



Regions Wealth Podcast

Episode 2: Living Single

When it comes to planning for the future and building a solid investment strategy, there's no better time to start saving than when you're a young adult while your investments have years to grow. But these days, many people are getting married and having children later in life, which can make it difficult to plan for the future. Private Wealth Management Regional Executive Missy Epperson joins us to share insight into how to start planning for the future when your goals are a moving target.

Episode Transcript

Anne Johnsos:

Welcome to Regions Wealth Podcast, the podcast that tackles life's challenges with financial experience. I'm your host, Anne Johnsos. There's no better time to start saving than when you're a young adult. That's because your investments have years to grow. And you probably have more disposable income now than you will when you're older. Joining me in studio is Missy Epperson. She's a Private Wealth Management - Regional Executive at Regions. Missy, thanks for being here.

Missy Epperson, Private Wealth Management – Regional Executive, Regions Bank:

Thank you. I'm delighted to be here.

Anne:

In this episode we're focusing on women, and what they can do to navigate financial management questions with confidence. We've taken frequently asked questions from a bunch of people and developed a character who needs your advice. Let's listen.

Amanda:

"Hi, I'm Amanda. I just turned 32 and things are going well. I have a great job, I'm making six figures, and I think things are pretty much on track. Basically, my big concern is that I don't know if I'm doing enough to plan for the future.

Anne:

So Missy, advisors often say it's best to plan for a goal, but what if that goal is a moving target?

Missy:

It quite often is a moving target. And I think the exciting thing for Amanda is that she is thinking about this and planning for her future. And that is the first step for anyone to understand where I'm headed and where I am now, and how to get there.



Anne:

Great! Off to a good start, Amanda. Let's hear what she's up against.

Amanda:

I've always been a planner and a long-term thinker. I've been investing in my company's 401(k) — it has a 2050 retirement goal — but I'm not really sure if that's enough by itself. I'm a little nervous to invest because my parents' retirement plans were hit pretty hard by the Great Recession. Even though things have been better, I can't shake the memory of them delaying retirement because they had to keep working to have enough saved.

Anne:

In 2015 Regions conducted a Women and Wealth study that showed when it comes to investing, women are a lot less risk tolerant than men. What's the best way to evaluate risk tolerance in situations like Amanda's?

Missy:

The important thing for Amanda to remember is that she has time, and that is a wonderful thing for Amanda. She has time to be in the market and recover from the ups and downs that are inevitable. If you got out of the market in 2008, then you realized that loss. If you stayed in the market, you never realized it. So, for her parents, they probably felt like they had less time and therefore it was much more frightening for them. So, the first thing I would tell Amanda is to be patient and get to the point where she can sleep at night with the investment portfolio that she has selected. And that is one thing that women actually do better than men. They tend to be more conservatively invested, which is a double-edged sword. But they also don't tend to panic as quickly and move as quickly to get out of the market.

Anne:

Missy, you've been at Regions for 20 years. What's some advice you'd give someone like Amanda to help her get started with investing?

Missy:

The biggest piece of advice I can give anyone is to start today. Start with a little. Start with whatever you can. And get invested, get started on a program now. The earlier it is, the better — the more those funds will accumulate and compound and benefit you over time.

Anne:

How can a financial advisor — or an online quiz, or any other of the tools out there — how can they help her assess her risk and...and what to do?

Missy:

The key is, it's your money, it's your investment, it's your future. So be comfortable with your answering of those questions and seek advice from someone who you know and trust. And



don't be uncomfortable with talking with several people before choosing an advisor who you really bond with, that you feel comfortable with, they understand you, and they have similar clients to your particular situation.

Anne

That's a good point, but I think evaluating advisors and their recommendations can be intimidating for women who don't feel like they have the financial knowledge to be in the driver's seat for this stuff. How do you encourage them to get past that?

Missy:

Women tend to be less confident in many areas of their life, including their investments, including their career, and many of the things they're doing. So, it is not just the investments that they lack confidence. It is in seeking that raise for which they feel like they deserve. There are many aspects of our lives that we are not perhaps trained to be confident, but we can be.

Know your worth and be confident. You're doing a great job. Continue on with that. And then also be confident in what you're working to do with your career and your investments, that you're smart, you can do it. Just give that confidence to yourself as a gift and know that you can...can do that.

Anne:

Good advice for all of us, really. Let's go back to Amanda to see what else she's grappling with.

Amanda:

And there's all these wild cards I'm not sure about. Should I be saving for a wedding? My boyfriend and I have been together for a little over a year, but we haven't really talked about it. And what about kids? I know how expensive they can be, but I'm not sure how to prepare when I'm not even sure if I'll have kids anytime soon. And what if I have trouble trying? Do I need to put money aside for that? I just have no way of knowing if I'm on the right track or not, and that's tough for someone who likes to plan like me."

Anne:

Many millennials are starting their families later in life. You know, for example, the average age of marriage for an American woman in 1973 was 21 years old. In 2018 that was 27 years old, so it went from 21 to 27. What are the financial advantages of waiting or what are the disadvantages of waiting?

Missy:

The advantage of waiting is that you can invest a lot of time and effort into your career, and therefore you can make a lot of progress during that time, perhaps without some other distractions that you may have going on in your life. So that's a really, really good advantage. The disadvantage is that several people are thinking "I'll just wait to start funding these other things like retirement", which seems so far away, and you have to plan now.



