



VECTORS & VIEWPOINTS®

VECTOR: SMALL CHANGES MAKE A BIG DIFFERENCE



MONEY AND EMOTIONS

Brittany Heard, CFP®, CKA®, Lead Advisor



READ TIME
3 minutes

It has been said that death and taxes are the two certainties in life, but I would argue there are many more! Two additional and seemingly unrelated certainties are that you will spend money and you will experience emotion. And, here's a surprising stat that brings these two certainties together: Research reveals that 90% of money decisions are strictly made emotionally.¹

Most of us make emotional money decisions based on something called a money script. A money script is an underlying assumption or belief about money that is only partially true. These scripts are often developed in childhood and are unconsciously followed throughout adulthood. Usually, our money scripts are based on a series of powerful events associated with money early in life and are passed down from generation to generation within both families and cultures. These money scripts shape our financial behaviors and most of us have one or more money scripts we associate with.²

Money Avoidance is when a person avoids dealing with money and often rejects personal responsibility for financial health. He may blame others or believe money is bad or a source of evil. This person often labels the wealthy as greedy and could respond by either underspending, overspending, or giving money away.

A person with the **Money Worship** script believes that more money equals more happiness. Her needs are never met, and she always believes another physical item can improve happiness. She focuses on earning, saving, or spending and often spends money to show love. This belief about money could lead to hoarding or workaholism.

Money Status is when a person associates self-worth with net-worth. He relates money to a socioeconomic class and always needs to own the newest, big-ticket

item to display wealth to others. He may be interested in gambling to increase net worth, and the need for status could drive workaholic behaviors. This person tends to overspend and take excessive risk.

Money Vigilance is when a person is watchful, alert, and concerned about her finances. She is less likely to overspend, gamble, or engage in financial enabling. She normally pays off credit card balances monthly and thinks that saving is important. She may suffer excessive wariness and anxiety around money and can be distrustful of others. This person does not want handouts and could potentially suffer from workaholism.

You likely associate with one or more of these money scripts. The first step to managing emotions in financial decisions is to understand the script or story you are telling yourself about money and where it came from. Was there a significant event in your childhood relating to money? What thoughts and feelings did your parents have about money?

If you would like to know more about your money scripts and the emotions impacting your financial decisions, a financial advisor can often help you identify these, consider how they affect your financial life, and think more objectively.

¹The Emotional Aspect of Sound Money Decisions, Rick Kahler, kahlerfinancial.com

²Financial Therapy: Theory, Research, and Practice, Klontz, Britt, and Archuleta



EDUCATION PLANNING BEGINS TODAY

Wade A. Den Hartog, MBA, CAP®, CFP®, Advisor



Fall has arrived, and football season is upon us. The kids are going “back to school” or off to school for the first time.

As a parent of two daughters under the age of five, it seems like we have plenty of time to save for future education goals. However, they grow up fast, and the need to put a plan in place is now.

Currently, student loan debt is a staggering \$1.3 trillion and rising, with the median student loan debt being \$16,995.¹ If you want to learn more about this epidemic, take an hour to view Adam Carroll's college debt documentary entitled “Broke, Busted & Disgusted.”

The goal for our children and grandchildren is to give them the best possible chance to succeed and to launch their careers with the least amount of student debt. Whether our current or future students receive scholarships and/or have access to College Savings 529 accounts, they will need these resources to be on a strong path of avoiding the anchor of student loan debt.

Here are some items to consider when crafting your plan for education funding that provides you the highest probability of success:

Start Saving Early: Saving today for future education goals can make all the difference toward success. As of June 2018, in Iowa, your 529 account can be utilized for qualified K-12 tuition and education expenses at public, private, or religious schools up to \$10,000 per year.² Whether you are preparing for expenses now or in the future, planning ahead for how much your student will need is important to understand.

Student Loans: Repayment of student loans is NOT a qualified education expense for a 529 plan. Before your student applies for a student loan(s), plan accordingly, knowing that student loans cannot be paid with 529 funds.

Scholarships: If your student receives a scholarship(s) and you find that their account is “overfunded,” you have options. As the account owner, you have the right to transfer a 529 account balance(s) to an eligible family member. Second, a withdrawal can be made in the amount not to exceed the balance of the scholarship(s) received without penalty (10%). However, the pro-rata earnings amount will need to be included in your income taxes. You will want to consult your tax advisor on any distribution.

Opening a 529 account online is straightforward and can be completed in a matter of minutes. If you have questions about college expense projections and how much you should or could contribute, feel free to contact us.

