

Women and money: understanding and inspiring financial independence

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Speakers



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Agenda

- 01 Wellbeing and money
- 02 Where we've been - history of women and money
- 03 What does the data tell us?
What should we do with that information?
- 04 Actionable steps: plan, invest, connect
- 05 The path forward

Wellbeing and money

01

What is wellbeing?



The state of our health and happiness across multiple dimensions.

FOCUS ON FINANCIAL WELLNESS

Effective money habits.

Living within your means.

Ability to plan for the future.

Financial stability to freedom.

Reduced financial stress.

Many factors of financial wellness

SDoH are the environmental conditions that have a major impact on individual wellbeing and quality of life.

Economic Stability Goal: Help people earn steady incomes that allow them to meet their health needs.

Social determinants of health (SDoH) play a significant role



The impact of financial stress

Health impacts can include:

- Headache
- Fatigue
- Change in sleep habits
- Elevated blood pressure
- Muscle tension
- Constant worrying
- New substance use

83%

indicate that inflation was a source of stress, **69%** state the economy and **66%** state money as sources of stress.

27%

report being so stressed they cannot function on most days.

76%

experienced health impacts due to stress.

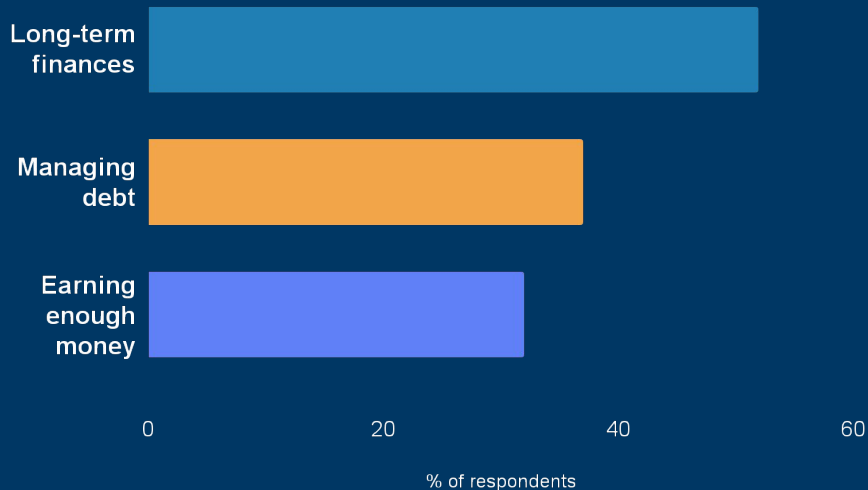
Source: American Psychological Association, Stress in America 2022

Wellbeing impact on women

34%

of women say their financial situation keeps them up at night at least once a month

What's keeping them up at night?



Source: Fidelity Investments 2021 Women and Investing Study

Timeline & cultural reality

Why are we having this conversation today?

In a male-dominated industry, there is a need for safe spaces and opportunities for women to talk about money and their finances—to ask their questions, feel heard, and find the support they need.



The reality of our financial system:

66% of men invest, vs. 48% of women.¹

88% of mutual funds are managed by men.²

76% of Certified Financial Planners are men.³

67% of women globally feel that their advisor misunderstands their goals or cannot empathize with their lifestyle.⁴

Women identified honesty, knowledge, and transparency as the top values sought in advisors and financial institutions in a 2018 PIMCO study.

Sources:

¹ Nerdwallet, 2021: Less Than Half of Women in the US Invest in the Stock Market

² Morningstar, 2023: The Percentage of Female Fund Managers Is Almost Exactly Where It Was 20 Years Ago

³ CFP Demographics, March 2023

⁴ Center For Talent Innovation, "Harnessing the Power of the Purse: Female Investors and Global Opportunities for Growth"

A timeline of women's fight for financial rights in America



1700s

1800s

1900s

2000s

1769: Women lose autonomy in marriage. Colonies adopted the English law that upon marriage, a woman becomes property of her husband including any property or inheritance a woman had.

1839: Mississippi is the first state to allow women to own property in their own names, keep their own income, and engage in business.

1845: Women gain the right to file patents in New York.

1920: Women granted the right to vote via the 19th Amendment.

1963: Equal Pay Act passes.

1972: Katharine Graham becomes first female CEO of a Fortune 500 Company.

