

Empowering Women

To Reach Their Financial Goals

While many financial goals—such as saving for retirement—are universal, women face unique investment challenges related to their longevity, earnings, and spending.

Did you know, on average:

- **Longer life expectancy:** Women live about 5 years longer than men, creating a need to fund longer retirements. Women account for 77% of those widowed.
- **Income gap:** Women earn 82 cents to every dollar a man makes, which impacts their ability to save. For new mothers, the gap is even wider: 58 cents for every dollar fathers make.
- **Caregiving gap:** Women are twice as likely to take one or more years off without pay due to caregiving. 1 in 3 women are considering leaving the workplace—often due to burnout.

With women as the sole or primary breadwinner in 40.5% of American households, they can't afford to take a passive role in their finances.

The good news? Women are very good investors. A 2021 Fidelity report found female investors outperform their male counterparts by 0.4% or 40 basis points—which can translate into tens of thousands of dollars. What's more, 20% of women surveyed have over \$100,000 saved, 50% have \$20,000 or more outside their emergency funds, and 67% saved beyond their retirement accounts.

Despite these successes, only one-third of women see themselves as “investors.” The reality is: women—who often take a pay cut and bear the brunt of caregiving responsibilities—need to pursue investment strategies every step of the way to make their money work harder and stretch farther.

Investments for Women Across Different Life Stages

Note that this section is for illustrative purposes only, and individual strategies will vary based on income, risk tolerance, savings, financial goals, and unique life circumstances. A financial advisor can help you walk through these choices every stage of the way.

When it comes to investing, studies show women tend to trade less often—not because they statistically take fewer risks than men, but because they prefer to have all the information before making a move. They're also more likely to seek guidance from an independent advisor before making a trade or rebalancing their portfolios to adjust investment allocations.

There are three periods in a woman's life that are especially critical to the success of a long-term investing journey:

- **Early life:** Absorb more risk if you can to pursue higher-growth returns. You can invest the majority of your funds in more stable large cap and international equities and allocate another portion to higher return categories such as emerging markets and large cap growth.
- **Mid-life:** Reduce volatility as you pay off your mortgage, no longer need to care for dependents, and prepare to retire. This strategy might include diversifying your portfolio to include steady return investments such as global real estate, US inflation-linked bonds, commodities, core alpha bonds, as well as increasing your large cap core.
- **Late life:** Aim to provide consistent income. This strategy might involve shifting from your large cap equities to US bonds, increasing your commodities and core alpha bonds, and decreasing investments in emerging markets. If you can tolerate some risk, you may also add in a small amount of US small or mid cap equities, as they're relatively affordable, though the price volatility can be higher.

Focus On What You Can Control

No matter your gender, virtually any decision you'll face within the context of financial planning and portfolio management can be addressed by one or more of these five levers within your control.

They are:

- **When you retire**, if you are are not already
- **Basic retirement income need** and spending goals
- **Your savings** if you are younger; it may not be material if you're within a few years of retirement
- **The size of your estate**
- **Investment risk.**

All of these levers can be clarified and ultimately quantified through a goal-based planning process. Women face unique challenges, whether they are working professionals, wives, mothers, or caregiving daughters. It can be insightful and empowering to know you're not alone in the process of financial planning. When you work with a trusted advisor, you're guided through every stage so you can feel confident in the journey ahead. Contact your advisor to set up a financial plan that will suit your needs.

Wealthcare Advisory Partners LLC (Wealthcare) is an investment advisors registered with the SEC under the Investment Advisors Act of 1940. Additional Important Disclosures may be found in the Wealthcare Advisory Partners LLC ADV Part 2A. Request a copy at compliance@wealthcarecapital.com

This communication is for informational purposes only and is not to be considered advice or a recommendation of any specific investment product or strategy. Views and opinions are subject to change at any time based on market and other conditions.

Before acting on any information in the content of this article, you should seek the personalized advice of legal, tax or investment professionals.

©2023 Wealthcare Advisory Partners LLC. All Rights Reserved.