



Women Leading the Finance Industry: “Money Basics classes should be taught from the elementary school level” with Michele Lee Fine and Jason Hartman

By: Jason Hartman
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I had the pleasure of interviewing Michele Lee Fine, RICP. Michele is the President and founder of Cornerstone Wealth Advisory, a boutique financial services company under the umbrella of Strategies for Wealth, one of the largest, privately

owned, independent financial services firms in the country. The firm was established in 1933 with offices in Manhattan, Westchester, Long Island and Boston. A graduate of New York University, Michele's extensive business and professional training, certifications and experience in finance, business development, domestic and international commerce for over eighteen years have equipped her with a knowledge and insight that makes her invaluable to her clients. Through her work with some of the finest attorneys, accountants, actuaries, economists and tax strategists in the country, Michele specializes in working with business owners, executives and professionals in their Estate and Retirement Planning, Wealth Management, Family Business & Succession Planning, Pension Design and Administration, Insurance Planning and Design, and Company Group Benefits. Michele is Securities licensed and independently insurance licensed throughout the United States. She consistently receives accolades of merit and achievement through various industry organizations and leading companies in the financial arena. Michele develops long term relationships with her clients, built on her dedication, integrity and commitment to their families and businesses. She focuses on integrating all aspects of their finances efficiently and strategically, providing exceptional results and value as a trusted and respected advisor. Michele is highly involved in professional, charitable and civic organizations as well. She is a member of AALU and has been a featured speaker on the main platform. Michele served as National Planned Giving Chair for WIZO, Women's International Zionist Organization, that is dedicated to taking care of women and children. She serves on the Business Leader's Forum Executive Committee for UJA. Michele has sponsored a family in need for the 'One Family Fund' providing direct support, care and encouragement. She has been a member of 100 Women in Hedge Funds and served as a volunteer on the philanthropic committee. She was also recently selected to serve on the board of High Water Women, a charitable organization dedicated to the economic empowerment of women and youth. In 2000, Michele formed the Miracle Foundation, a foundation formed to touch, move and inspire the lives of those in need. Michele lives with her husband Randy, and their four children in Brookville, New York.

Thank you for joining us! Can you tell us the “backstory” about what brought you to the finance industry?

About twenty years ago, I was at a crossroads, both personally and professionally, seeking to create new possibility in all areas of my life. I had a very diverse array of academic, business and professional experience that lead me to a career in finance and contributed to my ultimate success.

I was determined to achieve personal, professional and financial independence that would transform my life, and the lives of those on my path. Personally, I was raised by parents who immigrated to the US very young, and had to work to

achieve all they did, and most importantly, held their strong values of respect, honor and tradition very dearly, and ingrained it into their children as a way of being. I was always encouraged, and expected, to work, achieve, and be a productive human being. They taught us firsthand by example, the value and impact of a relentless work ethic, investing in education, generosity and kindness—all essential values that have contributed to my success and who I am today.

I thought I wanted to be an attorney growing up, even applied to law school and then realized I don't want to spend my life fighting other people's battles. I fortuitously met a senior advisor at my firm at a time that I was open and ready to build a sought after financial services team. I loved the philosophy, people and culture at the firm, and what was most appealing to me was that there was no limit to what I can achieve, professionally or financially.

I could not have even dreamed as big as I ultimately achieved.

One client at a time, through a lifelong pursuit of broadening my professional expertise and knowledge, with G-d's grace, I built a business that continues to help client's achieve greater financial success and well-being. I am dedicated to being a master of my game and a student of my craft to best serve my clients, and make a meaningful and valuable impact in their lives.

Can you share with our readers the most interesting or amusing story that occurred to you in your career so far? Can you share the lesson or take away you took out of that story?

One of the most interesting or amusing stories of my career is when I was nominated over a decade ago to serve as president of an executive committee for an industry group. The committee was approximately 15 accomplished professionals from all over the country, you had to meet eligibility requirements and be a production leader in one of multiple areas of business to earn a spot. I was the only female on the committee, and it was my first year qualifying. One of the nationally acclaimed top advisors, perennially on the committee, and I had a very good relationship and a deep mutual respect for one another. He insisted that he wanted to nominate me that year as President, even though it was my first year on the committee. He told me that it was enough of the "middle-aged, white, boys-club man" at the helm, and that I would bring a fresh light and voice to the role. The meeting ensued and it came time for the nominations. All of the men who made social niceties to me in the past all of a sudden lashed out. I was confronted with a barrage of questions like, "do you think you can handle this, with four children, a husband who is in Boston half the week for his business...?" as well as "if I had a daughter I would want her to be just like you....but let's face it, it is a man's world out there!" I was horrified and speechless. At the start of the

meeting, while everyone was introducing themselves, I commented to the man sitting next to me that, "I didn't have time for plants" as I motioned toward a nice plant in the center of the table. Sure enough when all the egos in the room were going at it, he got up and snarled "she can't even take care of a plant!"

