



## **INVESTING IN YOURSELF**

Understanding the unique facets of financial planning for women

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**RAYMOND JAMES®**

# Women & Money

A lot has changed for women over the decades. And while some things, such as continuing to live longer than men, have stayed the same, there are notable differences in the lives of women today and how they lead them. Shifts in population, choices to be more independent, higher incomes and more professional responsibilities all contribute to how women's lives continue to evolve.

Whether focusing on your career or balancing both work and family, successfully managing the responsibilities of life is no easy feat. What's more, navigating life's financial challenges requires careful management. Consulting with a financial advisor can help bridge the gap between your wishes and goals with a personalized plan for your future.

While no one knows what will happen next in life, we do know that when it comes to financial security, it pays to invest in yourself.

## 51%

- ▶ Women make up more than half of the population and are more economically powerful than ever before.<sup>1</sup>
- ▶ Women control 51% of the wealth in the U.S., expected to rise to 67% by 2020.<sup>2</sup>

## 1 out of 5

- ▶ Single women who are homebuyers, buying homes at twice the rate of single men.<sup>3</sup>
- ▶ Married American women who out-earn their husbands.<sup>4</sup>
- ▶ Firms with revenue of \$1 million or more that are woman-owned.<sup>5</sup>

## 40%

- ▶ In 40% of American marriages with children, women are higher wage earners.<sup>6</sup>
- ▶ In married-couple families, working mothers contribute on average more than 40% of their family's income.<sup>7</sup>
- ▶ Women control 39% of the nation's investible assets as decision makers.<sup>8</sup>

### Sources:

- 1 U.S. Census Bureau. (2013); "State & County Quickfacts: USA"
- 2 Sasha Galbraith, "Financial Services: The Industry Women Love to Hate," *Forbes.com*, March 18, 2011
- 3 National Association of Realtors, 2010
- 4 *Forbes.com*; August 13, 2012
- 5 Womenable report commissioned by American Express, "The State of Women-Owned Businesses 2014"
- 6 Pew Research Center study, 2011
- 7 U.S. Congress Joint Economic Committee 2014 report
- 8 *Harvard Business Review*, "The Financial Services Industry's Untapped Market," 2014







## It's time to take control

At Raymond James, we listen carefully and take the time to learn about you, your expectations about money and your hopes for the future. A financial advisor can understand your concerns and help design an investment plan specifically tailored to your needs. Together, you should consider what financial goals are important for each stage of your life and develop specific strategies to help meet those goals.

Although it takes work and discipline, the long-term rewards of solid financial planning are worth the effort. Contact a financial advisor today to help you take control of your future and realize your financial goals.

What do you want in a financial advisor?

- A relationship based on trust
- Assurance that discussions of your needs and goals are confidential
- Someone who will share knowledge freely – without being patronizing
- An open-minded advocate who takes the time to really listen
- An advisor who knows how to say, "I don't know, but I'll find out"
- A professional who understands that your needs can be different from a man's – and address those specific challenges



## INVESTING FOR THE FUTURE

Saving is not investing. Smart money managers not only save, but also invest for growth potential and retirement income. And yet – despite living longer and earning less – women in general tend to invest more conservatively than men, keeping a higher percentage of their money in lower-risk, lower-return investments.

As a rule of thumb, the more risk you take, the greater your potential for higher earnings. For example, investing in small-cap stocks generally involves greater risk and may not be appropriate for every investor. However, while Treasury securities offer lower risk, they typically provide lower financial returns.

Different women at different stages in life tend to have very different attitudes toward risk. Your financial advisor can help you assess your personal tolerance. To develop a portfolio that takes into account your investment time horizon, you'll need to estimate how long it might be before you retire, or how many years you think your retirement will last.

There is no assurance that any investment strategy will be successful. Investing involves risk and investors may incur a profit or a loss.

## EVOLVING LIFE EVENTS

The financial planning needs of women are as different as the roles they take on during the course of their lives. Not limited to defining themselves as successful professionals, working or stay-at-home mothers, or as caregivers to family and aging parents, women can have some of these roles all at once. Because of these shifting roles, it's increasingly important for women to plan ahead for their financial future.



**EMPLOYMENT** Staying at home or working part time to raise children or care for an aging parent or spouse can substantially affect your income and ability to save for retirement. Even full-time working women still earn 22% less than men, according to U.S. Census Bureau statistics released September 2014, which is \$1 million to \$2 million less over a lifetime than for men who are college and professional school graduates.

According to a U.S. Congress Joint Economic Committee 2014 report, on average women receive lower Social Security payments than men, have smaller private savings and receive less income from pension plans. These realities need to be addressed as women often need greater



resources to support themselves in retirement since they live longer than men, need to spend more on medical care and are more likely to enter a nursing home.

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Lower average wages impact women throughout their lives, translating into lower lifetime earnings and less financial security in retirement.

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**RELATIONSHIP** Whether you're married, divorced or widowed, it pays to start thinking independently about your own retirement. Because women live longer than men, they are much more likely to live alone at some point. In fact, according to the Social Security Administration, an adult woman can expect to live on her own for about one-third of her life. And among women over age 65 who live alone, four out of 10 depend on Social Security for virtually all of their income (2010 Period Life Table).



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Women are becoming widows at the median age of 59, which is surprisingly early, with \$1,253 as their average monthly Social Security benefit in 2014.

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**FAMILY DYNAMICS** Having children, preparing to pay for college, and caring for aging parents all contribute to big responsibilities affecting women. More

than half of family caregivers are women, and caring for children and elderly relatives can further reduce career earnings that retirement income is based on. According to a 2009 study by the National Alliance for Caregiving, 47% of working caregivers indicate that increased caregiving expenses caused them to use up all or most of their savings.

- A female caregiver personally loses an estimated \$324,044 in wages and Social Security benefits

- More than 80% of caregivers spent an average of \$8,800 in care costs (not including facility care fees)
- More than 50% of caregivers dipped into their own savings and/or retirement funds

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If you are the primary caregiver for senior parents in your family, it may be worth factoring in these expenses when it comes to their wealth-transfer plan.

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While it's important to acknowledge the financial effects these life events have, you don't have to figure it all out alone. Your financial advisor can help provide specific advice and determine which investments and funding alternatives suit your needs.

# Solutions for all of your priorities in life.

Financial planning, investment management, retirement income planning and estate planning all play a vital role in your financial independence and well-being. Because of this, we focus our expertise on serving you in these areas – so you can continue enjoying the well-deserved lifestyle you've worked so hard to achieve.

## Investing questions to ask yourself

### Gather and organize your financial information.

- Where are your financial documents and wills located?
- Do you know where your investment and cash accounts are?
- Do you have access to those assets?
- Are you comfortable with your investing knowledge?
- Do you feel confident to make decisions affecting your financial future?

### Write down your financial needs and goals.

- What specific financial goals are most important to you?
- Do you have short-term financial issues pressuring you now?
- When would you like to retire?
- Would you like to work part time in retirement?
- Do you want to stay in your own home?

### Consult with a financial advisor to help reach your goals.

- How much of a nest egg must you accumulate to sustain the lifestyle you want?
- Where will your retirement income come from?
- How much income will you receive if you are no longer married in retirement?
- Do you have adequate long-term care insurance, need a will or estate plan?
- Who would you turn to for financial advice should your partner pass away?

One of your biggest financial challenges, and concerns, may be funding your own retirement. Despite their economic force, 46% of affluent women worry about outliving their retirement assets.

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**LIFE WELL PLANNED.**

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**RAYMOND JAMES®**

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