

Wealth Watch

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Home Equity Loan for Sending Young Girls to...the Prom?

By

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As the mother and stepmother of four young girls, I know the cost of raising children. As a financial advisor, I know the importance of planning for the significant events in their lives, like food, shelter and clothing. But all of this responsible planning changes when it comes time to clothe them for *The Prom*.

Having gone to a few proms in my high school years, I thought I would be prepared when my eldest announced she was going to her Junior Prom. I remembered that in my prom days, for the girls it all came down to the dress. It had to be just right...the right style, the right color. But in my day, it didn't have to be a designer name and a designer price tag.

A 2005 *USA Today* survey said that many parents expect to spend more than \$3,000 or more as their daughters prepare for the prom; and much of this is for the dress. Having TV personalities and rock stars for their models, many girls want to dress like Hillary Duff or Amanda Bynes when they venture out that night. This comes at a price.

But for most parents, the thought of spending that much money a wedding dress brings anxiety and stress, let alone having to spend it on a one-occasion prom gown. And then, what's a parent to do if their darling daughter goes to multiple proms? Can't be seen in the same dress twice. What will those prom pictures hanging on the family room wall look like, if in each of them she is wearing the same gown?

And it doesn't end there, as the right dress requires the right accessories, the right shoes, the right purse, the right jewelry, the perfect up-do, and let's not forget the fingernails.

As a teenager, my family had limited funds for "extras." We had three girls in the family, who were all teenagers at the same time. Things that were not necessities were put on the back burner. And our friends' families' financial situations were pretty much the same. If we were all to be properly dressed for the prom, we needed to be creative. So one year, when a number of us were going to more than one prom, we all bought new dresses for the first one and switched with each other for the next.

Today, creative methods still exist. You can budget, borrow, bargain or ebay.

To keep some control over the cost, parents can begin by setting a budget. Limiting what they can afford for their daughter to spend will limit the scope of where she looks; or it will encourage her to be creative about how she spends the budgeted amount.

Borrowing is still an option. Many parents would be thrilled to think their daughter's last year's prom dress will be worn by someone this year. Having it used more than once may make them feel the cost is somehow reduced. If your daughter has a friend who is going to a different school's prom on a different night and wears the same size as her, agree to share the cost and share the dress.

Bargains can also be found if you take the time to visit department and bridal stores at the end of one season and before the start of another. And upscale resale shops in fashionable neighborhoods are the source of great values on slightly used or never worn dresses.

Don't forget to take advantage of the Internet. A lot of companies offer Internet-only specials.

For most young girls the prom may be mostly about the dress, but it is only one night. And ten or twenty years from now it will be mostly about the good time they have and share with their friends that night. Breaking the budget to buy a dress today will never mean all that much later. So, Mom and Dad, set the budget and work with your daughter to find that special dress without having to take out a home-equity loan. Save that route for college education that will last a lifetime.

Pros and Cons of Investing On Your Own

By

Christopher Musuneggi, CFS, RFC, CSA

Many people think that they can handle their assets on their own. But is it the best way to invest? Here are some pros and cons to investing on your own. They will help you decide if you want to do it yourself or find someone to do it for you.



Pros:

It feels good to do it yourself and make money. For some people the feeling you get when you buy a fund or a stock and it goes up is great. It can give you a rush of adrenaline. It is also fun to learn how funds work. Investing can be a lot of fun, when things are going up.

You can save money. Investing on your own can save you from having to pay some fees and commissions. Not all fees, but some. The less you pay in fees the more you have to invest. The more you have to invest, the more growth you can achieve.

You can invest more aggressively. Most Financial Planners, if they are doing their job, will provide you with an asset allocation and will want to limit the risk you take. If, however, you want to be very risky some Planners and advisors will not want to handle the trades for you. It is risky for them to place these trades as it is possible for the Planner to be held liable if the portfolios does poorly, even if it is what was requested. So if you want to be ultra aggressive, you will have to do it on your own.

Cons:

Most people are emotional about their money. That means that you are more likely to pull your money out when a stock or fund goes down, and hold on too long when it is going up. The markets turn on fear and greed and if you are unable to look at it from an unemotional view, you will have a hard time knowing when you should buy and when you should sell.

