

Women's Financial Strategies
Allan Pyatt House
153 Hereford Street, Level 5
P O Box 4263
Christchurch
Tel: 03 379 7035
Fax: 03 379 7881

Quarterly Newsletter

Sheryl Sutherland - Member of the PAA & NSA.
B.A. (Otago), Dip.F.A.C.(Otago), DipPFinPlan (Waikato),
Email: sheryl@strategies.co.nz
Website: www.strategies.co.nz
Blog: <http://moneyaintitfunny.blogspot.com/>



June 2008

THE RED BIKE STORY



As a young couple in the 1980s, making a financial commitment to insurance involved securing cover for our assets, primarily the house, contents and the car writes Jude Lees. Life insurance was a necessity on the arrival of our children, closely followed by health insurance. A superannuation plan sealed the deal, our future was secure and all bases had been covered.

Despite discussions with Sheryl there was a missing file in the Lees portfolio. It should have been labelled 'Income Protection', but it didn't exist because we believed we would never need it.

At the age of 47 I was six foot high and bullet proof. Everything I attempted was achieved at one hundred miles an hour and had to be 'done yesterday'. As a full time teacher in a challenging primary school, maintaining a management role as a syndicate leader, undertaking post graduate study, running a household and maintaining my fitness levels meant there were never enough hours in the day.

As a birthday present that year my husband bought me a bright red mountain bike. Our dog was getting too old to walk briskly, the attraction of the gym was wearing off; here was the answer to my prayers. This new toy opened a whole new world to me. I loved the freedom of biking and feeling the wind on my face. It was something I could head off to enjoy on my own or we could join a widening group of friends who had joined the bike craze. Life was great. Our two children were now independent young adults and it was time to enjoy the empty nest and pursue this new interest together with enthusiasm.

Typically my boy racer personality kicked in. I had to go further and faster than everyone else. I always had to be at the front. When we rode as a group, the females used to lag at the back having a gossip. Not me, I had to be up the front with the boys pushing to the limit. In the summer of 2005/2006 we retreated to our slice of paradise in Clyde, Central Otago. By this time my husband and I both had bikes; these were proudly displayed on the new cycle rack on the back of our vehicle. I thought this was a great status symbol for our generation, to me it represented the fact that we refused to grow old. I would look in the rear vision mirror to check that the prized possessions were still there; smiling within at the thought of how great 'life after children' was going to be.

The bike travelled many kilometres that summer, largely over the unique terrain of the Rail Trail or along the picturesque river track between Alexandra and Clyde. In my newfound phase as a bike-a-holic, Santa had provided me with the padded pants, cycling gloves, bike stand, drink bottle holder and a fluoro jacket. Not only did I feel like a cyclist, I now looked like one! My son attached a speedometer as his Christmas present and I began enthusiastically tracking my mileage and measuring my speed. The shiny red paint was now splashed with mud and carried a few scratches. I was quite proud of these battle scars. All the time my mind was absorbed and obsessed with this new biking passion my body followed along willingly...or that was what I thought (Continued inside).

WOULD YOU LIKE AN EXTRA 9% ON YOUR RETURN?

PIE (Portfolio Investment Entity) is a new type of investment product made possible by recent changes to tax legislation. The maximum amount of tax you'll effectively pay on a PIE investment is 30% p.a - so if you normally pay tax on your investments at 39% p.a. (which is the case for most people who earn more than \$60,000 p.a), you'll get an extra 9% p.a. from the return on your PIE investment. In some investments the management fees are also deductible. Ensure your investments are PIE's. **Contact us for an investment review on 0800 64MONEY or email sheryl@strategies.co.nz.**

CONGRATULATIONS TO LAST QUARTERS WINNERS!

J. Lees, J. Sisam, B. Mitchell and J. Williams were the lucky winners of a signed copy of Girls Just want to Have Fund\$.



