

"BAG LADY" OF BAY STREET

Sandra Pierce gives some clients handbags and advises women who, no matter how successful, suffer from the fear they won't have enough saved for retirement

BETH MARLIN

Grey-haired, stooped and badly in need of some botox injections, you see yourself standing conspicuous in the heart of Yorkville, Toronto's toniest shopping district. Your grossly undeserving ex-husband zips past in a Porsche with a 30-something blonde at his side. Oh no... why is this much older version of yourself feebly struggling to push a beat-up shopping cart, piled high with personal effects packed in tattered plastic bags? You wake up in a cold sweat...

If this scenario — or some other variation on the "old, poor and stripped of all dignity" theme — is your worst nightmare, you're not alone.

Many women — no matter how successful — suffer from the "bag lady syndrome," the fear they won't have enough saved for retirement, explains Sandra Pierce, a financial adviser with Toronto's Blackmont Capital. (Men have their own worries, although theirs often fixate on their ability to be a good provider, she says.)

"It's an irrational fear that a lot of successful women have, that they could lose it all,"



Sandra Pierce, above, a financial adviser with Blackmont Capital, gives her top clients a handbag when they invest.
Photo: Colin McConnell / Toronto Star.

says Pierce, who is known as The Bag Lady of Bay Street™ for the well-received beaded clutch purse she delivers to a prospective client (those with assets of \$500,000 or more) with a tag that reads, "Do you suffer from bag lady syndrome?"

Inside, a note reassures the recipient that "financial empowerment is in the bag," explaining more about the services of Blackmont's Fox Pierce Segal Group, which manages \$150 million on behalf of 135 high-net-worth households.

Though in many cases, such fears are irrational, the "bag lady" theme "truly strikes a chord with women more and more," says Pierce.

"It's not that they worry about being out on the street. They worry about not having enough money to stay in control of their lives."

For Pierce, who recently turned 50, the message first hit home about 15 years ago when she heard an interview in which Sherry Lansing, a former CEO of Paramount Pictures and the first woman to head a major filmmaking studio, expressed her own deep-seated fears of becoming a "bag lady."

"My god, I thought, I've been outed. I'd become very successful but I still had these inner fears," says Pierce, adding that until that moment, she'd been unable to articulate her own uneasiness, even after a long career as a financial adviser. She began to realize many other women could relate as well and began to structure her client advisory approach around empowering women to develop a financial plan and to more fully understand their investments.

The problem with irrational fear is that it often leads to inertia or denial, she says.

This may explain why many accomplished women leave financial planning to their husbands, despite a high divorce rate and the fact that many women outlive their husbands, she says.

In fact, the loss of a spouse through divorce or death is the leading catalyst driving Canadian women to take charge of their financial planning and investments, according to the 2007 TD Waterhouse Female Investor Poll.

Still, 60 per cent of the women surveyed by TD Waterhouse said they had no contingency plan in case their spouse suddenly died or became seriously ill. And only 16 per cent of the women surveyed said they had a financial "Plan B" in case of divorce.

Patricia Lovett-Reid, senior vice president for TD Waterhouse Canada Inc., says the poll results suggest women are "overly reliant on their partners with respect to financial planning and managing household investments."

"Nobody likes to think about divorce, let alone plan for it," Lovett-Reid says. "But almost four in 10 marriages end before the 30th wedding anniversary."

Further, the TD Waterhouse survey found only one in four women had a formal financial plan and only half were involved in managing their investments. A full 50 per cent conceded they did not know much about their investments and let others make their investment decisions.

Few women seem to plan for the likelihood they will live alone for some of their retirement years, says Pierce, who points to recent U.S. census data finding the average age of widowhood south of the border to be 56.

Meanwhile, she notes, Hallmark is selling more and more "Happy 100th Birthday" cards each year. "If you've got 30-plus years ahead of you, it's worthy of a little planning," she says.

If Pierce had her way, women would take stock of their financial situation in their 30s and 40s.

However, for many, including herself, "the ah-ha moment" doesn't arrive until about age 50. Still, she says, "It's never too late."

The first step, with or without a financial adviser, is to take stock and develop a well-articulated financial plan, says Pierce. "How do you visualize your life?"

To maintain their lifestyle in retirement, many Canadians will need savings capable of generating 80 per cent of their current income, she says.

"You really should be paying yourself first, even if it's just 10 per cent of your income," she says, citing the advice found in David Chilton's *The Wealthy Barber*.

If that's not feasible, even transferring \$100 a month into a mutual fund account or guaranteed investment certificate with your bank will get you started on the path away from those bag lady nightmares, she says.

Knowledge is power, Pierce points out. For instance, the Titanic might have averted disaster if it had adjusted its course by even 1 degree.

"You don't want to wait until an iceberg is staring you in the face."

N.B. Blackmont Capital Inc. was acquired by Macquarie Group and became Macquarie Private Wealth on February 1st, 2010.

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