

# AMERICAN ASSOCIATION OF DAILY MONEY MANAGERS

First Quarter 2007

AMERICAN ASSOCIATION OF

# AADMM

DAILY MONEY MANAGERS

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## Did You Know? March is National Ethics Awareness Month

In December 1990, numerous companies and sister organizations in the financial services industry initiated a National Ethics Awareness project where financial service professionals across the country met to discuss the challenges of the ethical issues facing the industry. A year later, the ethics awareness activities were extended to the month of March, which has since been celebrated as "Ethics Awareness Month" (EAM) in the industry.



The American College Center for Ethics in Financial Services is the only endowed collegiate center devoted exclusively to the study of values and good business practices for the financial services industry. The Center says that since its inception as many as 150 insurance companies and more than 100 other financial services related companies, professional associations and societies have participated in this annual event.

Ethics Awareness Month is a useful way for both companies and organizations to reaffirm their commitment to living by ethical principles.

In applying for membership in the AADMM, every person is required to sign a copy of the Code of Ethics and assert that they will let it guide them in their business practice.

The AADMM prominently displays the Code on our website as a sign that our members are held to a higher standard.

Your application for membership was just the start in insuring that you and your business operate ethically. The AADMM Code of Ethics is more than a marketing tool. Used as your daily guide as you make decisions, take actions, and interact with clients and the public, it will help insure the integrity of your business and of the daily money management profession.

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[www.aadmm.com](http://www.aadmm.com)

# Ethics Awareness Month

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Your signature on the Code is your pledge to abide by these principles:

- DMMs shall have concern for the well being of their clients.
- DMMs shall provide services in an equitable manner for all clients.
- DMMs shall not exploit their clients financially, socially, emotionally, sexually, physically or in any other manner. DMMs shall avoid those relationships or activities that interfere with professional judgment and objectivity.
- DMMs shall disclose any affiliations that may pose a conflict of interest.
- DMMs shall not exploit a relationship with a client for personal or financial gain.
- DMMs shall strive to ensure fees are fair, reasonable and commensurate with the services performed. All fees for daily money management services are to be discussed with the client or other person accepting responsibility for payment prior to the initiation of services.
- DMMs shall take all precautions to avoid harm to the client or his or her property.
- DMMs shall respect the rights of their clients.
- DMMs shall protect the client's right to privacy and confidentiality in accordance with the laws of the state where the services are performed.
- DMMs shall maintain detailed, accurate, financial records for the client, based on information made available from client. (Deposits into and withdrawals from financial accounts shall be documented in terms of the source of the deposit and the purpose of the expenditure.)
- DMMs shall achieve and maintain high standards of competence.
- DMMs shall accurately represent their professional experience and training when requested by their client, client's family or someone looking out for the client, prospec-

tive client and other professionals.

- DMMs shall keep current with issues affecting their clients (health insurance, consumer fraud, etc.)
- DMMs shall keep current with public and private services available to their clients, for use in resource referrals.
- DMMs shall refer clients to other service providers or consult with other service providers when additional knowledge and expertise are required.
- DMMs shall define his/her role clearly to other professionals.
- DMMs shall treat clients, family members, colleagues and other professionals with fairness, discretion and integrity.

"Recent media attention to inappropriate conduct and behavior by business professionals serves to remind us all of the importance of ethics," stated Ronald F. Duska, Ph.D., the Charles Lamont Post Chair of Ethics and the Professions, Professor of Ethics and Director of The American College Center for Ethics in Financial Services.

In announcing Ethics Awareness Month for 2007 he called on industry leaders "to take the time to reinforce the importance of business ethics within their organizations." In subscribing to a Code of Ethics and always making ethics a priority at the Annual Conference, the AADMM supports Duska's conviction, "The investment we make in ethics education today will pay untold dividends in the future through enhanced positive relationships with clients and the public."

## **eth'ics, n.pl.:**

the system or code of morals of a particular profession, etc.

**Ethics** is a key topic for the introductory workshops, Daily Money Management Business Basics, and is always a focus at the Annual Conference. To keep these presentations vibrant and relevant, the leadership is seeking some real-life situations faced by the members that can be developed into case studies. This will be especially helpful to the DMM rookies and will also help the Program Committee to revitalize the Ethics session for the Conference.

If you are willing to offer a personal experience to be shared anonymously with the membership, contact us at [info@aadmm.com](mailto:info@aadmm.com) and we'll get back to you to discuss the details.

# President's Message

By John Bowen  
AADMM President 2007

2006 was a very good year for AADMM, including growing membership, an excellent Annual Conference, and the success of the new stand-alone Business Basics regional seminars. In addition to continuing those achievements in 2007, we anticipate progress in several important initiatives. Among the highlights:

**Education and Training:** The success of the Business Basics seminars enables us to focus the Annual Conference more on topics of interest to experienced DMMs. We may also begin to offer some stand-alone seminars/workshops geared to experienced DMMs. If there are topics of special interest to you – particularly those for which you would pay to attend a separate seminar or workshop – please let the AADMM office know.

