



A Fresh Approach to Financial
Planning for Women

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FREE Workshop

You are invited to attend our **FREE Finances and Fitness Workshop** on the **29th of October at 6.00pm at The Convention Centre, Christchurch**. For more information call **03 379-7035**.

Register by 26th of October and go in the draw to win a copy of **Girls Just Want to Have Fund\$**. **Call us now to register 03 379-7035**.

Limited capacity so book now!

Women who plan - happier and more confident

An American company, the Penn Mutual Life Insurance Company recently announced the results of a national survey they conducted which show that women who actively plan their financial future, including owning life insurance, feel better about themselves, are more self-confident and more likely to take care of themselves.

In the USA, women comprise 51% of the population and hold 43% of America's wealth. Similar statistics are sure to apply here. They typically outlive their spouses. Remarkably, most women are neither confident about their finances nor have planned for their future. The Penn Mutual proprietary survey data showed that women who have life insurance differed substantially from the norm and that women insured for the same amount as their spouses were even more likely to have a positive outlook.

Widely cited economic statistics regarding women include the facts that women receive 59% of all post high school degrees. They start businesses

at twice the rate of men. They earn \$2.4 trillion annually and they influence 95% of all purchasing decisions. This is only a small part of their economic story.

A woman is likely to outlive her male counterpart by five years. She is more likely to be alone later in life and far more likely to spend time in a nursing home. In the traditional workforce, women are expected to account for 92 million jobs by 2050, yet far fewer women have their income protected by something as elementary as a life insurance policy, considered the foundation for any financial plan. Those that do such planning, according to the survey, were more likely to:

- Have higher self-esteem.
- Feel more confident about retirement.
- Believe their opinion is important.
- Feel loved by others.
- Take good care of themselves.



COMMODITIES & COMMENTARIES

Everyone's talking about commodities according to recent commentaries from Liontamer.

Recently Sunday Star Times feature writer, Garry Sheeran, pointed out the real prospect of global deflation due to the massive amounts of government spending (and borrowing) pumping money into the financial system.

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While seemingly not an immediate problem (global inflation is well below its historical average) it raises the prospect of how investors will counter the effects of higher inflation as this wall of money makes its presence felt over time. The article suggests that's where commodities come into play. As physical raw materials, commodities act as a natural hedge, because values tend to rise along with inflation.

In other commodity news, the BBC reported on the 'Baltic Dry Index' which is seen as a leading indicator of global demand. The Baltic Dry Index is a measure for the demand for space on cargo ships which carry commodities like coal, grain, steel and iron ore. It has also proved to be a very effective indicator of what could be happening in the global economy in six months time.

Finally, The Economist's latest commodity price index shows that there has been a distinct recovery in prices since the start of the year, especially for Industrial metals on the back of resurgent Chinese demand, however levels remain well below the highs seen in 2008. The brief analysis also points out that wheat and maize prices have fallen to eight-month lows, while the price of sugar recently surged after poor rainfall in India and too much in Brazil spoiled crops.

It is our view that NZ investors should have an exposure to a range of commodities, not just oil, as China ramps up production again.

China: restocking not stockpiling

It appears that China is not just buying petroleum products; demand from China (and India) has been instrumental in driving a variety of commodity prices up. According to a recent Bloomberg report, the world's fastest-growing major economy consumes more than a third of the world's aluminium output, a quarter of its copper production, almost a tenth of its oil and accounts for more than half of trading in iron ore. Copper, traditionally a barometer for economic activity because of its use in housing and construction, has doubled this year. Aluminium, used in cars, planes and construction, is at nine-month highs while nickel, a key ingredient in stainless steel, is at one-year highs. Clearly a bounce has already occurred, albeit from very low bases, but is it a blip in a prolonged bear market or the start of a longer-term recovery in commodity prices?

At WFS, we subscribe to the view put forward by Barclays Capital that surging Chinese demand for commodities is not a case of stockpiling but instead reflects a major move to restock following declining inventories in 2007 and 2008. We believe both China and India will continue to be major commodity importers as their respective economic stimulus packages, announced in late 2008, start to take effect throughout the second half of 2009 and beyond, and deliver large infrastructure and public works programmes. In addition, according to a recent article in The Economist some important societal trends, such as population growth, urbanisation and shifting appetites from grain to meat in developing countries, show no sign of abating.

As more developed nations come out of recession and confidence grows that the Asia-led recovery has some momentum, increased production combined with low inventories, especially in the US, should start to have an effect on demand for commodities. Global production already appears to be starting to return to growth. The US has just reported a lift in industrial production of 0.5%, the first rise in nine months and even Japan's economy is showing signs of improvement, recording GDP growth of 0.9% in Q2 this year. As developed economies recover, populations will continue to slowly increase and geopolitical factors will continue to affect supply; in turn we believe competing demand for commodities will continue to place upward pressure on prices for many years to come.

OWNING A BUSINESS—RISK AND REWARD



Owning a business is no small task, and like all investments it does involve a certain level of risk. Whether you start a new business or buy an existing one, owning your own business offers a chance at more freedom and greater financial rewards. The first step in starting a business is to do thorough research. Understanding your options and knowing the steps you need to take to get your business up and running and set you on a path to success.

Options for business ownership:

When it comes to starting a business, there are several options available—all of which have advantages, disadvantages, and some degree of risk:

- Building a business from the ground up.
- Buying an existing business.
- Buying a franchise.

Choosing an entity for your business

Three separate categories of business entity structures exist: partnership, sole trader, limited liability company.

Options for funding your business

Aside from using your own funds or borrowing from friends and family, there are numerous routes available for funding your business: bank loans, angel investors, venture capital - factoring, economic development programs, customer/supplier financing.

