



STEARNS
FINANCIAL GROUP

Financial Focus for Women was created to meet the unique needs and goals of women, whether you are happily married or on your own. Stearns Financial has been helping clients in this area deal with difficult challenges and think ahead to solve potential future problems for over 30 years. Most women will encounter an average of nine life transitions which will impact their financial security. These include career decisions, marriage, motherhood, caring for aging parents, divorce, widowhood and later stage aging transitions. At some point in their lives, it's expected that over 95 percent of all women will be solely responsible for their family's assets, controlling an estimated two thirds of the nation's wealth within the next 20 years.

It is our mission to inspire and educate women to take charge of their financial lives and to empower them in their relationships and in the community. We believe that a financially confident woman has a better ability to both survive and prosper in whatever future transitions she may encounter.

WELCOME TO OUR NEWSLETTER

We are focused on the unique issues and transitions that women face.



Pam Stearns



Haleh Moddasser



Sherry McKinney



Libby Stafford



Joyce Black-Staley



Tara Maxwell



Paula McMillan



Courtney Kidwell

We hope you enjoy this issue of *Financial Focus for Women* and welcome your ideas for future stories!

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LIFE TRANSITIONS: Time is More Precious than Wealth

Time is More Precious Summary

Arlene and Lenny, SFG clients and friends, had planned carefully for their retirement, including spending countless hours with Dennis and SFG business transition planners working on the best ways to eventually sell their family business. Lenny had done a masterful job adjusting his business to the changes in his industry, including technology changes and the Great Recession that had put many in his field out of business.

Lenny's cancer diagnosis at age 56 created tremendous uncertainty, along with large-scale changes to his business model and the business climate. After countless healthcare "pivots," changing course to get the best outcome for his particular type of late-stage cancer, Lenny passed away. Arlene is now winding up the last chapter of her life and working on developing what she hopes will be an exciting new chapter. This is their story, told by Arlene, with Lenny's help before his death in 2016.

"Man plans and God laughs." This was one of my mother's favorite expressions, but I have never been fond of it. I know it means that despite careful planning for the future, unexpected obstacles may arise, but it sounds like God finds it amusing when the rug gets pulled out from under us and I find that disturbing.

Throughout our 40+ years of marriage, Lenny and I carefully planned for our retirement. We worked hard and invested our money. We looked forward to the day when we could be free of business responsibilities and spend our time traveling, enjoying our hobbies and visiting our adult children and grandchildren. Then we faced an unexpected obstacle. Lenny was diagnosed with aggressive prostate cancer at age 56. Somehow, I don't think God found humor in that.

Receiving a cancer diagnosis, a wise counselor told me, is like jumping into an ice cold swimming pool. At first, you're in shock and don't think you'll be able to handle it. Eventually, you get acclimated and begin to shift your hopes and expectations to your new reality.

In our new reality, Lenny was fighting a deadly disease and I was his caregiver. At the same time, we had a business to run and a mortgage to pay. We owned an art gallery and frame shop we purchased in 1989 from Lenny's father who ironically sold it to us because of his own battle with cancer. The stress of trying to do it all while Lenny was recovering from surgery and experiencing extreme fatigue and other side effects was brutal. We traveled from our home in Greensboro, NC, to Wake Forest Baptist Cancer Hospital in Winston-Salem for treatment. After surgery, he faced radiation, immunotherapy, chemo, you name it,

he had it – one treatment more exhausting than the next. He recuperated at home and needed me by his side, so we were spending less and less time at work.

When you have a terminal illness or a spouse with one, it's important to live in the moment. Spending this precious time worrying about anything other than Lenny's health would hamper his recovery and limit our capacity to enjoy being together, so we began to focus on eliminating our major stresses: owning a business, having enough money to retire and training me to handle our finances.

Even before he got sick, Lenny felt we should develop an exit strategy from the business. We both worked in it, but the major responsibilities and headaches fell on him. He didn't want me to be left to deal with the stress of ownership he'd had for so many years and I was in complete agreement.

After carefully considering our options with Stearns Financial's help, we decided selling the business to our long-time manager offered the best chance for its continued success. If the gallery failed due to an inexperienced owner, it would jeopardize our financial security. We hold a long-term lease on the gallery's building and would be relying on rent from the new owners to help fund our retirement.

