

Advisers share money lessons learned from fathers



Russ Wiles, The Republic | azcentral.com 5:37 p.m. MST June 14, 2014

Many fathers can be counted on to provide financial guidance and advice to their kids. Here, Phoenix-area certified financial planners share some of the money lessons they learned growing up.



Russ Wiles, finance reporter (Photo: Tom Tingle)

Story Highlights

- **Michael Black's** father gave him his college money early and challenged him to use it wisely. Black spent some on a car and a sailboat but managed it well enough to complete college early.
- From his father, Brian Frederick learned how to build wealth %u2014 specifically, the wisdom of investing in assets that rise in value, generate income or do both.
- Suzanne Muusers learned to keep her money away from her entrepreneur father. That lesson came after she lost money investing in his business.

Michael Black's father gave him a major financial challenge at a young age. Brian Frederick's dad showed him the wisdom of investing in assets that appreciate in value or pay income. Neal Van Zutphen learned a tough financial lesson from his father's unexpected death.

Fatherly advice has become something of a cliché, but there are times when Dad provides good guidance on the need to save, plan ahead and minimize debt. I asked some Phoenix-area money advisers, mostly certified financial planners, to recount some of the key lessons that they learned from their parents. Here are highlights:

• **Michael Black of Michael Phillips Black Wealth Management** received an intriguing lesson from his father at a young age.

"When I was 14 years old and thinking far ahead to college, my father gave me my college-education funds in a lump sum. He told me that this was it, and I could not come back for more."

Black remembers being awed with the responsibility. He did buy a used car and an old sailboat but invested most of the rest. He also completed college in less than four years. For summer employment, he crewed and eventually served as captain of sailboats around the world. He graduated with some of that original money left over.

"I asked my father why he had so much faith that I would not blow the funds," **Black** said. "He answered that those funds were for my education and I would learn more from managing the money than college could teach me in a classroom."

His father also felt the sailing adventures would build character beyond that provided by a formal education.

"He had a very practical perspective as a very educated man," **Black** said. "School was only part of the education process."

• **Neal Van Zutphen** of Intrinsic Wealth Counsel indirectly learned a tough lesson about the need to be financially prepared from his father, who died unexpectedly with no life insurance, requiring his mother to continue working.

"While not a financial lesson taught to me by my father, it was a hard lesson learned as a result of my father's death," Van Zutphen said. "It is one of the primary reasons I am a financial planner today."

In addition to planning, Van Zutphen said that experience illustrates the need for couples to "have those hard conversations about money and actually take action." If they can't do it themselves, then seeking assistance from a financial planner makes sense, he said.

• **Erick Newton** of Copperwynd Financial said the best advice received from his dad was the wisdom of paying yourself first, by saving.

"He didn't believe in credit cards or borrowing," Newton said of his father. "The only debt he felt you should have is for the house you live in."

His father taught Newton to question whether he really needed something if he had to go into debt to make the purchase.

"It was all about delayed gratification," he said. "If you really want something, you'll work hard, save and then you can buy it yourself."

• **Suzanne Muusers** is a business coach for financial advisers at Prosperity Coaching. The most valuable lesson she learned from her dad, an international entrepreneur, was to "save money and not tell him about it."

Muusers explained that she was thrifty and had saved \$5,000 by the time she was 18 years old, from working part-time in her father's business.

"One day, my dad opened my bank statement, and when he saw how much I had saved, he asked me to invest in his business," she recalled. "He said, 'You'll never make any money in a bank, so invest this money with me and watch it grow.' "

Unfortunately, she did and never saw that money again. "From then on, when he asked me how much I had in my savings account, I said 'nothing.' "

• **Brian Frederick** of Stillwater Financial Partners grew up in Nebraska. His father is a retired economics professor, and every Saturday in the 1980s they would go to a library in Lincoln. "He would research stocks in those huge old Value Line black, three-ring binders, and I would look at comic books, primarily 'Richie Rich' and 'Casper the Friendly Ghost,' " he said. "As I grew older, I spent more time with him learning about investing and less time with my comic books, which I'm sure pleased him to no end."

One comment made by his father was that the best way to build wealth is by spending less than you earn. Then, you want to use those savings to purchase assets that increase in value, namely stocks, produce an income such as bonds or do both such as real estate, especially farmland.

• **Mike Konen** of Allegiance Financial Advisors grew up on a farm, where his dad was a "jack of all trades" who did welding and other work such as mechanical repairs to keep expensive tractors running.

"He did these things because it was less expensive to do it himself rather than pay someone else," Konen said. "A focus on cost was essential in a business that had fairly low margins."

His father's focus on keeping down costs sticks with Konen today.

"When I do my own pool maintenance or landscaping, the money stays in my pocket," he said. "Just like investment companies that focus on low-expense funds, keeping more of what you make will pay off down the road."

• **Darin Shebesta** of Jackson Financial Advisors shared a financial lesson in budgeting learned from his mother, who gave him a spiral notepad when he was 5, for use as a ledger to keep track of his allowance. Each week, he would add his allowance to the balance from prior weeks. When he had enough money saved up, he would go to the store and pick out sports trading cards. "She would buy them for me, and I would deduct them from my ledger," Shebesta said. "This taught me how to balance my funds and keep track of my spending."

• **Dana Anspach** of Sensible Money said the best advice she got from her dad was to hire a financial planner. It was right about the time she got married and graduated from college, then moved from Florida to Colorado for her husband's first job.

Anspach interviewed two planners and received disparate advice. One proposed that the couple put all their extra monthly cash into two whole-life insurance policies. The other spent time explaining why they needed an emergency fund, why they could use term life insurance instead and how much they should contribute to workplace retirement plans.

"We hired the person who took the time to educate us," Anspach said. "I used to ask him so many questions that eventually he turned around and hired me, and it led to my own career as a financial planner."

Reach Wiles at russ.wiles@arizonarepublic.com or 602-444-8616