1974: Equal Credit Opportunity Act passes—banks can no longer require single/widowed/divorced women to have a man cosign their credit application.

1978: Pregnancy Discrimination Act passes, making it illegal to fire women from their jobs for becoming pregnant.

2010: Women make up 60% of the American Workforce.

2014: “Fight for 15” movement sweeps the country to raise the minimum-wage. Nearly 60% of minimum wage workers are women. The federal minimum wage is still \$7.25.

2021: Trina Spear and Heather Hasson become first female co-founders and co-CEOs to take a company public.

Socialization of gender

Addressing gender norms to increase financial inclusion and improve outcomes for women.



Silver lining...

Things are trending up (even if it's not always as quickly as we'd like).



Record Number of Women in Congress

28% of all members of 118th Congress are women. Highest in history.¹



67% of women investing outside of retirement.³

Compared to just 44% in 2018.³



Record Number of Fortune 500 CEOs are Women

53 (over 10%) are women.²



By 2023, women are expected to control much of the \$30T that Baby Boomers possess.⁴



FIGS IPO is the first by two female co-founders

Heather Hasson and Trina Spear make history in 2021.



Women investors outperformed men, on average, by 0.4%.

Analysis of 5M+ Fidelity customers.³

Sources:

¹Pew Research, 2023

²Forbes, 2023

³Fidelity Investments, Women & Investing, 2023

⁴McKinsey & Company, 2020

What does the data tell us?

What should we do with that information?

03

Data suggests key differences

The differences that directly impact wealth accumulation and financial wellbeing for women have been well documented in recent decades.



Longevity

Women live seven years longer than men, on average.¹

Given longer life expectancy, women need to consider longevity risk in their financial planning.



Caregiving

Women are **3X** more likely to drop out of the labor force as result of becoming a caregiver.²

Not just forgone wages, but delayed retirement planning (company match), social security, etc.



Pay Gap

Leaving the labor force can cost a woman over \$300,000 in her lifetime.³

Women earn \$0.83 to every \$1 paid to men.⁴

“Second Shift” - unpaid labor worth roughly \$1.5T at minimum wage.⁵



Confidence

While confident in completing everyday financial tasks, women are less confident about longer-term financial concerns, particularly in areas around investing.⁶

Sources:

¹ Harvard Medical School, 2020, Why Men Often Die Earlier Than Women

² AARP, 2019 Economic Impact of Supporting Working Family Caregivers

³ MetLife Study of Caregiving Costs to Working Caregivers

⁴ Pew Research, 2023, Gender Pay Gap Facts

⁵ New York Times, 2022, Women's Unpaid Labor Opinion

⁶ Bank of America, 2022, Women Money Confidence

Positive outcomes from our differences

Although gender differences related to financial wellbeing can negatively impact women, our observable investing behavior can produce positive outcomes.

New analysis of over 5 million Fidelity customers over the last 10 years (Jan 2011 - Dec 2020) finds that, on average, **women outperformed their male counterparts by 40 basis points or 0.4%** in self-directed retail accounts.



Women are more likely to seek out investment advice than men are.¹

- Comprehensive planning
- Supported decision making
- Expert guidance



Women are more risk-averse than men.¹

Less volatile and more resilient portfolios.



Women change investments less frequently than men and tend to have a more disciplined approach.²

Lower turnover means more stability, and higher probability for long-term success.

