



# Helping more Women reach their financial goals



# FLAGSHIPS

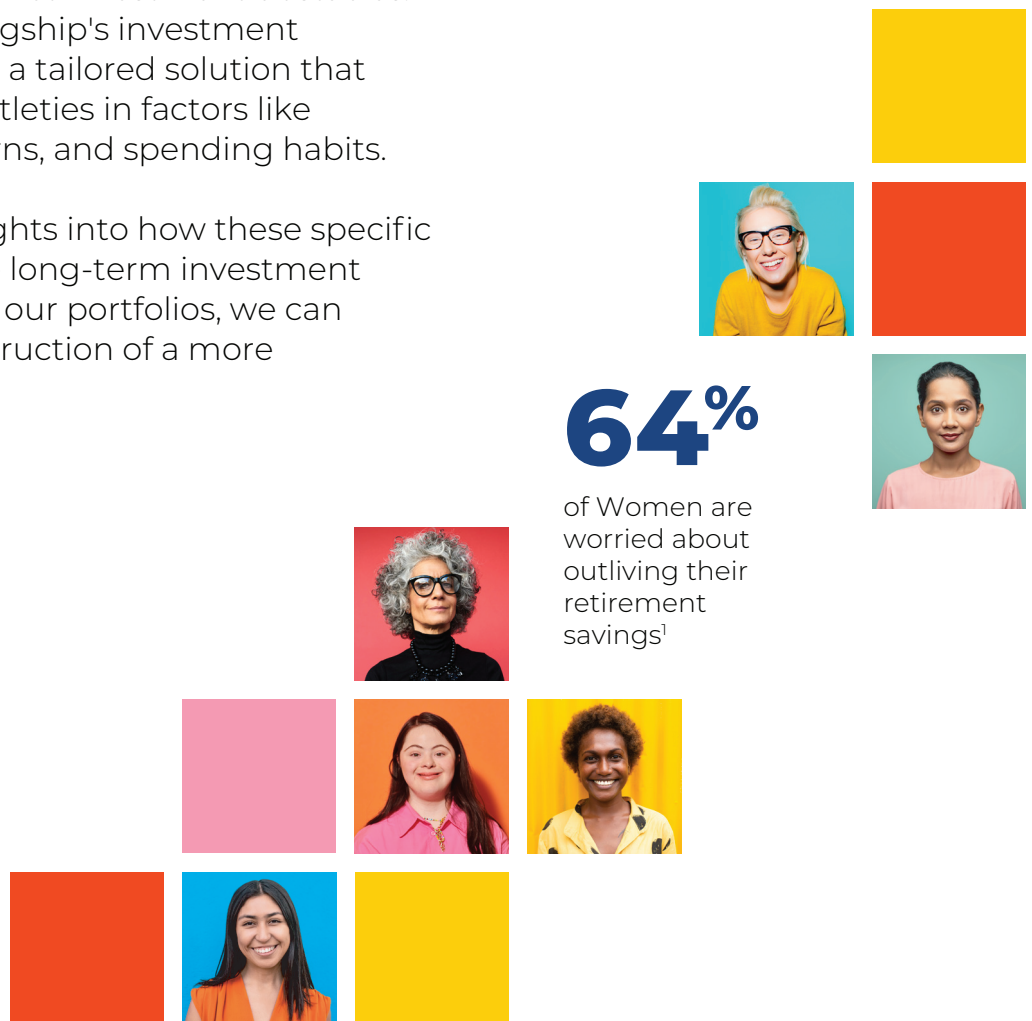
purpose is to help more and more people experience financial well-being.

Although numerous financial objectives, such as retirement savings, are applicable to everyone, women encounter distinct investment obstacles. The central focus of Flagship's investment approach for women is a tailored solution that considers essential subtleties in factors like lifespan, earning patterns, and spending habits.

By integrating our insights into how these specific elements influence the long-term investment success of women into our portfolios, we can contribute to the construction of a more prosperous future.

**64%**

of Women are worried about outliving their retirement savings<sup>1</sup>



<sup>1</sup> 2021 DC Pulse Survey. The BlackRock DC Pulse Survey is a research study of 225 large defined contribution plan sponsors in addition to over 1,000 plan participants and 300 retired participants in the U.S. The survey is executed by Escalent, Inc, an independent research company. All respondents were interviewed using an online survey conducted in March 2021.

# In our role as investment managers, we strive to assist women in forging a more prosperous future.

When strategizing for long-term financial objectives, a multitude of factors come into play, ranging from life expectancy and income projections to employment situation. Our research underscores that these variables can exhibit significant disparities when considering women's circumstances.



