THE GENDER INVESTMENT GAP

Dawn Doebler, MBA, CPA, CFP®, CDFA®
Senior Wealth Advisor
THE COLONY GROUP

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1. To close the other gap – The Wage Gap

- In 2017, women were paid ~82 cents for each dollar a man makes.
- Women have to work 4 more months to make the same annual salary as men.

   - US Labor Department, 2017

2. Secures us for the unknown

- Average age of widow is 59.
- 3 out of 4 married women are widowed by the age of 75.

   - US Census Bureau, 2014

3. Enables us to care for loved ones

- The average caregiver is a 49-year-old female providing 24 hours of care per week for 4 years to a 69-year-old female relative.
- Women spend an average of 11.5 years out of the workforce.

   - AARP, Caregiving in the US, 2015
12 Reasons for Women to Close the Financial Literacy Gap

4. To fund our charitable causes

• **Women are more goal-oriented** - Men tend to be focused on investment performance.
• **Women prefer to use their $$ on life goals such as supporting their loved ones, and giving back to charity.**

  - Ernst and Young, 2017

5. Beneficiaries can be changed

• Life insurance and some types of account **beneficiaries can be changed without notice.**
• Consider pre- or post-nuptial agreements, an irrevocable provision in an estate plan, or owning of a life insurance policy written on a spouse’s life.

6. We’ll have to do it anyway

• **80% of women die single while 80% of men die married.**
• **Only 47% of women say they would be confident discussing $$ and investing on their own with a financial professional.**

  - Women’s Institute for a Secure Retirement, 2017
  - Fidelity Money Fit Women Study, 2015
7. It’s our money
- Women control $14 trillion of personal wealth in the US.
- Women will inherit 70% of future wealth.
- By 2030, women will hold two-thirds of our nation’s wealth.
  - BMO Wealth Institute, 2015
  - Family Wealth Advisors Council, 2012

8. We live longer
- Life expectancy for women is >81 years while for men is ~76.5 years.
- Women have a 70% chance of needing assisted care by age 75.
- 62% of the 5.3M people age 65 and older with Alzheimer’s are female.
  - World Health Organization and Imperial College London, 2017
  - Alzheimer’s Association, 2014

9. There’s no time like the present
- 72% of couples feel they communicate about money “exceptionally or very well” yet 50% have no idea how much they need to save for retirement.
  - Fidelity Money Fit Women Study, 2015
10. We set an example

- Millennials are marrying later – 26% were married in 2013 compared with 48% in 1980.
- Their finances are destabilized due to high housing costs and student debt.
- Model financial responsibility to improve financial well-being.

- US Census Bureau, 2018

11. It’s easier than you think

- Free resources abound.
- Consider low-cost passive index funds or target date funds.
- Choose an advisor who is willing to answer your questions.

12. It’s empowering

- It’s time to embrace our economic power.
Breaking Down Barriers

Talking about money is a taboo topic

- Women are socialized that money-talk is off-limits.
- Encourage conversations about money.

Fear is both a motivating and paralyzing factor

- Fear can often impact financial decisions.
- Replace fear with facts to promote financial confidence.

One dimensional financial advice

- Advice often assumes a “traditional” family structure.
- Consider all the facets of your life.
Dimensions of Wealth™

**Personal Dimensions**
- Age
- Marital status
- Personal health
- Level of education
- Short-term goals and long-term dreams
- Hobbies and activities
- Charitable causes and volunteer positions
- Values

**Family Dimensions**
- Relationship status
- Length of relationship
- Relationship dynamic
- Number and capabilities of children
- Family members’ health
- Longevity risk
- Composition of extended family
- Geographic location(s) of extended family
- Potential financial needs of extended family
- Family’s money habits

**Wealth Dimensions**
- Overall level of wealth
- Composition/complexity of assets
- Composition/complexity of debt
- Tax situation
- Short-and-long-term spending needs
- Sources of income
- Employment status
- Major financial events – past, present or potential future

**Money Experience Dimensions**
- Prior experience managing investments or developing a financial plan
- Aptitude and interest in managing finances
- Desire for involvement or delegation
- Advisory goals - one-time checkup or ongoing service
- Comfort level with market uncertainty and risk
- Learning style
- Preferred communication style

Do-it-yourself investors and programmed traders such as robo advisors may underestimate the impact your specific life situation has on your financial decisions. Ignoring the many dimensions of your life that impact your wealth could lead to less than desirable results. Your financial decisions should consider all of the characteristics specific to you and your family.

When implementing financial decisions, consider these attributes:
Men Matter Too!

Collaboration creates both harmony and better financial results

- Money discussions uncover disagreements and set expectations.
- Combining strengths improves chances of financial success.

Mutual engagement contributes to family security

- Work together on a financial plan.
- Be prepared for unexpected events.
- Model positive financial behavior to children.

Treat your daughters like your sons

- Instill financial independence regardless of gender.
- Teach lifelong lessons = your daughters are more likely to be prepared for retirement and less likely to live in poverty in old age.
6 Actions to Close the Gap

- Understand your financial reality
- Become a better investor
- Build savings for healthcare costs
- Address age differences
- Communicate with your partner
- Stay educated and engaged
Closing the Financial Gap Resources

Visit us:
HerWealth.com

Resources:
• Over 100 articles plus recorded interviews

• 12 Reasons for Women to Close the Financial Literacy Gap

• Breaking Down the Barriers Between Women and Financial Success

• Why Men Have a Stake in Women’s Financial Empowerment

• Pre-Retirement Checklist

• Post-Divorce Checklist
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