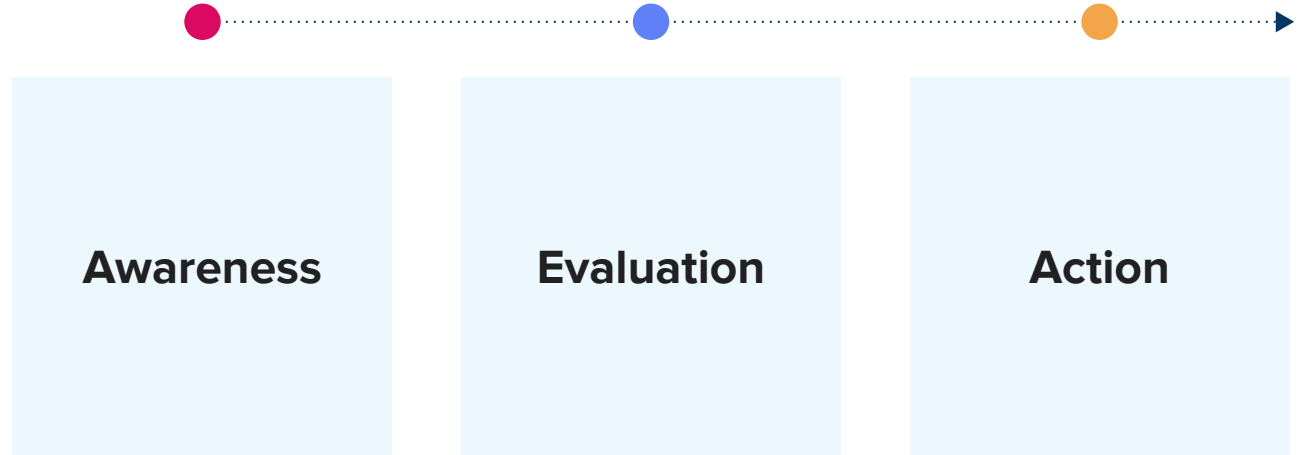
**Actionable steps:
plan, invest,
connect**

04

Our theory of financial wellness

Financial Wellness is a state of having a healthy relationship with money.

Becoming **financially well** is an ongoing process.



Awareness

Evaluation

Action

Three steps to greater financial confidence

As easy as 1, 2, 3...

Plan

Invest

Connect

Three steps to greater financial confidence

As easy as 1, 2, 3...



Plan

Invest

Connect

Plan: be in the driver's seat!

While women and men have nearly equal influence on day-to-day financial decisions, such as paying bills and determining the household budget, **less than half of women** feel they have influence when it comes to decisions on investments.¹

When asked about financial regrets¹:

44% of women pointed to not saving or investing sooner.

26% say they would have invested more money.

23% would have educated themselves around money.

21% would not have taken on as much credit card debt.

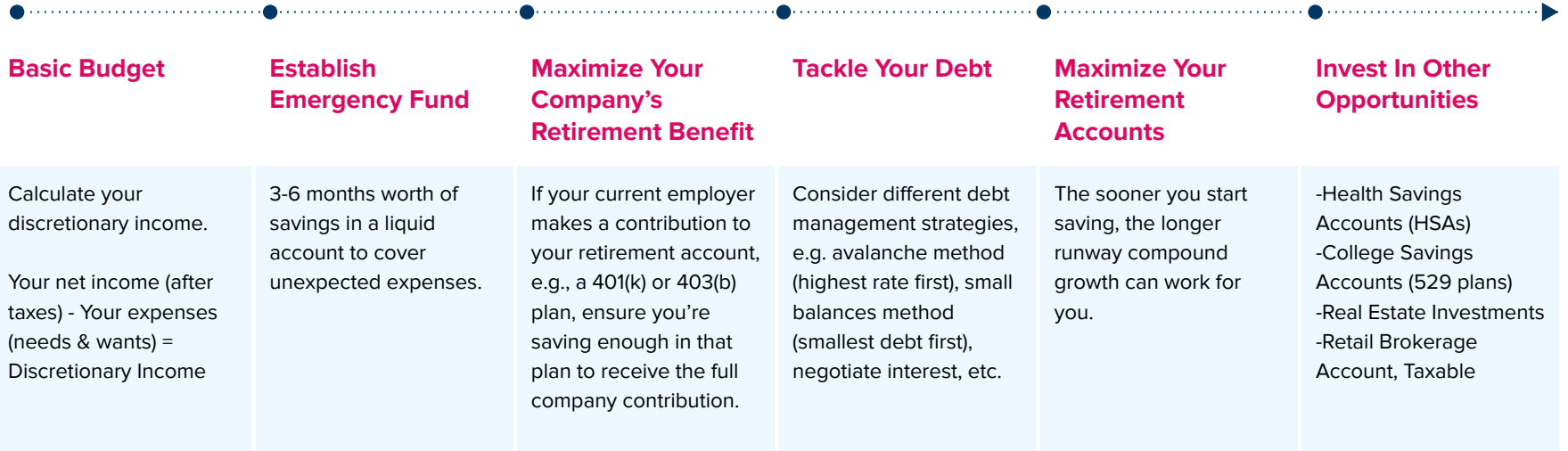
19% would have chosen a career with higher pay.

