OLD NORTH STATE TRUST, LLC

Women and Finances

Who is more likely to be single in retirement?

Who will live longer, statistically?

Who has greater health care costs?

Who generally has fewer savings for retirement?

Women- that's who! Women control $11 trillion in investable assets and makeup 51% of the labor force. By 2020, it is estimated that number will grow to 66%, yet women often say they feel misunderstood by the investment community. Why is that? Often, women state that they feel financial advisors are geared more toward men than women. They feel "talked at", rather than listened to or consulted.

As a general rule, women live almost five years longer than men and are likely to earn only 81% of what men earn. Both of these facts affect savings and social security benefits. Fewer savings and benefits mean a shorter retirement period or a more frugal one. At least 12% of women haven't even started saving for retirement. Women have an incredibly heavy, complex schedule that often involves caregiving for children and/or aging parents. That could include taking them out of the workforce for a while, which would reduce their ability to earn money (affecting both savings and retirement). If or when they choose to return to the workplace, their options may be affected. Because women tend to live longer, they also have the added worry of having to take care of the marital estate after the passing of their spouse.

So, what can we do to help women plan?

First, as with any client, make sure that you understand the individual's need. Don't ever assume that any two clients are the same. Never assume a woman, doesn't understand or isn't financially savvy. Talk to your clients and uncover the individual needs, concerns and goals. Educate the client on the best way to meet those goals and most, of all, listen! Help your clients understand the need to save more for retirement and how to do so. Educate them on the various vehicles that are available and what would best suit her needs. Help her to learn how to deal with shortfalls, i.e. spend less, delay retirement or perhaps work some during retirement. Before that big day, help her to establish an emergency fund, learn what her cash flow is, maintain good credit, set clear goals, align those goals with her time horizon and risk tolerance, take into consideration taxes, fees, and inflation and learn to make ongoing adjustments to her plan. Most of all, as with every client, be there to assist with the ever changing needs of them and their families.