

TAKE A DEEP BREATH AND DO YOUR TAXES

By Dorri Olds

Stressed out? Not sure why? Yoo hoo, its tax time. Every March, as April 15th looms, I get cranky. Thank goodness we said goodbye to the last decade. But before letting go, I had to face 2009 one more time. To lower my tax-filing agida, I sought two-pronged help—financial and emotional.

Tired of working with a big firm broker who seemed to view me as nothing but a little peon, I found a much better fit at Christopher Street Financial (christopherstreet.com), an independent advisory firm on Park Avenue South. Financial advisor, Julie Petrow-Cohen, began our meeting asking questions. “What do you want to achieve with your money? Are you looking for a strong sense of security? Do you have a specific dream you want to pursue? When and what type of retirement do you envision?” Julie presented options in detailed, yet simple, language. We spoke of iffy stock investments, variable annuities with a guaranteed minimum income withdrawal rider, U.S. government and agency bonds, and Exchange Traded Funds. Julie asked about my mortgage interest payments, real estate taxes and general living expenses so we could ballpark my annual expenses. With each new topic my face squinched up and I responded, “Huh?” Julie patiently, in layperson’s terms, explained funds that invested in bonds named Ginnie Mae and Treasury inflation protection securities (TIPS), and “Build America Bonds” introduced last year by the Obama Administration. By the end of our meeting my shoulders relaxed and migraine subsided.

Julie’s partner, Madelyn Petrow-Cohen (MadelynPetrowCohen.com), is an expert on tax season in a much different capacity. A Manhattan psychotherapist with 15 plus years of experience, her areas of expertise include Anxiety, Self-Esteem, Marital Conflict, Parenting and Pet Assisted Therapy.

“In my practice I’ve seen firsthand how today’s economy has taken a toll on people’s pocketbooks and how that has impacted couples’ ability to cope with stress. Financial issues often translate into discord and challenge even in the best of marriages. Tax time always increases anxiety, but today’s economic climate is intense. People often feel overwhelmed and want to scream, ‘Will someone else please take care of everything?’ My job is to pass on healthy, effective coping tools.

“Situations aren’t the problem,” Madelyn pointed out, “but how we interpret, perceive, and judge situations creates problems. We all have automatic involuntary negative thoughts. Those thoughts create negative feelings.”

I told her my anxiety usually starts with, ‘What if...?’

“We have no control over our first thought,” Madelyn said. “But we do over our second.” Her point was that with a new perception of situations, and by replacing negative thoughts with positive, we can generate hopeful feelings and fuel more positive actions.

Madelyn gave an example, “A client was worried she’d lose her job and be unable to pay bills, but those thoughts were not her reality. She didn’t know if she’d lose her job, she had money in the bank, and family and friends who’d helped in the past and would again if necessary. Anyone with her thoughts would be worried and anxious. With less distorted thoughts—‘I have a job today, time to consider my options, money in the bank, and supportive family and friends’—she’d feel less anxious.”

MAKE LIFE EASIER:

- Look for a trustworthy and knowledgeable financial advisor. Make sure your advisor is associated with a reputable firm. Go to FINRA.org, the largest independent securities regulator in the U.S., to make sure there isn’t a laundry list of customer complaints lodged against the advisor.

- Choose a smaller investment advisory firm over a large investment house. Usually bigger firms mean bigger fees. For someone like me whose eyes cross just thinking about investments, a smaller firm is preferable, especially one like CSF, because I got the personal attention I craved.

- Ask a million questions. Inquire about life insurance, long-term disability, elder care for parents, expenses to cover your children’s needs, including a plan for college, overall estate planning and tax deductions.

“The wild growth of the mid-2000s is not likely to be back anytime soon,” Julie said. “Factors to consider when investing are whether you need tax-free income; how old you are and what your investment horizon is (i.e., how many years your money can be invested before you’ll need it to pay for a college education or retirement). It is also important to weigh your risk tolerance (e.g., conservative, aggressive or speculative).

MAKE LIFE EASIER:

- Sit down and find facts. You’ll need to gather records of your 2009 expenses, income, and December bank statements. Locate your tax returns for 2007 and 2008. Then, armed with the facts, speak to a financial advisor.

- Remember to breathe. If you experience anxiety, stop and take a breath. Become conscious of tension in your body. Stop whatever you’re doing and take five minutes to stretch. Relax your muscles starting with your shoulders, neck, and back. Take a yoga or pilates class.

- Physical exercise. Get endorphins—ride a bike, jog, swim. Walk more, skip escalators and take stairs.

- Cut down on alcohol and caffeine. Alcohol is a central nervous system depressant that can actually make you feel worse. A pick-me-up like caffeine is also tricky because it’s a stimulant that can increase your anxieties.

Now, don’t become immobile by your worries, seek guidance and do your taxes!



Julie Petrow-Cohen



Madelyn Petrow-Cohen