

## A Note About Women & Investing

Last month we celebrated the International Women's Day. International Women's Day (March 8) is a global day celebrating the social, economic, cultural and political achievements of women. The women in the United States and other developed countries have much more to celebrate than those in emerging and frontier countries who still struggle immensely, but one thing is sure, women have come a long, long way over the past century.

This month we celebrate financial literacy month and even with the great strides women have made, this is still an area we struggle. As a financial planner, there are 2 statistics that plague me daily and give me great concern for many women. The first is that **80%** of women will outlive their husbands, many by more than 14 years, the second is that women who get divorced live at **45%** of their pre-divorce lifestyle<sup>1</sup>.

Let's start with the first statistic: Women will outlive men, yet most women, over their lifetime will earn less and save less than their spouses. This is for many reasons. Some women may choose to take time out of the workforce to care for children, lowering pension and social security dollars, and even those who remain in the workforce, on average earn 80 cents to every \$1 a man makes<sup>2</sup>. Retirement savings is a struggle for everyone, but for women the odds are stacked against them. Even more troubling is that many women are "in-the-dark" about their financial resources and liabilities. Every couple manages their financial house differently, some spouses take more ownership than others, and it is like any household chore — divide and conquer in order to keep up with life. However, this doesn't excuse ignorance of financial matters. More often than I would like to admit I speak to women who have recently lost their spouse and are not only grieving, but are completely blind to their financial assets, liabilities and general income needs to run the household.

The second statistic regarding divorce has a similar cause. The average duration of a marriage that ends in divorce is 8 years—for many marriages eight years in, this means a child or two or more children, have entered the family and often the wife in a traditional marriage, takes time off to focus on the children. Time out of the workforce and sleep deprivation as a new parent often strain one's ability to focus on much else, which leads many women to defer financial management of the household, to their husbands. This leaves the wife again in the dark about financial matters and in the event of divorce, which is now hovering around **50%**, women often get the short end of the bargaining stick because they are simply without knowledge of their financial situation<sup>2</sup>.

The good news is, the same solution works for both scenarios. Fortunately, like with most things in life, proper planning can help to prepare women financially for their spouse's end of life or end of marriage. I have found that as men age, many want their spouses to get more involved with the finances in order to make sure everything is in order if something were to happen to them—but many women have no interest. Whether or not you or your spouse initiate the conversation, it is necessary to put together a financial plan that takes into consideration joint assets and liabilities and properly plans out retirement income needs for both you and your spouse's lifetimes. It is also important to have an independent third party that you both trust, become fully aware of your financial balance sheet and plan to help facilitate the plan and make the most of your resources, while you are together or apart.

Find a planner you trust, perhaps an independent advisor who is a fiduciary and a Certified Financial Planner, who will customize the plan for you and be sure to account for the unknown's life will throw your way. Don't be a statistic...take a few hours to create a plan and check in one time a year to remain informed and up to date on your plan. This isn't about being "interested", this is about being engaged and taking control of your future.

Be informed. Stay informed.

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1. U.S. Census Bureau
2. Institute of Divorce Financial Analysts