Essentials of Excellence®

Money Matters at Every Stage

Together we'll go far

Women can't predict their futures, but they can prepare. At every stage of your life, you'll find that money matters. Whether you're married or single, you need a plan of your own. No matter where you stand in your financial life, now's the time to take charge.

Life happens. Be prepared at every stage.

Like most women, you'll find that as times change, so do your financial needs. Planning for your own retirement, getting married, preparing for your children's education, changing your marital status, caring for your parents, and leaving a legacy to your children, grandchildren, or a favorite charity all require financial solutions.

Sometimes the solutions are the same for both men and women, but often women's concerns are different and require a different approach. This guide will walk you through making decisions at each step along the way. What's important is that you start investing for your future now.

Partner with an advisor to help build confidence

An experienced financial advisor can help you look for the right solution at every stage and build confidence in your own ability to take control of your finances. Just make sure that you ask questions and know where you stand.

Overall, women outlive men and will spend all or part of their retirement on their own. The average life span for women today is 81.7 years versus 75.5 years for men, according to the U.S. Census Bureau.[1]

Prepare for a long, active life

Women live longer, so they have to make their money work harder

While both men and women have similar long-term financial goals, women need to start investing earlier because not only do they live longer, they also earn less on average and are more likely to interrupt their careers to raise a family.

Women often worry about outlasting their assets—with good reason

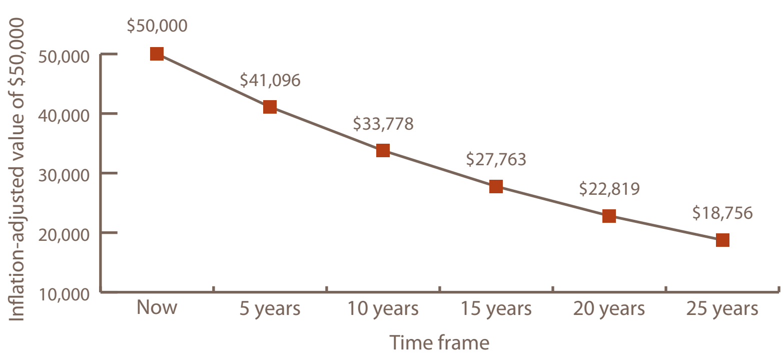
Experts commonly acknowledge that most people need 75% to 80% of their preretirement income to live comfortably in retirement. But because women live longer, the rise in cost-of-living and health care expenses causes this number to come closer to 100%.

Start preparing now for the inflated prices down the road

One of the greatest risks you face is shying away from any risk at all. Consider what would happen if you kept all of your money in money market funds or certificates of deposit (CDs). It may be safer than other investments—except for the devastating effects of inflation. If your investments don't at least keep up with the rate of inflation over time, your purchasing power will suffer.

How erosion of purchasing power affects your retirement

The chart below shows that with a rate of inflation of 4% annually, $50,000 worth of purchasing power today can be reduced to $18,756 over a 25-year period.



1. Source: Population Division, U.S. Census Bureau, August 2008

Start investing for your retirement right away

It may sound strange to start your financial plans with thoughts of retirement, but time is a powerful ally when it comes to helping your investments grow. Compounding the growth of your earnings occurs as you continually reinvest your returns and those returns earn their own returns, and so on.

Take advantage of the power of compounding

As the chart below illustrates, the sooner you start, the less you'll need to invest.

Age at which investing begins	25	45
Annual contribution	$10,000	$10,000
Years contributed	10	20
Total contributions	$100,000	$200,000
Total accumulation at age 65	$1,740,333	$512,380

This hypothetical illustration demonstrates the power of starting early and contributing often. The scenario depicts how an investor at age 25 can contribute $10,000 a year for 10 years ($100,000 in total) and amass much greater wealth than someone who waits until age 45 and begins contributing $10,000 a year for 20 years ($200,000 in total). The illustration assumes an 8% annual rate of return, compounded monthly. This chart is for illustration only and does not predict or guarantee the performance of any Wells Fargo Advantage Fund.

