



Financial Empowerment for Women

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Women and Finance



- Women have moved from dependence to independence
 - Women now make up nearly half of the U. S. Workforce. *Source: Bureau of Labor Statistics, 2015*
 - From 2007-2016 Women owned businesses increased by 45%. *Source: The 2016 State of Women Owned Businesses Report*
 - Female Income growth is up 75% from 1970-2015. *Source: US Census Bureau, Historical Income Tables, 2015*

And yet...

All too often the financial deck is still stacked against women due to unique challenges such as longer life spans, filling the role as full-time caregivers for children and parents, and the gender pay gap.



Women and Finance

- 70% of women say the financial services industry defaults to men's salaries, career paths, preferences and lifespans.

Source: E&Y, Women and Wealth: The case for a Customized Approach, 2017

- Nearly half of women over 45 years of age are unmarried.

Source: Women and Financial Wellness Beyond the Bottom Line, 2018

- The average single woman has 3 times less wealth than the average man.

Source: AARP, 2019



Are women ready for their financial future?

- One-quarter of all women say they have not planned at all for their financial future. *Source: Women and Financial Wellness: Beyond the Bottom Line, 2018*
- Yet 95% of women will be their family's primary financial decision maker at some point in their lives. *Source: Family Wealth Advisors Council, 2015*
- This includes women who may be the sole decision maker due to widowhood. *Source: Family Wealth Advisors Council, 2015*



Ready for Retirement?

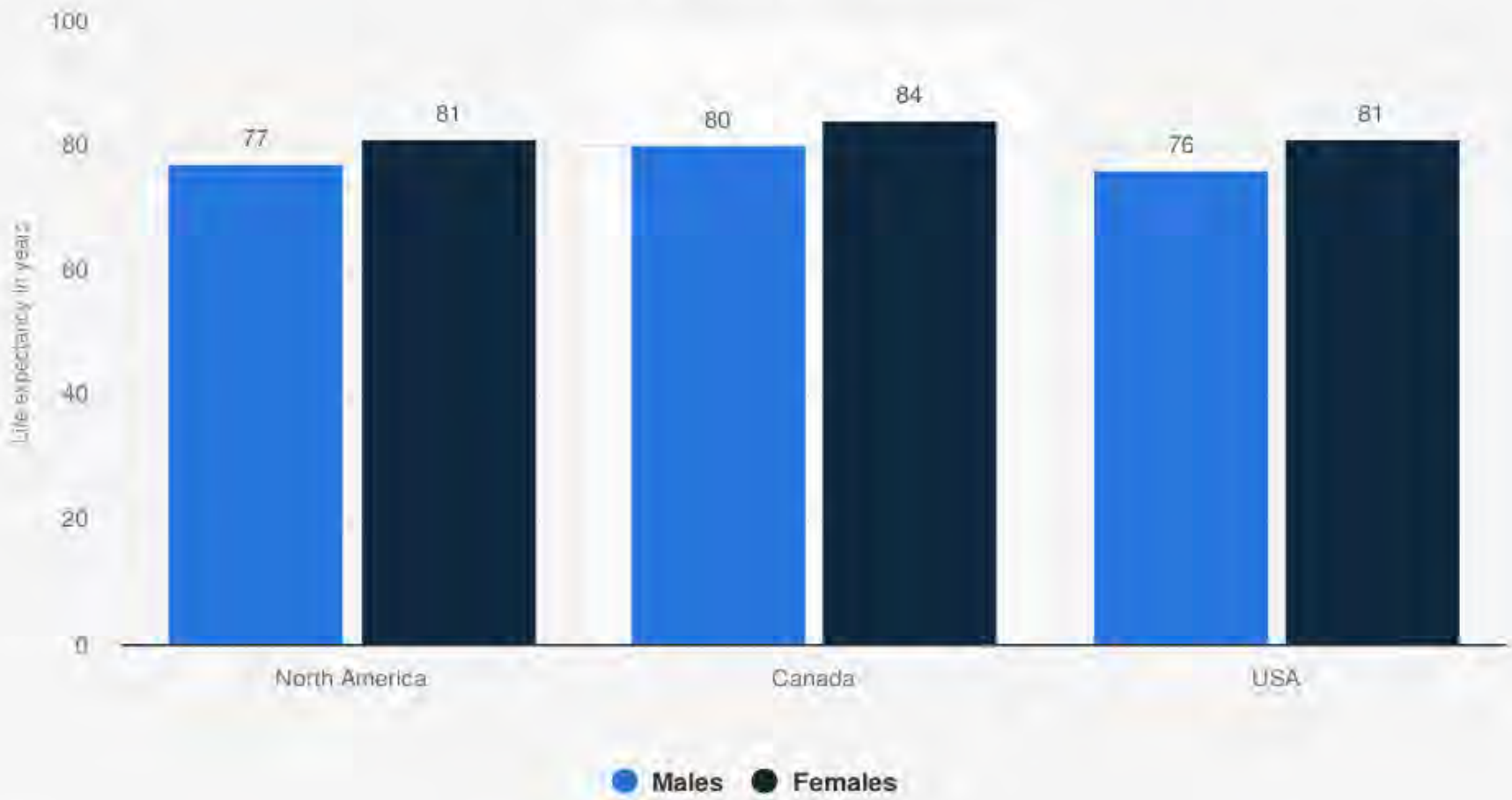
- On average, women want to retire at age 66.
- 53% of women plan to retire after age 65 or not at all.
- 64% of women have no backup plan if retiring sooner than planned.
- Only 10% of women are very confident in their ability to fully retire with a comfortable lifestyle.



