

## **Debra Neiman: Planning for Nontraditional Couples**

by Nancy Opiela

Any planner trying to grow his or her practice will tell you that it's a valuable exercise to take a good look at your clients: determine who they are, what issues they have and how you might better serve them. Do that successfully, and you'll find yourself with a solid market niche.

For Debra A. Neiman, CFP, that niche comprises gay and lesbian individuals and couples. Along with Deborah D. Maloy, CFP, Neiman founded the Wakefield, Massachusetts-based firm of Neiman-Maloy Financial Group Inc. in 1996. Says Neiman, "I looked at my clients and the gay and lesbian market was a pattern, so it made sense to focus on that market segment."

### **Nontraditional Couples**

According to Neiman, the biggest issue for financial planners when dealing with gay and lesbian couples, or any unmarried couple, for that matter, is that some of the basic financial planning rules and assumptions don't apply. She notes that planners who are unaccustomed to working with nontraditional couples may make an enormous mistake from the get-go. That mistake has to do with software: More than likely, Neiman says, financial planning software won't work for these couples.

Explains Neiman, "The most basic assumptions that apply to married couples do not apply to same-sex or non-married couples. Most financial planning software assumes that, when you input the names of two people in one file, those two people are married. The software goes on to make other faulty assumptions—for example, that the couple's tax status will be 'married filing jointly,' which same-sex couples or unmarried couples cannot do. In addition, the software will make faulty assumptions regarding Social Security. While benefits carry over to the surviving spouse upon the death of one married partner, that is not true for unmarried couples. In some cases, even pension benefits do not carry over to a nonspouse."

Neiman advises planners to start at square one and address basic planning issues before addressing any specific issues the couple may have. "Planners need to know, when they are working with nontraditional couples, it's likely they cannot crank up their software and punch out the numbers," she says.

One of the most common issues for the gay and lesbian couples with whom Neiman works is the need for legal documents. Nontraditional couples need to make their wishes explicit on paper because the state doesn't view their relationship as legal. For example, in an estate situation, if an unmarried couple has not made their wishes clear, the state would distribute the wealth to next of kin rather than the surviving partner.

Neiman also works with her clients to develop and implement a variety of relationship and property agreements. She explains, "With the help of attorneys, we spell out who has ownership of what and who contributes what in the relationship. Nontraditional couples need these sorts of documents in the event that they split up, because they do not have the luxury of divorce law."

In fact, Neiman notes that there are more than 1,000 rights that come along with marriage and those rights are denied to nontraditional couples. Will that change any time soon? "I would love to think that it would," says Neiman. "Vermont has made strides in the right direction, but it's still something below marriage that they recognize. Another state has to take Vermont to the next level. In Massachusetts, several couples recently filed suit for the right to marry. So there will be some ruling on that in the near future."

### **Pride Planners LLP**

Neiman's desire to educate other planners on the financial issues facing gay and lesbian couples was sparked several years ago when she read an e-mail from a local colleague, Sandy Reynolds. Reynolds asked if anyone out there prepared financial plans for gay and lesbian clients. Sharon Rich, another Boston-area planner, and

Neiman responded.

The three women formed an informal local study group that met to discuss strategies and potential planning solutions for their clients. "We found that as we talked about our clients, we had more questions than answers," says Neiman. "It really made us think, If we have questions and we are in a major metropolitan area with a lot of resources, what must planners in the middle of nowhere do?"

The idea of hosting a conference dedicated to financial planning for gay and lesbian couples surfaced as "a pie-in-the-sky dream." Says Neiman, "We joked that it would be great to assemble a panel of experts and get a bunch of people together so we could learn from each other. So, we put some feelers out and, next thing you know, we had sponsors and speakers lined up. We had inquiries from all over the country—people wanting to participate and planners who couldn't make it asking to be kept informed of developments."

Focusing on the advisor rather than on the retail market, Neiman, Reynolds and Rich—the new Pride Planners LLP—held their first conference last June in Provincetown, Massachusetts. The conference featured Peter Berkery, author of [\*Personal Financial Planning for Gays and Lesbians: Our Guide to Prudent Decision Making\*](#) and co-author of [\*J.K. Lasser's Gay Finances in a Straight World: A Comprehensive Financial Planning Handbook\*](#).

Conference topics included retirement planning and employee benefits, income tax planning, legal documents and asset ownership, estate planning, socially responsible investing, marketing to gay and lesbian clients, and Internet applications. Attendance at the conference totaled 150 people from 26 states and the United Kingdom. "The turnout exceeded our wildest expectations and we felt such a sense of appreciation from our attendees. One attendee even sent us flowers," says Neiman.