How a financial advisor can help

- Wondering how much you'll need to put aside to reach your retirement goals? A financial advisor will help you determine this and help you establish a plan for getting there. The advisor will also help you create a plan for meeting your short-term goals.
- Worried about changing market conditions? An advisor can help you create a diversified portfolio of cash, stocks, and bonds that can help you minimize the ups and downs of the market—but with enough growth opportunities to make sure that it has the potential to keep pace with inflation.
- Uncertain about where to allocate your assets? An advisor may help you rebalance your portfolio periodically to make sure that you maintain the right mix of stocks, bonds, and cash investments that matches your investment objectives.

Up close and personal

Karen Stafford is in her early thirties. She has just taken a new position as a computer programmer and would like to take full advantage of the company's 401(k) matching program. Karen also has a 401(k) from her prior company and is unsure of how to handle it.

Her financial advisor has suggested that she invest at least 6% in her 401(k) because this is the maximum her employer will match and this gives her the full benefit. He also suggested that she increase the percentage each time she receives a raise at work.

The financial advisor also helped Karen open an individual retirement account (IRA) and transfer her assets from her old 401(k). Because Karen has at least a 30-year career ahead of her, her advisor invested her assets fairly aggressively. At first Karen was uncomfortable with this plan, but he showed her how, over time, he would transition her assets to more conservative investments. This way, she could take advantage of the growth opportunities of stocks early on and then move into a higher allocation of bonds and cash as she nears retirement.

This is an example and should not be considered financial advice. Please consult a financial advisor for advice on your specific facts and circumstances.

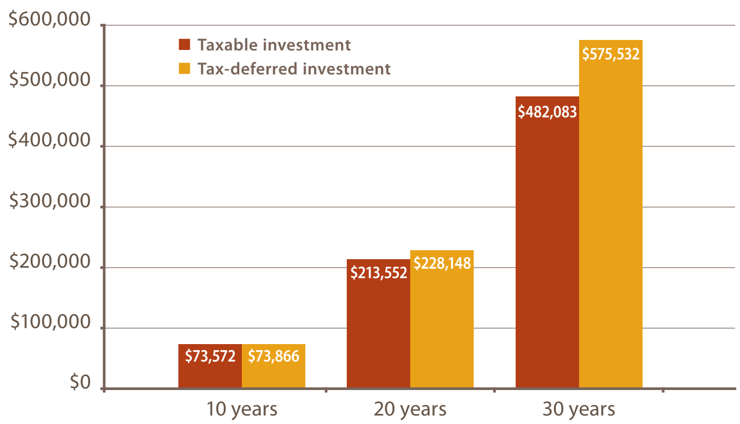
Women move in and out of the workforce more than men.[2] This limits the growth of their retirement assets due to factors such as retirement plan vesting requirements, which are often set at five years, and the inability to invest as much as men.

When you change jobs, don't leave your 401(k) behind

Many people leave their 401(k) plans with their prior employers instead of taking control

When you leave a job, you still want to continue investing for retirement. But that's no reason to leave your plan with your previous employer. Instead of letting it sit where it is or cashing out and paying taxes plus a penalty, do a smart thing—roll it over to an IRA so you can continue to take advantage of tax-deferred investing. An IRA also offers more control over your assets and more investment options than a 401(k).

Take advantage of tax-deferred investing



The hypothetical illustration above is designed to show the growth of a tax-deferred account versus a taxable account. It assumes the growth of annual contributions of $5,000 for 2009 to 2038. These are the current annual IRA contribution limits. The illustration assumes that each year the underlying investments have 100% turnover of the portfolio's holdings and beginning-of-year contributions, with monthly compounding and annual taxation. Additionally, it assumes an annual return of 8% with tax rates of 15% for dividends and long-term gains and 28% for short-term gains. This illustration does not predict or guarantee the performance of any Wells Fargo Advantage Fund. Changes in tax rates and tax treatment of investment earnings may affect the comparative results. Withdrawals made prior to 59½ may be subject to early withdrawal penalties on some accounts.

How a financial advisor can help

- A financial advisor can help arrange the transfer of your proceeds from your previous employer's retirement plan and handle most of the paperwork for you. This way, your funds will end up in an IRA that's right for you.
- If you need help creating a diversified portfolio, an advisor can help you choose the right mix of assets to meet your goals.
- The advisor will also rebalance your portfolio periodically to maintain the right mix of cash, stocks, and bonds and will also make sure that your assets continue to work as hard as you do.