**Outreach and Marketing:** We anticipate having a DMM booth at this year's biannual meeting of the Society of Certified Senior Advisors in Las Vegas May 9-11. Are there other organizations we should target? Placement of articles about AADMM and DMMs is ongoing, but you can help by sending us blurbs about your business and achievements.

**Certification:** The Certification Committee is making great progress, and it is possible that a pilot certification exam could be ready in time for the November Annual Conference in San Antonio. Stay tuned.

**Member Benefits:** That committee's hard work gives us great hopes that we will get a group business insurance program in place, despite inter-state legal differences

and the insurance industry's general lack of familiarity with the DMM profession. We continue to look for vendor discounts and other benefits we could offer our membership.

**Networking:** We are encouraging the growth of regional get-togethers of DMMs around the country. Most such groups meet informally for coffee or a meal, but we are considering putting a structure in place for groups that want to have a more formal status. We are moving information about these groups onto the public area of the AADMM website in order to encourage contact with non-members. If no such group exists in your area, contact the AADMM office for help in organizing one.

**Mentoring:** We now have a mentoring system in place and a list of volunteer mentors, willing and eager to help new and prospective DMMs.

**Communications:** Have you checked out the AADMM website lately? Have you signed up for the new listserv? If not, you are missing out.

## Legislation:

Are there initiatives in your state that could impact the DMM profession? If so, we want to know about them. Please send us suggestions for web links, organizations and other sources of information we should draw on as we work to beef up our monitoring of legal and legislative developments.

Which of the topics mentioned above are of particular interest to you? Let us know, and we'll put you on the relevant committee(s). In most cases, the only commitment is an occasional conference call, and you'll have the chance to interact with others of similar interest. Don't worry if you're new as a DMM – we all have unique skills and professional experiences that can contribute to the association.

See you in San Antonio!



## 2007 AADMM Committees

### Annual Conference

**Vivian Wright**, Chair

### Certification

**Karl Nielson**, Chair and Board Liaison

### Government Affairs

Chair to be named

### Marketing

**Patti Purtell**, Chair

### Member Benefits

**Gloria Froman**, Chair and Board Liaison

### Membership

**Fredi O'Hara**, Chair and Board Liaison

### Training

**Marcia Turner**, Chair and Board Liaison

### Task Force on Regional Gatherings

**John Bowen**, Chair and Board Liaison

# Marketing Tips

## The 17.5 Strategies, Guidelines, and Rules of Connecting

An excerpt from Jeffrey's bestseller, [The Little Black Book of Connections](#)

**IMPORTANT NOTE:** Like any other process, connecting has rules and strategies. You may know some of them, but odds are you don't know them all. As you read these strategies and begin to understand them, they will help you make connections in a better, more powerful way. Oh, one other thing -- you have to implement them.

**1.** Be friendly first, and everything else falls into place. Friendly breeds likability and trust. People do business with people they like and people they trust. The twin of friendly is smiley. People who smile are 100 times more attractive than people who don't. Smiling not only sets the tone for others, it's the reflection you give them about who you are and how you think. How friendly are you? How easy is it for you to make friends?

**2.** Project your self-image in a way that breeds confidence in others. Your handshake is an indicator of your self-image. So is your dress. Everything from your hair to your shoes is an indicator of who you are, and what your style may be, or not be. Projected image creates first impressions. And even though first impressions are not always correct, they are the ones that stick in the mind of the other person until corrected. What is the image that you have of yourself? What kind of image do you think you project? Is that image acceptable to those you seek to connect with?

**3.** Your ability to look someone in the eye as you speak to them is a tell-tale sign of your own self-

respect. Make eye contact. It's not only a display of confidence; it's a display of truth and a display of respect for the other person. Do you find it easy to make eye contact? Do you find it a sign of weakness when others do not make eye contact with you?

**4.** Your consistent positive attitude will breed positive responses and positive results. Everyone knows it's important to have a positive attitude. Very few people understand how important a role it plays in the way you communicate and the way you are perceived by others. Without a positive attitude, your words become cynical and slanted. Without a positive attitude, your demeanor becomes borderline or unacceptable. Positive attitude needs to be there all the time, in the background, as fuel to run your engine of life, without toxic emissions. Do you expect to have a positive attitude if you are not doing something positive in the morning every day?

**5.** No connection is made without some form of risk. Dare yourself, accept the dare, and take the risk to make the connection. My philosophy of "no risk, no nothing" is most evident in making connections. You can lower your risk tolerance and risk barrier by being prepared, having the self-confidence, and projecting the image to take a short walk out on a thick limb to make the next connection. Have you ever taken a risk and succeeded? Didn't it seem like less of a risk after the event was over than before you were willing to take it? Ask yourself why you're avoiding the risk rather than simply making an excuse about it.