Time. If you do not have time to spend reviewing your investments, you may want to hire someone to do it for you. That is what Financial Planners do. If you are not watching your accounts and are not reviewing how your holdings are performing, you may end up holding on to something you should be out of. You also need to make sure that your allocation is still the way you want it, and rebalance as needed. This can be very time consuming. If you do not have the time, hire someone who does.

Discipline. If you lack discipline, you may need to get help. Most Planners will let you know what you need to do in order to reach your goals. If you do not stick to the plan you will not reach them. Having a Planner allows you to have someone to hold you accountable. They can help you set up systems to save and make sure that your plan is doing what you want.

Returns. Studies have shown that those who invest on their own, have lower returns than those who work with a Planner. The reason goes back to emotion. The average investor without a Planner holds an investment for about 3 years. This is because as soon as the fund goes down, people will pull out. People who have a Planner stay in because they have someone to help them understand why the fund went down. So they are less likely to cash out.

If you do decide that you like investing on your own, it is still a good idea to have a Financial Planner review your account. Most Planners will do a full review for a fee. They will look at what you have and make recommendations. You can then take those recommendations and make changes to your portfolio as you want.

Whether fixing a car or patching a roof, it never hurts to get a professional to give you some advice.

"Takin' Care of Business" Small Business Owners Luncheon Series

The "Takin' Care of Business" Small Business Owners Luncheon Series is designed to educate small business owners, or those who want to own a business, on a variety of important subjects. In the past there have been discussions on office organization, marketing strategies, benefits programs and much more.

Our Upcoming Events include: "Finding and Creating Star Performers"

Presented by David Zang

June 5, 2008

What is the cost to your business of hiring the wrong people? How can you make sure you get what you think you're getting with a new hire? Dave offers some tips for: Assessing potential hires, training them to be the best they can be, and guiding their professional development

... Resulting in better results for your business!

"Business Planning for 2009"

Presented by Barbara Schwarck, PCC, CPCC, MPIA, MSP, President & CEO, Clear Intentions, Inc.

September 4, 2008

Whether you are self-employed or employed by someone else, picture yourself in the shoes of a farmer. To harvest a crop at the end of the year, you need to seed, weed and feed it regularly. Planning for business has gone extinct like the Pterodactyl, as many have overestimated their capacity to "wing it."

"Business Planning for 2009" will yield your best crop ever by allowing you to establish exactly what goals you will accomplish in 2009. What kind of goods and services will you sell? How much money will you make? "Business Planning for 2009" will have you set goals aligned with your vision, mission and values. This is called "business planning from the inside out."

"Millionaire Mind Mentality"

Presented by Alexa Nayman, President of Sandler Training

October 2, 2008

Tired of not getting in front of enough qualified prospects? Frustrated because you're networking, cold calling and marketing yourself, but not getting anywhere? Sick of feeling like you're not reaching your fullest potential? Come learn how to take your business to the next level.

"We Have to Stop Meeting Like This"

Presented by Patty Kreamer, President of Kreamer Connect,

November 6, 2008

Are you tired of meeting after meeting and feeling like nothing is accomplished? The cost of meeting is astronomical and it seriously impacts the bottom line; not arriving on time; people not showing up at all; meetings not starting on time; not ending on time; meetings that are boring where nothing is resolved and there is no follow through.

To make meetings more effective and worthwhile, this program is a must! (A one hour program that starts and ends on time)

Each of these events takes place at The Single Steps Strategies Conference Center on North Highland Road from 11:30 am to 1:00 pm. The fee of \$20 (in advance) or \$25 (at the door) includes a delicious lunch. For more information or to register

log onto www.singlestepsstrategies.com or call

412-833-2888 x 5



The Musuneggi Financial Group is a financial services group whose focus is planning and service. The integrity of our group is based on the philosophy that all financial advice should be in a client's best interest. We provide clients with an objective and independent approach to their planning needs.

We are able to choose from a broad array of financial resources. In doing so we take a holistic approach to a client's planning needs, bringing together new ideas, professional expertise and knowledge to work for the benefit of the client. We believe that our independent objectivity can mean a world of difference when planning for your future. Go to the "Our Services" section on our website to see how we can help you.