Approaching our manager was risky because we hadn't told any of the staff we were considering selling and we were afraid they might jump ship once they found out. We also didn't know if he had the money or the desire to

own it. Fortunately, he was interested, he had the funds and the staff agreed to stay with him. It took a difficult year of planning and negotiations, but we sold our business and eliminated a major source of stress.

During that same eventful year, Stearns Financial recommended many personal and business strategies, including that we downsize from our 4,100 square foot house to reduce expenses. I loved our home and our neighborhood, so the thought of moving was painful and the amount of effort it would take was daunting. SFG provided us with a “financial road map” showing how much longer our money would last in retirement if we moved to a smaller home versus staying in our large one. That was the dose of reality I needed to contact a realtor.

It took six months to sell – not bad for a home in that price range, but terrible for someone who was as impatient as I was and who had a husband with cancer. Getting the house ready every time there was a showing and finding a place to go with two dogs and an often sick husband was challenging, as was trying to find a house we liked in our new price range. Fortunately, on the day we got a contract on our house, we found a smaller house we loved in a wonderful neighborhood. Another source of stress eliminated.

While all this was happening, we had to get me up to speed on handling our finances. I realize in this day and age, this sounds a little ridiculous. I’m embarrassed to admit it, but dealing with money used to put me to sleep. I had “financial narcolepsy” throughout our marriage which forced Lenny to be the CFO both at home and at work.

He paid all the bills and handled all of the accounting in both places and I was content to let him do so.

For years, he tried to get me involved so I wouldn’t be left in the dark if something happened to him. He would patiently explain our accounting software (Quicken, at home and Quickbooks at work), but stop in frustration as my eyelids drooped and I began to nod off. At meetings with SFG, I had to keep one foot elevated under the table to stay awake (and not always successfully). Lenny’s illness is what finally made me realize I’d better find a way to stay awake long enough to learn how to handle everything myself.

My bookkeeping training took on a new urgency and falling asleep became less of a problem. I began to pay all our bills with his supervision and handle most of the accounting work. The relief he felt at my taking charge made me feel good, but it also made me feel guilty it took a cancer diagnosis for me to lighten his load.

From the beginning of his illness, Lenny worried as much about my future as he did about facing his own mortality. That is why he focused like a laser on selling the business, the house and on getting me up to speed on our finances. Years earlier, we purchased cemetery plots so our children wouldn’t be left with that responsibility if something happened to us both. He was a self-described control freak and insisted on preplanning and prepaying for his funeral because he was afraid I’d be taken advantage of at a vulnerable time. I didn’t think that would happen, but if I wanted him to live in the moment with me, I needed to let him check everything off his worry list.

On the days he felt strong, we “made hay while the sun shined.” We’d go out to dinner and get together with family and friends. We’d take great joy in being able to do “normal” things. We loved our new home and we loved not having the responsibility of owning a business. We weren’t rich, but we could pay our bills and live fairly comfortably. Our health insurance, while painfully expensive, covered Lenny’s treatments, so that wasn’t an issue. I feel empowered and in control now that I am able to handle our finances.

I won’t pretend we didn’t have dark days. Watching someone you love in pain is a special kind of torture. When Lenny was too weak and tired to be able to talk to me, I felt lonelier than I have ever felt. There were moments when I imagined my life without him and the sadness was overwhelming.

The “gift” of cancer (as opposed to a heart attack or a stroke) is that it gives you time – time to get your affairs in order and time to share good times with loved ones. It is a bittersweet gift. Lenny and I always had a wonderful and loving marriage. We were always madly in love and the best of friends. This gift of time allowed us both to feel there’d been no words left unsaid.

We learned many lessons as we worked our way through this obstacle. One was that time is far more precious than wealth. Another was if you want to live in the moment, you have to free yourself of as much worry and stress as possible. “Man plans and God doesn’t laugh.” He helps you find joy in the life you have left.



LIFE TRANSITIONS: Gray Divorce



Divorce After 50 Summary

For better or worse, Gray Divorce – loosely defined as divorce over the age of 50 – is reshaping the face of retirement for many long time married couples. The far-reaching implications strike at

the very core of the family unit while at the same time creating opportunities for reinvention never before seen.