Read the rest of this article <http://www.gitomer.com/index.cfm?GitAction=Column.ArticleDetail&ArticleID=2082>

Jeffrey Gitomer is the author of *The Little Red Book of Selling* and *The Little Red Book of Sales Answers*. President of Charlotte-based Buy Gitomer, he gives seminars, runs annual sales meetings, and conducts Internet training programs on sales and customer service at [www.trainone.com](http://www.trainone.com). He can be reached at 704-333-1112 or email [salesman@gitomer.com](mailto:salesman@gitomer.com).

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## Choosing a Business Name

Choosing a business name is the first and most important step any small company can take, yet many businesses forget to take the time to think through the decision. For ten crucial questions to consider when naming your business, product, or website, go to: [www.rhymer.com/questions.html](http://www.rhymer.com/questions.html)

The pros say:

Chris DeMassa, President of TradeMark Express, Los Altos, CA: "It's the face of your business. It's what you're going to be recognized for and it's how people are going to remember you."

Nan Budinger, Principal of Metaphor Name Consultants, San Francisco, CA: A business should be named for its audience and not for the owner. "What is it that your audience needs to know and understand about your business for you to be appealing to them?" "Cute in-jokes among your family and so forth have no relevance here."

Hal Meyer, CEO of Naming Systems, Wakefield, RI: A name is more important for small businesses than for large ones because the small businesses tend to have smaller budgets for other types of marketing and therefore must rely on their name more for recognition in the market.

# News For and About Members

## AADMM 2007 Annual Conference

November 9 - 11

and the

## Daily Money Management Business Basics

November 9

Holiday Inn Riverwalk, San Antonio, Texas

**P**lanning for the 2007 Annual Conference is almost complete. You'll receive details as soon as everything is in place, but we can already promise that you'll go home from this event with specific and practical "Tools For Improving Your Business." With planned activities to help you connect with other DMMs, you'll also expand your network of support. And San Antonio has old



western ambiance combined with a vibrancy that makes it an exceptional meeting location.

Because the Planning Committee includes both experienced and relatively new DMMs, expect to see issues

addressed in a way that benefits those at every level of their career. Every business can grow and improve with enhanced marketing, skillful use of technology, and better business practices.

A conference highlight will be a repeat appearance by Bruce Christopher, who wowed the audience in 2006 and will use his hit'em between the eyes style and exuberance to offer more thoughts on business and life. After hearing Bruce's presentation in 2006, more than one person reflected that his keynote was worth the entire Conference.

No other event matches the unique perspective of the AADMM Annual Conference. Use the tentative schedule and hotel information provided here as you think about your travel plans. And watch the website as more details are posted.

## Keynote: Bruce Christopher

Laugh 'til you cry. Learn 'til you change. These are the only rules that apply when Bruce Christopher speaks. Bruce inspires audiences internationally by giving them real, immediate solutions for change with out fluff and hype.



Bruce has spoken at the prestigious Million Dollar Round Table Conference, London's Royal College of Surgeons, the Mayo Clinic, and at the 2006 AADMM Conference. A practicing supervising Clinical Psychologist with degrees in Professional Psychology and Interpersonal Communications, he gives over 150 presentations each year and is one of today's most sought-after speakers in the Fortune 500.

When you are faced with morale problems, communication conflicts, customer service issues, managing change, or need for teamwork . . . this Psychologist is in!

### Tentative Conference Schedule

#### **Friday, November 9**

Noon – 5:00 pm	Board Meeting
9:00 am – 4:00 pm	Business Basics Workshop (separate registration required)
6:00 pm - 7:30 pm	Conference Welcome Reception

#### **Saturday, November 10**

7:30 am – 8:30 am	Continental Breakfast
8:30 am – Noon	General Session
Noon – 1:30 pm	Lunch & Annual Meeting
1:30 pm – 5:00 pm	General Session Reconvenes
Evening option	Dine-around

#### **Sunday, November 11**

7:30 am – 8:30 am	Continental Breakfast
8:30 am – Noon	General Session
Noon – 1:00 pm	Lunch
1:00 pm - 2:00 pm	General Session Reconvenes
2:00 pm	Adjourn

# News For and About Members

## AADMM 2007 Annual Conference

### Hotel and Travel Information

Ideally situated in the heart of San Antonio's business, theatre, and nightlife district, this Downtown/Riverwalk destination hotel offers easy walking access to all of the San Antonio Downtown area attractions: the Alamo, El Mercado, the Rivercenter Mall, Alamodome, and the Majestic Theater.

217 N. St. Mary's  
San Antonio, TX 78205  
Phone: 210-224-2500

[www.holiday-inn.com/sat-riverwalk](http://www.holiday-inn.com/sat-riverwalk)

**Group Room Rates:** \$129 for a single or double and \$139 for a triple or quad, plus local taxes (currently 16.75%)

**Deadline for Reserving Rooms at the group rate:**  
**Tuesday, October 9, 2007**

**To Make Reservations:** Call the hotel directly at 210-224-2500 or call 800-445-8475. You must identify yourself as part of the AADMM 2007 Annual Meeting to obtain the group rate. This special group rate is not available for reservations made online.