2. Source: "The Effects of Caregiving," The Women's Institute for a Secure Retirement, 2011

Marriage and money: How to mix them

Marriage is no reason to lose your financial identity

Today, women earn more money than they ever have before and often find themselves handling day-to-day finances, but many still rely on their husbands to manage their financial futures and investments.

Start talking

If you want to feel comfortable about your finances as a couple, you need to start talking. Decide what is shared and what is kept separate. Remember, every person needs a pot of money to call their own. You'll also want to maintain your own credit history.

Know each other's priorities and goals

This way, you'll know if you and your partner share the same goals. It's also the only way to find out if you can afford to live the way you want.

Understand that gender differences do arise

Generally, women tend to be more conservative, whereas men are more aggressive investors. While men accept risk as the price to be paid when seeking higher returns, women prefer preserving their investments.[3]

How a financial advisor can help

- If you and your partner find it difficult to talk about money, a financial advisor can help you initiate the conversations and set the groundwork. Their objectivity makes them a trusted resource.
- Wondering whether or not you need a prenuptial agreement? A financial advisor can help you assess the need for an agreement that protects both partners.
- A financial advisor can help you create a financial plan that meets both partners' long-term needs.

Up close and personal

Julie and Brian are getting married this spring. They've been so busy planning the wedding and finding a place to live that they are just now starting to talk about their long-term plans and how to finance them. While they find they don't agree on the specifics, they do agree on one thing: they need the help of a financial expert.

Their financial advisor, Amy, had each of them write out their short- and long-term goals. She then compared them and pointed out where they would need to compromise. Amy explained that their goals would continue to change as they matured, started a family, and bought a home. So she helped them build a basic plan that would last them a lifetime. There would be modifications along the way, but at least the essentials were in place.

This is an example and should not be considered financial advice. Please consult a financial advisor for advice on your specific facts and circumstances.

3. Source: "Understanding the High-Net-Worth Women Segment," The Corporate Executive Board Company, November 2010

As members of the sandwich generation, we balance our own needs with those of our children and our parents.

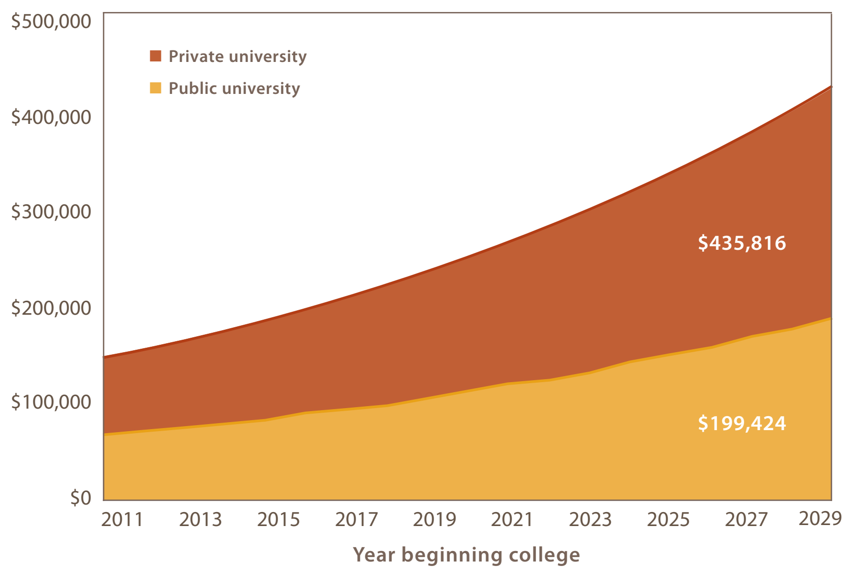
Many of us will find ourselves investing for our children's education, assisting our parents financially, and setting aside money for our retirement at the same time.

Investing for your children's education

As mothers, women are concerned with saving enough money to pay for their children's college education.

College costs are rising

In 18 years, a college education at a public four-year university may cost nearly $200,000—a private university will cost more than twice that figure. The average graduating senior is $19,800 in debt upon graduation. Start investing for your children's futures while they're still in diapers so your investment has the opportunity to take advantage of the power of compounding over time.