There was one valiant man that stood up and said to the group, "How come you didn't ask the men on this committee in prior years if they can handle it based on how many children they have?! Why does this have any relevance to her as a professional?!" He went on to point out that my production and business outperformed most of theirs, yet they still could not handle the situation. The person who nominated me tried to fiercely defend his stance, apologized profusely to me, and it went on to cursing, crying and several people storming out of the room.

While I was deeply upset by the situation at the time, it eventually spearheaded much needed change to an antiquated nominating system to create a more democratic process with greater checks and balances. More importantly, it made me even more aware of how irrelevant the politics, egos and bravados are, and how essential it is to be humble and focus on what is most important: building and nurturing meaningful and rewarding relationships with your clients and their families, and providing them with exceptional results, integrity and value every step of the way. All the rest is noise that I tune out.

Are you working on any exciting new projects now? How do you think that will help people?

I have an ancillary business that has nothing to do with wealth management, investing or protecting wealth, it is purely focused on financial and cash flow management, tracking and reporting cash flows, bills, income streams and ensuring that nothing is falling through the cracks. I am very selective who we take on as a client for this initiative as it is extremely time intensive, requires a tremendous amount of time and care. Ultimately, we help clients by providing them with greater clarity of their cash flows, an organized system to track everything and greater savings that can be recaptured. A dollar saved is more valuable than a dollar earned that gets taxed or subject to market risk. Most people don't know what their burn rate is and haven't gone through the process of quantifying it. Understanding and being aware of what your lifestyle expenses actually are not only help you better manage cash flow, it also helps clients know if they are considering selling a business, what value would be acceptable to walk away with for a sale that can replace that income stream going forward. It's important to gauge what expenses are being paid from the business that would no longer pass through the company. It also allows people to quantify what their actual lifestyle costs are and how they can plan to replace actively earned income one day with adequate passive income streams.

Let's now jump to the main core of our interview. According to this report in Fortune, nearly two-thirds of Americans can't pass a basic test of financial literacy.

In your opinion or experience what is the cause of these unfortunate numbers?

People are not taught basic financial fundamentals all throughout lower and upper schools, and even in college, if you are not enrolled in a specific class or club which, is infrequently offered, or actively seeking the knowledge, there is little chance that one is learning the basics and essentials of money. Some learn it from their parents or families if they are fortunate, and even then the guidance can be limited or skewed.

People are also not encouraged to save effectively by financial institutions. Think about it: the default option in your investment accounts are to "reinvest dividends". That follows a herd mentality; it may not be best for you and your individual circumstance.

With a 401k or IRA, you can't access the funds without penalty until age 59 1/2, so the incentive is to keep your money there, and kick the can down the line with income taxes. Even if you will actually be in a lower tax bracket when you are younger, and higher when you have reached your hopeful pinnacle to your wealth building potential, most follow a herd mentality when it comes to saving their money as well.

Taxes are the biggest erosion of our ability to build wealth from our income and savings or assets. Inflation is a stealth tax that is rarely quantified when it comes to planning ahead for retirement or any significant financial milestone.

In addition, many people are living beyond their means, living a lifestyle that prohibits them from saving first, as they are first spending, without a long-term plan or strategy in place to defeat the crippling effect of taxes and inflation.

If you had the power to make a change, what 3 things would you recommend to improve these numbers?

The three things I recommend to pioneer change are:

1. Money Basics classes would be taught from the elementary school level, teaching children the fundamentals of what is a savings account, how does a checking account work, what is interest and how it's calculated, what does it mean to borrow money and how does a mortgage work, how do credit cards work, what is the impact of debt etc. They are not too young to be exposed to these topics and start to understand the basics.

2. There is so much misinformation in the media, and most people take what they hear for the masses and apply it as gospel for themselves when often it likely doesn't apply to their unique circumstances and position in life.