18% would have lived within their means.



Plan: dollar priorities

Before you invest, establish your financial foundation, and ensure your “financial house” is in order.



Working with professionals to plan

Consider assembling a team



Financial Advisor/Planner

- For holistic financial life planning.
- Look for fee-only advisors with CFP® designation.



Accountant/Tax Planner

- For tax prep and tax advising.
- Look for CPA designation.
- Especially important during transitions and special income years.



Insurance Agent

- To help you find competitive policies for life, disability, auto/home, long-term care, etc.
- Shop around and be aware of predatory selling.



Estate Planning Attorney

- If you have access to an Employee Assistance Program (EAP) or Legal Benefits, you can start with them and get referred to an in-network attorney.
- For complex situations (i.e. lots of family/assets/property), seek the help of a local estate planning attorney.

Three steps to greater financial confidence

As easy as 1, 2, 3...



Plan

Invest



Connect

Why invest?

Saving money is important, but that's only part of the story.

Saving is setting aside part of your income for a future date.

Investing is taking that savings and making your money work for you by putting it in financial instruments or products like stocks, bonds, business endeavors, or real estate.

Investments generate income for you – you may earn dividends or interest, or your investment could increase in value over time, generating a profit!

1

Build your wealth

2

Attain your goals

3

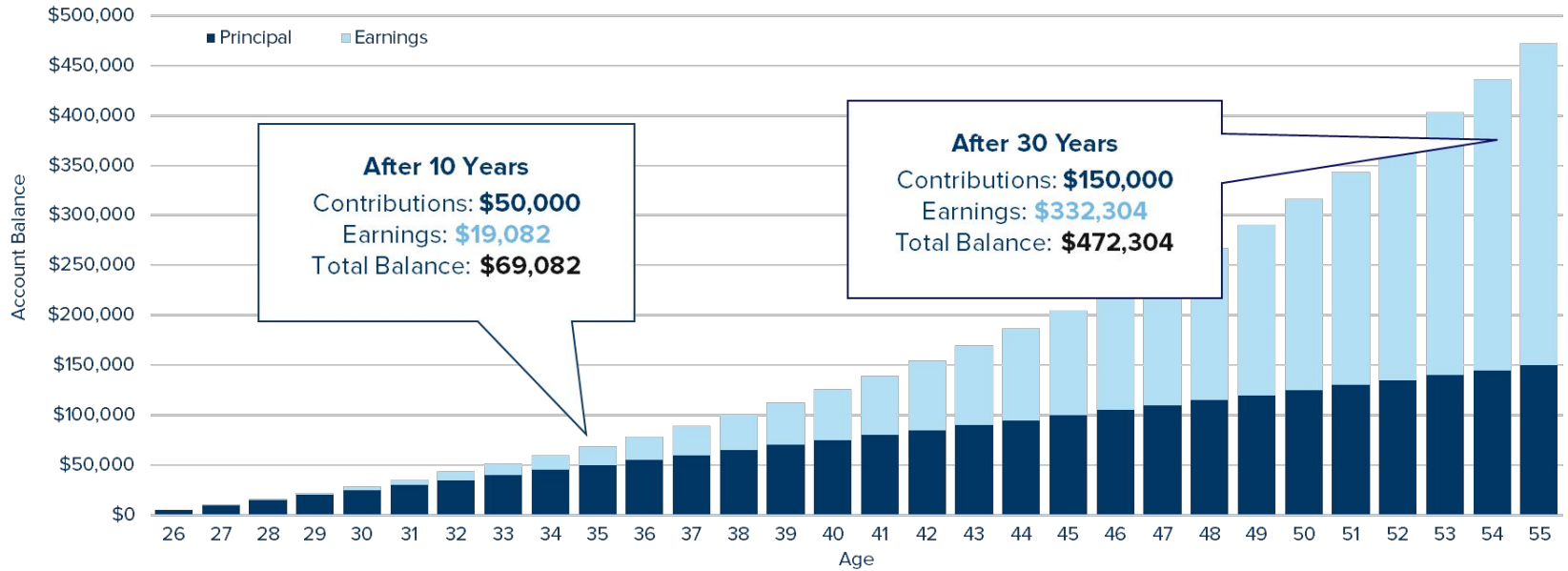
Cultivate financial security

4

Enjoy financial independence

Compound growth over 30 years

Assuming **\$5,000** in annual contributions, **7%** annualized return



What is your financial goal?

