



Women and Money

Taking Charge of Your Financial Future



Charting a Financial Course

Today, it's critical that women know how to **Save, Invest,** and **Plan** for their future



Reasons for Optimism

Women today have never been in a **better position** to **achieve financial security**



Women's Economic Clout

- Women make up almost half the workforce
- Women account for more than half of all workers in management, professional, and related occupations
- Women own millions of businesses
- Women earn the majority of all bachelor's, master's, and doctoral degrees

Sources: U.S. Department of Labor, Women in the Labor Force: A Databook, November 2017; National Association of Women Business Owners, 2018; National Center for Education Statistics, 2017 Tables and Figures, Table 318.30



Potential Financial Challenges

Women often face financial **challenges** that their male counterparts don't



Potential Financial Challenges

- Women have longer life expectancies
- Women generally earn less income and have less savings
- Women are more likely to interrupt careers to raise children or care for family members
- Women often invest too conservatively

Sources: NCHS Data Brief, Number 328, November 2018; U.S. Bureau of Labor Statistics, Women in the Labor Force: A Databook, November 2017; U.S. Department of Labor Blog, Women and Retirement Savings, March 2017



Women Have Longer Life Expectancies

- Women on average live 5 years longer than men
- Retirement dollars will need to stretch further
- Women more likely to need long-term care and face some health-care needs alone
- Married women likely to have sole responsibility for financial decisions and disposition of marital estate



Women Generally Earn Less

- Women who work full-time earn 82%—on average—of what men earn
- Impacts savings, Social Security retirement benefits, and pensions
- Increased vulnerability to unexpected economic obstacles: job loss, divorce, single parenthood, illness, loss of spouse

Source: U.S. Bureau of Labor Statistics, Women in the Labor Force: A Databook, November 2017



Women More Likely to Take Career Breaks for Caregiving

- Lost income and employer benefits
- Potentially lower Social Security retirement benefit
- Economic vulnerability in event of divorce, spouse's job loss
- Possible difficulty finding a comparable job
- Flexible schedules can impact salary and career advancement



Source: U.S. Department of Labor Blog, Women and Retirement Savings, March 2017

Women Tend to Invest Too Conservatively

- Inadequate retirement nest egg
- Loss of purchasing power due to inflation
- No risk = no reward



No One-Size-Fits-All

Not all women will face all of these **challenges**, but it's important to **move forward** financially with them **in mind**



Take Charge of Your Financial Future

6 things you can do:

1. Take control of your money
2. Become a more knowledgeable investor
3. Advocate for yourself in the workplace
4. Plan for retirement
5. Protect your income and assets
6. Create an estate plan

1. Take Control of Your Money

- Realize you have responsibility for your financial well-being
- Know your cash flow
- Establish positive cash flow by budgeting, managing debt, living within means
- Create an emergency fund
- Establish and maintain good credit
- Set clear financial goals



2. Become a More Knowledgeable Investor

There's always room to **learn more** and **adjust your plan** based on your circumstances



