

Back to basics: Know where you stand financially

by Beth Anne Carr

Providing financial clarity is the driving principal for Lisa Hatcher.

"I see a challenge of people setting themselves in an affluent lifestyle, not building wealth — not building enough to maintain their current lifestyle along with unrealistic ideas of how much money you need to retire," said Hatcher, principal of Hatcher Byles Financial Planning in Richmond, Virginia. "I truly look at myself as a financial planner rather than an advisor. People often need help with budgeting — they don't know where their money is going. They underestimate how much money they need to maintain their lifestyle."

"One of the things I give people is financial clarity," Hatcher said. "People feel better about their money and themselves. People have shame and guilt about their past spending. My clients feel that I explain things well and help them to understand their situation. Especially with female clients, I give them a sense of confidence about their financial situation."

As a first step, Hatcher asks clients to record everything they spend for a week. She

suggests an online tool, such as Mint.com or Quicken, or even to write it on paper.

"With many of my clients, we start with knowing your numbers: how much they are earning, how much they are spending. It doesn't sound sexy, but it is underappreciated," she said.

Hatcher explained that it fits into their investment goals. In addition to simply creating an expense record, she shows her clients that how and where you spend your money reflects their priorities. If they are not spending in alignment with their values and goals, she works with the client to create a plan that begins to do this.

"Financial planning is a process. You figure out what your goals are," Hatcher said. For some people it might be to travel in retirement.

I show them they have choices — that they might be able to retire early if they downsize their house, or just work longer. It begins with knowing what you want to do," Hatcher said. "Couples don't always know what the other person wants."

When they walk through her door, many people realize that they are not adequately preparing for the future but don't



Lisa Hatcher

Principal

Hatcher Byles Financial Planning

want to admit it. She helps them through the decision-making process by describing what their future will be if they continue on their current path. She takes them through their version of the future — how they envision it, such as where they want to live and what lifestyle they want to have.

She said that she tries to create a mind shift in her clients. That they should plan for fun — be mindful about it. “I try hard to reframe things in a positive way. Illuminate a path that makes things even better,” she said.

“Sometimes they are frustrated, so we talk about tradeoffs in life,” Hatcher said. “We can spend less, save more, work more. People can retire on less than a million, which is a standard rule-of-thumb. It depends how simple a lifestyle you want.”

She helps her clients meet their long-term goals in creative ways. For example, one client couple agreed to cut back for a year. Year after year they ran up their credit card, then paid it off with an anticipated bonus. She had them agree to not spend the bonus until they received it. In that way, they could see how much it was and be mindful and plan instead of playing catch up. Once they are ahead, they have less stress in their lives.

Hatcher focuses on basics: cash flow, debt repayment, and answering questions such as whether someone can afford to buy the extras, such as a lake house.

For those ready to retire, good advice is especially important. Clients want to assess likelihood of running out of money. These clients need advice about which retirement account to draw from first or how to make decisions regarding survivor benefits.

“When they are at peace with their financial situation, they are more sure of

their decisions,” Hatcher said. “One client wanted to know if she could take a trip to Italy with her daughter. I told her, ‘Not only can you afford it, but you can pay for your daughter.’ I saw pictures from that trip. It was the experience of a lifetime for her.”

“I operate as a fiduciary — putting my clients’ best interests first. I’m not selling them anything,” Hatcher said. “Some have been burned by advisors (selling to them) and have not been treated well. They are then happy with the advice I give them — they come away with an understanding of their situation.”

She enjoys working with people when they are young, “I often talk to young people when they graduate from college and suggest that they live like a college student for another couple of years and save because debt can be a noose around your neck.”

She has taken her advice into the Richmond community with Junior Achievement and the Virginia Council of Economic Education and was recently appointed to serve as a founding member of the Chairman’s Club of FAToday.com. FA today is an exclusive online community consisting of only validated independent financial advisors. She looks forward to contributing to the FA today community and at the same time receiving more news and research in the industry in one location.

“Financial literacy is important,” she said. “For example, I helped develop a one-day curriculum to teach teachers how to present personal finance concepts to high school students.”

She applies this clarity to her own life. “When you are coming from a position of strength, it gives you options, she said. “I can operate my business the way I want

to. Even in the lean times, I had money socked away.”

Her financial planning vocation has its roots in her family — particularly her mother.

“My mother continues to be a great source of inspiration for me,” Hatcher said. “She was always good with money and aware of our resources and set a good example of saving and spending. She is 83 — part of the greatest generation and has always been a supporter of mine.”

She credits her mother for introducing her to the Garrett Planning Network, a fee-only financial advisor network in which she participates, when she sent a Parade magazine clipping about its founder Sheryl Garrett. At the time, Hatcher had taken the exam to become a Certified Financial Planner and was working for a larger wealth management firm. The Garrett Planning Network provided a path to be an entrepreneur and deliver financial planning the way that Hatcher wanted to do it.

“I was choosing 401k plans and choosing funds for them,” Hatcher explained of her experience at the larger firm. “I was too far removed from actual people. I realized that I really enjoyed developing financial plans for real people.”

“It is unbelievable how much energy I have for the business,” she said. “I am building up my network and for the first time am planning to take assets under management within the next year.”

Hatcher has been working in her own business since 2007, but has focused on expanding during the last 18 months. In addition to being a CFP, she also earned a Certified Divorce Financial Analyst certificate. Although she often works with couples, as a female advisor, she frequently attracts

women as clients. Only 25 to 30 percent of advisors are women, but often women prefer to work with a female advisor.

“I often talk to women coming out of abusive relationships — at all levels of the economic spectrum. I end up helping women who are getting out of difficult relationships,” Hatcher said.

Hatcher is a project-based planner who charges an hourly fee. As such, she often is asked to give a second opinion on a financial plan or a check-in service every few years for someone who has basic planning needs, such as someone just leaving college. Beginning in 2014, she will introduce service packages based on a yearly contract, including set times to meet and asset monitoring and plan implementation assistance, so that clients know what they are going to pay up-front for her services they will need throughout the year.

Hatcher is originally from Ohio, graduating with degrees in Economics and Finance from Kent State University, but has been a long-term resident of Richmond, moving to the area in 1990 for a job opportunity. She worked as a financial analyst for EDS, then her career took a backseat to raising her children for 13 years. Now that her children, a 23-year-old daughter who works in the Federal Reserve Bank of Richmond, a 20-year-old daughter who is a sophomore at William & Mary, and a son who is a junior in high school, are older, she is focused on expanding her business.

Hatcher and her dog love to exercise outdoors — staying fit by walking and hiking. She enjoys sampling craft beer and trips to the many vineyards in Virginia. She loves to travel with her next trip planned for Prague, Vienna and Budapest.