

## How to Find a Financial Adviser

***Be careful when hiring a financial planner: Remember, no one cares more about your money than you do!***

**R**esearch shows that women are underserved by financial planners – 62% of women still don't have a financial professional. Other surveys show that women are interested in learning more about their finances and retirement planning but they do not trust the financial industry. Another headline tells us that 70% of recent widows are so dissatisfied that they leave their financial advisers within a year of their spouse's death. But the main complaint we hear is that many people just don't know where to begin. If you are considering hiring a financial professional, make sure you ask colleagues and friends for a few recommendations and then be sure to investigate on your own. A good planner can help you consider all aspects of your financial situation and develop recommendations to help you stay on track.

### ***Understanding your financial needs is just one step in finding a financial planner.***

The first step before choosing a planner is to know what services you need and what services the planner will provide. Some financial planners specialize in specific roles – such as retirement or estate planning. It is important to find a planner who will work with you to develop a financial strategy that you can understand and explain. If you don't understand your financial strategy, then your planner may not be right for you.

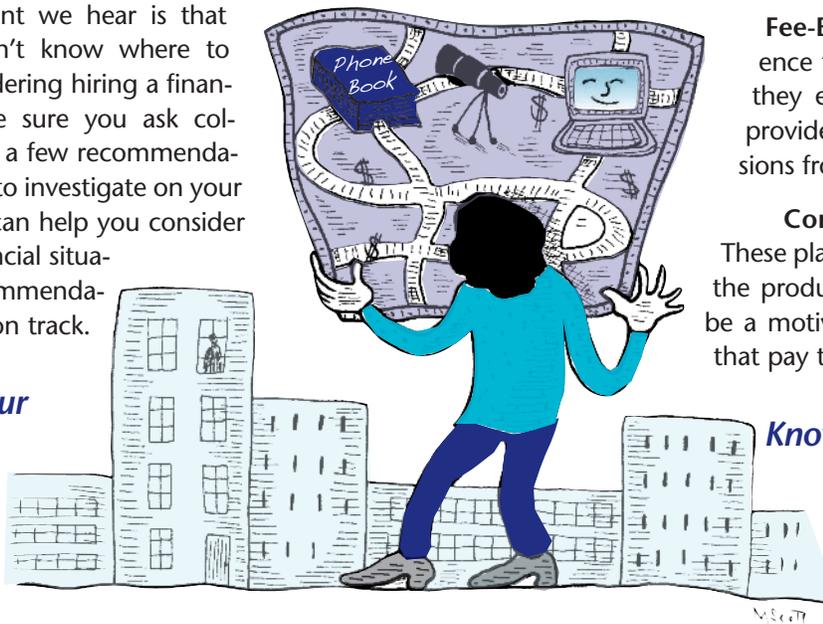
### ***Know how your planner will be paid.***

You should know how your planner will be paid so be sure to ask the question before you start. There are three basic ways that planners are paid for their services: Fee-Only, Fee-Based or Commission-Based.

**Fee-only Planners:** The advantage to the fee-only route is that you know up front how much you'll be paying for advice. However, fee-only planners may charge an hourly rate, or an annual rate or a percentage of your assets. They do not sell financial products or charge commissions. The National Association of Personal Financial Advisors ([www.napfa.org](http://www.napfa.org)) allows you to find a fee-only planner with its "find an advisor" tool.

**Fee-Based Planners:** The difference from fee-only planners is that they earn fees for the advice they provide and they also earn commissions from selling financial products.

**Commission-Based Planners:** These planners charge commissions for the products they sell. There may also be a motivation to sell clients products that pay the highest commissions.



### ***Know what the professional titles signify.***

Always check what the title means, what the financial professional did to get that title, and who/what organization granted the title. Don't rely solely on a title to determine whether a professional has the financial expertise you need. A professional title is not the same as a license or registration granted by federal or state regulatory authorities, which affords certain legal protections.

FINRA, the Financial Industry Regulatory Authority, is responsible for overseeing all U.S. stockbrokers and brokerage firms. Yet there are more than 200 professional designations for financial advisors that are not tracked by FINRA.

Also, some financial advisers use credentials to imply they have special expertise in giving advice to seniors. These so-

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# From WISER's President



Dear Readers, This W-2 time of year leading up to Tax Day is a great time to oversee your financial life: make an overview of your taxes, spending and savings. One of the steps you can take is figuring out what you spent last year and what you plan to save for 2015.

Financial planning can feel overwhelming, regardless of income, or financial knowledge. For many, the idea of finding a financial planner seems equally challenging. In this issue, we take you through the process and the information you need to find a planner. We are also pleased to share the inspiring story of Eva Bonilla, a woman who earned a modest salary and knew little about financial planning when she started saving. Thanks to good advice, however, she has built a solid financial foundation for herself and her family. Let her story inspire you, too!