Costs based on 2010–2011 estimate of average tuition and room and board in current dollars for four-year public and private universities according to the *2010 Trends in College Pricing*, published by the College Board. Projected pricing assumes a 6% annual increase in college costs.

How a financial advisor can help

- Finding the right plan isn't easy. A financial advisor has the experience to help you compare education investing plans and make sure that you choose the one that's right for you.
- The return on your investment is important. An advisor can help make sure that more of your money is working toward your child's future.

Taking care of your parents

Women spend an average of 12 years out of the workforce to take care of children or their aging parents.[4] And there is a good chance that you'll have to dip into your own assets when your parents' savings run short.

Learn about your parents' financial situation

Start today because you never know when an illness will strike and incapacitate your parents' ability to manage their own finances and their nest egg.

List their bills, the location of checking and savings accounts and investments, and the names and telephone numbers of accountants, insurance agents, and financial advisors. Find out if they have wills and estate plans in place and learn the details.

Explain that you simply want to help

You'll probably discover that your parents will respect your initiative and you'll become their trusted confidant. No matter how you do it, what really matters is that you start the discussion now. Keep in mind that this discussion is usually more about communication than it is about money.

How a financial advisor can help

- Finances are considered a taboo subject in many families, so it may be helpful to seek a third party to act as a facilitator who can help you talk honestly about money. Although these discussions can be difficult, an experienced, objective advisor can help you approach them in an open, nonjudgmental way.
- A financial advisor can also help you set up a durable power of attorney, giving you the authority to manage your parents' finances in the event that they do become incapacitated.
- If you're unsure of how to improve your parents' cash flow, a financial advisor can make suggestions. Whether it's downsizing to a senior-friendly condo, initiating a reverse mortgage, or finding benefits that decrease their heating bills or medical prescriptions, a financial advisor may be aware of what has worked for families like yours.

4. Source: "Women and Caregiving: Facts and Figures," Family Caregiver Alliance

Did you know?

Even if you are divorced, you may be entitled to Social Security benefits based on your ex-spouse's earnings history.

Up close and personal

Sara Johnson, age 42, was divorced three years ago. She was on her own with two small children, no college fund, and no retirement assets. Sara was left with a $1,500 monthly mortgage and $25,000 in debt. But since her divorce, she has begun rebuilding her family's future.

Sara returned to work full-time as a sales representative for a printing firm and earns about $60,000 a year in salary and commissions. And, following her financial advisor's suggestion, she started setting more and more aside to pay off her credit cards.

Sara is now able to invest half of the $500 child support payment she receives each month into college savings plans for her kids. She also invests enough in her company's 401(k) to take full advantage of her company's matching benefit.

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Making a comeback after divorce

Today, one out of two married women faces divorce

Recovering from the chaos of divorce isn't easy. This is a time you'll find to be extremely challenging. Unfortunately, it is also the time when you need to make informed choices.

Act quickly to protect yourself

The more information and guidance you have during the divorce process, the better the outcome. And the quicker you act, the better. Make sure you know where to find financial records such as brokerage accounts, insurance policies, retirement plan statements, and tax returns so that they're easy to gather when you need them. You'll also need to know whose names are on the accounts and which accounts are held jointly. Find out the full extent of your outstanding debts, because you will be jointly responsible.

How a financial advisor can help

- When it comes to your finances, don't rely only on your divorce attorney. Consult a financial advisor with experience in divorce planning. The right financial advisor can help you get back on your feet and lighten your burden.
- A financial advisor has the experience to evaluate investments and stock options in company retirement plans, establish a tax-efficient way to liquidate a portfolio, and help split assets such as IRAs and 401(k) plans.
- A financial advisor can also help manage most of the paperwork of transferring assets from a joint account to one that is solely in your name.
- An experienced professional can help you establish a new financial plan, set up an automatic investing plan, and build a well-diversified portfolio that will help rebuild your financial security.

