

TRUSTS & ESTATES

Women's Work: Finances, Investments, and Estates

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It's said that 'A women's work is never done.' And, while that may be true, maybe that's a good thing. Women are living longer than men and are responsible for much of their own financial security. In other words, they're financially empowered and independent.¹

The same rules of the road that wise investment and financial advisors have espoused, most certainly apply to women. So, it's time to get to work. And there's no better time than today to get comfortable with your finances.

Controlling More Wealth

As of 2017, the life expectancy of American women was 81.2 years, on average, versus 76.3 for men.¹ And so women are more likely to be widowed than men—*four times* more likely.² Not to mention that some 39% of American marriages are now ending in divorce.³

In fact, at some point in their lives, as many as 90% of American women will find themselves solely responsible for their own security or their families'.⁴ Indeed, the amount of money in women's hands today is eye-opening: as much as an estimated \$20 trillion.⁵ What are the implications of managing such a vast trove of assets?

A Few of the Basics

We'd point first to some evergreen rules of finance that women should understand and implement; among them:

- **Setting up an emergency fund in cash** to get them through at least six to nine months (several years, if earned income is out of the picture).
- **Devising a long-term financial plan** customized to achieve their lifestyle goals.

- **Investing in a diversified portfolio of growth- and income-oriented assets.**
- **Holding insurance**—especially health insurance and long-term-care policies.
- **Keeping a close eye on retirement income**, remembering too that it's *after-tax* income that counts.
- **Arranging for gifts to family members, charities, and others** with strategies that may include annual gifting, lifetime gifts, bequests, and trusts.
- **Preparing an estate plan**—even for assets far from the top 1%.
- **Taking maximum advantage of pensions and (famously complicated) Social Security.**

And never forget that everything takes a back seat to assuring the financial well-being of *Numero Uno* (that's *you*).

Do Women Handle Finances Differently?

Many studies indicate that women are generally less-aggressive investors, placing a higher premium than men on preserving capital than beating the markets. Further, many women tend to sit on the sidelines waiting to feel more confident. Only about one-quarter of affluent women in a recent study said they were comfortable making investment- and savings-related decisions, 15 percentage points behind men.⁶ Still—perhaps because of this confidence issue—women were more likely than men to plan for retirement. (So much in finance is a double-edged sword!)

Don't Go It Alone

As to broad investment goals, women are more apt to focus on “bread-and-butter” issues like paying the bills—probably a result of shouldering the lion's share of family caregiving for years. And women seem to realize even more than men that professional advice is critical—though a *smaller* share talk with their advisors frequently.⁷ Perhaps that discrepancy will fade as women's financial confidence grows.

In sum, financial power is liberating!

At People's United Advisors, we're ready to talk with you.

1. <https://www.suntrust.com/content/dam/suntrust/us/en/resource-center/documents/2018/infographic-financial-issues-facing-women.pdf>
2. <https://concentuswealth.com/estate-planning-a-womans-perspective/>
3. <https://time.com/5434949/divorce-rate-children-marriage-benefits/>
4. See Footnote #1.
5. <https://www.usbank.com/newsroom/stories/survey-says-women-are-leaving-money-and-influence-on-the-table.html>
6. <https://www.mckinsey.com/industries/financial-services/our-insights/women-as-the-next-wave-of-growth-in-us-wealth-management>
7. See Footnote #1.

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