Published by WISER.



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Design and layout: *amp&rsand* graphic design, llc.

The WISERWoman Quarterly Newsletter is intended to provide general information. It should not be used as a substitute for legal or other professional advice.

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## Information from the WISER/Administration on Aging's National Resource Center on Women & Retirement Planning

### *New Web Page Highlights SSA Fraud Prevention*

The Social Security Administration (SSA) launched an informative new web page that highlights the agency's efforts and effectiveness in limiting the instances of fraud. The website includes information on the tools SSA uses to fight fraud, spotlights some of the highly successful anti-fraud efforts, and provides materials you can use to help SSA spread the word. The address is: [www.socialsecurity.gov/antifraudfacts](http://www.socialsecurity.gov/antifraudfacts).

### *Elder Justice Act Funded*

As a member of the Elder Justice Coalition, WISER is pleased to announce congressional funding for the Elder Justice Act. President Obama signed the omnibus spending bill into law in December, 2014.

The bill included \$4 million for a new Elder Justice Initiative targeting elder abuse, neglect, and financial exploitation. The bill provides competitive grants to states to test and evaluate innovative approaches to prevent and respond to elder abuse. The bill also substantially increases funding for the Crime Victims Fund from \$730 million to \$2.361 billion. WISER has been at the forefront of efforts to increase awareness of financial fraud and abuse. WISER has conducted programs, webinars and developed resources to educate aging professionals, consumers, caregivers, and the financial industry about signs of financial exploitation and ways to prevent and treat it.

### *White House Conference on Aging 2015 Announces Five Regional Forums*

The WHCoA is focusing on four specific areas of interest: Retirement Security, Healthy Aging, Long-Term Services and Supports, and Elder Justice. The series of regional forums will engage older Americans, their families, caregivers, advocates, community leaders, and experts in aging on these key issues affecting older Americans. The upcoming forums are designed to help provide input and ideas for the White House Conference on Aging to be scheduled for later this year. The first regional forum was held in Tampa, Florida on February 19th. The remaining forums will be held in Phoenix, AZ on March 31st; Seattle, WA on April 9th; Cleveland, OH on April 27th; and Boston, MA on May 28th. Visit the conference website at [www.whitehouseconferenceonaging.gov](http://www.whitehouseconferenceonaging.gov)

### *U.S. Senate Operates Anti-Fraud Hotline and Website*

If you suspect a senior has been the victim of a scam or fraud, the U.S. Senate Special Committee on Aging has a toll-free hotline to help at 1-855-303-9470 or via the committee website ([www.aging.senate.gov/fraud-hotline](http://www.aging.senate.gov/fraud-hotline)). The committee's investigators have experience in fraud related to retirement savings, identity theft, phone scams, Medicare, Social Security, and other consumer issues.



# Retirement Success! Eva Bonilla's Story

*Eva Bonilla of Fort Worth, TX, agreed to share her amazing story.*

According to the experts it seems that I took advantage of the opportunities that were put in front of me. I knew nothing about saving for retirement when I started but I did all the right things after that – mainly because I listened and people offered help.

I started saving at age 30 when I began as an administrative assistant with Merck Pharmaceuticals. My boss insisted that I invest at least what Merck matched in my 401(k). She was speaking a different language and numbers scared me, but I listened because I respected her, and I knew I had nothing to lose. Or as she said, I had everything to gain! I was amazed that my net pay was hardly affected by my contributions.

Some of my directors had been financial advisers before working at Merck. They encouraged me to attend the free financial company workshops and I learned how to diversify my account. As I received raises I contributed more into my 401(k). I planned to retire at 62. Unfortunately, the Regional Office relocated to Chicago when I was 59½. I had worked with Merck for 29½ years but moving was not an option as my family was in Fort Worth.

I was fortunate to receive a severance package that paid my salary for 18 months. It came at a time when I also became a caregiver for both my father and daughter.

While working, I joined MANA, a National Latina Organization. I attended MANA's Leadership Institute where MANA provided retirement training by its partner, the Women's Institute for a Secure Retirement (WISER).

WISER opened my eyes to how important it is for women to plan for retirement.

One of the most important things I learned along the way was to find a financial planner to help me manage my money.

I started interviewing financial planners. Each of them



*Each of [the financial planners I interviewed] was...amazed that someone at my salary had taken the opportunity to save as much as I did. They told me that many CEOs did not have the retirement savings that I had.*

was amazed that someone at my salary level had taken the opportunity to save as much as I did. They told me that many CEOs did not have the retirement savings that I had. I was surprised because that was in 2008 when the market crashed. After interviewing five financial planners, I chose one that I felt very comfortable with and trusted to manage my money!