Setting financial goal dictates your time horizon, which dictates your appetite for risk and expected return on your investment strategy.

< 3 YEARS

Short Term

- Emergency Fund
- Travel
- Wedding
- Minor repairs or home improvements
- Credit card debt payments

3 - 10 YEARS

Mid Term

- Down payment for home
- Tuition
- Buying a car
- Paying off debt

10+ YEARS

Long Term

- Retirement
- Starting a business
- Paying off mortgage

Invest: consider time horizons

Your financial goals should influence the time horizons of your investments.

Emergency Fund (Short Term)

- 3 – 6 months Expenses
- Medical Bill



Taxable (Mid - Long Term)

- Down payment on a house
- New car
- Starting a business



Tax Advantaged (Mid-Long Term)

- Retirement (401(k))
- College-Savings Account (529 plan)
- Health Savings Account (HSA)



Invest: supporting multiple goals at once



Camille is 34 years old.

She is a Project Manager at an IT company.

She and her partner recently paid off their student loans.

They just welcomed their first child.

	Emergency Fund	College Tuition	Retirement
Time Horizon	Short Term	Mid Term	Long Term
Risk Tolerance	Low	Medium	High
Goals	<ul style="list-style-type: none"> • Liquidity • Capital Preservation • Safety 	<ul style="list-style-type: none"> • Growth • Capital Preservation • Liquidity 	<ul style="list-style-type: none"> • Growth • Capital Appreciation
Investment Strategy	Conservative	Moderate	Aggressive

Invest: next steps

Step 1

Review your financial goals

Step 2

Take inventory of all the investment vehicles you're using and ensure you're optimized for success

Step 3

Leverage financial planners to design a comprehensive plan

Step 4

Invest in yourself first - automate your investments.

Be flexible to adjustments

Adjust as needed

Control what you can control

Things you can't control:

- Market movement
- The economy
- The political environment
- Tax laws
- The list goes on...



Save More



Spend Less



Work More/Longer

Three steps to greater financial confidence

As easy as 1, 2, 3...

Plan

Invest

Connect

Connect: power of the pact

1

Women who support women are more successful.¹

Women who have an inner circle of close female contacts are more likely to land executive positions with greater authority and higher pay.

2

Surround yourself with female financial role models.

Normalize talking about money, investing, asking for equal pay, and building wealth.

3

Leverage Technology

Explore technology that can provide simple, effective, informative, and engaging ways to manage your financial life.

4

Find The Support That Fits YOU

Remember - this is **your** money. You earned it. Feel confident in your right to work with professionals who make you feel seen and part of the process.

Connect

Start with your immediate sphere of influence

You, Your Family, and Friends

Investigate your own past & present relationship with money.

Initiate conversations about money.

Ask your community about their trusted financial professional partners.

Your Employer

Create/revisit your career plan.

Negotiate a bonus, raise, or promotion.

Review your employee benefits and ensure you're capitalizing on all that's available.

Your Influence

Take stock of the power and influence you have in accelerating the trajectory of gender equality.

Who do you follow?

Where do you shop?

Who do you vote for?

What do you invest in?

Your Legacy

Consider how the choices you make today and over the course of your lifetime will impact future generations.

