

Financially Speaking

With Trisha Arndt, CFP®

The New Kind of Millionaire – Women

My husband Zach loves to tease me about when he first started attending industry conferences with me. Without fail almost everyone that we would meet would assume that Zach was the financial person and I was the “guest”. Even though our nametags clearly designated my title it was as if people automatically assumed that there must have been some sort of typo involved.

You see, as a woman CERTIFIED FINANCIAL PLANNER™ I tend to be a bit of an abnormality. Not only am I relatively young (ok, maybe not so young anymore but I started in this field well over a decade ago) to have the practice that I do but I am female, something that has started to become more common but was at one time almost unheard of. Even here in Verona where I like to consider the population very forward thinking I know of at least ten men working in something related to investments but only two women (forgive me if I’m missing anyone).

But times are changing.

While I’m still in the minority in my field I no longer stick out like a sore thumb. In all types of professional services women are becoming more common and the number of women owned businesses has jumped dramatically in the last couple of decades. I’ve seen it myself as I’ve begun working with a growing number of successful, empowered female clients that are well on their way to joining that Millionaire’s Club once considered reserved for male business owners and company CEO’s.

The author of “The Millionaire Next Door”, Thomas J Stanley, recently documented this phenomenon in his new book, “Millionaire Women Next Door”. In researching for the book Stanley gathered extensive data from women who have made it to the coveted status of millionaire (in terms of net worth). He looks at what commonalities these women tend to share as well as where they differ. He feels out their motivations and the values with which they were raised. He lays this all out interlaced with profiles of several of the women he talked to in a similar manner to his original book.

I personally find it fascinating to learn about what makes successful people tick and what they tend to have in common. While reading I made note of several things that struck me.

The median age of these women was just 49 years old and the majority were wives and mothers. In fact, a full 81% had children. At first I was surprised at this because I expected to pick up the book and read profiles of women who focused solely on their career, forgoing family to succeed. I realize now that my impressions were based on stereotypes portrayed in movies of the week and not on reality or my own personal

experiences. After all, being a mother myself I realize that there is no greater motivator than the desire to provide for my children.

These women got to where they are not just because they worked hard (median of 49 hours per week) but because they were disciplined about their finances and lived below their means. They tended to come from homes that empowered them to succeed (69% took on leadership roles before becoming teenagers) but not from families that could hand them a jumpstart to life. While over 60% had college degrees over half of the women who attended college paid for 100% of their own tuition and fees.

Despite their success these women are frugal – the most they have spent on a suit is \$400 (median) and 81% make a detailed shopping list before heading to the grocery store.

They tackle their finances in the same way – with a lot of research and a well thought out long term plan. Not surprisingly, a high percentage of these women use the services of investment counselors.

Ultimately, reading about these women was inspiring because it reaffirms what I believe and what I try to pass on to my clients - that being successful financially doesn't have to be the result of some great windfall or come at the expense of family and friends. Being successful financially starts with living within your means and having the discipline to follow a thought out plan. It's something that each one of us has the ability to do and something that I know many here in Verona have done.

In fact, one of your neighbors could very easily be a Millionaire Next Door.

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