With a simple Google search one can pull up millions of responses to a query. And typically those with the deepest pockets will emerge on top, promoting their agenda. Many people are taking advice from a Google search that may not be in their best interest. If you are very successful and making significant money, you may be in the top 1–10% of income earners and the advice given by Google may not be suitable.

In my industry, we can't promote or advocate anything publicly without the information going through a rigorous scrutiny by a compliance department. How great it would be if this existed for all industries!

More education is needed for people to realize that financial planning is not a one size fits all matter. For example, maxing out on your 401k may make sense for some, but certainly doesn't make sense for all. What if you're on a career path that the income growth track is going to exponentially rise with the course of your career? Does it make sense to max out on your 401k when your income is at its lowest point, and defer withdrawal into a time when you will be at your highest income earning years? And there is a myth that when one is in retirement, that they will be in a "lower tax bracket "

Is that the goal? Or is it to always have ample income streams whether they be passive or actively earned. Most don't realize that their withdrawal from a qualified retirement plan in retirement will be treated as ordinary income and taxed accordingly. In addition, those withdrawals taken from their retirement plans will also increase their income base so that when they start taking social security, they will also bump up their tax bracket since up to 85% of social security is taxable income at full ordinary income tax rates. So, while contributing to a qualified retirement plan and putting money away is valuable conceptually, a qualified plan offered by the government may not be the optimal method to do so depending on your situation. If a company match is offered, then typically it's beneficial to contribute up to that max but likely not a penny more. Instead it may make sense to save other dollars in an account that provides more tax diversification, so that all savings are not partnered up with the Government who has the power to change the rules and costs by raising income tax rates which is the price you pay to access your savings.

3. Attention needs to be paid more to what an individual's savings rate is rather than their rate of return. There are very few advisors and financial institutions that are emphasizing and establishing a process for savings. Everything is very product driven and transactional. Savings is process driven, and requires on-going

discipline, strategy and planning. Most focus on a rate of return in the stock market and take unnecessary risk with their savings in how they invest to play catch up. This only makes them more vulnerable and exposes them to market timing and portfolio risk, as opposed to a disciplined strategy and focus on saving. A savings rate should be established as a percentage of gross income. The goal should be at least 20% of gross income, increasing that percentage in tandem with income rise. Most spend first, pay bills and then see what's left over to save. There will come a time where you're either unable to work or choose not to work. If you haven't been actively saving throughout your life you will always have to generate income by actively working to generate the cash flow you need and want to live comfortably. In order to cut off actively earned income, there has to be adequate savings and passive income that is generated to be able to be in a position to have the freedom of that choice.

None of us are able to achieve success without some help along the way. Is there a particular person who you are grateful towards who helped get you to where you are? Can you share a story about that?

I am grateful and fortunate to have a spouse who is immeasurably supportive of me, both personally and professionally. He has always been an advocate and a stand for all I am. He consistently reminds me of how precious and valuable I am to my clients and family. He has been a rock and a fortress of strength for me throughout the best and most challenging times. His relentless dedication, infinite wisdom, and grounded sense of sensibility have always been like a right arm to me. Whether he is being a quiet yet unmistakable force on the sidelines, or someone who takes front and center stage to recognize, protect and unabashedly proclaim his commitment and love for me, and his family.

We have both been very blessed to each have very successful careers in the same industry. We were introduced at an industry conference, where we were both receiving awards. I thought it would never work, it would be too much to be with someone in the same business, could even be boring, geographically we were from NY and Boston, how could it ever work.

Four children later, multiple homes, two successful, thriving businesses, it seems to have worked out extremely well.

We have completely separate firms, clients and scopes of the business we focus on. We each used to be involved in separate study groups, and then eventually realized we are contributing more to each other on a daily basis than any group could provide to us. We trust one another implicitly and can run questions, feedback, hurdles and opportunities by each other and get feedback that is invaluable. We may not always agree, but we have a deep respect for one another and give each other the space to be who we are and excel at it. We still

consult with and respect others in our field that we look to, but having that individual that can listen and share their honest feedback based on them knowing you and respecting you more than any other in the world is priceless.

I have never felt that gender has ever been an obstacle for me with clients and growing my business. The "sky has been the limit" and there has been no glass ceiling. If there was, I broke it a long time ago. My focus is only on being grateful and focused on my client's best interests.