THIS QUARTERS COMPETITION

TWO FREE signed copies of 'Girls Just Want to Have Fund\$' will be given away this month. Please answer the two following questions correctly and be in the draw to WIN!. Email your answers to liz@strategies.co.nz. Question 1: What colour bike did Jude Lees receive? Question 2. What is the venue for the 8th of August Presentation?

INSIDE THIS ISSUE:

- Landlords Feeling the Pinch
- Cover Your Breasts Special Presentation on 8th August 2008 - See Back Page for full information
- Current Economic Climate
- More Bad News for Bridgecorp Investors
- Woman Nominated to be Four-Star General

That money talks
I'll not deny,
I heard it once:
It said, "Goodbye."
Richard Armour

Still coming to grips with KiwiSaver?

If you are an employer or an employee call us for advice:

0800 64 MONEY
(0800 646 6639)

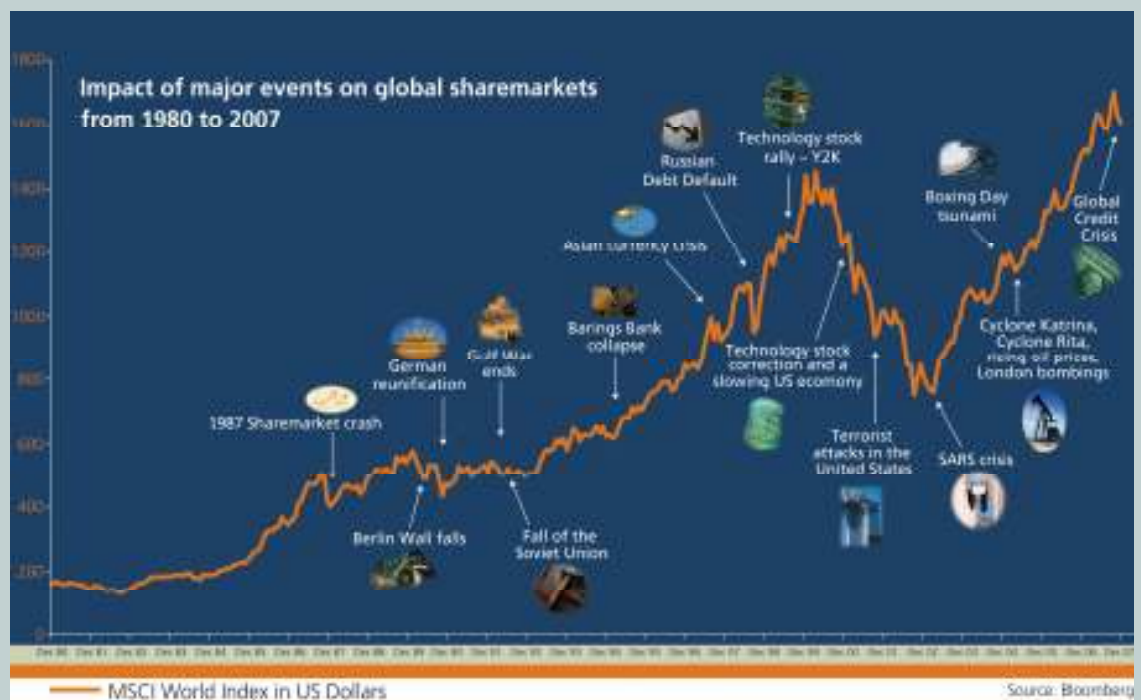
"If you think nobody cares if you're alive, try missing a couple of car payments."

Earl Wilson

CURRENT ECONOMIC CLIMATE - BEAR MARKET

For the uninitiated a bear market is when the markets drop, a bull market is when the market goes up; an easy way to remember this is there is a 'u' in up and bull. This is often the time when novice investors panic and sell their shareholdings. As someone once said, patience is a virtue. This is a good time to examine your investments, and, if you haven't got a financial plan create one, with an exit strategy.

