ _____
Hair / Nails / Grooming	\$ _____	\$ _____
Pet Care	\$ _____	\$ _____
Books / Newspaper / Magazines	\$ _____	\$ _____
Donations	\$ _____	\$ _____
Memberships / Clubs	\$ _____	\$ _____
Miscellaneous	\$ _____	\$ _____
Credit card	\$ _____	\$ _____
Total Miscellaneous Expenses	\$ _____	\$ _____

Other Payments

Quarterly taxes & Add'l Tax Payments	\$ _____	\$ _____
Spousal Support Payments	\$ _____	\$ _____
Child Support Payments	\$ _____	\$ _____
Eldercare Expenses	\$ _____	\$ _____
Professional Fees (Accounting, Financial Planning, Legal)	\$ _____	\$ _____
Service Fees (Banks, Investments, etc.)	\$ _____	\$ _____
Total Other Payments Expenses	\$ _____	\$ _____

Total Expenses (Excluding Children)	\$ _____	\$ _____
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Women's Investing Basics

Child Related Expenses

Education / Tuition	\$ _____	\$ _____
Day Care	\$ _____	\$ _____
School Lunches	\$ _____	\$ _____
Counselor	\$ _____	\$ _____
Sports / Camps / Lessons	\$ _____	\$ _____
Hobbies / Field Trips / School Activities	\$ _____	\$ _____
Toys / Games	\$ _____	\$ _____
Boys Scouts / Girl Scouts	\$ _____	\$ _____
Clothing	\$ _____	\$ _____
Medical	\$ _____	\$ _____
Dental / Orthodontics	\$ _____	\$ _____
Optometry / Glasses / Contacts	\$ _____	\$ _____
Prescriptions	\$ _____	\$ _____
Allowances	\$ _____	\$ _____
Miscellaneous / Haircuts	\$ _____	\$ _____
Total Child-Related Expenses	\$ _____	\$ _____

*Not Covered by Insurance

Total Expenses (Including Children)	\$ _____	\$ _____
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Net Worth Sheet

Name _____ Date _____

What I Own

Personal		
Home Equity	\$	
Other Property Equity	\$	
Cars	\$	
Furniture	\$	
Collectibles	\$	
Jewelry	\$	
Cash	\$	
Money Owed to you	\$	

Savings & Investments		
Checking accounts	\$	
Savings accounts	\$	
Other accounts	\$	
Annuities	\$	
Life insurance cash value	\$	
Stocks/bonds/CDs	\$	
Mutual funds	\$	
Other	\$	

Retirement Savings		
Pension plans	\$	
401 (k)	\$	
IRAs	\$	
Other	\$	

TOTAL ASSETS		
	\$	

What I Owe

Personal		
Home Loans	\$	
Other Property Loans	\$	
Car Loans	\$	

Accounts		
Card 1 _____	\$	
Card 2 _____	\$	
Card 3 _____	\$	
Retail Credit Cards	\$	
Personal Loans	\$	
Unpaid bills	\$	
Income tax owed	\$	
Other debts	\$	

Investment Debt		
School loans	\$	
Business loans	\$	
Investment loans	\$	
401(k) loans	\$	
Life Insurance loans	\$	
Other investment loans	\$	
Other _____	\$	
Other _____	\$	
Other _____	\$	

TOTAL LIABILITIES		
	\$	

TOTAL ASSETS	\$	
- TOTAL LIABILITIES	\$	
TOTAL NET WORTH	\$	

**Thanks for taking the
time to Download and
read our E-Guide to
Women's Investing
Basics.**

For more information or to schedule a consultation
please email me mmiller@sfsadvisers.com or call
410-575-3120.

**We look forward to helping you
become a confident empowered
Investor.**