

Financial Planning for Women

► Why does the “for women” matter?

- Financial Planning for Women is Just Different!
 - **Longer lives:** Women live longer than men on average.
 - The life expectancy for females is around 83 years, for men it is 81 years.
 - 74% of women die single.
 - Longevity is great, but even better when planned for!
 - **Lower wages:** Unfortunately, women earn less than men at the same level.
 - **Women as the caretakers:** Women are the majority of those providing care for both children and elderly and/or disabled adult family members.
 - **Different priorities:** Investments, Savings, and Financial Goals
 - Women often invest more conservatively.
 - Women’s financial goals are often different from men’s. According to a survey, women’s #1 financial goal is taking care of family, while for men it’s retirement.
 - **Lower financial confidence:** Women have reported less confidence in their investing abilities than men.

► Women May Not Be Prepared for a Longer Retirement: Resulting in Wealth & Retirement Gaps:

The Gender Gap in Retirement Savings

(Fig. 1) For women, lower contributions mean less savings

| | Men | Women | Gap |
|---------------|----------|----------|------|
| Contribution* | \$9,578 | \$5,421 | -43% |
| Savings† | \$62,040 | \$21,638 | -65% |
| Confidence‡ | 37% | 22% | -40% |

Source: T. Rowe Price Retirement Savings and Spending Study, 2022.

*Estimated annual 401(k) contribution (median expected contribution % x median personal income).

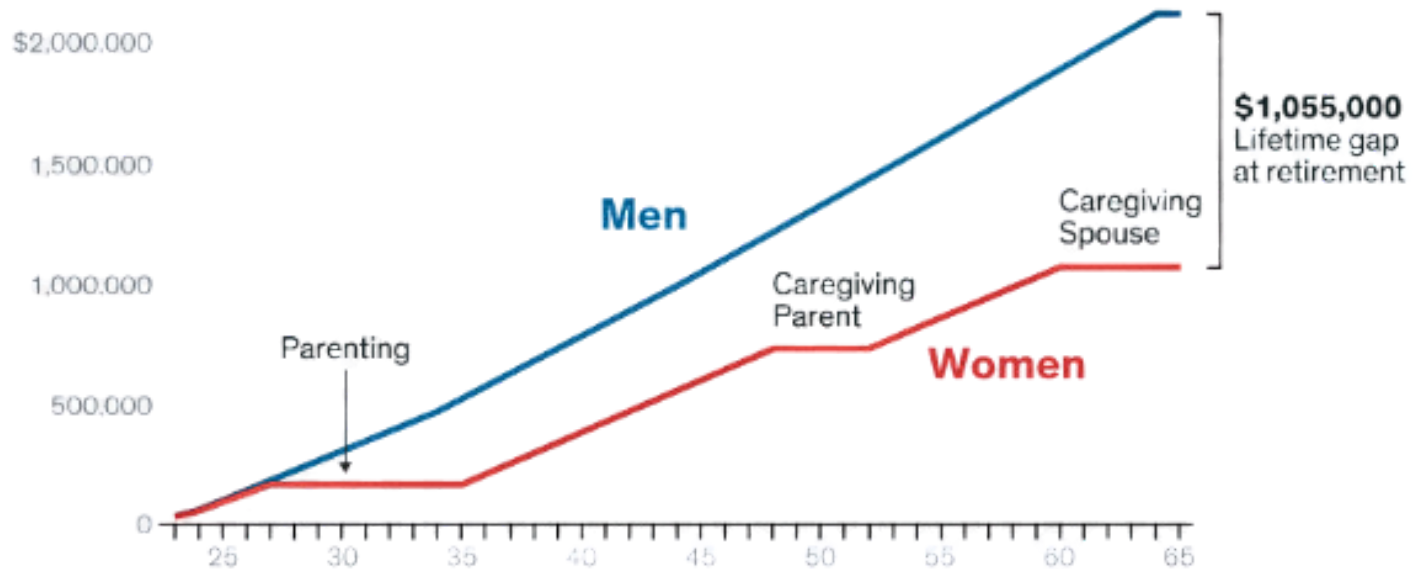
† Median 401(k) balance.

‡ How confident are you about retirement (on a scale of 0 to 10)? Percentages based on top 3 boxes, those who rated their confidence levels at 8, 9, and 10.

- ▶ Women Also Lose Earnings by Spending Time Out of the Workforce
 - On average, women spend 11 years out of the workforce.

