Women and Money

Take the lead. Smart money management is good for everyone, but women have additional reasons to stay on top of their finances.

BY CARALEE ADAMS

Make sound decisions with your earnings and save for retirement; there's nothing revolutionary about this advice, but women are often financially underprepared for inevitable life events and transitions compared to men. Yet statistically, women live longer than men, they earn less money than men do and they have often taken time off to care for their families. The result? They have more retirement years to plan for, often including a transition to life as single person, and fewer years to contribute to their savings. Here are three key points to keep in mind as you size up your financial health and independence.

1. TAKE AN ACTIVE ROLE

Get involved with money management from the beginning, advises Julie Jason, chief investment officer of Jackson, Grant Investment Advisers, Inc. in Stamford, Conn. Author of several books, including "Managing Retirement Wealth," Jason doesn't mince words: "Don't take a backseat," she says. "It may be convenient [to delegate to a spouse], but it leaves you vulnerable and doesn't make you stronger."

Experts advise women to be joint partners in financial decisions and consider their independent needs long-term. The job of handling family finances no longer falls solely to men. It's a paradigm shift in family financial planning, says Eileen O'Connor, managing principal at Hemington Wealth Management in Tysons, Va. "Women are taking a more active role in the management of money because they have to. They are generally becoming less intimidated."

2. ANTICIPATE AND PLAN FOR THE FUTURE

According to Eileen O'Connor, nine out of 10 women will have to manage money on their own at some point. While it's hard for many married women to imagine life on their own—as a widow, caring for a sick spouse or managing after a divorce—they fare far better if they plan ahead for the possibility. One way women can stay ahead of the curve financially is to anticipate likely transitions in their life and

> "Making good investment decisions is gender neutral."

consider their needs as an individual. "Women tend to take care of children and focus on caregiving," says Jason. Between multitasking and managing everyone else's lives, they overlook the need to plan for a secure financial future. "A woman should think about her own needs first—to preserve and protect."

It's tempting to get bogged down in a daily to-do list, but women should focus on the big-picture outcomes of what they want to achieve with their money, suggests Jason. A project management mindset can help them develop financial planning habits that will benefit them in the long-term. Anticipate a longer retirement—and likely not one supported with a traditional pension, advises Jason. "You can't be without a plan these days," she says. "The burden is on the individual to be organized."

3. DEVELOP AN INVESTMENT STRATEGY

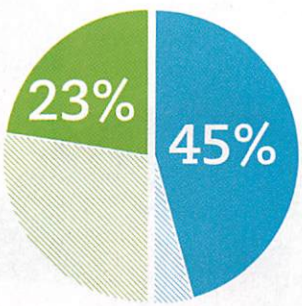
"Making good investment decisions is gender neutral," says Jason. But overall, women are more risk averse than men when it comes to investing. Research shows that women tend to be more conservative with their money. If they had more, women surveyed say they would be bolder in their investing.

However, experts suggest that women can make a conservative investment strategy work to their advantage. Rather than chasing the latest lead, they are smart to be patient and well-diversified, says O'Connor. "Boring isn't necessarily bad." Women should have a portfolio that is built to meet their specific goals, rather than balanced with some aggressive holdings and others that are low-risk, adds Jason.

9 out of 10 women will have to manage money on their own

THE NUMBERS AT A GLANCE

women who "feel prepared" to make financial decisions



men who "feel prepared" to make financial decisions

12: average number of years women lose in the paid workforce over their lifetimes as the result of caregiving

Sources: Prudential, AARP

FINANCIAL PLANNING TIPS FOR WOMEN

➔ If you're working, maximize your contributions to retirement savings accounts such as 401(k)s and IRAs. Carry adequate life insurance coverage on your spouse, and consider long-term care insurance.

➔ Educate yourself about the best Social Security option for you. Your payments grow the longer you wait to begin collecting Social Security checks. Determine whether it's better to start collecting at age 62 or age 70.

➔ Discuss retirement planning with a financial adviser, including the roles for family members to take on, if needed, such as power of attorney. Make sure you have enough money saved for your own future before you give financial assistance to your adult children.

—Rose Stevens, FBC,
RMS Financial Services Inc.
Tacoma, Wash.

For a complimentary consultation with your Sons of Norway Financial Benefits Counselor, visit *sonsofnorway.com*.