

focus  n[®]

Taking Control
Financial Strategies for Women

PREVIEW



Contents

Getting Your Financial House in Order	4
Setting Financial Goals	4
<i>Smart Habit: Living Within Your Means</i>	4
<i>Smart Habit: Maintaining Good Credit</i>	4
<i>Smart Habit: Building an Emergency Fund</i>	4
Small Amounts Can Add Up Over Time	5
Putting Your Money to Work by Investing	6
Investment Spectrum	6
Fundamental Investment Principles.....	6
Sample Asset Allocation Models.....	7
Mutual Funds	7
Building a Healthy Nest Egg for Retirement	8
Retirement Savings Worksheet	8
Personal Savings and Investments	10
Tax-Deferred Savings Vehicles	10
What’s So Great About Tax Deferral?	10
Social Security: How Much Can You Expect?	11
Social Security Spousal Benefit.....	11
Preparing for High Health-Care Costs	12
Balancing College and Retirement	12
Facing Life’s Challenges with Confidence	13
Divorce	13
Widowhood	14
Addressing Insurance and Estate Issues	15
Medical Insurance	15
Life Insurance	16
How Much Life Insurance Do You Need?	16
What If You Need Long-Term Care?	17
Options for Covering Long-Term Care Costs	17
Estate Planning Self-Analysis Quiz	18
Figuring Out Your Net Cash Flow	19
What to Bring	back cover

This material was written and prepared by Broadridge Advisor Solutions.

Copyright by Broadridge Financial Solutions, Inc. All rights reserved. No part of this publication may be copied or distributed, transmitted, transcribed, stored in a retrieval system, transferred in any form or by any means—electronic, mechanical, magnetic, manual, or otherwise—or disclosed to third parties without the express written permission of Broadridge Advisor Solutions.

The information contained in this workbook is not written or intended as tax, legal, investment, or retirement advice or recommendations, and it may not be relied on for the purpose of avoiding any federal tax penalties. You are encouraged to seek guidance from an independent tax or legal professional. The content is derived from sources believed to be accurate. Neither the information presented nor any opinion expressed constitutes a solicitation for the purchase or sale of any security.

Broadridge assumes no responsibility for statements made in this publication including, but not limited to, typographical errors or omissions, or statements regarding legal, tax, securities, and financial matters. Qualified legal, tax, securities, and financial professionals should always be consulted before acting on any information concerning these fields.

Financial Challenges Facing Women

Today, every woman — single or married, widowed or divorced — needs to plan ahead for personal and financial security. And more than anything else, this requires that you take control of your finances today.

Being adequately prepared to meet whatever financial challenges come your way may be more important than you think, especially when you consider the challenges described here:

- **Women who work full-time earn about 83% (on average) of what men earn¹**
- **Women are more likely to take career breaks for caregiving²**
- **The average life expectancy for a woman is almost six years longer than that of a man³**
- **Approximately one-third of women age 65 and older live alone⁴**

Taking control of your finances includes a broad range of issues that women and men alike must deal with to help ensure a more comfortable financial future. There are strategies that can help you overcome these challenges and become more empowered to take control of your finances and your financial future.

Sources: 1) U.S. Bureau of Labor Statistics, 2023; 2) U.S. Bureau of Labor Statistics, 2022; 3) NCHS Data Brief 456, December 2022; 4) 2021 Profile of Older Americans, Administration on Aging, U.S. Department of Health and Human Services (most current data available)

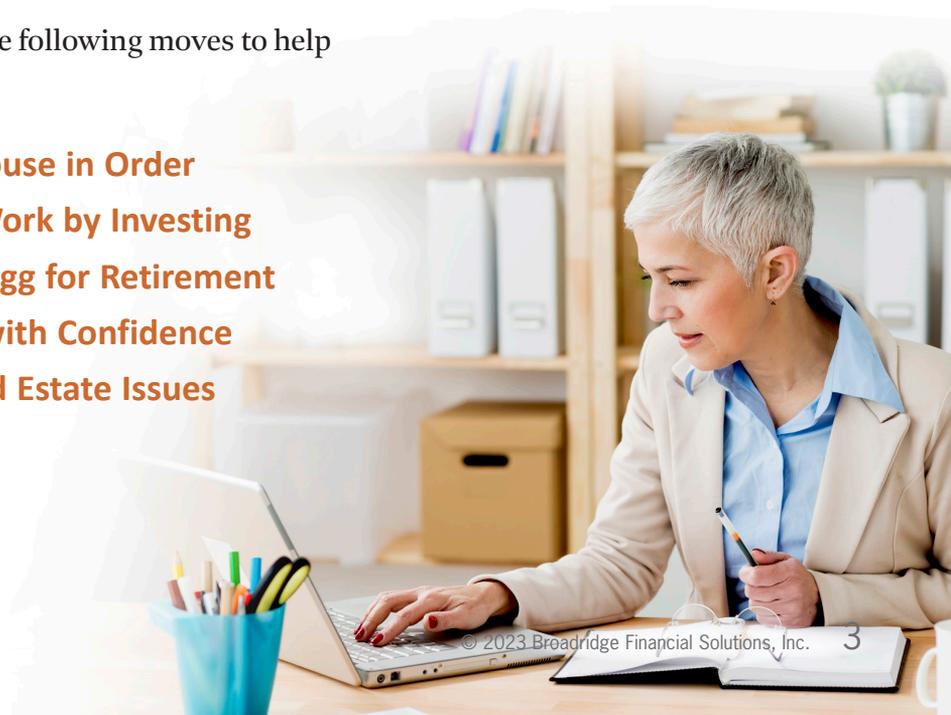
Competing Priorities

Women are involved in running households, having careers, raising children, and helping aging parents. These competing priorities can get in the way of planning for a comfortable financial future.