While the long-term impact of Gray Divorce remains to be seen, the financial impact is often immediate, especially for women who may lack the earnings power or the longevity to rebuild their financial lives. Studies show that men often achieve or exceed their married standards of living following a divorce, while women lag behind. Reasons for this disparity are varied, but include some common themes, such as unfair or unequal divorce settlements, fear of financial markets, and greater life expectancies.

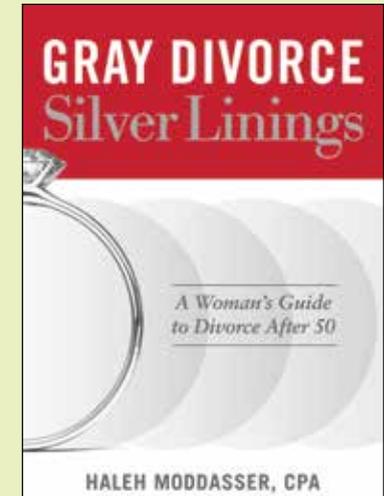
If you, or someone you know, is going through a difficult mid to late-life divorce, you may want to suggest consultation with a financial professional *before* any financial agreement is reached. A good place to start might be the newly released book *Gray Divorce, Silver Linings: A Woman's Guide to Divorce After 50*, written by our very own SFG partner and Senior Vice President, Haleh Moddasser.

A free copy is available to all SFG clients, upon request and the book is also available on Amazon.

Gray Divorce, Silver Linings: A Woman's Guide to Divorce After 50

"Haleh shares her personal journey of her own divorce and much needed advice for women going through this difficult transition in later years – known as gray divorce. Haleh gives plain-spoken, common sense rules of the road to get you through the process, create the right team, ask for what you are entitled to, and create a new life."

- Pamela Sandy, CFP®, CEO & Founder of CONFIANCE, LLC and 2016 President of the Financial Planning Association



Chapter 1: Gray Divorce – Redefining the Golden Years

I had my whole life planned out at the age of fourteen, or so I thought.

I knew, for example, that I would go to college, have a career, get married, and raise a family. Like my mother, and her mother before her, I knew I would be successful in the things that really mattered to me, like my marriage and my family, as I prized these above all else.

Although I knew on some level that divorce was a risk, I never really believed it was a risk for me. In my mind, divorce happened only to *those* women – you know, the ones who somehow couldn't hold it all together. Maybe they had let themselves go. Or maybe they had addiction problems.

Or maybe they had simply married the wrong person. Whatever the case, I knew I wasn't one of *those* women. I had taken every precaution and had done everything right. I had married a man who came from a loving family, someone who had good values. He was smart and generous. He was ambitious and so was I. We had similar goals and values. We both wanted children and we both wanted to succeed. Over the course of the next 23 years, we built a home, a family, and a life.

Then, in the summer of 2008, without warning, my husband coolly informed me that he was no longer "happy."

Long pause.

Those words, so simply spoken, hung in the air for what seemed an eternity. I simply could not comprehend them. In fact, I could hardly breathe. At that moment, my life changed forever.

Somehow, I had just become one of *those* women. Lying face down on the bathroom floor, I contemplated the following: *Would I be alone for the rest of my life? How would I protect my children? How would I take care of myself – of us?*

My sense of loss was unending. I had lost my husband. I had lost my innocent view of the world. I had lost the integrity of the family we once shared. From that day forward, holidays would never be the same. Our children would be split in their allegiances and would struggle with the very meaning of the words *family* and *home*.

In addition to the overwhelming changes that accompanied my new status, I harbored an excruciating sense of shame. I would be the first divorced woman in my immigrant family. I could still hear my 4'11" mother, towering over me, pointing her finger in my face as she said those unbearable words, "I told you so."

"Americans get divorced," she would say. This was a running debate during my formative years. I would mumble something about how Americans may divorce, but the rest of the world just suffers in silence. Now, for the first time, I wondered which was worse. The destruction of the family that had taken almost 25 years to build was

unfathomable to me. I wondered if my husband realized what he was giving up, or whether he understood that "new" families simply cannot be manufactured.

