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## Money Matters | Women just don't get it

By SANDI WEAVER

The topic assigned for today was women's issues. Since I've intensely enjoyed financial planning for 30 years, I felt my perspective may be skewed even though I'm female. So I sent a survey. Twenty women revealed a stunning (to me) "state of the sexes". When asked what women should do better in planning their finances, the overwhelming response was to quit ducking it and be an active participant.

One woman lost her husband at age 49, and emailed a heartfelt message to "learn now while your partner is here and ... wants to help you." She felt that handling finances side-by-side with her husband would have helped her understand why budgeting was important, to "own some of the worry" when times were tight, how to teach their two college boys to handle money better during school, and to avoid the massive anxiety she has faced when dealing with finances since his death.

How do women get in this spot? It's easy. For couples, a division of labor makes life easier. I'll do the wash if you'll do the lawn. I'll cook, if you'll handle the money. Both sides become comfortable in the roles.

Do you see yourself in these other comments?

Some don't get involved because "they perceive themselves to be too stupid – a mistake."

Some women in their 60's "don't know even how to pay the bills. They should start small ... and learn the process."

"Women need to know where all their assets are, and make sure they're jointly titled or not, depending on circumstances. Are they in a second marriage?"

Even "professional women cannot turn finances over to their husbands without keeping close tabs. We think we're too busy with work to pay attention to it."

That's the No. 1 tip for women and money. Based on my 30 years in this field, here's my list along with the survey's other comments, to round out the top 10.

Increase your earning capacity with education and savvy career transitions. Women typically have lower income due to less education, plus they earn less than men for the same positions.

Many women don't like numbers, or are big spenders. Don't manage your cashflow blindly. Use software such as Quicken, or online services like Mint. One woman who wanted to curb spending recently made a deal with herself that she could not get her hair cut until she paid off her credit card. That worked!

Don't give money you need to your adult children unless they've promised to house you in your retirement years. You're responsible for your financial needs. Help by teaching them to be responsible for theirs. One woman said friends agonized over decisions on whether to help a child.

You make 77% of what a man does, so start saving early. Women generally are more concerned about the present: money issues surrounding their children, home, and parents, but fail to be concerned about their retirement.

Save smart. To get the biggest bang for your buck, first save that 3% or 6% of salary to snare your employer's company match in the pension, then contribute to a Roth, then go back and maximize savings into your pension. If you can't qualify to use a Roth, then use a deductible IRA if possible, otherwise save in a non-deductible IRA. If you need to save more, next consider a low-cost annuity if your marginal tax rate is high, or save in a plain vanilla taxable brokerage account.

When investing, don't be too conservative. Two women wrote "I feel that women, through years of practice, are already good at finding bargains and savings on household expenditures. We need more practice on investing and "growing the money." "...women could do a better job of taking calculated risks so that their money could grow sufficiently to provide for their future needs."

Get powers of attorney for financial decisions and for healthcare decisions in case you're incapacitated. Women live long, but those years may be fraught with difficulties.

Long-term care insurance is a needed safety net for most women, unless you're in the low income or upper income strata.

When age 62, research if you can use your work record to start social security and later switch to 50% of your husband's, or a divorced spouse's, work record if it yields a higher benefit. Otherwise, it's usually more beneficial to wait until full retirement age or later, if you expect a normal life span.

I've paraphrased another woman's conclusion. Women often taken time off to care take - whether it's children or parents, to be underemployed, to work part time, to be underpaid compared to males counterparts. All of those decisions we make, which we usually don't regret, can have a huge impact on what's available for retirement whether it's a 401k or social security income.

Life is such a balancing act for women, but if we use a smart approach, we can have it all.

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