Be prepared for the death of your spouse —ahead of time

This is the time when you need to turn to someone you trust—someone you know has your best interests in mind

Dealing with the death of a spouse is the price many women pay for living a long life. It is a devastating event and certainly no time to be faced with crucial financial decisions. Unfortunately, most women tend to postpone these crucial decisions until the time comes. When a husband dies, the wife is left asking, “What do I do now?” Now is the time to find a financial advisor so that you’ll be comfortable turning to him or her when the need arises.

Be prepared to settle your spouse’s estate

If you were named the executor in your spouse’s will, you are responsible for handling the financial and legal issues related to settling your spouse’s estate. This is a complex process that can take up to a year or longer and takes into account your spouse’s assets and liabilities. You will need to pay off any debts, distribute property, and pay taxes on the estate. Learn the details now. It’s important to have easy access to the necessary paperwork and a complete list of accounts.

You’ll want to notify Social Security of your spouse’s death and find out what benefits you are entitled to. You’ll also want to find out if there are company benefits for which you are qualified.

How a financial advisor can help

- A financial advisor will get you up to speed on what financial arrangements should be made in advance and help you set up a will, a trust, or an estate plan ahead of time so that you’re prepared.
- The first few years after the death of a spouse are demanding. You can help lessen the financial stress by turning to a financial advisor whom you trust. Establish this partnership now so that when the time comes, you already have the relationship in place.
- A financial advisor can help you address the immediate money management challenges and establish a plan for the future, including budgeting, managing your debts, preparing for retirement, financially caring for your children, and ensuring that your own estate plan is in place.

Up close and personal

Lisa Brown’s husband died suddenly of a heart attack at age 59. Lisa was so grief-stricken she couldn’t focus on the issues that needed immediate attention. Her relatives helped her make the funeral arrangements and her financial advisor took care of the rest. He suggested that she contact the Social Security department immediately to see if she qualified for burial benefits as well as support for her and her children. He also contacted her husband’s company and found out that he had a hefty life insurance policy.

Over the next year, Lisa and her financial advisor made a list of assets and liabilities, rolled over her husband’s 401(k) to an IRA, and created a diversified portfolio. Her advisor recommended a tax attorney who managed all the tax implications of her husband’s will. He then focused on putting the insurance money to work on Lisa and her family’s future by funding college savings accounts and trusts for her children and investing in income-producing securities that would pay their home mortgage.

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Consider your health care needs

Medicare won't start paying for your medical costs until you're age 65, so now is the time to start shopping for medical insurance.

You may also want to consider long-term care insurance to protect your investments from being depleted by nursing home costs. More than 70% of nursing home residents are female,[5] so the odds are you'll get this far, but will your money? The earlier you purchase a policy, the lower your premiums are likely to be. Buying a policy in your late fifties instead of your sixties could end up saving you money.

Nearing retirement

As women near retirement, their priorities begin to shift

Instead of wondering how aggressive your portfolios should be, you'll now wonder if you're being conservative enough. And instead of figuring out how much you need to invest each month, you'll now want to start calculating how much you'll need to withdraw when you retire.

Get serious about your plans for the future

On the road to your own personal retirement dreams, there are choices.

Are you planning a quiet retirement close to your grandchildren, or do you want to escape to exotic locations? Careful planning as you approach retirement will give you an idea of how much income you'll need to generate. The first step is getting a clear picture of what you'll be spending, both on the everyday costs of living and on the special activities that you're planning. The next step is creating a budget now for your retirement.

Expenses that may increase

- Medical care
- Long-term care
- Travel and recreation

Expenses that may decrease

- Housing
- Taxes
- Education

Start getting ready five years before retirement

When you're close to retirement, a more conservative approach to investing is simply common sense. This way you'll be prepared in case of a market downturn. You'll also want to set aside a cash cushion for bear markets.

How a financial advisor can help

- As you draw closer to retirement, sit down with a financial planner who can help you establish a plan for the second half of your life.
- A financial advisor can help you evaluate your current investment options and decide whether it is time to move into more conservative investments that can help weatherproof your portfolio against any market downturns that may occur in the next few years.
- An advisor can also assist with starting to transfer a portion of your investments into income-producing vehicles now, instead of waiting until you retire so that you're not hit with the tax consequences all at once.