Shocked as I was by the circumstances surrounding the end of my marriage, I should likely have seen it coming long before it did. It was my intense desire to keep my family together that blinded me to the realities of the marriage and the different values we had each embraced. In short, I had valued our family and all that it entailed: evening meals together, family game nights and trips to the zoo. Unfortunately, these were not to be. Rather, my husband had relentlessly pursued his career, taken positions in other cities, and vacationed two to three weeks a year with friends. Perhaps he, too, recognized that we had grown apart. Perhaps he, too, was lonely. Whatever the case, he continually put "us" at the bottom of his priority list.

I objected, of course. And objected some more. But as the years went on, my objections increasingly fell on deaf ears, until finally, they stopped all together. More and more, I expected nothing and said nothing. Yet, with each turning of the eye, I betrayed a part of myself until, in my silence, I lost my voice entirely.

In the end, I felt I had sacrificed my youth and my soul for a failed dream. I didn't have a vision for any future that excluded the "perfect" family we had created. All I had was a painful past. In addition, I had given up my career to raise our children. How would I move forward? How would I take care of them, or myself?

Over the course of the next five years, I embarked on a journey that began with survival, but gradually, almost imperceptibly, shifted toward one of self-discovery. I began to understand that we could not only take care of ourselves, but that we could thrive. I was determined not to be defined by my divorce, particularly in the eyes of my children. They needed to understand that hardships are a part of every life, but it is our response to these hardships that defines our character. This would be an important lesson for them, and if I succeeded, it would free them to pursue their lives without worrying about me.

This is not to say that it was easy. It wasn't. Not only was I the single parent of two teenaged children, I increasingly found myself socially isolated. I escaped to Italy for several weeks to study art, bought and renovated a historic home, and embarked on a professional career. I put myself "out there," in each and every case accepting the risk of further failure, but always hopeful that I would find meaning again.

I was the only woman I knew in this impossible situation. Who, other than my husband, would choose to start over again at this age? The answer, it turned out, was a whopping 600,000 people in 2010 alone. Even worse, based on current trends, the number of divorces over the age of 50, termed gray divorce, is expected to exceed 800,000 per year by 2030. Shockingly, I learned that not only was gray divorce on the rise, it was growing at more than double the rate of overall divorce in the United States. And these divorces were being initiated by women 66% of the time. [Thomas, S.G. (2012, March 3). Divorce Late in Life: The Gray Divorces. Wall Street Journal, Retrieved from www.wsj.com.]



Given the emotional abandonment I had endured throughout my marriage, I could relate to this statistic.

I thought back to my grandmother's, and even my mother's generation: for them, divorce was simply not an option. Something had changed dramatically. A bit more research revealed that several things had changed, the most significant of which included the rising financial independence of women. Coupled with the broad social acceptance of divorce and the general unwillingness to accept a less-than-perfect life, it made sense that divorce was prevalent, but it still didn't explain the root cause of divorce *after* the age of 50.

Determined to more fully understand this concept, I kept digging. I learned that baby boomers were the first generation to divorce and remarry in large numbers as young adults. Because second marriages fail at two-and-a-half times the rate of first marriages, it made sense that divorce rates were soaring as baby boomers aged. Simply put, boomers' complex marital biographies made them far more likely to divorce as they approached middle age.

[Lin, Brown & Hammersmith. (2015, November 1). Marital Biography, Social Security, and Poverty. *National Center for Family & Marriage Research Working Paper Series*. Bowling Green State University, Retrieved from <https://www.bgsu.edu>]

Still, I felt that after a certain age, divorce would simply stop being an option, regardless of marital biography. Not so. The rise in gray divorce goes to an even more fundamental shift: a change in our belief about life expectancy. We Americans, by and large, are living longer and healthier lives. Average life expectancies in the United States have increased by a full 10 years since 1960 alone, and the trend upward is continuing. Advances in medical technology and our own self-care continue to increase not only our longevity, but our sense of wellbeing in later life.

To put the impact of this trend into tangible terms, think back for a moment to your grandparents. In that generation, retirement often signaled the beginning of the end. Perhaps there would be another 10 to 15 years of life, but at least half of them would be spent in poor health. One spouse typically cared for the other, often accelerating her or his own decline.

Today, however, age 65 is considered young. Most new retirees, regardless of gender, believe they will live another 25 or even 30 years. They believe they will not only live longer, but be healthy enough to travel, start new careers, pursue their childhood dreams, and even find new partners with whom to share the rest of their lives.