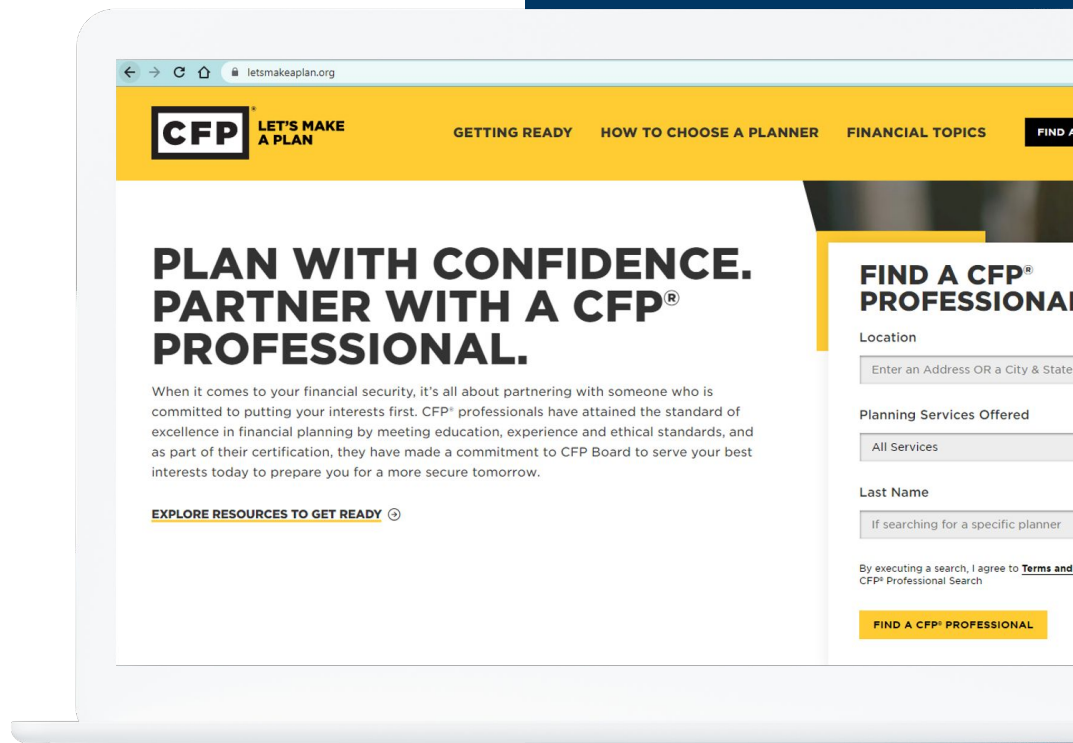
Evaluate how your investments of time, energy, and financial capital improve your wellbeing.

Consider working with financial professionals

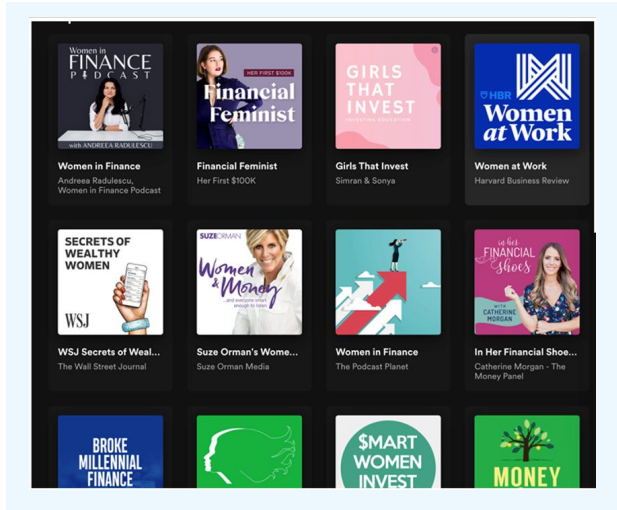
You don't need to do this alone!

Explore getting help from a fee-only Certified Financial Planner.

