



A Fresh Approach to Financial  
Planning for Women

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### FREE Workshop

You are invited to attend our **FREE Maximise Wealth Workshop** on 20th of July at 6.00pm at The Convention Centre, Christchurch. For more information please see the attached flyer or call **0800 64MONEY**.

Register by 10th of July and go in the draw to win a copy of Girls Just Want to Have Fund\$. **Call us now to register 0800 64 MONEY.**

Limited capacity so book now!

## Innovators, Imitators and Idiots

(from Bill Taylor in Harvard Business Publishing)

I'm not sure who said it first, but I agree with the sentiment: "A crisis is a terrible thing to waste." We're all struggling to make sense of the financial crisis that has spread around the world, to learn some lessons that will guide us as we go forward. One of my worries is that many of us will learn the wrong lessons – specifically, that we will become too conservative and risk-averse, that we will learn to fear creativity rather than embrace it.

It's easy to portray the credit crunch as a case study of creativity run amok. Who's the genius who invented subprime loans? Weren't we all better off before the creation of a \$500-trillion market in derivatives, hard-to-understand financial contracts that are the root of so much of what's gone wrong? Shouldn't we declare, once and for all, that our fascination with "disruptive" technologies, "breakthrough" innovations, and financial "re-engineering" does more harm than good?

Leave it to Warren Buffet, one of the world's richest men, to offer the most valuable advice on this score.

In a recent hour-long television interview, Buffet gave a masterful course on how the world got into this financial mess.

At one point, his interviewer asked the question that is on all our minds: "Should wise people have known better?" of course, they should have, Buffett replied, but there's a "natural progression" to how good new ideas go wrong. He called this progression the "three I's." First come the Innovators, who see opportunities that others don't. Then come the Imitators, who copy what the Innovators have done. And then come the Idiots, whose avarice undoes the very innovations they are trying to use to get rich.

"The problem, in other words, isn't with innovation – it's with idiocy that follows. People don't get smarter about things that get as basic as greed," Warren Buffett told his interviewer. "You can't stand to see your neighbour getting rich. You know you're smarter than he is, but he's doing all these [crazy] things, and he's getting rich...so pretty soon you start doing it."



# SAVING US FROM OURSELVES

Saving us from ourselves was the title of a recent Sunday Star Times article by Rob Stock. It features Jackie Gower who is the founder of Simple Savings Thrift Club. The club meets online to swap tips on cutting spending. Simple Savings' members participate in a different challenge each month of the year including the likes of "\$21 month," "Free exercise month," and "Grow your own food month."

No Spend Month is the most extreme, setting participants the challenge of cutting out all unnecessary spending.

## Jackie Gower's Top 10 Money Drainers

1. Buying lunch: Convenient, delicious, but ruinous. It's easy to spend a grand-and-a-half on lunches each year.
2. Coffees and bottled water: no one seems to have heard of flasks nowadays, but a coffee a day can easily be a thousand-dollar-a-year habit.
3. The Warehouse: Too many people mistake buying cheap things they don't need for getting a bargain. Also goes for the \$2 Shop.
4. Keeping up with the Joneses: You don't. Nobody else gives a stuff what you drive.
5. Brand snobbery: Buying supermarket own-brand could easily save us all thousands of dollars a year and we wouldn't even notice the difference.
6. Trade Me: I love Trade Me, but like The Warehouse, there are so many "bargains" you do not need.
7. 1-day: Like many others, I quickly became addicted to a very helpful website called [www.1-day.co.nz](http://www.1-day.co.nz), which emails you with three items at crazy low prices for 24 hours only. More bargains you never knew you needed.
8. Credit cards: Always pay them off. Stuff you pay for with debt costs more.
9. Big houses: The bigger the house, the bigger the mortgage, the bigger the rates bill, the electricity bill. They can be a huge life mistake. These days you'll find newlyweds in enormous dwellings and unable to afford to have children to fill them.
10. Four wheel drives: People seem to think a hatchback is too small if you have two children. They buy big strollers then end up having to buy bigger cars to fit the strollers in!

If face to face meetings are more your style register with [www.slynkey.com](http://www.slynkey.com) for the next Money Club.

## Slynkey Money Club Member Comments

"I love learning from other people regarding their money experiences and like the wonderful support team of the girls in our Slynkey Money Club. I feel more accountable, focused and determined and enjoy setting my monthly money goals and it feels fantastic achieving them." Tamyra Kourey

"I am really enjoying the Slynkey Money Club meetings, it's so nice to be with a group of women all around my own age to discuss the various 'money-related' topics. The support-group style of the meetings really make it comfortable to ask questions and I have learnt a lot! I'm really finding my finances are on my mind a lot more and I'm making better decisions about my money since joining the club. Writing down monthly goals and seeing it in black & white is really helpful and having a glass of wine and nibbles while we discuss actually makes the meetings really fun!" Ruth Lynskey

"Over the past few months the money club has developed a really neat atmosphere together that has allowed us all to communicate about our financial experiences and broaden our knowledge base. I am much more focused than I used to be and I have achieved a lot of my goals so far, having a support group of similar young women just spurs me on." Corene Gdanitz

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appointment on  
0800 64 MONEY.

# COMPANIES WITH MORE WOMEN ON BOARDS MORE PROFITABLE

Women on Boards: Why women on company boards are good for business was developed by the Ministry of Women's Affairs with the support of Business New Zealand and the Institute of Directors in New Zealand.

The Hon Pansy Wong says that getting more women on boards was an issue government could not tackle on its own.

'Rather it is about government and business working together to ensure companies have usable information that can help them lift performance and gain competitive advantage. The main message she puts forward "is simply that it is in business's interests – to make better use of women's skills and talents in the boardroom."