But within the industry, I have run into men, and less frequently women, that just don't know how to handle me and my success. Some completely tune it out and ignore me; some try to mitigate the impact of what I have accomplished and for some, I'm just an enigma.

At one point when my husband was in his last study group and couldn't take the way they were handling things about me, he basically told them off, told them he has listened to every little league story about their kids but not once had any of them acknowledged that his wife had been consistently "hitting it out of the park".

He extricated himself from the group and both of us have thankfully consistently been meeting and exceeding all of our professional goals and aspirations each and every year. He told me I'm the best study group for him, and that he is the luckiest person to be able to have access to me every single day.

Fortunately, that feeling is mutual. We are both grateful for all of the blessings that we have shared and our bond has only deepened and continues to bear fruit.

Can you please give us your favorite "Life Lesson Quote"? Can you share how that was relevant to you in your life?

LIFE LESSON QUOTE: "It doesn't matter whether you are pursuing success in business, or life in general, the bridge between wishing and accomplishing is DISCIPLINE. We are then what we repeatedly do. Excellence then is not an act, but a HABIT.

This quote is on my desk at my office, and very much integrated to how I was raised and who I am today. It speaks to me and connects to how I'm wired. There's no fluff to it, it hits what matters on the bullseye.

I am notoriously disciplined and set very high standards of personal excellence for myself. I realized a long time ago, not to compete against others, but instead to focus on what's possible in me and how my actions will engage others in the world to what I can make possible for them. You get back so much more by giving, it is

in that generosity of self that you find yourself and can be your best and most in any part of your life.

You are a person of great influence. If you could inspire a movement that would bring the most amount of good to the greatest amount of people, what would that be? You never know what your idea can trigger. 😊

Inspiring a movement:

Most people have it backwards: they invest, then save and then may consider how and if to protect their money and assets.

So, they put money into the market to invest, yet often it's to play catch up financially. They realize they are not where they want or need to be financially, whether it be for now or their future retirement, so they delve into the market to try to "win" and get ahead. The problem is they do it without a plan, without a strategy or defining what their objectives are. A stock is not a plan. There are so many factors to consider, whether you own a business, or are a professional, what's your end game with that, what benefits or dollars can you count on—all need to be considered. And those long-term considerations will have an impact on how you invest today.

To make matters worse, too many people are not saving money. They are living well above their means, meaning they are spending either more than what they are bringing in and juggling each month, or simply don't save a fraction of what they should be doing. I too often see a substantial income coupled with a great lifestyle of cars, homes, travel and stuff, but little to no savings. This always reflects poor savings habits and focus. Many don't factor in the risks of job continuity, industry or legislative changes that can adversely impact even a thriving business, or underestimating the impact of technology and planned obsolescence and how there will be things they will have to buy and own in the future that haven't even been created yet but will definitely be a cost of life. Instead, setting a savings rate of at least 15%: 5% to short term initiatives, 5% to mid-range goals and 5% or more to long term planning is the basis of any strong financial foundation and plan.

Finally, protection. Most don't consider the cost of being vulnerable financially and how to properly protect assets. Why is this even a consideration, let alone making it a priority? Because we live in a litigious world, there are risks and costs associated with things we have and do that if not properly protected can be devastating.

For example: I have seen people renting homes or apartments without owning the property in an LLC, or not having the proper umbrella coverage, which is

extremely low in cost , to protect all of their assets if they or their family member become subject to a law suit as a result of an accident, etc. Some people say they don't "believe" in insurance and feel they can cover the loss. But they probably haven't had something happen yet that can deplete all of their savings and crush what they thought was a plan, not to plan. Whether it be a loss of the income generator of the household and forever losing that income stream, bonuses and financial rewards, death is very final and lines are drawn in the sands of life when a family endures such a loss. Many don't protect their income streams, I believe mostly because they just don't know it's possible. If you had two job offers: one for \$500k and the other for \$495k but the one for the slightly lower amount would pay out your after tax income to you if you were too sick or injured to work, which job would you take ? Furthermore, having proper, well written documents in place to protect your family, your business interests and assets are pivotal. Whether it be Wills and Trusts, a suitable Buy\Sell agreement with partners, a prenuptial that a qualified attorney has drafted or well drafted business or loan agreements. These are not things you want to simply download from the internet, they need to be tailored to your unique set of conditions and objectives.

So if we can shift the focus to: protect first, then set yourself to be a world class saver, then get ready to invest, we would revolutionize how people thrive financially.