2. Become a More Knowledgeable Investor

Just starting out

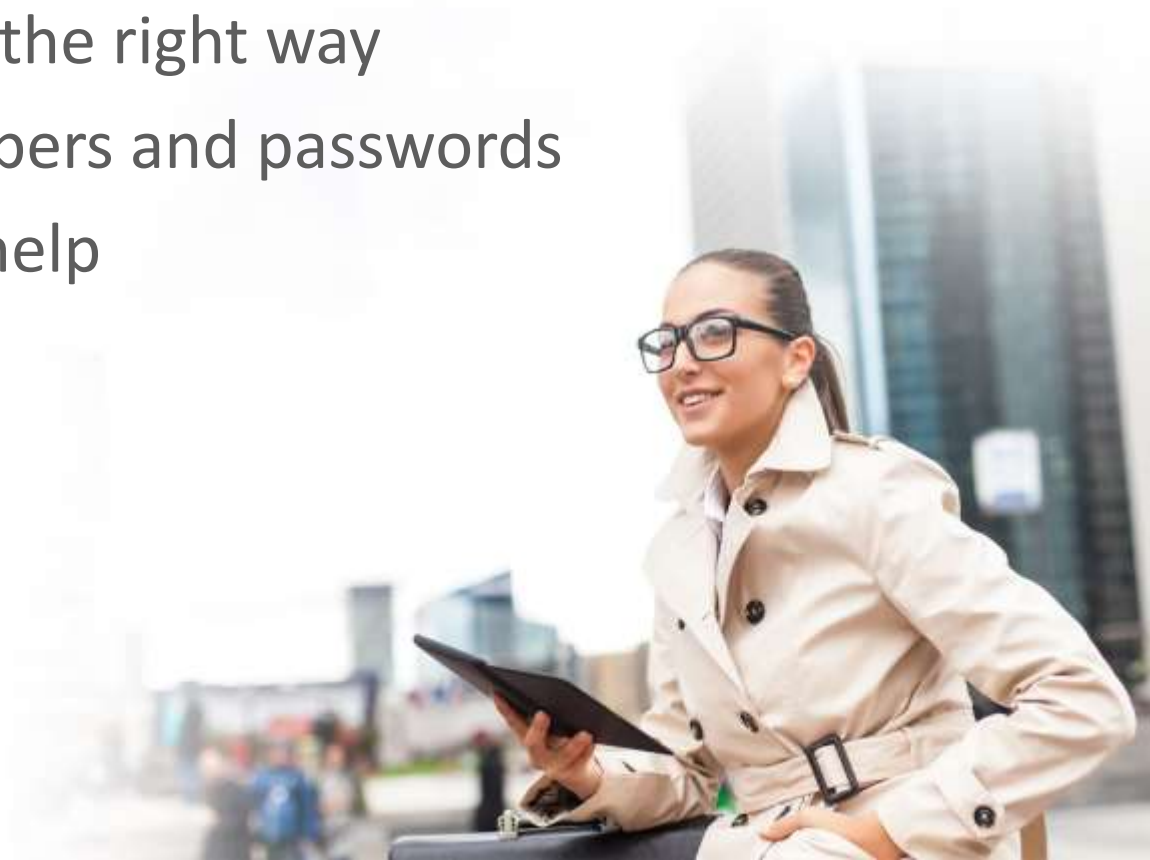
- Get some basic information
- Take small steps and learn as you go
- Don't postpone getting started
- Ask questions

More experienced

- Align portfolio with goals, time horizon, and risk tolerance
- Look for ways to manage risk
- Understand what you own
- Keep an eye out for investing ideas
- Consider taxes, fees, inflation
- Make ongoing adjustments
- Have game plan for volatile markets

