



ASPIRIANT

Women Taking Charge

Six steps to feel more financially secure



When it comes to building and preserving wealth, women have unique strengths — and challenges. Research shows that family responsibilities, longer lifespans, our socialization with money, brain chemistry and other individual experiences shape the way we manage and invest money.

Play up your strengths and overcome challenges by following six steps on your financial journey. It starts with a plan, which is your roadmap, and ends with being your own advocate so you can feel empowered and financially secure.

CHARTING A NEW PATH

The financial journey looks different for women.

Consider the fact that men and women often think differently and make decisions differently. Part of the reason for this is socialization — even as young children, girls are typically taught to save money while boys are more often encouraged to create wealth. There's also a biological component to the gender distinction: Male and female brain chemistry and structure relate to separate decision-making tendencies.

Women bring unique strengths to how we approach building and preserving wealth, and we face distinct financial hurdles throughout our lives:

- **Family responsibilities:** Taking time from work to care for a family member creates income gaps. In fact, the cumulative pay gap for women who take time from their career to care for a parent, spouse or child averages around \$1 million.
- **Longer lifespan:** Women in the U.S. typically live roughly five years longer than men, which means greater need for retirement savings and managing longevity risk (the possibility of outliving one's savings).
- **Increased income demands:** As the sole or primary earner in four of 10 U.S. households, women contribute more than ever to the family's financial well-being.
- **Decision-making:** Women now control the majority of household investment decisions. The added responsibility for investing often comes later in life for women who made decisions jointly with a spouse or partner or who deferred to their significant other.



EMPOWERED AND ENGAGED

Every individual brings their own unique set of experiences — positive and negative — to financial decision-making. Many factors impact the way we save and invest, from the way we plan for the future to how we feel about risk. There are also some common gender traits that can shape these factors.

When it comes to risk, for example, women typically benefit from a healthy dose of caution. Overconfidence has been shown to lead to higher trading activity and lower overall returns, which may be at the heart of studies that show female investors outperforming male investors.

The way the female brain is hard-wired, with greater connectivity between the right and left hemispheres, also supports the more holistic and goal-oriented approach to investing that women typically take. We all invest for a reason, whether it's to pay for college, purchase a dream vacation home, or retire on time. Beating the S&P 500 Index is meaningless if it doesn't help you achieve a goal.

Taking a longer-term perspective may be more sensible, but it also requires more thought. That additional time to process information and make good choices is sometimes mistaken for indecision and a lack of confidence among women. Women are informed consumers and have what it takes to be great investors. True benefits come from having a realistic self-assessment, not being overconfident, and avoiding investing FOMO (the dreaded fear of missing out). The key is to structure the decision-making process in a productive way.

“Women may have some common challenges, but each client relationship is unique. When we create a plan with a new client, we get the whole service team together for a deep dive. That’s important for every aspect of the client’s financial life, not just the investment strategies. It’s about what’s important to the client, how we structure meetings with them, how we help them navigate financial decisions. It really frames the whole relationship, so that we add value in ways that matter to them.”

Linda Kitchens, Partner and Director in Wealth Management, Aspiriant

PATTI’S REQUEST: TALK TO ME, NOT DOWN TO ME

The misperception around how and why women invest can be harmful to women’s wealth — especially if it prevents one from getting the kind of guidance that can help reduce stress around financial issues and better plan for the future.

After moving across the country to take a new position, Patti put off finding a new financial advisor for several months. The experience she had with her previous advisor was less than satisfying, leaving her unmotivated. They rarely spoke, in person or on the phone. When they did, the conversation was awkward and jargon-filled, leaving Patti with an uncomfortable feeling that she wasn’t being taken seriously. Even after expressing her feelings about the dynamic and how she wanted to become more engaged in the decision process, nothing changed and the advisor continued to give her the proverbial “pat on the head.”

Patti realized she needed to move on and find a firm that was willing and able to have meaningful conversations about what mattered to her. While she was interviewing new advisory firms, she came to Aspiriant with a simple request: “I just need to feel comfortable that I can ask questions. That you’ll give me good advice while still respecting my ultimate responsibility for making the decision. I may not be an investment expert, but if you explain it to me, I can learn it. Just don’t talk down to me.”

It’s important to feel at ease in expressing your needs and wants with your financial advisor. If they’re not responsive, it may be time to consider a better fit.

A PURPOSE-DRIVEN APPROACH

With demographic and socio-economic changes, women are increasingly taking on the role of financial decision-maker. Whether or not you planned on serving as the family's chief investment officer, being in control of your own destiny is a good thing — for yourself and for your family. Women come to the task of investing naturally, with a history of wearing many hats in the household. That's often associated with a comprehensive and purpose-driven approach to money and a tendency to work with a trusted advisor to fulfill responsibilities and goals.