Five Action Items for Taking Control

Taking control involves making the following moves to help strengthen your financial future:

1. **Getting Your Financial House in Order**
2. **Putting Your Money to Work by Investing**
3. **Building a Healthy Nest Egg for Retirement**
4. **Facing Life's Challenges with Confidence**
5. **Addressing Insurance and Estate Issues**



Getting Your Financial House in Order

Check Your Credit Report

It's wise to check your credit report periodically for evidence of fraud or any inaccuracies that could affect your creditworthiness.

The three major credit reporting agencies are required by law to provide you with a free credit report once every year. Log on to [annualcreditreport.com](https://www.annualcreditreport.com).

What's a "Good" Credit Score?

In general, many lenders view a credit score above 670 as an indication of good creditworthiness.

Source:
Fair Isaac Corporation,
2023

Setting Financial Goals

Once you've taken a financial inventory of your income, expenses, assets, and loan obligations, you can start setting specific goals. Your financial goals are guideposts to planning for financial security.

Some goals are **money oriented**. It takes dollars to purchase a home, pay for vacations, accumulate money for a child's college education, and generate retirement income. Other goals are **task oriented**, such as learning more about the investment options in your employer-sponsored retirement plan. In addition, your goals can be **short term**, **medium term**, or **long term**. Making a list of your financial goals and classifying them by timeline can clarify your priorities and help you see the big picture.

Developing and maintaining smart money habits is a key strategy to being able to meet your financial goals.

Smart Habit: Living Within Your Means

- Spend less than you earn
- Don't use money to make yourself feel good
- Pay yourself first
- Set up monthly electronic fund transfers

If you have trouble living within your means, you'll need to find a way to spend less or increase your current income. To spend less, look first at cutting back on discretionary expenses. Then look at your fixed costs, such as housing. If you have outstanding loans, consider whether you can refinance to save money.

Smart Habit: Maintaining Good Credit

- Build credit history
- Pay bills on time
- Check your credit report
- Use credit cards wisely

Good credit is essential to help you get the best interest rates on personal loans. Remember that if you're married, your spouse's credit history and profile could have an impact on your own credit rating.

Smart Habit: Building an Emergency Fund

A cash reserve is your "rainy day" money that you set aside for life's little and not-so-little emergencies — or for vacations and large periodic expenses such as property taxes. As a general rule, your cash reserve fund should be large enough to cover three to six months of living expenses.

Getting Your Financial House in Order

Because your cash reserves should be liquid and safe, you might consider these savings vehicles.

Savings accounts usually offer high safety but a relatively low rate of return. They don't require a large initial investment, and the funds in them are readily accessible. For many people, their main attraction is convenience and liquidity.

Certificates of deposit offer a fixed, moderate rate of return and high safety. CDs usually require a larger initial investment than savings accounts, and you must leave your principal for a set term to avoid early-withdrawal penalties.

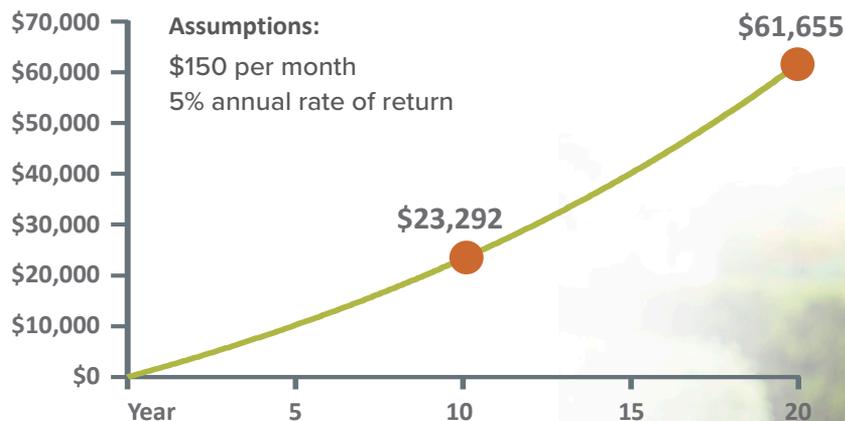
Money market funds invest in a diverse portfolio of short-term debt securities. Their goal is to preserve principal while yielding a modest return; however, the value of the funds can fluctuate.

Traditional bank savings accounts and CDs are insured for up to \$250,000 per depositor, per federally insured institution, by the Federal Deposit Insurance Corporation. *Money market funds are neither insured nor guaranteed by the FDIC or any other government agency. Although a money market fund attempts to maintain a stable \$1 share price, you can lose money by investing in such a fund.*

Mutual funds are sold by prospectus. Consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Small Amounts Can Add Up Over Time

Are there any discretionary items you spend money on that could be eliminated to free up money for your future? Here's an example of how spending \$5 per day on coffee or other special treats (\$150 per month) can add up over time. If instead you invested that money, you could accumulate a substantial amount in 20 years.



This hypothetical example of mathematical compounding is used for illustrative purposes only and does not represent any specific investment. Rates of return will vary over time, especially for long-term investments. The effect of fees, expenses, and taxes was not considered and would have reduced the results if included. Actual results will vary.

Prioritizing Goals

One survey found that nearly half of workers (46%) have tried to calculate how much they will need to save to live comfortably in retirement.

Source:
Employee Benefit
Research Institute, 2022

Low Retirement Confidence

Only 21% of women are "very confident" in their ability to fully retire with a comfortable lifestyle, compared with 27% of men.

Source:
Transamerica Center for
Retirement Studies, 2022