

Women, Men and Financial Planning

By Tammy Flanagan

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You may not be aware, but next week is National Retirement Planning Week. The National Retirement Planning Coalition, a group of education, consumer advocacy and financial services organizations led by the [Insured Retirement Institute](#), will coordinate a series of activities throughout the week aimed at promoting the importance of comprehensive retirement planning.

Last week I had the opportunity to speak with IRI president and CEO Cathy Weatherford. She was the first woman to serve as Oklahoma's insurance commissioner and is the author of [Women and Wealth: Inspiring Stories from Real Women on the Path to Financial Success](#). She will be a featured presenter at a Capitol Hill lunch panel next week on women and retirement.

Weatherford often focuses attention on women and retirement planning because women typically have different issues and challenges than men. Here are some things she said women should consider during the planning process:

- Often, women's ability to accumulate retirement savings and benefits is limited by leaving the workforce to assume caregiving roles for their children as well as dependent parents and partners.
- Women who are financially dependent on their husbands can have retirement preparations thwarted by death or divorce.
- There is still wage inequality among women and men. A recent analysis of the Census Bureau's Current Population Survey revealed that women working full-time year round made 78 cents for every dollar their male counterparts earned.
- Women generally live longer than men. The Social Security Administration estimates that on average a man reaching age 65 today can expect to live until age 84.3, while a woman turning 65 can expect to live more than two years longer.
- Women sometimes lack confidence in managing investments, but through education and awareness they can become proficient investors.
- Divorced and widowed women tend to prefer female financial advisers, yet only 25 percent of financial advisers are women.
- Women stand to receive the lion's share of the \$41 trillion impending intergenerational wealth transfer. They could inherit \$25 trillion by 2030 in assets from spouses and parents, putting at least two-thirds of the nation's wealth under their control.

According to Weatherford, women and men often approach financial planning differently. Men tend to equate success with accumulation of wealth and assets and may be more competitive in comparing themselves with their peers. Women tend to use money as a means to provide service to family and others who may need their help. They often set aside their egos when discussing financial matters.

In her book, Weatherford writes that there are two things financial advisers should keep in mind to help couples understand and communicate about their family finances:

- Framing what is said during the meeting will make all the difference in how money ideas are conveyed. Understanding the gender differences in approaching money subjects is important to encouraging both spouses to be actively involved in retirement planning.
- Encouraging couples to establish effective roles and boundaries on their own will make every meeting more productive and the long-term, client-adviser relationship more rewarding.

Women need to plan on being single at some point in our lives, whether through divorce, widowhood or the decision not to marry. That means developing expertise at handling financial decisions and ultimately acquiring some level of financial independence. If you haven't taken an interest in investing for your future, now might be the time to start--either on your own or with the help of a financial professional.

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