**40%**

Average percent of wealth Women are holding in cash<sup>1</sup>



**1.2**

Average years Women spend out of the workforce to care for children or an older relative<sup>2</sup>



**5+**

years longer life expectancy Women have compared to Men<sup>3</sup>



### Understanding Investing as Young Adults

Men: **35%**

Women: **23%**

### Existing Retirement Savings Balances

Men: **80%**

Women: **63%**

### Emergency Fund on Hand

Men: **82%**

Women: **66%**

### Understanding of Financial Terminology

Men: **52%**

Women: **42%**

Source: "Survey: Lacking Personal Finance Education Contributes to Fiscal Woes Later in Life; Millennials Seek Recourse." Laurel Road, 2019.

## 4 Investment Pitfalls to Avoid

### #1: Failing to Plan for Longer Life Expectancy

As we have shared, women generally live longer than men. For that reason in particular, women should consider using investment strategies that balance a sustainable withdrawal rate with the right measure of risk, and consider inflation. Balancing these factors may help you have the income you need for the rest of your life.

### #2: Failing to Plan for Health-Care Expenses

Because women have a longer life expectancy, long-term care can become expensive for them. According to the annual Genworth Cost of Care Survey, the yearly average cost of assisted living in 2018 was \$48,000. The annual cost of a private room in a nursing home was \$100,375. The average annual cost of having a home health aide was \$50,336.<sup>21</sup> These costs are just a snapshot of key retirement health care expenses.

Considering their high costs and unpredictable nature, health care projections should be a part of your long-term financial strategies. Major medical expenses can easily wipe out retirement savings, but there are many strategies to help avoid outliving your money. With our assistance, you can make plans to help ensure you are able to address any medical needs without adversely affecting your retirement lifestyle.

### #3: Making Decisions Out of Fear

Both men and women can be tempted to make drastic money moves in troubled times. A good strategy, however, takes good times and bad into account. When markets swing, a careless reaction can wreak havoc on even the most carefully designed investment plan. Many investors, both men and women, lost money in the mortgage meltdown of 2008. Some even cashed out near the bottom, fearing the markets themselves were collapsing. Not only did these investors lose money by selling low, but if their money is still sitting on the sidelines, then they've missed out on the financial recovery as well.

When major investment decisions are only a click away, many investors give in to their fears or exuberance, and they could pay the price for this short-term thinking. A recent DALBAR analysis found that the average U.S. investor lost 9.42% during the poor stock market year of 2018, even though the S&P 500 index only fell 4.38%; it noted that some of the difference was likely because of investor impatience.<sup>22</sup>

This sort of fear-based split-second decision can have consequences. As an example, a hypothetical investor who missed the stock market's 10 best days between Jan. 1, 1980, and Dec. 31, 2018 would have earned less than half of what she could have earned by staying invested the whole time.<sup>23</sup>

### #4: Not Seeking Professional Guidance

Receiving advisory support from a professional can be a valuable tool as it may guide you toward decisions regarding your retirement planning goals. Unfortunately, many people may put off key financial decisions, sometimes for years.<sup>24</sup> This decision, however, could be direly affecting their potential to replace as much income as they need to for retirement. According to a 2018 study commissioned by Franklin Templeton Investments, 51% of baby boomer women have no long-range retirement income strategy. Neither do 55% of millennial women, and 67% of the women who belong to Generation X.<sup>25</sup>

Our initial action revolves around crafting a system tailored for life cycle investing. We then tailor this approach by modifying three distinct variables for women: Longevity, Income Gap, and Earnings Gap.

## Income gap

On average, Women earn \$0.82 to every \$1.00 a man makes, which impacts their ability to save<sup>1</sup>