**Important Information:** Room availability extends until the AADMM's hotel block is full or October 9, whichever comes first. Rooms are available on a first come/first served basis and the AADMM cannot guarantee room availability. Requests for reservations after October 9 will be accepted by the hotel on a space and rate available basis. Room reservations require a first night room deposit guaranteed by a credit card. Should cancellation of an individual reservation be necessary, cancellation must occur no later than 72 hours prior to the scheduled arrival date to avoid a cancellation fee of the first night's room and tax. Check-in: 4:00 pm; Check-out: Noon.

### **Transportation:**

**San Antonio International (SAT)** -- 8 miles South to Hotel. The taxi charge (one way) is approximately \$20 and takes about 20 minutes. There is also an airport shuttle service that can be picked up in the baggage area with a charge of \$14 per person one way, \$24 round trip.

**Train** -- The Amtrak station is 2 miles West to Hotel with a taxi fee of approximately \$8.

**Driving** -- Directions are available on the hotel's website. The hotel currently charges \$13 for self-parking and \$18 for valet parking, plus tax per day for registered guests. The hotel garage may not be able to accommodate oversized vehicles.

**For help planning your stay in San Antonio:**  
[www.sanantoniocvb.com](http://www.sanantoniocvb.com)

## Sign Up for the new Listserv

*"Recently I faced a critical decision about how to approach a first meeting with a new client. His suggestion that I come to his home left me uncomfortable, so I posed the situation to my DMM peers on the new Listserv. Within a short time I'd had five responses with good solid ideas on how to handle the situation and protect my safety. Thanks to the AADMM for introducing this great new service."*

~ Nadene Vigoda,  
Dollars & Sen\$, Sharon, MA

This is just one example of the type of questions that have been posed by members now active on the AADMM Listserv. Since its inception members have shared information on:

- ◆ Using QuickBooks offsite
- ◆ Seeking a referral for a senior case manager
- ◆ How DMMs are listed in the yellow pages or business directory
- ◆ Liability insurance
- ◆ Ways to get a foot in the door at assisted living facilities
- ◆ Ideas for a first presentation
- ◆ And more

If you haven't signed up for this member-to-member communication system, you are missing out on an important benefit of AADMM membership. Find details in the Members Only section of the AADMM website. All it takes is a simple email to get you started on a valuable networking experience.

# For And About Members

## Find It In the Members Only Section of the AADMM Website

### MENTORS

The AADMM has created a new mentoring program to assist members in the development and growth of their businesses. The names and contact information for dedicated volunteers who have agreed to serve as mentors is now part of the AADMM website as one of the networking tools available in the Members Only area.

#### WHAT IS A MENTOR?

- ♦ The mentor acts as a fellow professional to talk to, helping other members think through a situation or how to handle a problem area, in connection with a specific set of circumstances or the services they offer.
- ♦ The Mentor can give the member the benefit of his/her own experience, either with the same set of

circumstances or with knowledge about others in similar situations.

- ♦ The Mentor should never direct the member as to what to do but can inform the member as to what he/she had done or would do relative to the question/problem at hand.
- ♦ The Mentor should be willing to share experiences as a mentor with other volunteers to strengthen the skills of all in this role.

#### WHO IS A MENTOR?

Currently the following individuals are active mentors:

- John Hovis (North Carolina)
- Phyllis Pawlovsky (New York)
- Martha Carriere (Massachusetts)
- Evan Gilder (New York)
- Mindy Luebke (Illinois)

- Stanley Rosen (Florida)
- Peter Spiekys (Illinois)
- Debbie Remson (Florida)
- Linda Ritcher (New Jersey)
- Courtney Smith (Colorado).

To contact them visit the member's only section of the AADMM's website [www.aadmm.com](http://www.aadmm.com) and click on member networking located on the left sidebar. Don't forget one of the big benefits of being a member is having access to this list.

#### CAN ANYONE RECEIVE A MENTOR?

Yes, AADMM has created this program for any member to take advantage of working with one or more of these individuals above. They would be happy to assist you or answer any questions you might have.

#### HOW CAN I HELP?

AADMM is also interested in having more members become mentors. There are three ways you can be involved. One is by offering to answer a few questions on our website/listserv. Second by serving as an official "greeter" at our annual conference to make current and future members comfortable and welcomed during the three-day event. Lastly, offer to be a traditional mentor providing one-on-one or contact with another member.

If any or all of these interest you than contact Denise Ott at [denise@heusergroup.com](mailto:denise@heusergroup.com) or call 717-580-1946 to have your name added to the list.

*More on next page*

## New Codes for *Members Only* Section

Members of the AADMM appreciate the value of the relationships, education, and resources that are available only through this nationwide network. Access to the "Members Only" sector of the AADMM website is one of the benefits of being a member and we use special login codes to protect the value of your membership. That way only fully-paid members can take advantage of this membership benefit.