Less than 9 percent of directors in New Zealand's top 100 listed companies are women, with 45 women holding 54 directorships out of a total of 624 positions.

Evidence from one international study showed that Fortune 500 companies (the 500 largest companies in America) with the most women board members were around 50 percent more profitable than those with the least.

Ministry of Women's Affairs Chief Executive, Shenagh Gleisner, said it was of concern that New Zealand, which had maintained a good reputation for its achievements on women in leadership, was now falling behind other countries. Women on Boards is available on the Ministry of Women's Affairs website at [www.mwa.govt.nz/women-on-boards](http://www.mwa.govt.nz/women-on-boards).

## EMPLOYMENT ISSUES FOR WOMEN

The Ministry of Women's Affairs has received additional funding of \$2 million over four years to boost its capacity to undertake research and policy work on the pay gap.

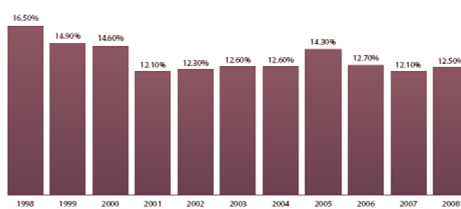
The Hon Pansy Wong stated 'Since the passage of the Equal Pay Act in 1972, the pay gap has narrowed. Since 2001, however, the pay gap has sat at around 12 percent so clearly we need to have a good look at what we could do differently if we are going to make the kind of progress I want, and New Zealand women deserve.'

Wong continues "If ending the pay gap was simply a matter of more legislation it would be easy. But paying someone less, simply because they are a woman, has been illegal for 30 years, so clearly legislation is not enough. There is a complex series of factors that influence income differences. Some of these factors are known and others need further research, but we need to understand them better if we are to design policy that will make a real difference."

MWA's work programme has not yet been finalised, but it is likely that it will focus on the following key areas for action:

- Reducing occupational segregation, particularly avoiding its emergence in new industries.
- Enhancing skills and responsibility in female-dominated jobs.
- Encouraging part-time and flexible work.
- Increasing the acceptability of shared care where children are concerned.
- Looking at what works to combat discrimination in relation to recruitment, employment, and promotion practices.

Gender pay gap  
Since 2001, the pay gap has sat around 12 percent



## WOMEN'S FINANCIAL STRATEGIES WEBSITE AND BLOG

Visit our website for further information on our services. You will also find client testimonials, archived newsletters, articles, recommended readings, quizzes, money quotes and much more! <http://www.strategies.co.nz>

Refer a friend to receive our email newsletters.

Email [tamyra@strategies.co.nz](mailto:tamyra@strategies.co.nz) . .



Our blog is updated regularly with interesting and informative topics such as: Musings and Amusing, Everyday Money, Who's Counting? Finance and Investments, and Womenomics. Visit at <http://moneyaintifunny.blogspot.com/>

## MONEY QUOTES

"Money is like a sixth sense - and you can't make use of the other five without it."

**William Somerset Maugham**

"Money is not the most important thing in the world. Love is. Fortunately, I love money."

**Anonymous**

"Annual income twenty pounds, annual expenditure nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pound ought and six, result misery."

**Charles Dickens**

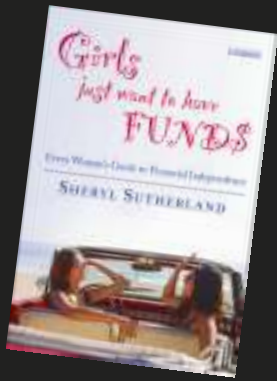
"The only way not to think about money is to have a great deal of it."

**Edith Wharton**

## 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 0800 64 MONEY or email [tamyra@strategies.co.nz](mailto: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.

# SEX, DRUGS AND CHOCOLATE: THE SCIENCE OF PLEASURE

We have a way of feeling guilty about our pleasures, as if there were something morally dubious, or beyond the merely vulgar, in the pursuit of happiness enshrined in the constitution of our more overtly fun-loving American cousins. Plato argued that it was "the greatest incentive to evil," Aristotle the opposite, and so it has confusingly continued ever since, via the likes of Nero and Casanova to Schopenhauer, Freud and beyond. The general conclusion: we all get only one life, and – hey, what the heck – it's our right, if not exactly our duty, to get out there and enjoy it to the full.



## INVESTED IN BONDS?

Current market values for some bonds have dropped alarmingly, these are "annual reset" or "perpetual adjustment" securities. Essentially, the market now treats all reset investments as one year maturities. Their value – what you'd get if you sold them now – is worked out on the likely return they will give investors over the next year. When short term interest rates rise again, however, the market value of reset securities will rise too, as will their yields. For most holders it is only "market value" and the unexpectedly lower interest rates that have changed. They will benefit from a return to higher interest returns, and a sharp lift in returns on these bonds when the economy stabilises.

## FREE SERVICE – MAKE USE OF IT!

Please email me any financial questions you would like answered. If I can answer it quickly it is a FREE service. If it requires research I'll let you know any costs before we start. I also offer a first FREE half hour consultation so please make use of this opportunity by calling to set up an appointment time. I look forward to hearing from you.

## WEALTH WORKSHOP REMINDER

Call 0800 64MONEY to register for our free workshop on the 20th of July at 6.00pm.

### WHAT YOU WILL LEARN:

1. How to **choose a financial planner** in an age of bad behaviour.
2. The basics of a **financial plan**.
3. Putting the **investment** back in **property investment**.
4. **Managing risk**—personal, redundancy, trauma and income protection.
5. The **worst investment in 50 years**. Green shoots and deep roots – **are equities poised for recovery?**

### Sheryl Sutherland

Financial Adviser and Author

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