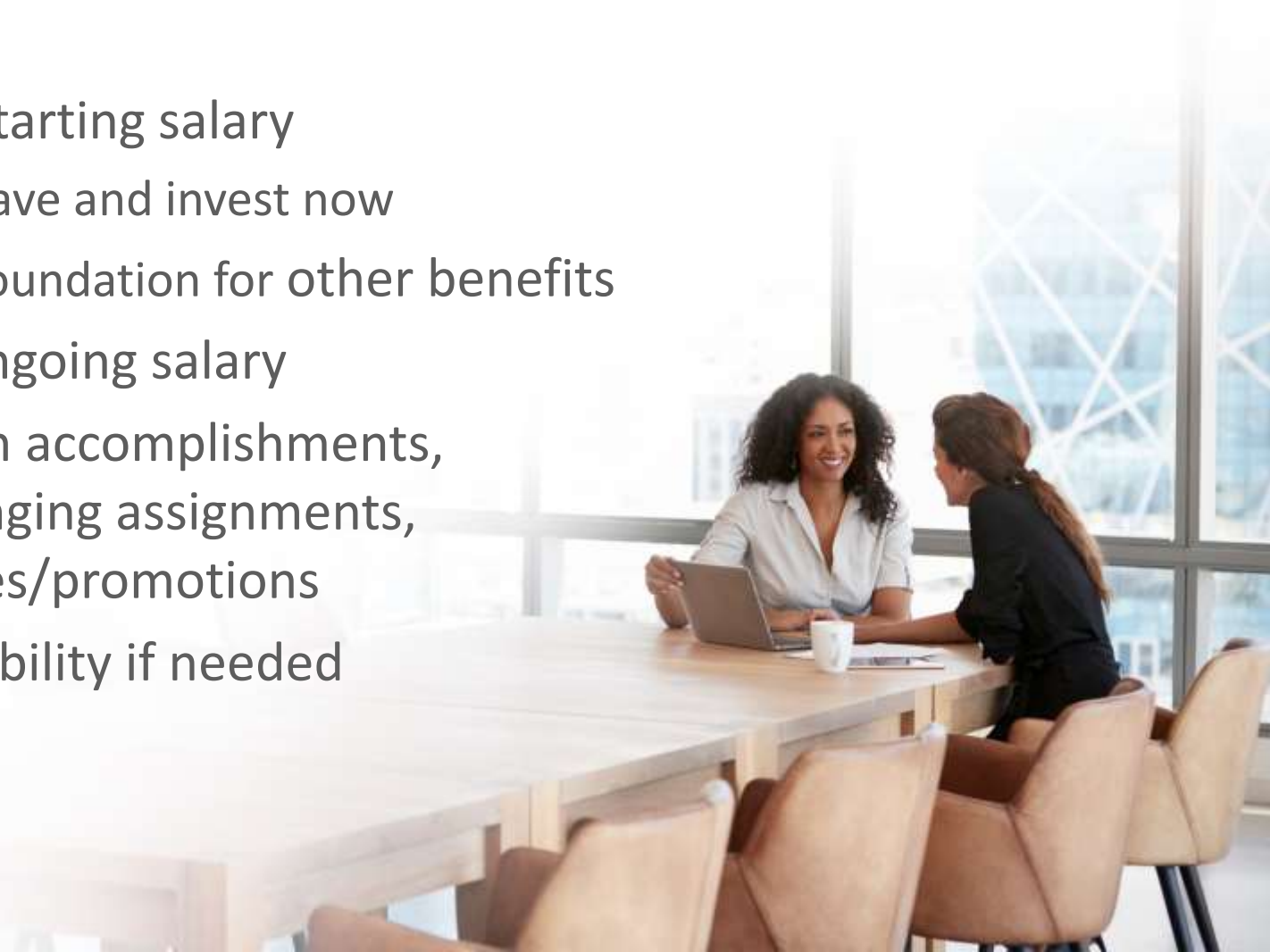
2. Become a More Knowledgeable Investor

- Admit mistakes and move on
- Be risk averse — in the right way
- Know account numbers and passwords
- Know when to get help



3. Advocate for Yourself in the Workplace

- Negotiate starting salary
 - ✓ More to save and invest now
 - ✓ Salary is foundation for other benefits
- Research ongoing salary
- Speak up on accomplishments, take challenging assignments, ask for raises/promotions
- Ask for flexibility if needed



3. Advocate for Yourself in the Workplace

- Job flexibility
- Telecommuting
- Flexible hours
- Part-time work
- Growth trend



4. Plan for Retirement

Age you start saving for retirement	Save \$2,000 per year	Save \$5,000 per year	Save \$10,000 per year
	at age 65, you'll have...		
20	\$425,487	\$1,063,718	\$2,127,435
30	\$222,870	\$557,174	\$1,114,348
40	\$109,729	\$274,323	\$548,645
50	\$46,552	\$116,380	\$232,760
60	\$11,274	\$28,185	\$56,371

Note: This is a hypothetical example and does not reflect the performance of any specific investment. Results assume an average 6% return and do not account for taxes. Earnings are compounded annually.

