

# SUCCESSFUL WOMEN

TIMELY INVESTMENT AND FINANCIAL PLANNING TOPICS



## A game changer for economic growth

**As more women take control of their wealth and careers, the U.S. economy could see substantial growth.**

Few would argue that women, who now make up 47% of the U.S. labor pool, are drastically changing the face of the American workforce. What's often overlooked, however, is their collective role as an economic powerhouse. Women contribute nearly \$1 trillion to the U.S. economy, according to 2015 data from the U.S. Census Bureau. And today more than ever, a growing number of women are involved in making significant financial decisions for their families.

With today's she-economy in full force, women may just be the key to greater economic growth. Today, a significant number of women in the U.S. are now the primary breadwinner or co-breadwinner in their family. These women, who manage multiple priorities daily, are driving economic growth, making big financial decisions and reshaping the American economy.

### CHALLENGING SOCIETAL NORMS

Yet, women may still face professional obstacles. Overall, they continue to lag behind male counterparts in terms of compensation and opportunities. And climbing the corporate ladder may be more difficult as well. In fact, 51% of mothers with children under age 18 say that being a working mother makes it harder for them to advance in their career, compared to only 16% of men with children under age 18, according to a Pew Research Center study.

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## A game changer for economic growth (cont.)

Many argue that the U.S. falls short when it comes to paid parental leave and subsidized childcare policies, both of which could contribute to increased employment for women and a subsequent boost to the economy. Only a handful of states offer paid family leave programs. And many companies don't offer their employees – men or women – much-needed flexibility for managing their dual roles as working parents.

Successful women may also deal with societal expectations on earning disparities between men and women. Some studies indicate that both men and women can be uncomfortable when the female partner earns more. And some financial calculators assume similar biases when calculating how to maximize Social Security benefits for example. Often, the assumption is that a married couple consists of a working male and a stay-at-home or lower-earning female. Successful women who place a priority on financial planning and partner with a knowledgeable financial planner set themselves up to make better, more informed decisions that benefit their entire household.

Empowering women can be an economic game changer. If women were to participate in the labor force to the same extent as men, national income could increase by 5% in the U.S.

### POLICIES THAT SUPPORT WOMEN

There has clearly been significant progress for women. And having women in leadership positions – in business and public office – is a powerful signal for everyone, but there is still ground to gain. That's why many experts lobby for policies that would support the female labor force, from national parental leave to tax laws that encourage female participation in the workforce and more.

Others point to the need for increasing the economic security of older women, since women generally live longer than men. At the same time, caregiving – for children and older relatives – tends to fall disproportionately on women. And many companies don't offer enough paid sick leave or flexibility to their employees, which can further compound the problem.

Other areas may need to be addressed as well, including the growing costs of high-quality childcare, which is a necessity for working parents of any gender with young children, and greater access to higher education. As more of these issues are addressed, the opportunities for women should skyrocket, and it's likely that the economy would continue to respond favorably.

### THE ASSIGNMENT GAP

All too often, women who have successfully worked their way into prestigious roles still face stereotypes. Women may be denied the more challenging, high-profile work or may be assigned a disproportionate amount of administrative and operational duties. For women to excel, their managers need to commit to a fair distribution of work, regardless of gender.

#### High-profile work

- The opportunity to lead a new team
- Traveling to an industry conference
- Taking the lead on a project for a major client
- Introducing new ideas and making recommendations

### MANAGING WEALTH

Despite the challenges, the tide appears to be turning. Bread-winning women are not only in control of their careers, but they manage the wealth that comes with their hard work and success. As that wealth continues to grow, more women may appreciate the guidance of a financial advisor to help their families navigate numerous financial decisions, from minimizing taxes to planning for retirement.

Today, successful women continue to emerge as a key to greater economic growth. There is still plenty of room for improvement, but as societal attitudes shift and policies related to equitable pay are enforced, there's no telling how great an impact women will eventually have on our country's economic potential. ■

### NEXT STEPS

- Talk to your family about maximizing your workplace benefits, including leave policies and flextime.
- Support public policies that benefit all caregivers and working parents.
- Meet with your financial advisor to discuss short- and long-term financial goals.