It's also important to keep in mind that gender is only one lens through which to see the world. Our approach to making financial decisions is shaped by our personal experiences, our current situation and our goals for the future. Women are unique individuals and investors — we can celebrate that uniqueness and build upon strengths.

REBECCA'S INSIGHT: MINE, YOURS, OURS

Sometimes relationship changes can highlight the need to step back and take a hard look at financial priorities and the decision-making framework. That was the case for Rebecca, a smart and independent woman.

When she met her husband, she had already built up a successful career. After marrying and combining their assets, Rebecca left her job and retired early. She had also signed a prenuptial agreement drawn up by her husband's lawyer. Unfortunately, the marriage dissolved. She was able to negotiate a more equitable settlement than originally stated in the agreement, although she would have to adjust to significantly lower spending levels than she had become accustomed to during the marriage.

After her divorce, Rebecca started working with Aspiriant, which led her to gaining two key insights. First was her need to restructure spending habits and create a plan to help her live within her means. Second was the realization that, because she hadn't taken an active part in managing the couple's finances, she had no sense of how money was spent. She is now laser-focused on her finances and taking charge of her future. The takeaway here is that it's important to have the "mine, yours, ours" conversation in any committed relationship, and for both partners to have responsibility for their own money and participate in the decision-making process.

"I've noticed in working with couples that when both partners are actively involved from the very beginning, they both tend to stay involved. That's especially important when we start talking about retirement planning or funding college tuition or dealing with elderly parents. Having both voices at the table helps us accomplish more in navigating challenges across their full financial life."

Talia Pierluissi, Partner and Director in Wealth Management, Aspiriant



SIX ACTION STEPS TO TAKE CHARGE OF YOUR FINANCIAL FUTURE

Having a better understanding of shared and individual strengths empowers women toward more intentional financial decision-making. These six practical steps may help you achieve your goals, while becoming more experienced, confident and financially secure along the way.

1. Build a plan

A critical part of financial decision-making is developing specific, desirable and achievable goals. When you know where you want to go, you can develop a plan to get there. Ideally, that includes all facets of your financial life, from spending priorities and cash-flow management to tax strategies and estate planning. A holistic wealth manager can help you develop the process and get started.

2. Stay on target

With a plan in place, remember to follow your goals, not the daily market report. Market upticks and downturns may dominate headlines, but they shouldn't undermine your plan. Set your investment strategy based on your goals and revisit those goals, along with your investments, on a semi-annual or annual basis.

3. Don't second-guess

Take it from a behavioral economist — accept that everyone will always have uncertainty, no one can ever know it all. Make the best decision you can with the facts at hand, and then move on. Appreciate that the first step is not the whole journey. A trusted wealth management partner should help structure the decision-making process so you avoid falling into the perfectionist trap.

4. Use your network

Women are expert networkers, helping each other with everything from landscaping to physician references. You can use that same powerful network for managing wealth. That doesn't mean you need to lay bare your whole financial life with friends and colleagues. Maybe it starts with floating a question about how someone solved a financial problem. You've already made great choices and investments in your friendships. Don't be afraid to talk about money and lean on them as your financial allies.

5. Be a life-long learner

Warren Buffett says his biggest competitive advantage is his five-hour rule — spending at least that much time each week reading and learning. That doesn't mean you need to chew through Finance 101 textbooks. But spend some time reading a variety of financial information and thinking about your financial life — your goals, your human capital, your investing capital, your values, etc. Gaining a comfort baseline is an important part of being an engaged and informed investor.

6. Choose your team

A wealth manager can help guide a range of financial decisions; not just where to invest, but how to optimize your financial life. Research and interview potential advisors to compare services. Consider writing a list of questions that will help you identify the right fit. Key issues to discuss might include how they manage assets and recommend investments, their fee structure, their approach to financial planning, and how they communicate with clients.



REACHING YOUR FINANCIAL POTENTIAL

Women share many common traits that, coupled with individual experiences, shape our views about money. When it comes to managing wealth, women have the intuition, intellect and experiences to make excellent decisions — and every day we take on some level of risk to achieve a specific reward. Understanding how you approach financial decisions and following a six-step path can lead you to feel more financially secure. The result can be empowering and liberating — enabling you to worry less and enjoy life more.

For information on how we can help you achieve your financial goals, please call Cammie Doder at [415-371-7888](tel:415-371-7888) or email her at cdoder@aspiriant.com.

ABOUT ASPIRIANT

Aspiriant is one of the country's most respected independent wealth management firms, with more than \$12 billion under management. We work extensively with successful women and their families to help them realize the fullest potential of their wealth.

Unlike niche firms, we give clients access to experts in all areas of wealth management, including financial planning, investing, tax strategy, estate planning and more. Our specialists collaborate to orchestrate every aspect of our clients' complex financial lives.

Learn more about the Aspiriant client experience at www.aspiriant.com.



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FOOTNOTES

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