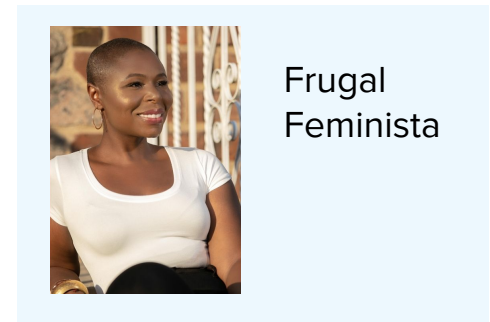
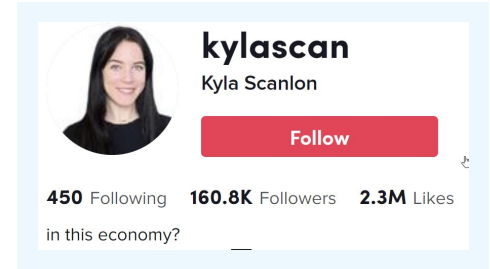
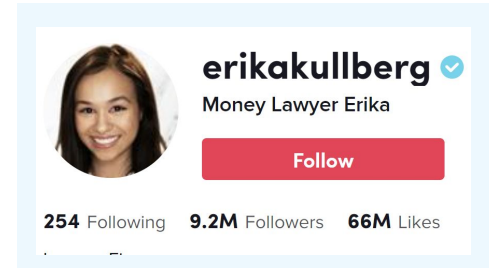
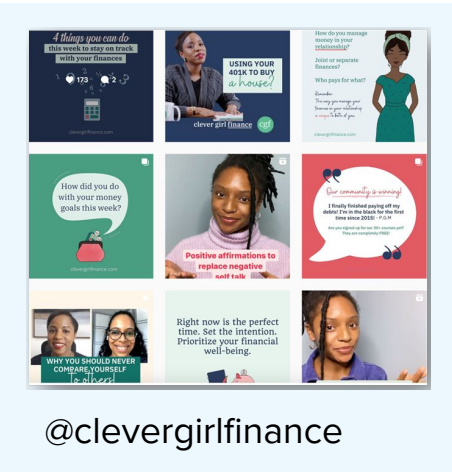
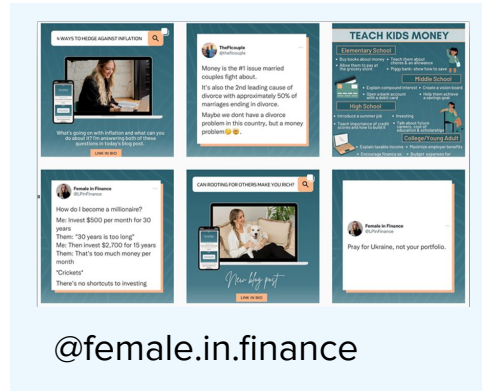
- Go to www.letsmakeaplan.org to search for CFPs in your area.
- You can filter by specializations (i.e. tax planning/equity compensation).



Engage with free resources and communities!



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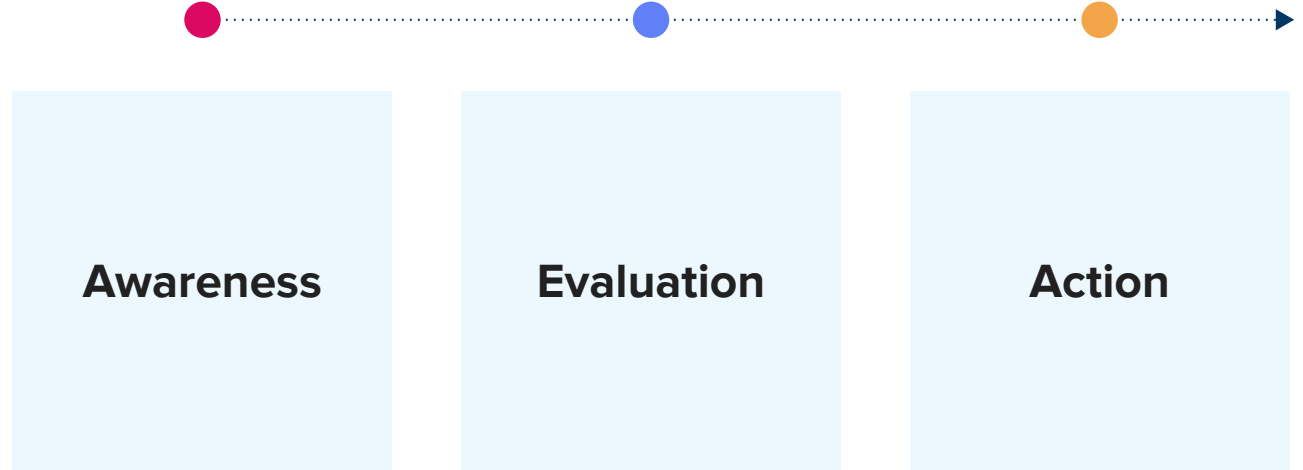


The path forward

Our theory of financial wellness

Financial Wellness is a state of having a healthy relationship with money.

Becoming **financially well** is an ongoing process.



The path forward

Wherever you are on your path to success,
keep these four nuggets in mind.



The Landscape is
Changing - for the
better!



Recognize the key
differences fueling the
wealth gap & create a
plan to combat.



Once your financial
“house” is in good
order, start investing,
early and often.



Be bold.
Connect.
Get curious.
Stay involved.



“Define success in your own terms, achieve it by your own rules, and build a life you’re proud to live.”

- Anne Sweeney

Q&A

Thank you

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