

Women should take account of their family's finances

By MARIANNE IVERS

AREA — Women need to know about their family's finances. That means being more aware of financial issues and being prepared to make financial decisions alone, said Jennifer Murray of Morristown-based Stonebridge Financial Advisors, LLC a recent presentation at the Library of the Chatham. The event was sponsored by the Friends of the Library. Stonebridge Financial Advisors, LLC caters primarily to women as single-decision makers, although the firm offers financial advice for couples, as well.

Although more women work outside the home and contribute to the family finances, women rarely take the leading role in the family's investment decisions. However, studies have shown that women, even high earning individuals, worry about finances more than men and they tend to name financial security as a top priority in life. Many women also admit to having secret savings accounts.

Even so, a majority of women will face a time when they become the sole financial decision makers, either through a divorce or widowhood. According to US Census Bureau

data, women outlive their husbands on average by 14 years. As baby boomers grow older the number of women placed in this situation will increase considerably.

According to Ms. Murray the first step for women is to understand their household's balance sheet which includes all assets, (such as a house, as well as investment and retirement accounts) and liabilities (such as mortgage, loans and credit card payments). It is equally important to have a clear picture of the household's monthly expenses and cash flow.

Ms. Murray said women should be aware of their family's short- and long-term financial goals, such as financing their children's college education and retiring at a certain age. Identifying short- and long-term goals will enable individuals and families to choose different investment options in order to maximize the desired outcome. "It is easier to save, when you have the roadmap," she said. Goal identification and assessing each individual's or household's risk tolerance will determine which investment options should be pursued.

Finally, Ms. Murray emphasized the importance of the insurance. She suggested that



EXPERIENCE HELPED — Jennifer Murray, a certified financial planner, lost her husband to cancer nearly three years ago. Her experience in dealing with finances made that part of the process of becoming a single decision maker easier to bear and led to her decision to focus her firm on serving women who are single decision makers. Above, Ms. Murray at her Chatham Borough home with children, Steven and Meredith. (Photo by Marianne Ivers)

the life-insurance policy should replace as much of a spouse's income as possible in the event of death. Depending on the family's financial situation and needs, individuals can choose either a whole life insurance policy that includes an investment component or term-insurance. She also advised the audience to find out if they or their spouses have a disability insurance policy through their employers. Ms. Murray pointed out that women also should have a life-insurance policy to compensate for their contribution to the family management. For example, if the mother is the primary caretaker of children, then the cost of outside caretaking should be incorporated in the family's life insurance planning.

Additionally, women should make sure their estate planning documents are in order. These consist of the will, power of attorney and advance directive of health care which combines medical power of attorney and a living will.

Coping with the loss

Ms. Murray, a certified financial planner, lost her husband to cancer nearly three years ago. Because of her own experience, she said she understands that coping with grief can affect a person's decision making capability, especially when it comes to finances.

Ms. Murray said because of her training and expertise in the financial field, she was in control of the financial decisions she had to make after her husband passed away.

However, she said her experience made her realize that there is a need for women to become more involved in financial decisions and seek professional advice to assist them in the decision-making process when their spouses no longer can share the financial responsibilities with them. It was this realization that she geared her firm to primarily serve women who are single decision makers of their own or their families' finances.

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