And particularly since most women are waiting later to get married and have children, and then those children perhaps interrupting your career path either from staying out of the workforce or from kind of stepping back during that time period, is a risk of less income during those childbearing years. For Amanda to start early — even before she’s thinking about retirement or any of those other long-term goals — she needs to start now.

Anne:

So, in the Regions Women and Wealth study, 69% of respondents said their financial advice to their younger selves would be to start younger and save more. Now, you are a coach, and you are a mentor. What’s the best strategy for saving for these “what ifs”?

Missy:

In my opinion, you should look at short-, medium-, and long-term instead of funding a particular goal, which may change. So how do I know when to start investing? Now. Start now. Always start now. And begin today, even if it’s for a small amount, because anything you’re investing now will help you down the road. By funding in priority order: your emergency fund — get that taken care of right away.

And then I may have some medium-term goals that I want to fund, and those can change over time, and that’s okay. So, by saving in those medium-term investments, then you can fund those medium-term goals from that, and if they change, that’s fine. Then, for your retirement, that company match is gonna be critical, to get as much as you can there. And I would actually recommend, if you can, save as much as you can in your retirement fund, provided you’ve already funded those short- and medium-term goals.

Anne:

So that medium-term could be a wedding, it could be a house, it could be a car, it could be Rover’s hip replacement.

Missy:

Mm-hmm.

Anne:

But, you know, it could be any one of those things, but you need to sort of, without putting a title on it or a label on it say “I’ve got this aside for whatever comes up”.

Missy:

That’s correct. We don’t know where life is gonna take us, so I love Amanda’s planning for the future. I would commend her. Amanda, you’re doing great to even be thinking about that, to contributing to your 401k. That’s awesome. So as you look at these goals down the road, put aside funds for them, and think about how you could structure your budget to make sure that you’re funding those short-, medium-, and long-term goals, and allocate those resources appropriately because you don’t know where life is gonna take you. I was in the workforce 11



years before we decided to have kids, and wouldn't trade my boys for anything. But those years that I had working without them was great. Those years that I was raising those boys were hard, and I didn't have as much energy to contribute to my career at that time. And it's challenging, it really is. So keeping your focus on how to appropriately save for these times in your life when you may have less energy to devote to your career is important, and it's a really good thing that you're thinking about that now because it will happen, and it will be there before you know it. And then as they get out of the house and you're looking toward that retirement, because you've planned for it, then you can rest assured and have confidence knowing that you've funded it. But if you didn't think about that now, when you're younger, then it's really hard to make up for it later.

Anne:

You know, thinking about what ifs like a wedding and kids, it sounds like some of Amanda's concerns are based on seeing these things happen for her peers. Even if you're financially confident, is it helpful to compare yourself to your peers? Is it useful?

Missy:

Comparison is scary 'cause there's always gonna be somebody ahead of you in the race and behind you in the race, so how do you know if that's a good thing or not? Rather, how are you doing compared to your goals, what you're trying to accomplish? That is a much more important question. And I believe you can get assistance in trying to figure out where you are as far as where you are compared to your goals. That's probably the most important piece of advice versus how you are compared to somebody else.

Anne:

We've covered a lot of ground with Amanda, but are there any bigger points this conversation has brought to mind for you?

Missy:

The women I've mentored seem to be so eager for someone to tell them that it's okay. It's okay that today you were frustrated, or that you cried because something happened, or that you made a mistake. Everybody does. And that's fine. Pick up and move forward. It's okay to show some vulnerability. I think as women, we're the parents, we're the leader. When we're in a room that is traditionally male, anything that comes out of our mouth people are looking at, and that makes us a little nervous. So I think my main advice to women these days would be you are better than you think you are. And own it. Because you...you are fully capable.

Anne:

Thank you, Missy Epperson, private wealth management regional executive at Regions Financial Corporation. We...we've had a blast—I've had a blast talking to you. You've taught



me a lot. You have made me want to teach the next generation. Any final takeaways for Amanda, or women listening who have similar wealth concerns?

Missy:

I would tell Amanda: know your worth and be confident in yourself. You are doing a great job and you've achieved a lot, so understand that you're good, and you should be fully confident and able to make your own decisions. And just learn as much as you can and then be aware of the facts, and then make good decisions 'cause you can. You're...you're good at that. That's great. The second thing is don't be afraid of risk. Over the long run you will be in a better position to take risk with your investments.

Missy:

Talk to your kids about money. It is not a taboo subject. It's something we all need to converse. Just as you would with your morals, with the things that you want them to value, talk to them about money. It's really, really important. And you should be comfortable having that conversation with them at any age. And to Amanda, she's...she's doing a lot of things right, and she just needs to be confident in that and then continue to plan toward those goals. And she'll get there.

Anne:

Well, thanks. I think you helped her.

Missy:

Good.

Anne:

And thank you all for listening. We'll be covering a new wealth management challenge in every episode, so check back, and maybe introduce us to a friend you think would benefit from Regions Wealth Podcast. Interested in learning more about the topics we've discussed in today's episode? Check out Regions HerVision HerLegacy -- an initiative developed and launched by Regions Private Wealth Management to educate, equip and empower women to take control of their financial situations. To learn more, visit regions.com/hervisionherlegacy.

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