Consider the sectors you are exposed to and how they will perform in the future. Growth areas are likely to be financial resources, oil, gas, coal, iron, soft commodities like milk, tea and sugar; other sectors of interest are education and communication, medical services and devices. There is no doubt we are in the throes of a financial perfect storm - and not the first one in history. Examine the chart below to help stiffen your resolve apart from the 2001/2002 period the markets have made substantial gains in the 12 months immediately following a major fall.



Tune in to hear Sheryl on Women on Air Plains FM96.9 between 10.45-10.50am every third Saturday talking about financial issues. Podcasts are available by visiting www.womenonair.org.nz

MORE BAD NEWS FOR BRIDGECORP INVESTORS



News is not getting any better for Bridgecorp investors. Receivers PricewaterhouseCoopers have written and confirmed - again - lower and delayed estimated recoveries, and ongoing investigations into various issues. In its latest letter to the 14,000 Bridgecorp investors, receivers Collin McCloy and John Waller have announced another decline in previous calculations of estimated returns.

"Since our March report, the property market has regrettably continued to deteriorate which has adversely impacted on our estimated recovery range. Our latest estimate shows a recovery range of 13% to 44%, compared with recoveries in our March 2008 estimate in the range 16% to 51%," the receivers write.

And we reiterate Women's Financial Strategies has not used any of the defaulting finance companies.



women's
financial
strategies

Women's Financial Strategies
Allan Pyatt House
153 Hereford Street, Level 5
P O Box 4263
Christchurch

Tel: 03 379 7035, Free phone: 0800 64
MONEY
Fax: 03 379 7881
Email: sheryl@strategies.co.nz
Website: www.strategies.co.nz

"I'm living so far
beyond my
income that we
may almost be
said to be living
apart."
e e cummings

**WE OFFER A
FIRST FREE
INITIAL HALF
HOUR
APPOINTMENT.**

Please make use of this
by calling to make an
appointment on
0800 64 MONEY.

**WE ARE FIERCELY
INDEPENDENT
AND NOT
ALIGNED WITH
ANY
INSTITUTION.**

We can assist with:
**RETIREMENT
INVESTMENTS
INSURANCE
KIWISAVER
MORTGAGES**

"A large
income is the
best recipe for
happiness I have
ever heard of."
Jane Austen

THE RED BIKE STORY CONTINUED...

By Easter 2006 the sensation of numbness that goes through the saddle area after bike riding stayed with me long after the event. Despite this I kept riding, pretending that these issues would disappear. I was brought up with the belief that you work through pain and eventually it would go away. But it didn't. The numbness fluctuated between pins and needles sensations to acutely sharp pains. Not only did I have to put my bike in a dark area of the garage where I could no longer be tempted to use it, in addition I couldn't sit at all. The only relief I had was through standing or lying down.

Luckily that year I was on study leave with a teacher's post graduate grant on full pay. I spent countless hours standing at the kitchen bench writing assignments on my laptop despite severe postural pain issues that had also developed as a consequence of perpetual standing. I believe to this day that I am probably the only person to complete such a degree standing up. Instead of my certificate at the end of the year reading 'Post Graduate Diploma of Education (Teaching)' it should have read (Teaching and Standing)!

Returning to the classroom in 2007 was my biggest challenge, however my will to be back working with children became a great distraction to the pain. Instead of being super teacher running and skipping with the kids and demonstrating many of my old netball moves, the new me had to stand passively during PE lessons, blowing the whistle from a distance. I will be eternally grateful to my Board of Trustees for allowing me to drop my hours to four days a week, with a rest day for me mid week on a Wednesday. My income was sufficient to jointly maintain the lifestyle my husband and I were accustomed to financially.