## Earnings gap

1 in 3 Women are considering leaving the workplace<sup>2</sup>

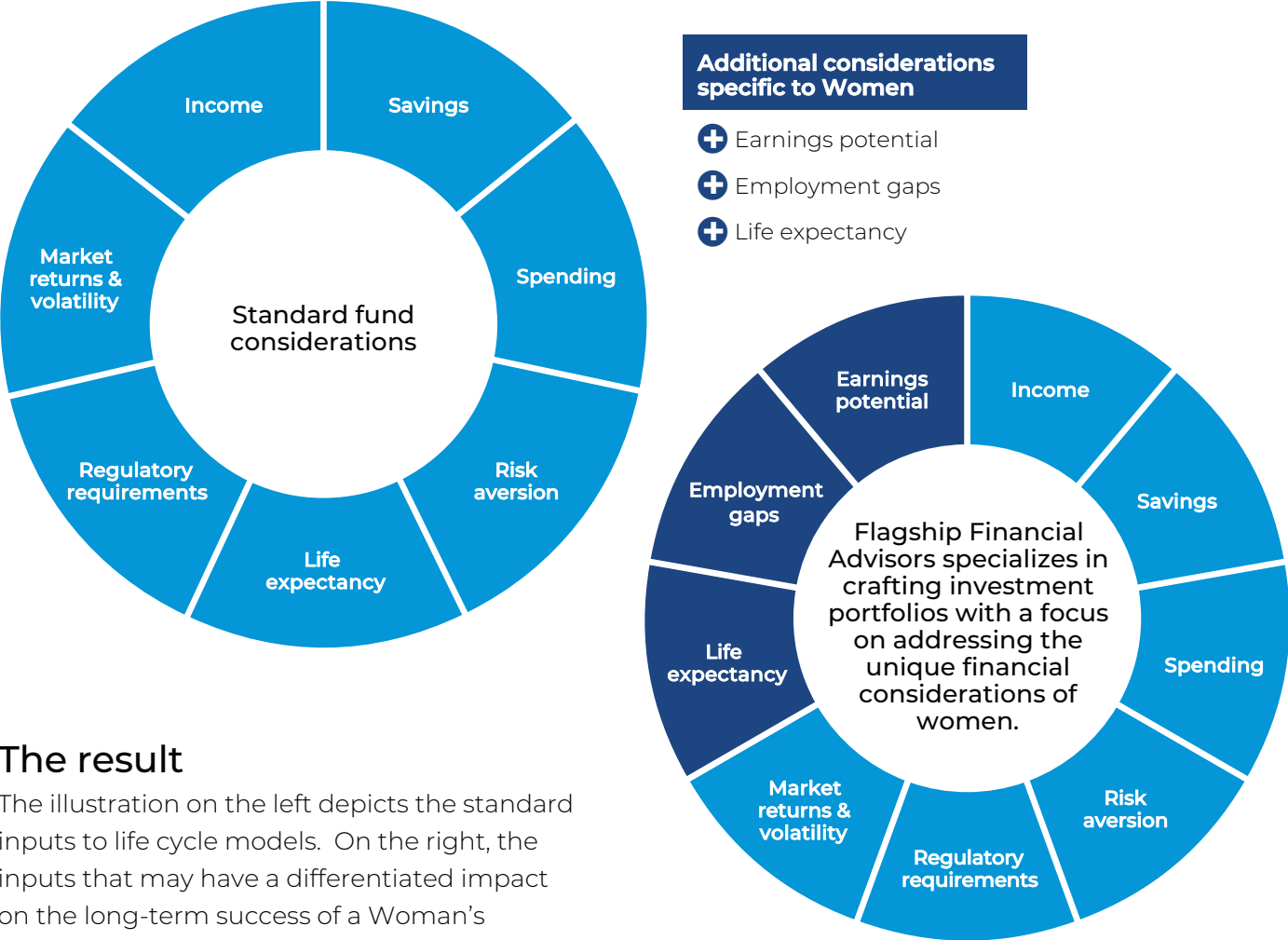
## Longevity

On average, Women live more than 5 years longer than men – creating a need to fund longer retirements<sup>3</sup>



<sup>1</sup> US Census Bureau, "Current Population Survey: PINC-05. Work Experience-People 15 Years Old and Over, by Total Money Earnings, Age, Race, Hispanic Origin, Sex, and Disability Status: 2018." <sup>2</sup> "Women in the Workplace, 2021." McKinsey & Company and LinkedIn. <sup>3</sup> Center for Disease Control, 2021.

# Analyzing demographic considerations that account for gender differences



## The result

The illustration on the left depicts the standard inputs to life cycle models. On the right, the inputs that may have a differentiated impact on the long-term success of a Woman’s investing success.

\*For illustrative purposes only.

# Forging Tailor-Made Solutions.

Flagship Financial Advisors is unwavering in its commitment to tending to the distinct needs of every client. This entails identifying arenas where both our institution and our industry can amplify our endeavors. As investment managers, trustees, and conscientious contributors to society, we view it as our duty to blend our investment prowess with this dedication to nurture enduring prosperity.

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“ The achievement of financial security that we aim to assist our female clients in attaining is not something that materializes overnight. It entails a commitment to the long term, and we adopt an enduring perspective in our approach.”



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