Now seven years later, my husband and I are building our dream home. A legacy home that backs up to a park named after my father and a playground named after my mother. Both my parents were instrumental in building a better community and are my role models. Life is comfortable thanks to the

help I received planning for my future.

Though I do not have enough money to be a full-fledged philanthropist, I volunteer on various boards and commissions that impact families, women, children and neighborhoods. I currently serve on the national board of MANA as Vice-President. ☒

## Help Finding A Financial Planner

The **Financial Planning Association** (FPA) can help target your search to find a planner by providing several options including those with life event specialties. The FPA requires its members to deliver financial planning services with a pledge to: Put the client's best interest first; Act with due care and in utmost due faith; Not mislead clients, provide full disclosure of all material facts; Disclose and fairly manage all material conflicts of interest. FPA recommends interviewing at least three professionals and provides a list of questions to ask. You can find this information online at [www.plannerssearch.org](http://www.plannerssearch.org)



# Medical Debt and Your Credit Rating

Debt collection is the leading source of consumer complaints at the Consumer Financial Protection Bureau (CFPB). Medical debt tops the list. Nearly 20 percent of consumers with credit reports at the largest consumer-reporting agencies have one or more medical accounts in collection.

**T**hese facts are not surprising given the complexity of the medical billing system — a single treatment may result in multiple bills from multiple providers and bills often arrive months after treatment.

It's no wonder that many consumers are confused and question what they owe. A good faith effort to resolve a bill before paying may trigger the collection process and a debt report to a credit agency. The collection process adds to the confusion and stress.

The CFPB's report shows that many consumers have the ability and willingness to pay a medical debt they actually owe. About half of those with medical debt have otherwise "clean" credit reports. Generally, the debts are modest, averaging \$207, but the process to resolve and clear the debt results in lower credit scores. The CFPB recommends that consumers take the following steps to avoid the Medical Debt trap:

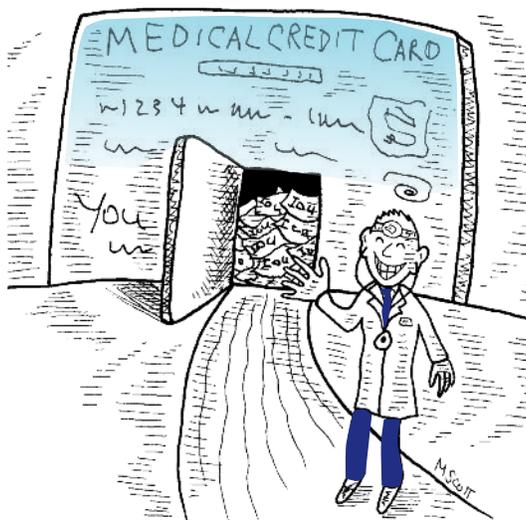
## 1. Review medical bills carefully

**Check the date of service to see if you had a medical treatment on that day.** Consumers with health insurance will receive an Explanation of Benefits (EOB) letter from the insurer noting what treatments have been provided, the cost of each treatment, the portion covered by the insurer and any unreimbursed balance that the customer must pay. EOBs and bills may arrive months after treatment. For complicated procedures, ask for an itemized bill from the provider in order to check how much you were charged for each service. Some providers who bill directly may have been associated with a hospital treatment, so you may not have known you were receiving services from them.

**If you cannot afford to pay off a high medical debt... ask your medical provider for a separate plan with little or no interest.**

## 2. Get documentation

**Prepare an organized record of all bills.** If you dispute a bill, send a written notice to the provider with a copy of all relevant documents, such as records from doctors' offices or credit card statements. Do not send original documents.



## 3. Check your health insurance policy and make sure your provider has your correct insurance information

Keep insurance information up-to-date and accurate! Also, know what your insurance covers.

## 4. Act quickly to resolve or dispute medical bills

If you have verified you owe the bill, resolve how to pay it right away. Verify if the insurer is paying all or part of the bill. To dispute the bill you need to act quickly.

## 5. Negotiate your bill

Hospitals may be willing to negotiate the amount of the payment or the bill may be reduced if you can pay the whole amount up front. The hospital might allow you to pay off the debt in installments at no interest.

## 6. Get financial assistance or support

If you are unable to pay your bill, many hospitals have financial assistance programs. Check the deadlines so you don't lose out on this option.

## 7. Don't put medical bills on your credit card if you cannot pay them

If you cannot afford to pay off a high medical debt on your credit card, you will be charged a high interest rate and it

## Did You Know?

Only 25% of financial planners are women.

## Medical Debt and Your Credit Rating

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will appear as regular debt to other creditors. Instead, ask your medical provider for a separate plan with little or no interest.