Throughout this time I pursued relief for this rare and complicated condition. My inventory of doctors and specialists would make a list of who's who in the Dunedin medical profession. However nobody had the answers and the pain clinic became the ambulance at the bottom of my cliff. My obsessive research led to the discovery of a highly specialised team of professionals in Sydney. Finally in April this year I received surgery in Australia for my pelvic nerve entrapment. Chronic pain continues to be my closest friend as I await the recovery from this complicated nerve release surgery.

I was left with no choice but to use up my Ministry of Education sick leave as I rested and worked on keeping my pain levels low pre and now post surgery. Having used up my entitlement, resignation was my only option. I was convinced that my insurance cover would have some sort of pay out to carry me through until I could become fit enough to seek further employment. This was not the case.

It seems that in my younger days my overactive mind and body had failed to channel into the fact that something could go wrong with me. Today, at the age of 50, I face the prospect of no regular weekly salary in the immediate future, no lump sum entitlement, no income protection; we are a single income family again. The only race for this super athlete, super teacher and super mother is to finish the sudoku and crossword each morning. There is plenty of time to contemplate how much easier life would be if a commitment had been made to income protection. Needless to say a policy to protect my husband's future earnings is now firmly established. As for me, I can't help but wonder how different life would be if I hadn't been given that shiny red bike...

Jude Lees, Christchurch

If you have insurance let Women's Financial Strategies review your covers with a view to assessing cost and benefits. If you don't have a Risk Management Programme in place call us on 0800 64 MONEY or email sheryl@strategies.co.nz .

LET FINANCES BE A CHORE, NOT A PHOBIA

The financial complaint I hear from many women, delivered in tones that range from exhausted to ashamed to defiant, is this: "I hate dealing with money, so my _____(fill in the blank) takes care of everything. That role is often filled by a spouse or partner, although fathers and accountants are also candidates when a woman hands over the reins to her money. "Gender Differences in Investment Behaviour" by Professor Hira and Cazilia Loibl found that while "men were more engaged in their personal finances, generally speaking, women tend to do more of the day to day tasks. They tended to abdicate their financial roles when it came to planning for the future, saving and investing. "The majority of women found investing to be stressful, difficult and time consuming," she said.

At WFS, we support a "new type of financial planning" - planning based not only on research but on discussion and interaction. **Call us for a free half hour consultation on 0800 64 MONEY.**

WOMAN NOMINATED TO BE FOUR-STAR GENERAL

For the first time in United States history a woman has been chosen for promotion to four-star general. If confirmed by the Senate, she would be the first woman to attain the rank of a full general. By law, the Army is limited to 11 active-duty four-stars, including the Army chief of staff, General George Casey. Women have not reached four-star rank because by law they are excluded from serving in combat roles, which historically have been the path to the highest-ranking positions. Dunwoody is one of only two female three-stars in the Army.

LANDLORDS FEELING THE PINCH

With the housing market in a slump and values losing ground against inflation, rental returns have come under scrutiny. Of the landlords questioned, 41 percent had bought real estate in the past 12 months (down from 49% in March 2007), and 39% planned to buy in the next 12 months (compared with 49% in 2007). Among the landlords backing away from the property market, most blamed high interest rates and low rents. ANZ chief economist Cameron Bagrie thinks landlords are optimistic about house prices. History shows that slow stretches after a boom tended to last around four years. Given the strength of the recent housing boom and house prices relative to wages, a long flat period and better affordability is likely, Bagrie says. Massey University research showed that in the year to February, the average rent for a New Zealand home rose by 7.1% and is now around \$300 a week.

DISCLOSURE STATEMENT AVAILABLE ON REQUEST FROM WFS

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 0800 64 MONEY or email tamyra@strategies.co.nz.

RALEP WALDO EMERSON WROTE "WOMEN ARE THE BEST INDEX OF THE COMING HOUR."

As I write this, there's been a flurry of "women's site" activity. I've just read news of Dove.com's new more social media-style web site; Mum-blog, Docce.com also recently got big coverage for its advertising sale numbers, even given the take-no-prisoners writing style of its founder, Heather B. Armstrong; Yahoo just launched its "women's site" - Shine; and a month or so ago Wowowow (say that three times fast) launched with the mission of serving Baby boom women better than all the other sites out there.

