

# Planning for Women: Investment Choices and Decisions

Discussion Summary Information

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# Primary Trends

- ▶ The “bag lady” fear factor
- ▶ Women generally live longer than men and are more likely to ‘age solo’
- ▶ Women are more likely to earn less than men due to culture, time out of the workforce for care giving, and part time work
- ▶ Women tend to spend on others, not save for themselves
- ▶ Women may have different goals and needs than their male partners

# Purpose of Investments

- ▶ Categories: Retirement plans, Employer Pensions, Health Savings Accounts, Social Security Benefits, After-tax Investments, Insurance, Emergency Funds, Specific Purpose Savings Accounts, Collectibles, Real Estate, and more
- ▶ What do these dollars mean in terms of lifestyle, well-being, security and flexibility?
- ▶ How do these various investments work together for you?
- ▶ How do you balance current spending with future saving?
- ▶ How do you evaluate needs versus wants?

# Education and Knowledge

- ▶ Make your retirement needs a priority - no one else can or will 'pick up the pieces' for you
- ▶ Find a trusted professional who focuses on comprehensive planning ([www.CFP.net](http://www.CFP.net)). Know the differences in credentials and what each provider can actually offer you.
- ▶ Take time to do some independent research and reading
- ▶ Start a discussion group among friends and colleagues to share information
- ▶ Affirm your ability to learn and grow your financial knowledge
- ▶ Periodically review your investments, ask questions, and make adjustments as circumstances change

# Resource Links

- ▶ Financial Education and Knowledge: [www.360FinancialLiteracy.org](http://www.360FinancialLiteracy.org), [www.360Taxes.org](http://www.360Taxes.org), [www.CFP.net](http://www.CFP.net), [www.IRS.gov](http://www.IRS.gov), [www.MyMoney.gov](http://www.MyMoney.gov), [www.WIFE.org](http://www.WIFE.org), [www.DirectionsForWomen.com](http://www.DirectionsForWomen.com)
- ▶ Retirement/Investment Focus: [www.dol.gov/ebsa/publications/women](http://www.dol.gov/ebsa/publications/women), [www.WiserWomen.org](http://www.WiserWomen.org), [www.SSA.gov](http://www.SSA.gov), [www.Investor.gov](http://www.Investor.gov), [www.MorningStar.com](http://www.MorningStar.com)

# Key Considerations for Evaluating Investment Options

- ▶ What is your goal for each account and prudent risk tolerance?
- ▶ How will the account assets relate to your overall planning needs and other choices?
- ▶ What is the financial health and strength of the financial institution and the individual investment options?
- ▶ Are the options available to you considered ‘open architecture’ or ‘proprietary’?
- ▶ How often will you have access to account balances, performance analysis, face to face/phone contact, etc.?
- ▶ How comfortable do you feel with the financial professional personally, the level of their expertise, and their communication style?
- ▶ Do you understand how each account will be treated on your tax return?

# Some Key Terms and Concepts

- ▶ Asset type: stock, bond, mutual fund, derivatives, alternative, etc.
- ▶ Asset class: large cap, mid cap, small cap, international, global, etc.
- ▶ Time horizon: short term, intermediate, long term
- ▶ Asset focus: value, growth, income, capital preservation, balanced, etc.
- ▶ Asset allocation: how account funds are divided between various assets to align with investor goals
- ▶ Risk and return: quantitative measurements and inter-relationships
- ▶ Expense ratios: expenses at both investment firm and fund levels
- ▶ Performance history: what length of time, comparison to indexes, industry ratings, management type/experience
- ▶ Consolidated reporting: can your investments be seen, tracked, and analyzed in one easy to understand report

# Summary Points

- ▶ Take the initiative for your own financial education and future planning...it's your life
- ▶ Even if your spouse or partner does not participate or readily share information, you are still in charge of your own life decisions and choices
- ▶ Actively seek out other resources and professionals who can provide knowledge and support for your decisions
- ▶ Regularly review the finances and plans...flexibility and adjustments are part of your life journey
- ▶ Remember that 'investments' are not the main or only component of meaningful financial planning. There are many other factors to consider and coordinate to really meet your needs.