On March 1, the AADMM made its once-a-year change to the codes required to enter the members' only area. Members were notified of the new codes by email and a reminder to use the new codes is posted on the log in page. If you are experiencing difficulty with log in, you can request assistance by emailing at [info@aadmm.com](mailto:info@aadmm.com). You will be contacted within one business day.

We'll keep you informed as innovations on the website continue. And, please feel free to send us your ideas for content and improved navigability at [info@aadmm.com](mailto:info@aadmm.com)

# For And About Members

## Find It In the Members Only Section of the AADMM Website

### ONLINE MEMBERSHIP DIRECTORY

At its January Meeting the AADMM Board of Directors made the decision to forgo printing of an annual membership directory. It will be replaced with an online directory of members as part of the AADMM website.

The public has always been able to "Find A DMM" through the website, but the searches in that section are set up by city and/or state because that is the way a consumer would look for someone who is located near them. On the other hand, a member might want to find someone they met at a meeting and know only by name, or a fellow member whose name was included in an article without a location for the business.



Currently we have such a name based directory under construction in the Members Only section of the website. At this time, it is just a long list of last names with the ability to learn more about a particular person by clicking on the name. We recognize this is not the most useful format and it will become increasingly unwieldy as the membership grows. We're working on improving that.

While you can still search for a member using the Find A DMM mechanisms, this new online membership directory will have the advantage of being dynamic and current whereas the print version was obsolete almost as soon as

you received it because of the constant influx of new members. The enormous cost saving from not having to print and distribute a yearly directory is also a benefit to every member because it will help to control the budget, which is reflected in membership dues.

Please be patient as we develop this new directory.

### SAMPLE FORMS

In February AADMM added information to the Members Only section of the website that section should prove especially helpful. As part of the "Resources" tab, we've included a new Sample Forms page. Currently there are 11 forms for your review. They come with an important disclaimer that you should not ignore. It reads as follows:

#### Sample Forms

The information presented here has been provided as examples of documents used by other AADMM members and is not intended to substitute for legal, accounting, tax or other professional advice. Probate and contract law vary from state to state. Each member is advised to obtain advice from professionals in his/her own state. Any information and reference materials recommended by other members should not be relied upon as being comprehensive, error free and/or applicable to your business. Any

legal documents shared by members should be reviewed by an attorney in the member's home state.

The user assumes all responsibility and risk for the use of these materials. Under no circumstances shall the American Association of Daily Money Managers (AADMM), its board members, or management team be liable for any direct or indirect damages that result from the use of these forms.

### MEMBERS FORUM

During February, the AADMM had several instances where disturbing and totally inappropriate material appeared in the Members Forum. We have no reason to believe these postings were made by a member, although we are still uncertain how the hacker bypassed the privacy codes to access the Forum.

In any event, we made immediate internal changes to the way the Forum is set up and with the March 1 change in the user code and password, we appear to have eliminated this problem.

To anyone who found such a posting before we were able to remove it, we apologize. We encourage you to continue to use the Forum as a tool to explore issues with your fellow DMMs and to check regularly to see if there are topics or questions with which you can assist. And if at anytime you question the appropriateness of anything on the Forum, contact the business office immediately toll free at 877-326-5991.

# Tools You Can Use

## Working Solo

A resource shared by AADMM Board member Pamela Nielsen Brehler, CSA, Personal Finances Management, Chapel Hill, NC

WorkingSolo is an online resource for independent entrepreneurs and companies serving the SOHO (small office/home office) market. If you are interested in tapping into the information provided by Terri Lonier, whose consulting firm specializes in the solo, small business, and SOHO markets go to: [www.workingsolo.com](http://www.workingsolo.com).

And for free, practical advice, sign up for Working Solo eNews, her monthly email newsletter that brings news, information, tips, and insights on self-employment (as well as special Working Solo offers) directly to your digital mailbox.

Terri responds to this question: What are the most important things entrepreneurs need to do to turn their small business into a success?

**Choose your business carefully.** The type of business you choose -- and the quality of customers it serves -- ultimately determines the level of your financial success.

**Find support.** Develop and nurture a network of colleagues, friends, and mentors. They can offer their guidance, wisdom and connections to your growing business. And remember to pace yourself, keeping some energy and resources in reserve for the inevitable tough spots in the road.

**Attend to financial and legal matters before start-up.** Don't find yourself scrambling to put important pieces of the business' structure in place after you've opened your doors.

**Design your office so it works.** Put project files, phone, and keyboard within the immediate reach for easy access. Position other equipment -- like the copier or fax machine -- a short walk away, so you're forced to get up and move around at intervals. Check out cordless equipment (computer keyboard, mouse, phone, headset) that enables you to be mobile. Pay particular attention to the quality and comfort of your chair, your desk, and your lighting. These can have enormous impact on your health and productivity over the long haul.