After all of the hard work you will put into starting your business, it is important to make sure it's properly protected, and that everything you've worked so hard for won't suddenly disappear.

Insure your business to protect everything you've worked for

No matter how careful you are in running your business, accidents and unexpected events happen. You will have to plan for the unforeseen if you want your business to thrive. One way to do this is through insurance, which can protect you in the event of:

- Physical destruction
- The death or disability of a key employee

Understand the value of your business

A key consideration in protecting your business is to understand its true value. What is it worth now, and what will it be worth in 5, 10, or even 15 years?

Know the types of insurance you should have

Your insurance needs will depend in part on the type of business you operate. However, all business owners should consider at least four types of insurance:

- **Business property insurance** covers your assets against losses due to natural and man-made causes.
- **Liability coverage** protects against lawsuits that could arise if services or products that you provide cause injury or harm to your customers or their property.
- **Business Overheads Insurance.**
- **Income Protection Insurance.**

Plan for the succession of your business

Business continuation planning, usually called a "buy-sell" agreement, is simply the development and implementation of a plan of succession. It answers the question: Who will take over my business if I should die prematurely, become disabled, or simply decide to retire?

Put a buy-sell agreement in place

A properly structured buy-sell agreement will:

- Predetermine who will receive your business.
- Set the purchase price and terms of payment.
- Establish the value of your business for tax purposes.
- Specify how the transfer will be funded, provide the cash needed to pay taxes, debts, and other estate settlement costs.

It will save you, your company, and your heirs thousands of dollars—and hours. It is never too early to think about planning for the orderly and affordable continuation of your business. And the sooner you start, the more affordable it will be. Be sure to consider working with a professional, to help you choose the best option for your business. **For your insurance requirements email me to [discuss sheryl@strategies.co.nz](mailto:sheryl@strategies.co.nz) or phone 03 379-7035.**



MONEY QUOTES

"Money was never a big motivation for me, except as a way to keep score.

The real excitement is playing the game."

Donald Trump

"I am not covetous for gold; but if it be a sin to covet honor, I am the most offending soul alive."

William Shakespeare

"Do you have any idea how cheap stocks are? Wall Street is now being called Wall Mart Street."

Jay Leno

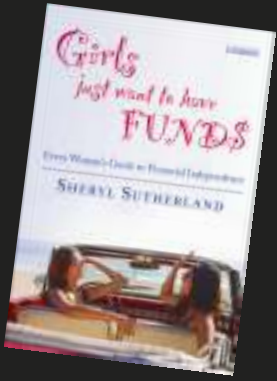
"I'd like to live as a poor man with lots of money."

Pablo Picasso

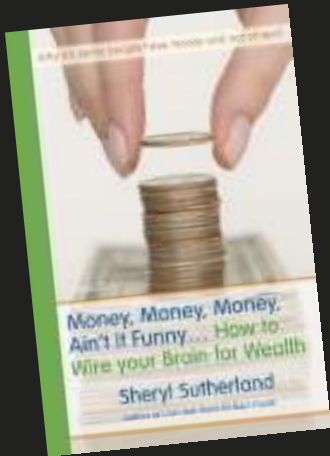
FREE DISCLOSURE STATEMENT ON REQUEST

A Disclosure Statement in accordance with the provisions of the Securities Markets Act 1988 and the Securities Markets (Investment Advisers and Brokers) Regulations 2007 is available free of charge by calling on 03 379-7035 or email Tamyra Kourey at tamyra@strategies.co.nz.

RECOMMENDED READING...



Girls Just Want to Have Fund\$ - Every Women's Guide to Financial Independence.



Money, Money, Money Ain't it Funny... How to Wire Your Brain for Wealth.

FEMALE CONSUMERS' OPTIMISM INDEX

A recent survey by the Boston Consulting Group evaluated women's optimism about their financial future.

Women in Mexico fall right behind Brazilians in optimism about their own financial outlook. Five years from now, say 89% of them, their financial situation will be better than it is today.

Women in BRIC countries—China, India, Brazil, and Russia—are most optimistic about “the world, your country and community.” Chinese women express the most optimism: 82% expect improvement. Among American women surveyed, only 39% do.

And who are the most pessimistic worldwide? Japanese women—in terms of both their own financial prospects and their outlook on their country and the world.

YOU ARE WORTH MORE THAN YOU THINK

Based on your current monthly income these are your potential earnings to age 65

Age	\$3,000	\$3,500	\$4,000	\$5,000	\$6,000	\$7,000	\$8,000
35	1,080,000	1,260,000	1,440,000	1,800,000	2,160,000	2,520,000	2,880,000
40	900,000	1,050,000	1,200,000	1,500,000	1,800,000	2,100,000	2,400,000
45	720,000	840,000	960,000	1,200,000	1,440,000	1,680,000	1,920,000
50	540,000	630,000	720,000	900,000	1,080,000	1,260,000	1,400,000
55	360,000	420,000	480,000	600,000	720,000	840,000	960,000

GET FIT BEFORE CHRISTMAS!

Call 03 379-7035 or email sheryl@strategies.co.nz to register for our free 'Finance and Fitness Workshop,' Thursday the 29th of October, 6.00pm-7.00pm at the Christchurch Convention Centre.



WHAT YOU WILL LEARN:

1. How to **choose a financial planner** in an age of bad behaviour.
2. **Managing risk**—personal, trauma and income protection.
3. The **worst investment in 50 years**. Green shoots and deep roots – **are equities poised for recovery?**
4. How exercise **wards off potential diseases** and keeps you young and fit.
5. **Foods that will help fight against** Cancer, Stress, Heart Disease, High Blood Pressure and the aging process.
6. Postural and muscle imbalances – **how you can prevent degeneration** and stop those aches and pains.

Call us on 03 379-7035 or email sheryl@strategies.co.nz to register your place.

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