Armed with this new knowledge, I began to put my own marriage and divorce into a new context. I, too, would have the opportunity to build a new life. I still had decades to pursue my own dreams, and perhaps even find a new partner. Given the number of women going through gray divorce, I suddenly didn't feel so alone. In fact, I began

to wonder what we women would collectively represent. As a group, women currently control 83% of consumer spending and 51% of the nation's wealth. By 2030, it is estimated that women will control as much as two-thirds of the nation's wealth, fueled in large part by their own earnings, generational transfers, and, yes, spousal transfers resulting from gray divorce. [Women of Wealth White Paper, Heather R. Ettinger and Eileen M. O'Connor.] I suddenly realized that never in history have women wielded such power. I was curious to see how this new breed of woman: mature, single, and well-heeled, would impact society. But, before getting carried away with this theme, I realized that I would first have to find my way through the painful divorce that faced me. The challenge was daunting. For the first time, my husband and best friend was not on my "team." I felt overwhelmed and overpowered by him, realizing that he held not only all of the earnings power, but also, a sole knowledge of our financial situation.

As I made my way through this process, I also began to understand how vulnerable women in this situation are, and how difficult it is to get *financial* advice specific to divorce. Fortunately, I had a financial background and was able to understand the implications of the various settlement options before me. In the years to come, however, I would meet many divorcing women who would not be so fortunate.

Sadly, women of gray divorce are at risk of irreparable financial harm, often accepting settlements that are

unequal and unfair. In some cases, a dependent woman still trusts that her husband will do what is right for her and simply accepts what is being offered. In other cases, illiquid, difficult-to-value, or hard-to-find assets are simply left behind, with the woman either too tired or too overwhelmed to pursue them. Whatever the cause, I cannot stress enough the importance of negotiating a fair settlement.

Numerous studies indicate that following a divorce, men continue to build their net worth, often acquiring and even exceeding their married standards of living, while women do not. [<https://www.theguardian.com/lifeandstyle/2009/jan/25/divorce-women-research>.] The evidence is clear, as are the causes. Leaving the negotiating table with fewer assets than their husbands, with little to no ability to generate a meaningful income, and often fearful of financial markets, women lag behind in increasing, or even maintaining, their assets in the face of inflation. The long-term impact on a woman's financial security is, of course, devastating. It was ultimately this realization that led my colleagues and I to develop a practice devoted exclusively to assisting women and their attorneys as they negotiate equitable distributions.

If you find yourself facing a late-life divorce – alone and afraid – worried about your financial well-being, lacking a clear sense of what your marital estate is worth, unsure about how to participate in the impending negotiations, and struggling to create a new life for yourself – this book

will help. Based on the personal experiences of women just like you, this book provides a step-by-step guide on how to:

- **Select the divorce process that best suits your needs (Chapter 2),**
- **Build a divorce team that works exclusively for you (Chapter 3),**
- **Determine the size of your marital estate (Chapter 4),**
- **Negotiate an appropriate settlement (Chapter 5),**
- **Plan your financial future (Chapter 6),**
- **Trust your gut instincts when investing (Chapter 7),**
- **Understand the fundamentals of investing (Chapter 8), and**
- **Move beyond your divorce (Chapter 9).**

Finally, before embarking on your journey, a word of encouragement. You may not be able to see past your current situation, but believe me when I say your future is bright. Women of gray divorce are forging ahead, embracing life, career, and relationships with the wisdom borne of their life experiences, both good and bad. Armed with passion and determination, these independent women are redefining the stereotypes of prior generations while, often unknowingly, completely redefining themselves.

Available at Amazon and Books-A-Million.





PATIENTS CARED FOR BY FEMALE DOCTORS FARE BETTER THAN THOSE TREATED BY MEN

FEMALE DOCTORS FARE BETTER SUMMARY

Our read of this study is first, we shouldn't automatically go out and seek a female doctor. We know plenty of great male doctors. The authors admit they don't know exactly why female doctors had better outcomes. Second, this is a big study on elderly patients. It may not translate to other age brackets.

The back and forth between the two married doctors is the really interesting part of this story. Especially how family members view the opinions of the male doctor versus the female doctor.