Although the three planners had planned another conference for 2002, a recent poll of last year's attendees indicated that many firms were scaling back on travel and conferences. We decided to postpone our next conference to 2003," says Neiman. In the interim, Pride Planners will launch a membership organization and will keep its growing network connected and informed via its Web site, [PridePlanners.com](#). Explains Neiman, "At the conference, we asked attendees if they would be interested in joining a membership organization, and if so, what they would want it to provide. The response was overwhelmingly positive. Planners are looking for education and networking opportunities."

## From the Investment World

Neiman came to financial planning via the investment world. "My first job in the industry was as a quantitative analyst," she recalls. "I mostly sat with my computer all day and didn't have as much interaction with people as I would have liked. I was on the path for the CFA (chartered financial analyst) when I decided to reroute and get my CFP certification, so I could combine my investment background with my interest in personal finance and my desire to work with people."

As a new CFP certificant, Neiman started out at Tofias, Fleishman, Shapiro & Co. in Cambridge, Massachusetts, working with a high net worth clientele, but quickly discovered that she preferred working with the "middle market." Today, she works with the "average Joe and Jane" with \$300,000 to \$700,000 in manageable assets.

The key in marketing to this group, says Neiman, is establishing relationships with other professionals who "know who you are and what you can do for people they work with." Clients are good sources of referrals and Neiman's teaching at Cambridge Adult Education also generates some leads.

Neiman notes that a particularly valuable introduction to new clients is the tax return. "Preparing a tax return enables the client get to know me a little bit and understand what I am about," she says. "I think doing clients' taxes makes me a better financial planner. Nothing escapes the tax return."

Tax preparation has always been a part of Neiman's financial planning practice. In fact, you could say that tax preparation is in her blood. "My dad is an accountant and as a kid I would help him out during tax season. When

my friends were reading *Seventeen*, I read *Forbes* and *Fortune*."

Neiman's tax expertise may work in her favor as the market downturn focuses investors' attention on minimizing taxes to better their investment returns. In fact, over the last year, Neiman has seen an increase in prospects coming in for a "reality check." She explains, "During the bull market, people were convinced that it was easy to manage money. One upside to the downturn in the market is that people are starting to rethink that. Until a year and a half ago, it was fairly easy to make money for yourself. In this market, investors have significant losses for the first time in a long while. They know that they need to manage losses to offset gains and they are wondering how to go about that. People are starting to ask themselves, 'Can I do this? Can I make investment decisions in a down market? Is there more to it than what I hear at cocktail parties or see in the headlines?'"

Continues Neiman, "Of course, you hate to see market downturns because it hurts all of us, but it is shaking out the day traders who had no business being in the market. And it makes retail people think twice about managing their money themselves, which makes our profession a more valued profession. Sometimes what we as planners preach can sound trite to us—max out your 401(k), be diversified and so on. But now, we're seeing the proof of the pudding."

## Outside Interests

While her work with clients and Pride Planners keeps her busy, Neiman makes plenty of time for Molly, her Pembroke Welsh corgi. In fact, Molly is the "unofficial receptionist" at Neiman's office. Says Neiman, "Nobody seems to mind when I bring Molly to work and she really helps clients relax. Often, prospects will come in and I can see they are a little nervous because they are the type to play financial matters close to the vest. Molly really breaks the ice and allows them to relax and start talking."

In addition to caring for her dog, Neiman enjoys riding her motorcycle and attending plays and concerts. She plans to take a creative writing course this semester. She's also interested in athletics, from attending local sporting events to, until recently, playing flag football in a women's league. "It was flag football, but when you go after two flags on either side of someone, you end up knocking them down. It got pretty ugly at times, and I was coming to the office pretty bruised up so, in my late thirties, I retired my jersey."

Travel is another interest of Neiman's. "I usually plan one out-of-the-country trip a year," she says. "Last year, I went on a cruise to the Mediterranean with my family. I think seeing how other people live and learning about their lives really shapes you as a person."

Last, but certainly not least, Neiman makes time to volunteer for the profession and has served on the board of directors for the Financial Planning Association of Massachusetts for five years. She is currently director of public relations and outreach. "Because I'm working at the FPA booths at many of the events we take part in, I see consumers coming up to us and asking who we are. Meeting the public in this way is a great opportunity to explain who we are and what we do. Because I do have a good pulse on consumers' questions about financial planning, I applaud the efforts of FPA and the CFP Board to publicize the value of a financial planner, and to create a credible designation and organization."

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