### Additional Information

The CFPB provides answers to financial questions at [www.consumerfinance.gov/askcfpb](http://www.consumerfinance.gov/askcfpb) and accepts complaints at [www.consumerfinance.gov/complaints](http://www.consumerfinance.gov/complaints). You may also contact the CFPB at 855-411-2372.

Be sure to visit [wiserwomen.org](http://wiserwomen.org) for fact sheets on “Debt Collection: What You Need to Know” and “Credit and Your Credit Report: What You Need to Know.”

You are also entitled to receive a free report annually from the three major credit reporting companies at [www.annualcreditreport.com](http://www.annualcreditreport.com). This is the only source for a free credit report authorized by federal law. 

### Special concerns with a medical credit card

Some medical providers offer a deferred interest medical credit card that can only be used to pay for health care, and only within the network of healthcare providers that accept the card. However, **if you make a late payment or have an unpaid balance when the deferred interest period ends, then the card company may charge you for all of the interest that’s built up** from the date that you made the charges. Only now, the interest will be at a much higher interest rate, which means you will end up paying much more than you anticipated.

#### Example:

Your medical provider offers a 12-month deferred interest period. If you have not paid in full when the 12 months are over, the interest rate is likely to be very high and calculated using the balance owed over the entire 12-month period.

## Financial Adviser

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called “senior designations” are often used by dubious sales people who target seniors and sell inappropriate or fraudulent products.

The titles named below indicate that these financial professionals have passed exams, met ethical standards, have relevant work experience, and undertake continuing education.

-  **Certified Financial Planner (CFP)**, is a trained financial adviser who creates and implements financial plans for individuals. The adviser has passed the requirements of the Certified Financial Planner Board of Standards. ([www.cfpboard.org](http://www.cfpboard.org))
-  **Chartered Financial Analyst (CFA)**, a professional designation given by the CFA Institute. These financial professionals have extensive economic and investing backgrounds. Candidates are required to pass exams covering accounting, economics, ethics, money management, and security analysis.
-  **Chartered Financial Consultant (ChFC)**, This designation requires at least three years’ experience in the

financial industry before passing comprehensive finance courses at The American College of Financial Services.

-  If you are looking for a certified public accountant with the credentials of a personal financial specialist go to [www.aicpa.org](http://www.aicpa.org)

### Avoiding Investment Fraud

Whether you are researching the background of an investment professional, a particular investment, or learning about new products or scams, the Securities and Exchange Commission (SEC) has unbiased information. The SEC website is a good place to start ([www.sec.gov/investors/brokers.htm](http://www.sec.gov/investors/brokers.htm)). The SEC’s Investment Adviser Public Disclosure website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) provides background information and disciplinary history for SEC-registered investment advisers or their representatives.

For additional resources, see WISER’s *Financial Planner Alert* at [wiserwomen.org](http://wiserwomen.org) under Retirement Plans – Related Resources. 

### The Key to Finding A Financial Adviser?

Ask tough questions from the start and explore cost and the planner’s credentials.

# WISERWoman

A QUARTERLY NEWSLETTER FROM THE  
WOMEN'S INSTITUTE FOR A SECURE RETIREMENT

1140 19th Street, NW  
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Washington, DC 20036

First Class  
POSTAGE



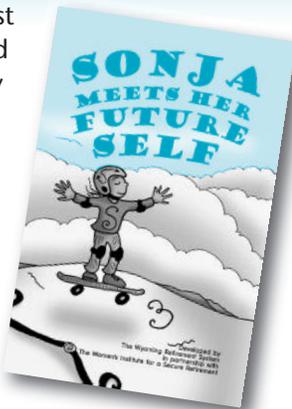
## Save, Spend, Give: WISER Resource helps teach good financial habits early!

**S**onja Meets Her Future Self is WISER's newest booklet. The Wyoming Retirement System and WISER recently developed this children's story that can be used in elementary school classrooms or simply shared with the children in your life.

In the story, a young girl named **Sonja** travels forward in time and meets future versions of herself. By following her Grandpa Joe's advice to care for and respect money, she is able to learn about the importance of saving and see her future self as a financially secure retiree.

This booklet provides a multi-generational look at retirement planning and the valuable lesson of Save, Spend, and Give. Sonja is an inspirational tale for women of all ages.

Download the story from WISER's website or email [info@wiserwomen.org](mailto:info@wiserwomen.org) for a copy. (Cost is \$4.75 to cover S&H.)



## WISER's Mission

To improve the long-term financial security of all women through education and advocacy. As the only organization to focus exclusively on the unique financial challenges that women face, WISER supports women's opportunities to secure fair pensions and adequate retirement income through research, workshops, and partnerships.

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Next Issue: Reverse Mortgages  
and Aging in Place

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