December 19, 2016

Heard on NPR's All Things Considered

In a study that is sure to rile male doctors, Harvard researchers have found that female doctors who care for elderly hospitalized patients get better results. Patients cared for by women were less likely to die or return to the hospital after discharge.

Previous research has shown that female doctors are more likely to follow recommendations about prevention counseling and to order preventive tests like Pap smears and mammograms. But the latest work, published Monday in *JAMA Internal Medicine*, is the first to show a big difference in the result that matters most to patients: life or death.

The study's authors estimate "that approximately 32,000 fewer patients would die if male physicians could achieve the same outcomes as female physicians every year."

"Of course! What did you expect?" replied the wife of Dr. Ashish Jha, the study's senior author, when he shared his team's findings with her. Jha said he expects a backlash over the study results. But his team's methodology, successfully put through multiple analyses, makes this work noteworthy, he added.

But tens of thousands of fewer deaths per year if we just went with female doctors?

Whoa! To us, a man and woman who met as we were getting our start in medicine, them's fightin' words.

An editorial about the study urges doctors to remedy the gender disparities in care and the pay gap that favors male physicians over women.

Since half the patients we treat are women and girls, it makes sense that at least half the physician corps should reflect the population. We've achieved that in medical school rolls, but overall only a third of practicing doctors are female. And many specialties, including orthopedics, cardiology and neurosurgery, are still dominated by men.

So why is there a gender-based difference in physicians' care? The authors admit that they are "unable to identify exactly why female physicians have better outcomes than male physicians."

We don't pretend to know for sure, but as married doctors, we have our hunches. We talked it over and here are our thoughts about the research.

Dr. Sarah-Anne Henning Schumann: The actual effect reported in the study is small, but multiplied over a huge population it does add up to something significant.

Dr. John Henning Schumann: I like the Big Data aspect of it. The authors said, "Let's look at more than a million Medicare patients over several years and see how they fared based on the gender of their doctor." While many people may want to tear this study apart, I think the findings make intuitive sense.

Sarah-Anne: I'm assuming the difference is because of the way that women, in general, communicate. It's about being better listeners, more nurturing and having emotional intelligence.

John: There are plenty of men who are good communicators.

Sarah-Anne: Yes, just as there are plenty of women who don't really have those qualities. For female doctors, having worked their way through pre-med, med school and residency, they can have some of that nurturing communication skill beaten out of them.

John: That happens to men, too!

Sarah-Anne: That's true. But this study shows us — just possibly — that if female doctors, on average, communicate better, their style might be more effective in treating disease and preventing death.

John: It's interesting to me because I think about some of my older patients, who much prefer that I tell them what to do rather than to discuss options and share decision-making.

Sarah-Anne: I think that traditionally men were the doctors. People often assume men are more intelligent and so would be more likely to take their advice.

John: That has to change, as we get closer to parity with women in the profession.

Sarah-Anne: My mother has had many experiences with male doctors where she feels they haven't listened to her. They aren't warm or kind, but she feels reassured anyway. She thinks they're smart, and what's most important to her is their knowledge and technical skill, not their bedside manner.

John: Mom always knows best, if that's what she values.

Sarah-Anne: Even in our family, we're both doctors. I'm a family doctor, trained to see adults and kids. You're an internist, trained to only see adults. And in both of our families, most of the time, our family members will reach out to you with their questions — even about kids. And my family, who attended my Harvard Medical School graduation, I'll remind you, seems to value your opinion more. They seem to be looking for opinions more from men. That's kind of an interesting thing.



John: I never really thought about that. I can see how that's totally male privilege. It has to be frustrating to be taken less seriously.

Sarah-Anne: I'm in a Facebook group of physicians who are moms. While it's not every doctor-mom in the country, there are over 60,000 of us in it. So many tell stories of being mistaken for nurses — and taking great offense at that. We have worked so hard to get where we are and want to be treated as equals to our male colleagues.

But I see the mix-up as a compliment rather than an insult. To be compared [to] a nurse says that patients are seeing me as someone who is caring for them and nurturing.

John: That's a smart way to reframe it. Our colleague Jill used to get angry when people assumed she was a nurse. Instead, she decided to embrace it and use it as a call to service. Now she asks patients if they need an extra blanket or something to drink. And she believes that she provides better, more empathic care.