¹ https://apps.urban.org/features/debt-interactive-map/?type=student&variable=perc_stud_debt

² <https://www.collegesavingsiowa.com/home/why-choose-college-savings-iowa/plan-highlights.html>

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NEW CERTIFICATIONS



RYNE OLLER, CFP®, MBA

The CERTIFIED FINANCIAL PLANNER™ (CFP®) designation indicates that an individual has comprehensive knowledge in areas of financial planning, including insurance, risk management, employee benefits, investments, income tax, retirement, and estate planning. Ryne joins 19 other Foster Group team members with this important certification.

FOSTER GROUP AROUND THE WORLD



Joe Bantz, CFP®, AIF®, CKA®, Lead Advisor and Zach Dalluge, Associate Advisor

Part of our vision at Foster Group is to help people with “meaningful living and generous giving.” That focus extends beyond our borders, to the other side of the world. For years, Foster Group has been involved in work in the country of Myanmar, formerly known as Burma, training nationals to open and run small businesses that impact their neighbors and communities in positive ways.

Joe Bantz

In 2014, I traveled to Myanmar for the first time. Though I’d traveled internationally numerous times, I was not prepared for what I saw: a city of 8 million people with one overpass, grass huts with dirt floors in the shadows of luxurious hotels, streets packed with cars, busses, motorcycles, bicycles, and livestock, and pollution so thick I could feel it on my skin as I drove through the city.

The team I was part of spent a week training a group of 15 entrepreneurs on the basics of running a business. This “Phase One” team helped the participants prepare for the challenges of starting and running a micro-enterprise. We worked with the founders of Opportunities Now (ONOW), a group of Americans who moved to Myanmar to help lift their people out of poverty.

We were supported by two subsequent teams, arriving over the next two months. The Phase Two team focused on building a workable business plan. The Phase Three team prepared the business owners to launch.

After five subsequent trips, I’ve seen the success of this project. It changed lives, educated children, and united families. With a loan repayment rate greater than 90%, the first set of loans has been recirculated at least twice, as participants grew their businesses and told their neighbors.

It is tremendously gratifying to know the world is a slightly better place because I spent a week out of my comfort zone.

Zach Dalluge

I’ve always wanted to travel abroad and help out in countries or regions that were impoverished. This year, I was afforded that opportunity when Joe Bantz approached me about joining the “Phase Two” team leaving for Myanmar in March. After some serious thought and prayer, I decided to jump on board.

On day 1, to give us an example of the entrepreneurs we’d be working with, we visited a family that lives right outside of Yangon. Their home was situated just over a small creek. We walked across the bamboo bridge and into the home. There was a large window next to the front door covered by a metal grate. Right behind that window was a crib for their baby. They had two children and planned to bring in up to four orphans.

We sat down on the floor and they told us about their business of manufacturing flip flops. They talked through how their business worked and how impactful the assistance from ONOW staff and volunteers was.

While they didn’t have much, I’ll never forget the joy, gratitude, and hospitality they showed. I’m excited to go back in the future and continue to see the progress being made.



Joe Bantz (front left) in Myanmar with his team.



Zach Dalluge (right) and a translator work with an ONOW participant.



Home of a program graduate and current business owner who manufactures flip flops.

[NEW TEAM MEMBERS]



KYLE JOHNSON

Kyle Johnson is an Application Developer at Foster Group. He is focused on developing solutions for both internal and external tools and applications. He graduated from Iowa State University with a Computer Engineering degree. Prior to joining Foster Group, Kyle

worked as a software developer for a population health management company. Kyle and his wife enjoy going on walks and hikes with their goofy dog. In his spare time, you can find him working on house projects, grilling, or reading.



JACOB BELZER

Jacob Belzer is a Client Service Specialist at Foster Group. He works closely with the Client Service Team and Associate Advisors and assists in the production and tracking of many types of documents for our clients. He graduated from Iowa State University

with a degree in Finance and a minor in Financial Planning. Prior to joining Foster Group full-time, Jacob was an intern for the Associate Advisor team. Jacob enjoys being active, following sports, and spending time with his friends and family.

[THANK YOU]



BUSINESS RECORD'S 2019 BEST OF DES MOINES

The Business Record readers voted Foster Group the winner in their 2019 Best of Des Moines "Best Wealth Management Company" category. Readers of the Business Record vote via an online, open-ended survey for the businesses, people, and events they viewed as the "Best of Des Moines." **We'd like to extend a huge thank you to all who voted!***

[RECENT AWARDS]



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FINANCIAL TIMES 300 TOP REGISTERED INVESTMENT ADVISER

Foster Group was named to the 2019 edition of the Financial Times 300 Top Registered Investment Advisers. The list recognizes top independent Registered Investment Advisory firms across the U.S. The annual FT 300 list is produced independently by the Financial Times in collaboration with Ignites Research, a subsidiary of the FT that provides business intelligence on the asset management industry. **Foster Group is the only financial advisory firm in Iowa to make the 2019 300 Top Registered Investment Advisers list.****



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