What is going on? These sites are not launching because loads of female consumers are begging brands and media entities for them. No, I'd say it was more a matter of advertisers getting all psyched about this "women thing" and rushed to do whatever it takes to seem more involved/committed to female consumers. But, women see right through it.

Harley Davidson is celebrating International Female Ride Day by throwing Garage Parties – women only events where bike mechanics, ergonomics and riding tips will be covered. There is nary a mention of goody bags that include nail polish or hair care products (imagine that). Harley continues to do things just right...in reaching and serving their women's market.

I am feeling overwhelmed at the flood of books designed for "wimmin." The exception to this is found in the business section where book covers enshrine men with questionable hairstyles or smooth, shiny pates in front of their latest acquisition. The term "self help" for women is somewhat redundant suggests Jessa Crispin of bookslut.com; and she is right - if we don't help ourselves who will! As she points out do we really need our own guide to running a marathon? Or our own instructions for travel? Couldn't travel be summed up in one sentence? Do everything men do but be prepared with emergency contraception. **For Sheryl's book on women and money read *Girls Just Want to Have Fund\$* available in all good bookstores now.**

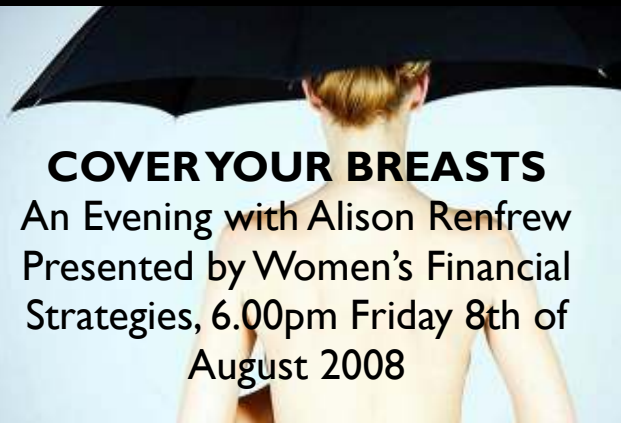
Alison Renfrew—Author of *Cover Your Breasts*

Alison was diagnosed with an aggressive form of breast cancer in 2006. Alison is not the first person I know to have battled cancer, she certainly isn't the first person to write about that battle. Both her book and her presentation depict her journey in her own inimitable style, giving us an intimate knowledge of her battle with that foe which strikes fear into us all.

The crux of her story is not the cancer battle itself, but the way in which Alison faces down each procedure. If you adopt just 10 percent of her tenacity, strength and courage you will be immeasurably enriched in your life.

Her book is not an example of the vapid self-help genre that litter bookshops. It is practical in that it gives lessons throughout the text – being aware of the need for balance in your family life, friends and work, the importance of looking after your body, the importance of establishing what really matters, and the importance of examining your finances to ensure you are able to withstand trauma, such as the diagnosis of cancer.

Alison is a star. Listening to her and getting to know her will benefit you as it has me. Books will be for sale at the discounted price of \$25.



COVER YOUR BREASTS

An Evening with Alison Renfrew
Presented by Women's Financial
Strategies, 6.00pm Friday 8th of
August 2008

PROCEEDS OF THIS EVENT WILL GO TO THE CANCER SOCIETY

REMEMBER DAFFIDOL DAY ON 29TH AUGUST 2008

Date: Friday 8th of August at 6.00pm. Tickets are \$25.00 (cash or cheque only) and available by calling Women's Financial Strategies on 3797035, 0800 64 MONEY or email tamyra@strategies.co.nz. Venue: Our City O-Tautahi – Debating Chamber, Corner of Worcester Boulevard and Oxford Terrace.. Drinks and Nibbles will be provided.