

We Are Different – Women and Men

This Saturday, Tasia and I are hosting an event here in Pasadena for a group of women. It is in appreciation for what they mean to our practice in financial planning. We sat down at the beginning of this year and asked which relationships were the most meaningful to us and a slight majority of these relationships were with women, who are either clients or resources we call on to help our clients.

Over time we have gathered and paid some special attention to the ways in which money issues impact women differently than men. We have a growing file of articles and presentations that speak to the differences and it will probably come as no surprise to you that men and women differ (in general) in how they view and think about money issues.

Close to Home

My wife, Susan, is a treasure in my life. Not just because we have learned how to build a better life together, but also because she finds things that help me to be better as a person, as a Christian and as an advisor to others. (Many know that I can use all the help I can get! 😊) “Women and Money” appeared in the September issue of RealSimple.com and she recommended that I read the article. She felt it reflected some truth about women’s feelings and frustrations around money.

True to form, Susan was on target. The author, Geraldine Sealy, does a nice job of drawing some good conclusions from the studies she sourced, the professionals in financial planning she interviewed and some of her own discussions with women on this subject. The four “barriers” she brings up are worthwhile reading, however I’d like to leverage those a bit and describe some practical (positive) steps that women might consider based on these barriers. (If you are curious about the barriers just call or email me and we’ll go over them.)

Small and Big – Both Make a Difference

Women are undisputed champions of stretching a dollar. Guys may go ten rounds with a car salesman, then his manager and then the sales manager, still women rule this area of money matters with 76% clipping coupons regularly according to a survey by Citi Economic Pulse quoted in the article.

The next frontier for women seems to be becoming just as comfortable taking on the bigger picture financial issues. The author admitted that

advice from a colleague to get started in her company's 401(k) program simply did not register with her and that it took about a decade before she kept her word to that co-worker to enroll in the retirement plan. The small daily decisions that empower women need to be complemented with equal interest in and competence with larger, longer range personal financial issues.

Build Confidence Slowly and Consistently

When it comes to financial jargon, it is like any industry, it takes time and exposure to learn the terminology. Susan is a nurse in a cardiovascular operating unit. I'm still, after 6 years, asking her questions about terms and just let certain ones go by when she is sharing what she encounters at work.

No one is just supposed to just know this stuff. Even professionals in the field devote hours a week to conference calls, articles, white papers and discussions with other professionals. While it can be intricate and complex there are key principles and cautions that can be easily explained. Find a competent source that can help you step by step to understand the principles and you will feel your confidence grow over time. Also, take some small steps in saving and investing. Nothing works quite as well as getting your feet wet!

Really, You Can Do This

Susan and I were just in Scotland for three weeks taking in the sights and people. When you do this, you can't avoid the vibrant history of the country, for most of which a woman's fortunes in life were strongly tied to being able to "marry well". We now live in a different age where women don't have to wait for someone else to solve life's money issues.

Women are just as capable in today's world of creating financial success as their male counterparts. Is the world devoid of gender bias? I'm idealistic, but not naïve. Despite this, financial success is just as much within a woman's reach today as it is a man's, even if not all the opportunities are completely equal as yet.

Translate Goals into Dollars

Women, in general, tend to keep score differently than men. I recall one man sharing with me that life became a little freer for him when his investments reached a specific number he knew meant he would never have to work again. He still worked, but attaining the number relieved a certain pressure or stress for him.

To most women, a number on a statement carries less meaning. They want to know if you can assure them that they:

- "Can afford to buy a new home"
- "Pay for my children's or grandchildren's college"
- "Travel as they would like to in retirement"

To be more empowered, women need to be clear on the outcomes/goals that they want, the ones that are emotionally important to them. Then they need to be comfortable looking into the math needed to achieve those outcomes.....and to adjust possible outcomes as resource realities become known.

Bottom Line

Many of the barriers we perceive in life can turn out to be opportunities when we feel and become empowered to overcome them. It is a pleasure for us to help women understand how to do this and how to make money work more effectively to attain their desired outcomes. There is just something very special when someone realizes that yes, they can do this!

Your Feedback

I would love feedback on this newsletter. Future issues may include a host of good ideas, insights, specific steps to take financially, life insights and of course "Wit and Wisdom". Most importantly, I'd like it to be of value to you and to encourage an exchange of great ideas and insights. Please send your feedback to:

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