**Listen to what your customers are telling you.** Remember, without them, you don't have a business. And don't forget to show your appreciation for their business and their referrals -- it takes a lot more money to create a new customer than it does to keep a current one.

**Set goals.** Among high achievers, one thing is consistent: They tend to have goals, and they put them in writing. Goals are amazingly powerful tools. They capture our thoughts of "what might be" and turn them into "what will be." They also clarify our thinking, and clarity is power. When we know where we want to go, we can plan how to get there.

**Stay flexible and responsive.** While maintaining focus, be open to new business opportunities. Don't let occasional set-backs demoralize you. As one solo colleague told me, "It all looks worse from the inside." Realize that there is no perfection -- there's only ongoing improvement.

## AARP Book as a Resource for Senior Clients

AADMM member Nadene Vigoda, Dollars and Sense, Sharon, MA has learned of a new book that may be of interest. She had not had time to



read it when she shared this information, but thought the content may be useful for some of our senior clients.

In cooperation with AARP publications, lawyer Michael T. Palermo has re-written and updated his original *Crash Course*, found online at <http://www.mtpalermo.com/htoc.htm> since 1996. His new book, *The AARP Crash Course in Estate Planning: The Essential Guide to Wills, Trusts, and Your Personal Legacy*, expands on most of the important topics and adds coverage based on the questions and issues raised by visitors to his website over eight years.

Here are some of the questions and topics covered:

- ◆ Wills and the probate process
- ◆ The pros and cons of living trusts
- ◆ Taxes and how to pay less
- ◆ Naming a guardian for your minor children
- ◆ Living wills and other advance medical directives
- ◆ Marshaling and protecting retirement assets
- ◆ Ideas for keeping your money "all in the family" in the event a spouse remarries

# From the Membership

## Worry Free Wills & Trusts

By Evan Gilder,  
Redlig Financial Services

There aren't a whole lot of guarantees in life, but here's one thing all of us can count on with 100 percent certainty: We are all going to die.

With those odds in mind, why on earth do so many people not have a will or trust? About 57 percent of all adults don't have a will, according to a survey conducted by the AARP. And it's a safe bet that those without a will don't have a trust either.

Neither document is hard to create. You can do it yourself with some computer software and then merely have it reviewed by a lawyer. Or you can hire an attorney to draw up all the documents for you. Depending on which route you take and the level of detail needed to deal with your situation, you could be looking at anywhere from a few hundred bucks to \$2,500. Just be sure in either case to only work with an attorney who knows estate law. You want a specialist well-versed in all the important issues and details, not a generalist who slaps together an off-the-shelf template.

Wherever you fall along this cost scale, I'm confident you'll find it money well spent. Think for a minute of the alternative. Say you pass away "intestate," that is you leave no documentation to explain how your assets should be handled. Without a will or trust, the disposition of your estate will be carried out according to your state's laws, however poorly they may fit your particular situation. That means some or all of your loved ones could be shortchanged or left with nothing -- all because you failed to deal with these fairly simple inheritance is-

sues.

It's time to finally take care of something you know you need to do.

1. Create and fund a living revocable trust.

Wills alone don't cut it anymore my friends. As well-intentioned as they are, in most cases they can leave your beneficiaries with lots of logistical headaches. The basic problem is that even if you spell out who gets what in a will, you haven't officially transferred any of the assets to those heirs. When you die with just a will, your beneficiaries will most likely see it wind its way through a court process known as probate. Depending on what state you live in, it can take months -- if not years -- and cost thousands of dollars in legal fees.

To make sure your heirs avoid this major hassle, set up a living revocable trust. The transition of your assets to your beneficiaries is ridiculously easy once you have this document in place. And please don't think this is something only rich folks need. Most everyone can benefit from a revocable trust.

Here's how it works. You create a living trust in your name. As the creator of the trust, you are known, first of all, as the "trustor." Next, since these are your assets and you want to have control over them, you will also be designated as the "trustee." Then, since you own all these assets and they are for your benefit while you are alive, you are also the "beneficiary." But you will name others as beneficiaries of the trust too. These are the people who will get your assets after you have died, and they are known as "successor



beneficiaries." To make the trust valid you have to "fund" the trust. This means you (or a lawyer) must legally transfer your assets -- your home, your investments, etc. -- into the trust.

I know that's throwing a lot of technical terms at you, but on a practical level it's quite simple.

Let's use your home as an example. Instead of you being the owner on your home deed, it would now be owned by your trust. Since you are the trustee who runs the trust with complete authority, you are still the decision maker when it comes to handling your home. You can buy and sell at any time. Your property tax does not change. You do not have to file a separate tax return. When you create and fund a trust and are the trustee and trustor, you maintain absolute control and flexibility over your possessions.

As you can see, nothing much really changes in your life when you put your assets in a trust. When you pass away, though, you'll make life much easier for your loved ones. The trust is simply passed to them at the time of your death. There's no need for a court review. All your beneficiary needs is a death certificate and a copy of your

*continued*

# From the Membership

## Worry Free Wills & Trusts

trust that outlines your specific inheritance wishes.