Sarah-Anne: Everyone is going to want to know what is it about women that leads to these better outcomes. I think it's going to be hard to figure out exactly.

John: Do you think people that read or hear about this study will take home the message that they need to choose female doctors?

Sarah-Anne: Some will no doubt oversimplify it to that. What I take away is that if communication is the key, as I suspect, then we need to better select and train medical students and residents to exhibit these qualities.

John: Amen to that. What about equal pay for equal (or better!) outcomes? Paging Lilly Ledbetter!

Sarah-Anne: You're not really asking me that, are you?

Sarah-Anne Henning Schumann is a family doctor and serves as medical director of Community Health Connection, a federally-qualified community health center in Tulsa, Okla.

John Henning Schumann is an internal medicine doctor and serves as president of the University of Oklahoma's Tulsa campus. He also hosts Studio Tulsa: Medical Monday on KWGS Public Radio Tulsa. He's on Twitter: @GlassHospital.



SFG FREQUENTLY ASKED QUESTIONS FROM WOMEN ABOUT INVESTMENTS AND FINANCIAL PLANNING

Q: I hear everyone talk about how interest rates are the lowest in our lifetimes and we should refinance, and maybe even borrow more money, at low rates since those rates have nowhere to go but up. Should I be more focused on borrowing at low rates?

A: Probably not. If you haven't refinanced your home lately, you should explore how much interest you would save if you had a lower interest rate.



Q: But how about taking out a bigger loan when we refinance and spending or investing the money?

A: If you need the loan to finance some big trip or purchase, you probably shouldn't be spending the money in the first place! Investing the difference has worked very well at times in the past. Today, most investment areas like bonds, stocks and investment real estate (different than your primary home or vacation home) are likely to earn lower than average returns in the next five years, which makes it less attractive to borrow and invest.

SFG has long believed that borrowing to invest at almost any time in your life should be carefully considered, weighing all the pros and cons with an objective professional advisor, especially if the investment has an above average risk like some newly issued stock offering or your son's new business venture.

Q: Even so, if you borrow at 4%, and it costs you 2.5% net after your tax benefits, and you earn 5% on an investment, doesn't it make sense to refinance and take out some of the equity in my home?

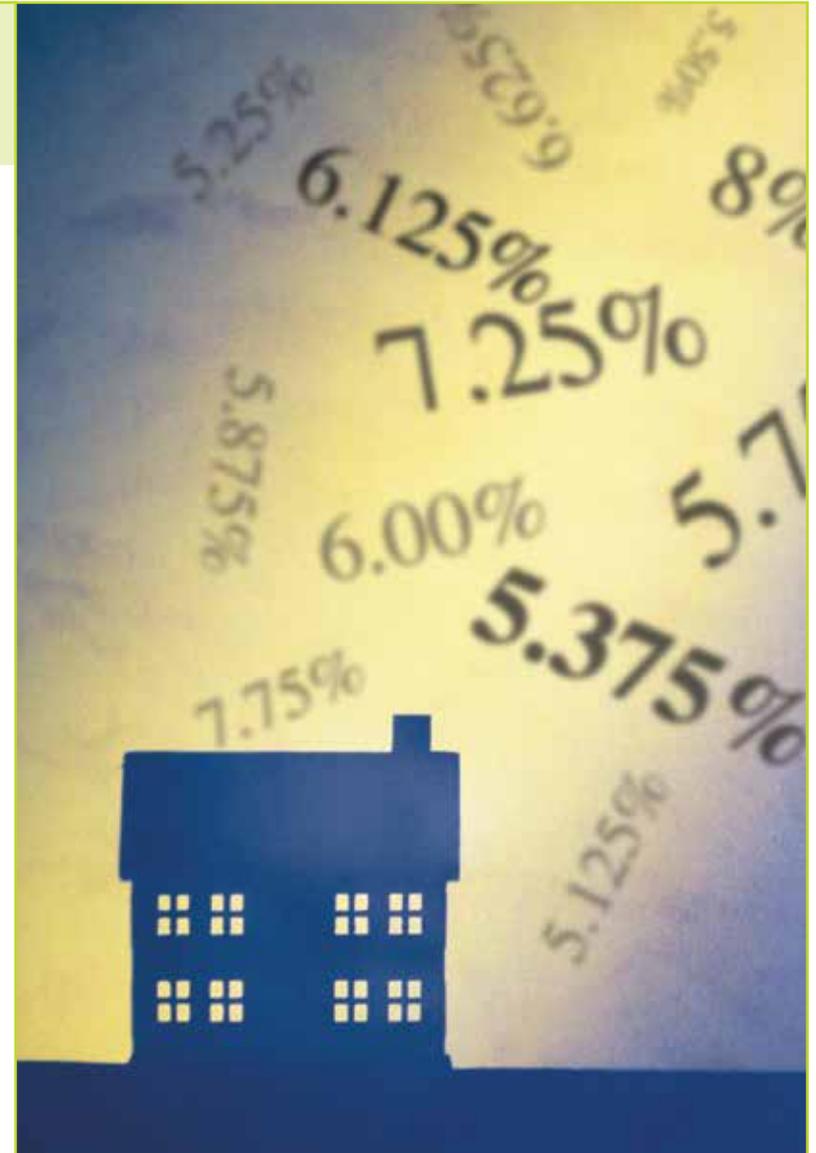
A: Yes, this could work, but consider that there are no investments in today's investing market that can absolutely, positively guarantee you a 5% return. Perhaps in five or more years risk free investments will be back to 5%, but by then the cost to borrow will be at or above 5%. Taking risk into account, does borrowing to invest really make sense?