*17th Annual Transamerica
of Workers, 2017
*Trading economics.com



Average life expectancy* in North America for those born in 2018, by gender and region (in years)



Source: Population Reference Bureau @ Statista 2018

Additional Information: North America



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Making Finances Last

Longevity is THE critical issue for women, probably the biggest reason why women's needs are so different than men's.

- Annamaria Lusardi, PhD Academic Director, Global Financial Literacy Excellence Center at George Washington University



Assessment

Common Mistakes

- Not having open conversations about money with loved one
- Not taking an active role in finances
- Getting into debt
- Not having a plan
- Not reviewing your financial status/plan periodically



Retirement Funding Possible Sources

- Social Security
- Pensions
- Investment plans such as 401k and IRAs
- Savings



Take Inventory of What You Have

- Assets
 - Income
 - Debt
 - Savings
-
- Ask Yourself:
Can I meet my monthly expenses?



Budgeting

- Will you be able to enjoy the lifestyle you wanted (i.e. travel or recreational activities)?
- Have you planned for unforeseen expenses due to inflation and medical expenses?
- Have you made arrangements for someone to manage your finances if your health should decline?
- Could you downsize to reduce living expenses?



Saving

- Have you planned for rising health care costs?
- Does someone you trust have copies of your estate planning documents and accounts information?
- Do you have an emergency fund for unexpected financial hardships?
- Do you know all commissions, penalties, taxes and fees for withdrawing or rolling over retirement funds?



Investing

- Who manages your investments and gives you investment advice?
- Does your mix of investments match the level of risk you want at this stage of life?
- Do you understand the risk and benefits of financial products promoted to senior investors, such as reverse mortgages, variable annuities or life settlements?



Investing

- Do you know all commissions, penalties, taxes and fees for withdrawing or rolling over your retirement funds?
- Who will handle your investments if your health starts to decline?
- Have you provided your financial professionals with trusted emergency contacts?



Investing

- No investment is completely safe from market risk. However, the closer you get to your retirement years, there can be the need to take fewer risks with investments.
- Older investors need to take less risk as they have less time left to make up any losses that could be sustained by their portfolios.
- All investors may want to consider not placing all their eggs in one basket and diversify their portfolio to spread out investment risk.



Types of Investments



- **Stocks**
- **Options**
- **Preferred Stock**
- **Annuities**
- **Bonds**
- **Investment Funds –**
Mutual Funds, Close-End Funds and Exchange-Traded Funds (ETFs)



Estate Planning/Prevention

Planning for Your Future

- Long-term care insurance
- Power of attorney for assets
- Power of attorney for health care
- Trust and/or will
- Know your social security benefits



If you believe you and your family need an estate plan, here are some tips:

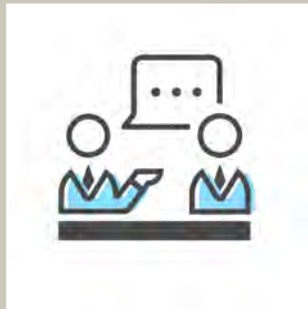
- Include the basics – a will, trust, durable or general power of attorney, and advance health care directive
- Consider who gets what and when and who will make what decisions (financial & health)
- Develop an investment plan and value your assets



Planning Tips

Get Professionals Involved

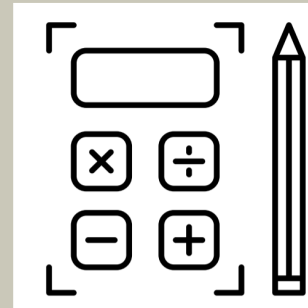
Financial
Professional



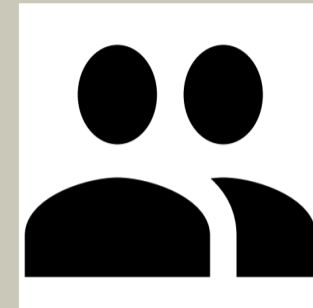
Estate Attorney



CPA



Family member
Representative



When selecting professionals, check qualifications such as:

- ✓ Professional credentials
- ✓ Work experience
- ✓ Educational background
- ✓ Areas of specialty
- ✓ Registration status (investment professionals)



Potential Benefits of Planning Ahead

- Avoiding the cost of probate, legal fees, and other expenses
- Peace of mind
- Easy to follow the wishes
- Develop a healthy relationship with family
- Communicate the wishes and intentions



Beneficiaries

- Retirement accounts, pensions, life insurance and brokerage accounts are passed through beneficiary designations, not a will.
- Designate a beneficiary for your retirement account and advise your beneficiary of your intentions or keep the beneficiary info updated.
- Learn about survivor benefits for traditional pension.





Avoiding Scams

Common Investment Schemes

- Ponzi Schemes
- Private Placements
- Promissory Notes
- Investment Property Schemes
- Affinity Fraud
- Romance Scams



Ponzi Schemes

What are they?

- Ponzi schemes are a type of investment fraud that involve the payment of purported returns to existing investors from funds contributed by new investors.



Private Placement Schemes

- **What are they?**

A “private placement” is an offering of unregistered securities to a small or limited pool of investors. In a private placement, a company sells shares of stock or interest in the company, such as warrants or bonds, in exchange for cash from the investor.



Promissory Note Schemes

What are they?

A promissory note is a form of debt – similar to a loan or an IOU – that a company may issue to raise money. Typically, an investor agrees to loan money to the company for a set period of time. In exchange, the company promises to pay the investor a fixed return on his or her investment, typically principal plus annual interest.



Investment Property Schemes

What are they?

The scams, sometimes pitched as “investment clubs,” involve the purchase of properties at artificially inflated prices, pitched as investment opportunities to naïve real estate investors who are promised improbably high returns and low risks.



Affinity Fraud

What is it?

In affinity fraud, perpetrators rely on a common bond and exploit the trust and friendship that typically exist in the group of individuals with a common bond to support the scheme. Certain ethnic, religious, professional, or age-related groups are targeted.



Romance Scams are on the Rise

- In 2018 the FTC had more than 21,000 reports about romance scams with people losing more than \$143 million (more than any type of fraud reported from data they collect).
- Compare that to 2015, when only 8,500 reports were made with losses of \$33 million.



**FTC Consumer Protection Data Spotlight, 2019*

Romance Scams are on the Rise

- People ages 40-69 reported losing money to romance scams at the highest rates – more than 2X the rate of people in their 20s.
- People over 70 reported the highest individual median losses at \$10,000.

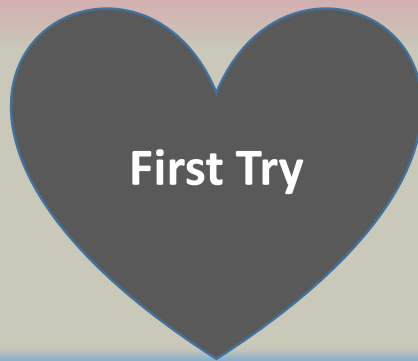


**FTC Consumer Protection Data Spotlight, 2019*



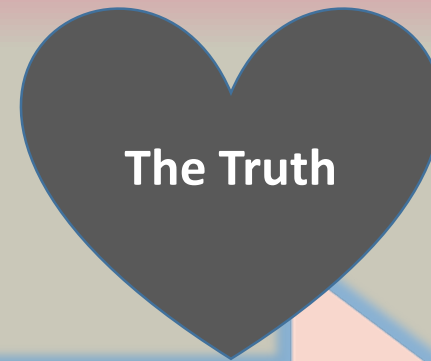
First
Contact

1



First
Try

3



The
Truth

5

2



Gaining
Trust

4



Setting the
Hook



Money
Lost



Please Report It!

- If you believe you or someone you know has been the victim of a romance scam, please report!
- It is estimated that only 1 in 44 cases of financial crime every make it to authorities.

Law Enforcement

- Local jurisdiction
- FBI Field Office (for high dollar losses)
www.fbi.gov/contact-us

Regulators

- Division of Securities
To find your local regulator visit www.nasaa.org/contact-your-regulator/
- Federal Trade Commission
www.ftc.gov/faq/consumer-protection/submit-consumer-complaint-ftc

Other

- Report to a trusted third party such as a family member, attorney, financial advisor, or close friend.