5. Source: "The National Nursing Home Survey: 2004 Overview," U.S. Department of Health and Human Services, June 2009

Living in retirement

Remember, a woman's second act is a long one

A woman's main priority now is to make sure that her retirement portfolio lasts as long as she does. If you withdraw too much too fast, your finances will suffer later. Ideally, you want to live on the income and maintain the principal, but this isn't always possible.

Plan your cash flow

First, figure out how much you'll need each month, including your mortgage, utilities, insurance, and living expenses. Then consider liquidating any assets that will allow you to live a more comfortable lifestyle.

Create a regular stream of income

When you retire, taking a lump-sum payout from your 401(k) and rolling it directly into an IRA makes sense. It's easier to set up an automatic withdrawal system and create an ongoing stream of income.

If you take the cash directly, your plan will automatically withhold 20% of the amount for taxes. With an IRA, your money can continue to grow tax-deferred until you reach age 70½, when you must start taking distributions.

How a financial advisor can help

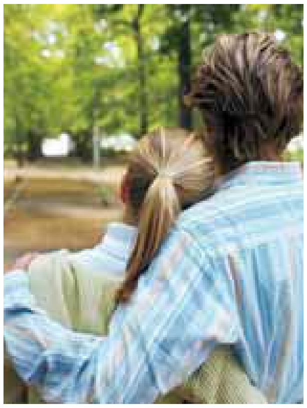
- Many people who have invested on their own still turn to financial advisors when they're ready to replace their paychecks with a steady stream of retirement income.
- An advisor may propose more sophisticated investment strategies as a way of producing a consistent stream of income.
- A financial advisor can inform you about the tax rules and regulations for all types of retirement accounts or recommend a tax specialist you can turn to.

Did you know?

86% of women want to spend time traveling

64% of women want to get involved in their communities

Source: Merrill Lynch Affluent Insights Quarterly, January 2011



Up close and personal

When Martha married the first time, neither she nor her husband had a will, and 50% of the estate was lost to taxes when her first husband died.

When Martha and Ben married, she suggested that they find a financial advisor and set up wills and trusts for one another and their children. Because leaving a legacy for their children was so important to them, their advisor suggested living trusts for both of them. This way, in the event of one of their deaths, the surviving spouse could live on the interest of the estate for the rest of their lives while the principal was held in trust for their children. Their advisor also suggested that they start gifting their children $13,000 a year to avoid inheritance taxes after their deaths. These were simple steps for a professional, and the result was a significant legacy that could have easily been squandered in taxes.*

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Estate planning helps to provide peace of mind

No matter what your net worth is, it's important to have a basic estate plan in place

Women often need a nudge to plan ahead so they don't leave everything to Uncle Sam. Without proper planning, estate taxes and income taxes on retirement plan distributions and stock options could reduce your estate by as much as 75%, leaving your heirs with only a fraction of what you had accumulated.

If you want to leave assets to your heirs, establish an estate plan or trust now to ensure the desired distribution of your assets to minimize taxes, expenses, and unnecessary delays.

Here are a few basics to get you started:

- Appoint guardians to care for your children.
- Inventory your assets, liabilities, and beneficiary designations and estimate estate settlement costs.
- Choose an attorney to assist in planning, preparing documents, and selecting a trustee.

Everybody needs a will

A will tells the world exactly how you want your assets distributed when you die. It is also the best place to name guardians for your children. Dying without a will can be costly to your heirs and leaves you no say over who gets your assets. Even if you have a trust, you still need a will to take care of any holdings outside of that trust when you die.

How a financial advisor can help

- If you want to create an estate plan, a financial advisor can either put it into motion for you or recommend an estate-planning attorney who can help you minimize taxes and navigate probate.
- An advisor can help you draft a document that will set forth your wishes regarding health care in the event that you are unable to state your wishes.
- Most important, you'll have someone sitting on your side of the table who understands your needs and always keeps your best interests in mind.

*Maximum annual gift tax exclusion for 2011

Call your financial advisor today and find out how he or she can help you reach your financial goals at every stage.

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Asset allocation and diversification do not assure or guarantee better performance and cannot eliminate the risk of investment losses.

Carefully consider a fund's investment objectives, risks, charges, and expenses before investing. For a current prospectus, containing this and other information, call your investment professional or visit wellsfargo.com/advantagefunds. Read it carefully before investing.

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