SFG has been utilizing selected alternative investments like income producing real estate where the manager secures low cost "non-recourse" loans (meaning you don't have to personally pay back the loan if the investment doesn't do well) in order to potentially make the investment returns higher over time. This is a tried and true approach but even here, SFG evaluates if the manager is using prudent amounts of debt relative to the underlying asset to achieve higher returns.

SFG's Take: Debt has an appropriate place during different phases of your life. It should always be used in moderation. We've seen too many situations where clients will stretch to buy the new home or vacation place, and then find themselves stressed by tight cash flow at some point.

In general, we like for clients to be debt free in full retirement, especially if they are in a lower tax bracket making the interest cost higher. Being debt free creates less stress and better sleep for many of our more conservative clients who are no longer earning a paycheck. **With that said, one size doesn't fit all.** We have several special situations where clients in their 70s and 80s recently purchased first or second homes and have mortgages again after many years of being debt free.

We're always happy to talk through your debt situation and consider the pros and cons of using more or less debt.



SFG'S FINANCIAL FOCUS FOR WOMEN "TOP 3" WORKSHOPS

Interested in a special workshop for your female executives at work, your community group or just getting 5-10 of your friends together? Here are the top three workshops put on by SFG's FFW team in the last several years:

- 1. Martinis and Money: A Woman's Guide to Sound Financial Planning** – This workshop was an evening event at a private home sponsored by a large local nonprofit for its female donors. Combine adult beverages with over 35 women hungry for “what comes next?” in their personal and financial lives, and you get a rich (and occasionally hilarious, sometimes sad) discussion that attendees still talk about over a year later.
- 2. Money Scripts: Understanding Why You Do What You Do** – This original research by several friends of SFG was featured on several national TV programs. Money Scripts are like little software programs running in your subconscious mind, often “written” by early influencers in your life. For better or worse, they often control your money habits today. The good news is Money Scripts can be re-written to create better financial decisions and peace of mind in the next chapter of your life.
- 3. Finance for Women 101: There are No Dumb Questions** – Have you ever wanted to be in a completely safe environment where you can ask any question you want and not feel like you're being judged for not knowing the answer? Other than your confidential meetings with your SFG advisor, most women have not felt safe asking questions that they believe others learned years ago. And the funny thing is, the majority of women have these same questions!

SOON TO COME: Affluenza Planning: Raising Money Smart Children – whether it's a young child learning basic money building blocks, a 50 year old “child” who can't seem to stay out of credit card problems, or a grown child having trouble communicating about money with aging parents, money issues have both good and bad effects on children and their relationship with their parents. This workshop examines both the “why” and “what can I do better?” aspects of money and its relationship with your children or your parents.

If you would like to discuss setting up one of these workshops for friends, business colleagues, or a community group, contact **Libby Stafford** at 336.230.1811 or lstafford@StearnsFinancial.com.

Other FFW workshops are available at www.StearnsFinancial.com/FFWworkshops

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