## The professional parent

**Parents face countless decisions related to families and career.**

As a soon-to-be parent or a sleep-deprived new one, there's plenty on your mind. From caring for your baby to taking on additional financial responsibilities, it's easy to feel overwhelmed. How will you pay for college and save for your own retirement at the same time? Should you plan for extended parental leave or return to work as soon as possible to foster your career?

While the answers to these questions are undeniably complex, one thing is certain: More women are successfully managing both parenting and a career. According to the Center for American Progress, women now make up nearly half of all workers in the United States, and 4 in 10 households have a mother who works outside the home.

And while many working parents still experience feelings of guilt, studies show that this may be unfounded. Sons of working mothers tend to contribute more to family and childcare, while daughters of working mothers earn more money and excel on the job.

### FORCED TO CHOOSE

Still, parents who stay home or work part time to raise children often pay a price in terms of decreased income, which in turn could affect their ability to save for college and retirement. While more time at home often improves the quality of life for parent and child, there is plenty of evidence to indicate that a longer leave decreases the likelihood of a promotion or pay raise once the leave is over. For many parents, the choice is daunting.

### PREPARING FINANCIALLY

Today's challenges make it clear that planning for parenthood requires special financial care. Fortunately, your advisor can develop a plan to help you reach your goals. In the meantime, here are a few things you can do to get your finances in order:

- **Pay down debt and save.** A nest egg that covers three to six months' worth of living expenses is a good rule of thumb.
- **Create a baby budget.** This might include everything from a larger home and a safer car to the costs of baby supplies and childcare.
- **Consider your needs and benefits.** Take a close look at your paid and unpaid maternity and paternity leave options, and review and update your life insurance policies.
- **Explore childcare options.** Start the process early to determine what you're comfortable with and what you can afford.
- **Plan for your family's financial future.** Sure, it's important to save for your child's college education, but don't forsake your own retirement in the meantime.

### NEXT STEPS

- Talk with your advisor about updating your life insurance, will and other beneficiary accounts.
- Learn more about your maternity and paternity benefits.
- Consider a trust for managing and distributing your assets.



## You, Inc.

### It's your job to invest in and nurture your career.

When you think about investing, the first thing that probably comes to mind is your financial plan. While that's understandable, don't overlook the benefits of investing in your career.

#### SET GOALS

Much like financial planning, investing in your career without established goals can lead you off track. Define your goals and then reassess them annually.

#### CREATE A PLAN

Develop a plan of action for problems or opportunities that come your way, and when they occur, approach your boss with at least two options for addressing them.

#### CHECK YOUR BALANCE SHEET

Tally your professional assets and liabilities. For instance, you may be great at paying attention to detail but less able to build consensus. Recognize your strengths, practice to overcome your weaknesses, and partner with those who have strengths you lack.

#### INVEST

Invest time and money into gaining knowledge that could elevate you from experienced worker to trusted consultant. This could include pursuing formal certifications, training and degrees to informal learning via books, podcasts and mentors.

#### KNOW YOUR WORTH

Be prepared to market yourself throughout your career. Create an online and offline presence that helps people identify you as a strategic thinker and thought leader.

#### TAKE RISKS

Similar to financial investing, you may need to take strategic risks. Voice your opinion, ask questions and take action to develop your reputation as a critical thinker who is willing to step outside of your comfort zone to seek solutions.

#### DIVERSIFY

Expand your horizons by partnering with people who complement your strengths and can help you perfect them. Find and work with a mentor – perhaps someone outside your company or industry – and then do the same for others.

#### ALLOCATE ASSETS

Build teams that provide people opportunities to excel and shine. By doing so, you'll develop a reputation as an ambassador and strong leader.

#### OUTPERFORM

At some point, you may need to make a case for a promotion. Be prepared to explain what you're seeking, how it will benefit the company and why you deserve the extra responsibility and money.

#### NEXT STEPS

- Create a step-by-step plan to achieve your career goals.
- Look for ways to play to your strengths.
- Talk with your financial advisor about managing increased wealth and work benefits.