4. Plan for Retirement

- Save as much as you can
- Put yourself first
- Join employer retirement plan
e.g., 401(k), 403(b) plan
- Consider IRAs — traditional,
Roth, spousal
- Set savings goal and keep
track of progress



4. Plan for Retirement



Social Security is the major source of **guaranteed lifetime income** for most Americans

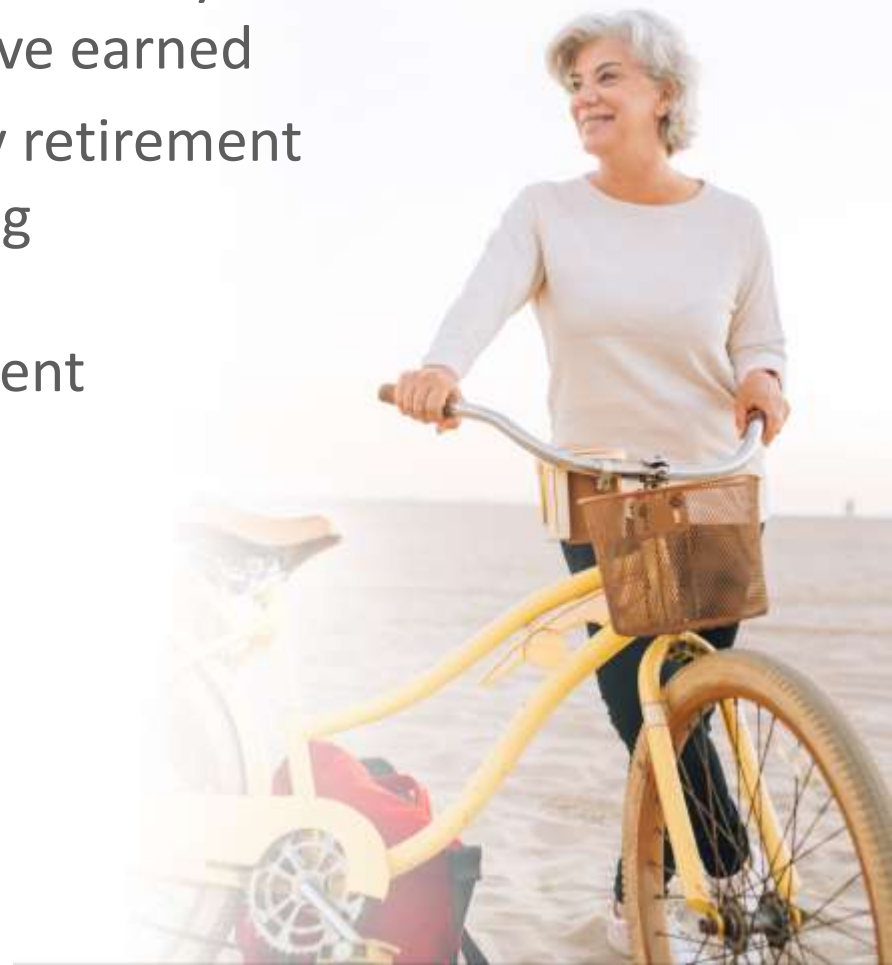
4. Plan for Retirement

- Social Security provides retirement benefits
- Social Security also provides disability and survivor's benefits
- To qualify for retirement benefits, you generally need 40 credits (10 years of work), or you can qualify for spousal benefits based on your spouse's work record (spousal benefit = 50%)