2. Add an "incapacity clause" to your trust.

For those of you who aren't too concerned about inconveniencing your heirs by leaving just a will, listen up. You could also be putting yourself at risk as well.

While a will only kicks into action after you die, a trust that includes what's called an "incapacity clause" allows someone you have appointed to handle your affairs if you aren't able to speak up for yourself. Sudden illness can befall any of us, no matter how young we are. Remember, Terri Schiavo was just 26 years old when she collapsed from heart failure. If you fall ill, who will pay your bills? Who will look after your money?

Financial power of attorney isn't the answer. The reality is that many financial powers of attorney become null and void the day you fall ill, unless you have included an incapacity clause in the document. Moreover, financial powers of attorney can easily be revoked. Financial institutions are notorious sticklers for which POAs they will honor.

You can sidestep all these potential problems by having a trust with an incapacity clause in it. When you insert the incapacity clause, you designate a successor trustee to step in when needed. The person you appoint as the successor trustee can be anyone: A partner, a friend, a cousin. All that's important is that you trust them to handle your affairs.

3. "Joint Tenancy With Right of Sur-

ivorship" is no substitute.

You may be thinking that you don't need a trust to handle the inheritance of your home, because you and your spouse or partner already have it set up as Joint Tenancy With Right of Survivorship (JTWROS).

A JTWROS simply spells out that the surviving spouse or partner inherits the deceased partner's share of the home. A JTWROS says nothing about what happens when the surviving partner dies or sells the home. With a JTWROS, the surviving partner becomes the sole owner with no strings attached. So if you die, your spouse will own the house outright. And if, in the case of a second marriage, her will says the house is to go to her children upon her death, then guess what? You just disinherited your own children, and there is nothing they can do about it.

With a trust you can make it clear that your surviving spouse can stay in the home, but you also can clearly lay down inheritance rules for when the home is eventually sold.

I have also heard of some well-meaning parents who have converted their home to a JTWROS in the names of their children. The big problem with this move is that you could lose the house in the event of a particular sort of misfortune. Let's say your 25-year-old ends up in serious car wreck. The lawyer for the injured party starts digging for any "assets" that can be used in a settlement. If your child is a co-owner of the home, it can become part of the case, and you might have to sell to settle. There are also gift-tax implications when you put your child's

name on the title of your home. So please don't use JTWROS as an estate-planning tool for your heirs. A living revocable trust is the smarter move.

4. Don't forget the will.

Time to come full circle. After spending the bulk of this article explaining why a will won't cut it on its own, I do want to make a pitch for adding a will as a complement to your trust. That's because the only items covered by a trust are those that have been "funded" -- specifically added to the trust. But it's possible, of course, to acquire assets after setting up your trust and, through oversight or sudden death, simply fail to have everything added in at the time you pass away. When that happens, having a "back-up" or "pour-over" comes in mighty handy.

Interested in pursuing this, but not sure who to turn to or what the next step should be? We can gladly refer you to attorneys throughout the area, who specialize in this and can guide you through this process.

*Redlig Financial Services specializes in providing a full range of comprehensive services for managing the financial affairs of individuals, busy families and small businesses. Our clients include mature adults and their children, who can't perform this vital function and busy families who are pressed for time and looking for a way to make better use of their limited schedules. For more information on our services, please visit us online at [www.redlig.com](http://www.redlig.com) or via email at [egilder@redlig.com](mailto:egilder@redlig.com).*

## Helping Start-ups Get a Good Start

Last year the AADMM offered our Daily Money Management Business Basics Workshops as stand-alone programs that could be held in any region of the country and it has been an extremely popular innovation. This introduction to daily money management, previously only available as part of a conference, is now scheduled four times a year making it easier for people to begin their business in a timely manner and bringing growth to the Association.

The 2007 schedule has included a January workshop in Tampa, with sessions also to be held May 5 in Chicago; July 28 in Providence, RI; and November 9 in conjunction with the Annual Conference in San Antonio.

While the sessions are publicized on the website and through releases sent to newspapers surrounding the Workshop sites, we also count on current members to help spread the word. Those al-

ready working as DMMs are often approached about the profession and the details of operating a daily money management business. We know that you do your best to share your experience with all newcomers, but a start-up may need more than you can provide.

While it may seem self-serving to suggest people attend this program, experience has shown that it is the best starting point for someone considering daily money management as a career or new to the business. Evaluations from past workshops demonstrate the value

of participating in a session whose faculty has well-honed knowledge, with materials that provide a take-home for reflection, and in a group setting with similarly minded individuals who can help prompt additional discussion.

When you are asked the inevitable questions about "how do you get started," please send people to the AADMM website for information about the dates and locations of the Business Basics Workshops. You'll be helping them and also helping the AADMM.

