

Spotlight on Women Investors



It's time to shift the conversation



Over the years, a great deal has been written about ‘women and wealth.’ Yet much of the conventional wisdom appears both dated and (dare we say) tinged with a sprinkling of patronization. Almost universally, women have been portrayed as financially hesitant and uncertain, deferential to their partners, and risk-averse with their investments.

The facts, however, tell a very different story.

Women in the U.S. now control over \$10 trillion in investable assets.¹ They oversee more than 75% of all household discretionary spending.² And they make up over half (56%) of the nation’s workforce. Clearly, discussions about how to financially empower women should be far in the rearview mirror.

They already have the power. It’s time to shift the focus towards how best to wield that power to create positive change—for them, their family, and society at large.

Harnessing your financial power

It seems only fitting to focus on the economic and financial power of women after we just experienced a year where Taylor Swift’s Eras Tour grossed more than \$1 billion—not including the \$100+ million in box office sales for the tour movie or the massive economic jolt her tour delivered to local economies through hotel stays, restaurant bookings, etc.

Granted, none of us can ever realistically expect to achieve such an unprecedented degree of financial power. But in general, women have not just leveled the financial playing field—they have grabbed the reins of investing with both hands.

- Today, more than two-thirds of women (67%) are augmenting their investments beyond just contributing to their employer retirement plans (up from only 44% in 2018). Among younger millennial women, the percentage is even higher (71%);³

- Between 2011 and 2021, women investors outperformed men—achieving higher annual returns while taking on less investment risk,⁴
- Women are typically more disciplined long-term investors—trading 40% less frequently than men and nearly twice as likely to stay fully invested when markets become volatile,⁵ and
- By 2030, we will witness the repercussions of the Great Wealth Transfer - a transition of assets across generations, notably from baby boomers to their successors like Gen Xers and Millennials. Women are positioned to assume control of more than \$30 trillion of those assets. A wealth transfer of such scale that it nears the annual GDP of the U.S.⁶

Trusting in a well-crafted financial plan

Why do women tend to make better investors? The most likely answer is that they are often better planners—more focused on achieving specific goals than on chasing performance. Of course, investment performance matters. However, for many women, investing is less about beating a benchmark or achieving the highest possible return. Instead, it is about taking on only as much risk as is necessary to reach their goals—whether those goals include a vacation house, a child’s education, a parent’s care, or a more secure retirement.

Of course, there are some special considerations women need to factor into the creation of a financial plan. Having a longer life expectancy means you will need to save more for retirement (despite the lingering gender pay gap), as well as set aside extra funds to cover healthcare costs later in life. Women are also more likely to take on caregiving responsibilities as parents or other family members age—potentially leading to unexpected career and income disruptions.

At BLBB, our advisors are committed to tailoring financial roadmaps that embody simplicity, clarity, and achievability. Together, we will embark on the Plan. Invest. Succeed.[®] journey to:

- Start with a comprehensive assessment of your current financial landscape, examining monthly income, expenses, and net worth.
- Delve into defining your future aspirations, quantifying each goal, and delineating the requisite financial resources.
- Formulating a flexible plan that can help propel you towards your objectives, both in the present and future years, maximizing tangible progress toward your financial milestones.

We are prepared to offer guidance and information based on the fervent belief that every financial decision you make deserves the benefit of full knowledge and transparency. Your values. Your preferred style of communication. Your passions—whether building wealth to leave a legacy for children and grandchildren or allowing you to have a more positive impact on the world around you through charitable endeavors.

As we celebrate *International Women’s Month* this March, now is the time to craft a new financial plan (or update an existing one) that reflects your unique circumstances and the intricacies of your life. Let us show you what’s possible, and help you become more confident and feel more in control of your finances and your future.

¹ <https://www.cnn.com/2022/05/03/money-decisions-by-women-will-shape-the-future-for-the-united-states.html#:~:text=Today%2C%20women%20control%20more%20than,the%20end%20of%20the%20decade>

² <https://www.nielsen.com/insights/2020/wise-up-to-women/>

³ <https://www.bls.gov/opub/mlr/2022/home.htm>

⁴ https://www.fidelity.com/bin-public/060_www_fidelity_com/documents/about-fidelity/FidelityInvestmentsWomen&InvestingStudy2021.pdf

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⁵ <https://nationwidefinancial.com/media/pdf/NFM-21742AO.pdf>

⁶ <https://www.mckinsey.com/industries/financial-services/our-insights/women-as-the-next-wave-of-growth-in-us-wealth-management>



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