

So-called “Financial Planning”

by Annie Margarita Yang

A few days ago, I met up with a colleague and we were chatting. During our conversation, he asked me what I wanted to be a few years from now. As a society, we place too much attachment to our career as our identities. For example, someone asks, “Who are you?” A typical response will be something along the lines of “I *am* a teacher,” or “I *am* an accountant.” I feel like this definition for one’s identity is too external and dependent on outer circumstances. What happens when you decide to change your career? Do you lose an aspect of your identity?

When my colleague asked me the question, I felt uncomfortable answering it, so I replied that I didn’t really know what I want to *be*, but what I do know is that one of the things I want to *do* is help people get out of debt and spend money in a way that adds satisfaction and fulfillment to their lives. I help people live satisfying lives in ways not directly related to money, like teaching time management, public speaking, writing, voice strengthening, relationship-building, supporting new project ideas.

So who am I really and what do I want to do? Who knows? I don’t really know. I’m keeping it general since it changes with time. I don’t want to pigeonhole myself into anything.

After I told him this, he told me that the label I’m looking for is “financial planner,” and that I should start my career by getting licensed and certified to sell investments and insurance. I don’t think so. The label doesn’t sound right—it sounds too pragmatic, too narrow, too limiting. And also, the way I help people in their finances isn’t through planning in the traditional sense like setting a goal for retirement, buying a dream house, or investing in stocks. What I do is I guide people using awareness exercises and teach frugal-living techniques and then they make the decision on their own to change their behavior.

He didn’t seem to understand this, so I let it go and changed the topic. I didn’t think it mattered much, but a week later, he called and said he gave my name and contact info to some of his friends because they needed help with their finances. Hearing this, I was excited to have new people to teach and get paid for something I love to do. Hours later, I got a call from a woman who told me she works in the financial industry and wants to give me a job and to prepare my resume and get five references. What she said didn’t match what my friend told me... I thought she would be a private client, but oh well—at least I got an opportunity to learn new things in finance.

The next two days, I dedicated most of my energy toward creating an outstanding and fabulous looking resume and even left Toastmasters early to print a color copy at Staples. On the day of the interview, I got up early since the commute was 90 minutes and I surely didn’t want to be late.

I got there and saw the name of the office. While I was waiting at the office, I googled it and saw that this company sold term life insurance and had a ton of complaints saying it’s a multi-level marketing

scam. A red flag went up. I ended up being pitched by a recruiter for the next three hours. I spent so much time and energy preparing for this, so I felt like I wasted my time.

I was upset the rest of the day and at first, I was most upset with my colleague who referred me. I thought I made myself clear in the beginning that I'm not looking to be a financial planner and that what I do is completely different. It seemed like what I told him went through one ear and out the other. Then I was upset with the woman in the office who didn't seem to understand that I don't want to sell insurance, especially with an MLM. It's been a few days since this happened and now I realize that it's nothing personal. My colleague thought that he was doing what was best for me, and this woman was just trying to recruit me using her standard sales pitch.

There are a few things I learned from this experience that I want other people to know and avoid. The first is that there are people out there who call themselves financial planners when they are really just insurance salespeople. They take a two month course and get the license to call themselves financial planners. Many people follow the advice of these so-called financial planners, buy their low quality financial service products, and lose their money.

While I think term life insurance is great if you have children who depend on your income, these salespeople promote the idea that if you bought financial service product x, y, or z, then you will financially be okay. They make people think that the solution to your debt and poverty problems is external to themselves, that if they just invested in x mutual fund, then they will be set. The truth is that no product can change your life. The cause of your financial problems is actually the person staring back at you in front of the mirror: you. You need to change your relationship to money and your deep-seated patterns of behavior if you want to change your financial life.

Second, don't fall for the dream. A common tactic used by these companies is telling stories of top level executives who at first made very little money, but today make millions every year, living the high life of luxury and glamour. They take advantage of the ideal American value of the rugged individual who pulls himself up by his bootstraps and the belief that anyone can become rich if he just works hard enough. When people think of rich people, they think of designer clothes and mansions.

Don't be fooled by this. The people who succeed financially are not the ones who make a lot of money, but are the ones who keep the money they make. Eighty percent of millionaires are self-made, and they got there by living an extremely frugal life. They saved, and saved, and saved. You can bring in a six or seven figure income and still be broke—think of the famous celebrities and athletes that went bankrupt because they couldn't control their spending. The key to getting out of your financial problems is not to make more, but to know how to manage the money that already flows into your life.

Third, you never truly know if so-called financial planners follow their own advice. When I was working

at a financial institution in Bay Ridge, my boss—a financial planner—would brag about how much money he makes. Everyday he lived lavish, ordering \$20 lunches from local restaurants. His partner would dress in the most fashionable, stylish suits. This was all just an image. While I was filing and shredding paperwork, I came across their portfolio and their net worth wasn't as high as I thought. They had high value in real estate assets, but had high value in liabilities, specifically mortgages owed to the bank. Meanwhile, the secretary, who lived simply, brought lunch from home half the time, and owned only the home that she lived in, had more than one million dollars in her portfolio. I saw it with my own eyes. She didn't even need to work. She was there because she enjoyed working.

The MLM “financial planner” I met was similar to my former boss in that she would easily spend a lot of money on something and justify it. Knowing this fact about her, would you want this kind of person to be your financial planner? This is completely out of integrity in terms of her character and her line of work. Unfortunately, there are many people out there who are similar to her. There are only a few people out there who can be trusted, as in they actually live the values that they espouse, and those are people you want to look for when seeking financial advice. You need to find someone who actually has your interests at heart when it comes to your money.

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