### *What People Say About the Workshops...*

- ♦ Provided me with valuable input/advice on what a DMM business really involves
- ♦ It was very helpful to listen to the wide variety of questions, answers and feedback
- ♦ Thank you for a 'nuts and bolts' approach to starting a new business
- ♦ I felt like I put a lot of thought into the details of my DMM business; your session hit on all my topics and reinforced my strategies!!!

*From the Workshop in Baltimore on November 11, 2006*

## Welcome New AADMM Members!

*The following people joined the AADMM from January 1 through March 23, 2007:*

Kim Baylis .....Harwich MA  
Michelle Bentcliff .....Laguna Beach CA  
Roxane Blake .....Albuquerque NM  
Daniel Cakora .....Downers Grove IL  
Gary Chin .....Brooklyn NY  
K.C. Commass .....Salem MA  
Lisa Cook .....Livingston NJ  
Tom Cummings .....Rochester NY  
Terrie Curry .....Chicago IL  
Stephanie Davis .....Flowood MS  
Marge Davis .....Lakeville MN  
Mark DeRitis .....Normandy Park WA  
Annette Dillard .....Dyer IN  
Lyn Elliott .....Dover DE  
Robin Feeney .....Salem MA  
Charles Hale .....Farmington CT  
Ruth Harpole .....Bonsall CA  
Barbara Hundley .....Fayetteville GA  
Laurel Jones .....Gaithersburg MD  
Jennifer Jordan .....Elmhurst IL  
Pilar Krawchuk .....Clearwater FL  
Jill Kubek .....Middleton WI

Vince Leach ..... Elm Grove WI  
Wendy Lerner .....St. Paul MN  
Graeme Lockwood ..... Orlando FL  
Tom Martineau .....Burnsville MN  
Dennis Meyer .....Palos Hills IL  
Lynn Plait .....Roswell GA  
Jeff Plakans .....Salem MA  
Kristy Powell ..... Los Angeles CA  
Cathy Robbins .....Bartlett TN  
Bryan Rojas .....Lomita CA  
Terry Sachsels .....Des Plaines IL  
Jennifer Schaeffner .....Marblehead MA  
Lory Smeltzer .....Clearwater FL  
Eric Snyder .....New Freedom PA  
Wendy Spradlin .....San Luis Obispo CA  
Charlene Stockwell .....San Mateo CA  
Sandi Suwalski ..... Indian Rocks Beach FL  
Marlene Talasnik .....Philadelphia PA  
Gretchen Tregaskis .....Pinellas Park FL  
Denise White .....Land O Lakes FL  
Lydia Whittaker .....Portsmouth VA  
Suzanne Williams .....Beauleton VA

## Calendar of Events



### 2007 BUSINESS BASICS WORKSHOPS

May 5, 2007  
Chicago, Illinois

July 28, 2007  
Providence, Rhode Island

November 9, 2007  
Holiday Inn Riverwalk  
San Antonio, Texas  
(In conjunction with the annual conference)

### **2007 AADMM Annual Conference**

Friday, Saturday, and Sunday  
November 9, 10 and 11, 2007

San Antonio, Texas, Holiday Inn Riverwalk  
information at [www.aadmm.com](http://www.aadmm.com)

### **Other Events of Interest**

April 11-15, 2007

National Association of Professional Geriatric  
Care Managers Annual Conference  
“Boston 2007: GCMs Go the Distance”

April 25-28, 2007

19th Annual Conference & Organizing  
Exposition, Minneapolis, MN

May 9-11, 2007

CSA International Summit 2007  
Society of Certified Senior Advisors  
Las Vegas, Nevada

**For more information on these and other  
events, go to the AADMM website:  
[www.aadmm.com](http://www.aadmm.com)**

## We Want to Hear From You!

With the next issue of AADMM Newsletter, we would like to initiate a new “regular” feature called Lessons Learned. It is often the day-to-day experiences of a DMM from which a wealth of knowledge is built.

Lessons Learned will be a way to share those “aha!” moments that may help another member evade a pitfall, avoid reinventing the wheel, or inspire a new way to accomplish a task.

To make this work, we need your stories. A few descriptive paragraphs will be better than pages and pages of documentation. If people need additional information, we’ll give them your email address so they can contact you directly.

Please help us get the ball rolling, by sharing a lesson you’ve learned along the way. It may be something so simple that you now do it daily without a thought . . .but that doesn’t mean everyone else is on the same track and your every day policies and routines may be a whole new start for someone else.

Send your submissions to [info@aadmm.com](mailto:info@aadmm.com) and in the subject line put Lessons Learned so they come directly to the newsletter editor. Be sure to include your name, affiliation, phone and email so we can get back in touch with you to verify the information. For the next issue, we’ll need to hear from you by February 15.

### **AADMM’s MISSION STATEMENT**

The mission of the American Association of Daily Money Managers is to meet the public or community need for daily money management services in an ethical manner by providing information and education to members, and developing a network of dedicated professionals.