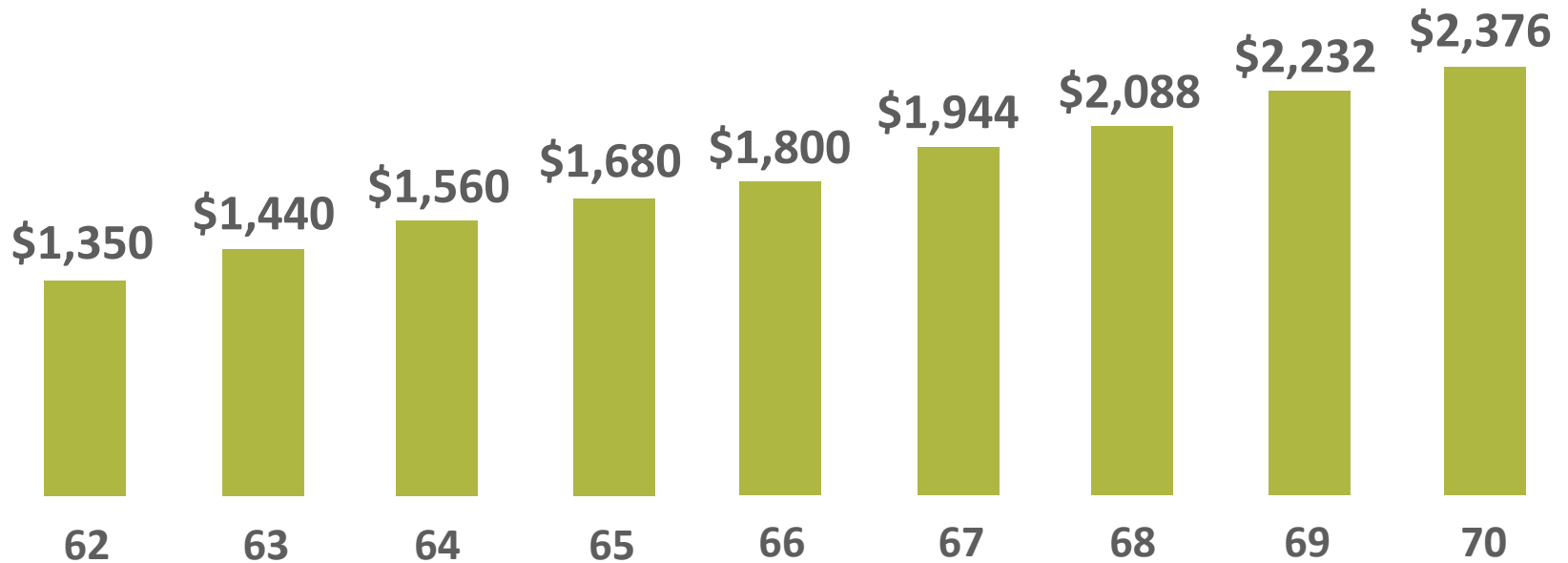
4. Plan for Retirement

- Your benefit is based on the number of years you've worked and amount you've earned
- Get an estimate of your monthly retirement benefit at www.ssa.gov and using the Retirement Estimator tool or viewing your personal statement
- Age at which you start claiming benefits matters:
 - 62 — 25% to 30% less
 - 66 or 67 (full retirement age)
 - 70 — 32% more



4. Plan for Retirement

Monthly Payout Depends on Age You Start Taking Benefits



4. Plan for Retirement

Other things to think about:

- When you'll retire
- Retirement expenses
- Dealing with a shortfall
- Health-care expenses
- Longevity issues
- Distribution options, order to tap accounts, safe withdrawal rate



5. Protect Your Income and Assets



- Life insurance
- Disability insurance
- Home and auto insurance
- Health insurance
- Long-term care insurance
- Trusts
- Business entities

6. Create an Estate Plan

An **estate plan** is simply a **map** that reflects the way you want your **personal and financial affairs** to be handled in case of your incapacity or death



6. Create an Estate Plan

Incapacity

- Living will
- Health-care proxy
- DNR order
- Power of attorney
- Living trust

Death

- Will
- Testamentary trust
- No will — intestacy laws
- Will or no will — some property passes automatically (jointly owned property, property with designated beneficiary, trusts)

Overcoming Unexpected Obstacles

- Job loss
- Unplanned pregnancy
- Divorce
- Illness
- Financial help for adult children
- Caring for aging parents
- Loss of a spouse



What Financial Course Will You Chart?

It's all about **you**.

Your **goals**.

Your **dreams**.

Your **security**.



Thank You



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Contact Us

- www.ajwfinancial.net
- 410-740-6844
- nabrams@aicinvest.com