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ASSOCIATES

Women Have Different Financial Planning Worries

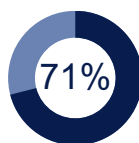
Unique health and caregiving worries and an industry that doesn't listen well

Women have special concerns about financial security that financial professionals might need to address. For one thing, they tend to live longer than men, so they may worry about paying for an extended old age. For another, women of all ages are an increasingly dominant part of the economy.

Pick up any newspaper, turn on the TV or tune into any radio program and you may notice the clout of women in the marketplace, community affairs, business, politics, and finance.

The data is remarkable and underscores the need for conversations that financial professionals should consider having with their female clients, recognizing that the challenges women face are myriad.

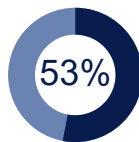
A surprising number of women, single and married, do not have wills and have not provided for their children. And the International Foundation for Retirement Education states that the number one retirement issue for women is the threat of poverty. Consider that of people age 85 and older:



71% are women



The median income for older women is \$15,248



The median income for older women is only 53% of that of older men.



Women comprise 51% of the U.S. population and roughly 65% of the workforce.



Women control 65% of global spending and more than 80% of U.S. spending.



60% of college students are female.



They are the sole heads of 32% of American households.

Early in the planning game, women should consider focusing on retirement income-building vehicles, insurance, Social Security strategies, estate planning, and financial freedom. And caregiving is the number two issue.

Did you know that of unpaid caregivers, 57% are caring for parents, and over 70% of caregivers are women? When women assume caregiver roles, they are 2.5 times as likely to end up in poverty as non-caregivers single caregivers are four times more likely to end up in poverty than married women.

Establishing Financial Confidence

A survey by Family Wealth Advisors Council indicates that 54% of women consider health a major risk to their financial future. They worry about their death and the death of their spouse as a major risk. So, is your disability insurance lacking or inadequate, and will your life insurance deliver sufficient financial horsepower if the breadwinner dies? Are you sure?

Families should discuss financial goals, for both the baby boomers and their parents. Understanding the ins and outs of long-term care insurance is important in the planning process.

Women & Financial Professionals

Right now in 2021, women are underserved by the financial services industry, because there is still a huge disconnect between the women who have been working with a financial professional and the women who want one. Consider this: the Center for Talent Innovations reported that 75% of women under the age of 40 do not work with a financial professional.

Why is it that so few women get the advice that they may need? It could be that the disconnect lies in the fact that between 15–20% of all financial professionals are female, according to Barron's. And it may be safe to assume that more women want to work with a financial professional, but are not connecting to those out there because the vast majority of them are males.

Now, this is not to say that women should only work with female professionals, but many believe that generally, men do not communicate with women effectively (of course it's true the other way too). And a survey by Boston Consulting Group found that 70% of women that do have a financial professional felt that they were patronizing or disrespectful toward her. The study showed that these financial professionals (who statistically are mostly male) made assumptions about women's risk tolerance and therefore limited their clients' investment options.

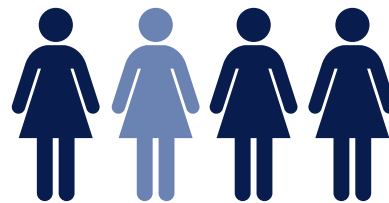
These miscommunications are likely the main reasons there is still a giant gap between the women who have a financial professional and those who do not. This is especially surprising because Fortune recently reported that women control about \$14 trillion in the United States, the equivalent of the combined gross domestic product of China and India.

The good news is that the financial industry seems to realize that it ignores women, who are responsible for most financial household decisions, at its own peril. We are seeing a huge movement of professionals that want to be more responsive to their female clients. Perhaps, the industry has finally realized how much power women truly hold.

Women have the power and ability to affect a lot of change in the world, especially since they now control so much of America's wealth.

It's About You

If you are among the 75% of women who don't have a financial professional, consider not letting your fears about feeling judged and misunderstood stop you from getting advice to help you pursue your financial goals.



75% of women do not have a financial professional

You can seek out someone who works hard to understand where you're coming from. You can find a financial professional you feel you can relate to and feel comfortable with, and who doesn't make you feel stupid for asking too many questions about your financial goals and concerns.

Talk to your family, friends, and colleagues. Get recommendations and then interview financial professionals until you find the right fit.

Your future self might thank you.

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