Cumulative Lifetime Earnings

Over a lifetime of savings, a woman who takes three breaks from her career to care for children, parents, and a spouse can end up with a total of \$1 million less in financial resources than men who have continuously stayed in the workforce.



Source: Bank of America Merrill Lynch/Age Wave

▶ Women Are Gaining Power When It Comes to Money

Generational Wealth Transfer: What to do if you come into money

- Pay Off High-Interest Debt
- Review Tax Implications
- Diversify your Investments
- Review Estate Planning Documents
- Consider Charitable Giving

► Women and Investing: How to Take Control of Your Financial Future

DO YOUR PRE-WORK:

Assess your financial health by calculating your current net worth, monthly budgeting and cash flow, and monthly savings.

01 Plan

- Identify Personal Goals and Associated Costs
- Identify Any Professional Goals
- Determine What Type of Legacy You Want to Leave

02 Invest

- Employer-Sponsored Retirement Savings (e.g. 401(k))
- Personal Retirement Savings (e.g. IRA)
- Personal Investment Accounts

03 Adjust

- Decide if You Want to Partner with an Advisor
- Identify and Address Important Life Events
- Schedule Regular Portfolio Reviews

04 Grow

- Learn about the Markets and Various Asset Classes
- Learn about Market Trends and Potential Impacts on Your Investments
- Attend Educational Seminars

Source: Oppenheimer Funds, "Women and Investing," 2020.

► This is why it is more important than ever for women to be strategic & start early when planning for your financial futures.

Here are actions to take:

1. Know Your Worth!

- a. Understand the value of your skills, expertise, and contributions in the workplace.
- b. Negotiate for fair compensation and advocate for equal pay for equal work.
- c. Do not be afraid to assert yourself and ask for what you deserve.

2. Take Charge of Your Finances:

- a. Take an active role in managing your finances and making financial decisions
- b. Educate yourself
- c. Initiate continuous, open conversations
- d. Understand legal and financial rights
- e. Maintain financial independence
- f. Protect your credit
- g. Debt management

3. Retirement Planning:

- a. Maximize retirement contributions
- b. Consider spousal IRA contributions
- c. To Roth or Not to Roth? Pre-tax vs. post-tax saving for retirement
- d. 2024 Contribution Limits
 - i. 401(k): \$23,000 (50+: \$30,500)
 - ii. IRA: \$7,000 (50+: \$8,000)
 - iii. HSA: \$4,150 (individuals), \$8,300 (families)

4. Invest for the Long Term

- a. With female longevity, it is essential to create a long-term investment strategy.
- b. Women are poised to inherit much of the \$68+ trillion in wealth that baby boomers are passing down.

5. Understand How Marital History Affects Your Finances

- a. Every marriage ends (in either divorce or widowhood).
- b. Marital history can have significant implications for retirement savings and planning.

6. Protect Yourself With Insurance

- a. health insurance
- b. life insurance
- c. disability insurance
- d. long-term care insurance
- e. umbrella insurance

7. Plan for Parenthood

- a. Evaluate work options
- b. Research childcare options
- c. Explore financial options
 - i. dependent-care flexible spending account (FSA)
 - ii. medical flexible spending account (FSA)
 - iii. tax credits, such as the Child and Dependent Care Credit
- d. Plan for flexibility

8. Be Prepared for Career/Life Interruptions

- a. Factors such as illness, caregiving responsibilities, or job loss can affect your financial status.
- b. Upwards of 75% of all caregivers are female, and women spend as much as 50% more time providing care than males.

9. Prepare Your Estate Plan

- a. Only 34% of American adults have an estate plan.
- b. 72% of women are without an estate plan compared to 59% of men.

10. Meet with a Financial Planner!

- a. Consider working with a financial planner to develop a comprehensive financial plan tailored to your needs and goals.
- b. Do not hesitate to seek guidance and support from experts who can help you navigate your most complex financial decisions.

► Financial Tips: Marriages Later in Life

- Be transparent
- Decide whether it is yours, mine, or ours
- Consider a prenuptial agreement
- Be clear about family obligations
- Seek an advisor -- establish a financial team
- Update your estate plan
- Update accounts
- Plan (and dream!) together
- Evaluate Social Security Ex-Spousal Benefits

► Key Takeaways

1. It is your life and your money! Take charge.
2. Never too late to get involved -- meet with the advisor together!
3. You do NOT have to do it alone.
4. Prioritize goals in each epoch of life:
 - a. Pre-Marriage
 - b. Mid-Life
 - c. Retirement+