

# 3 FINANCIAL PLANNING STRATEGIES FOR WOMEN

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company, Milwaukee, WI (NM) (life and disability insurance, annuities) and its subsidiaries.  
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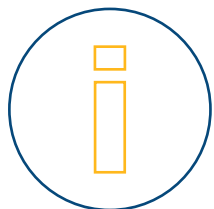
What financial concerns do  
you worry about most?

# MAKING TIME

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You're in good company.

**6** IN 10  
said they feel too busy to  
think about long-term goals.



Clearly you're making time to make financial planning a priority.

# TODAY'S AGENDA

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1. Why plan?
2. What's involved?
3. Small steps you can start with today.

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Let's get started!





A woman with curly hair, wearing a white button-down shirt, is sitting at a wooden desk. She is looking off to the side with a thoughtful expression. On the desk in front of her is a black calculator and several papers, including what appears to be a receipt. The background is a bright, out-of-focus window. A large, thin orange circle is overlaid on the right side of the image, containing the text.

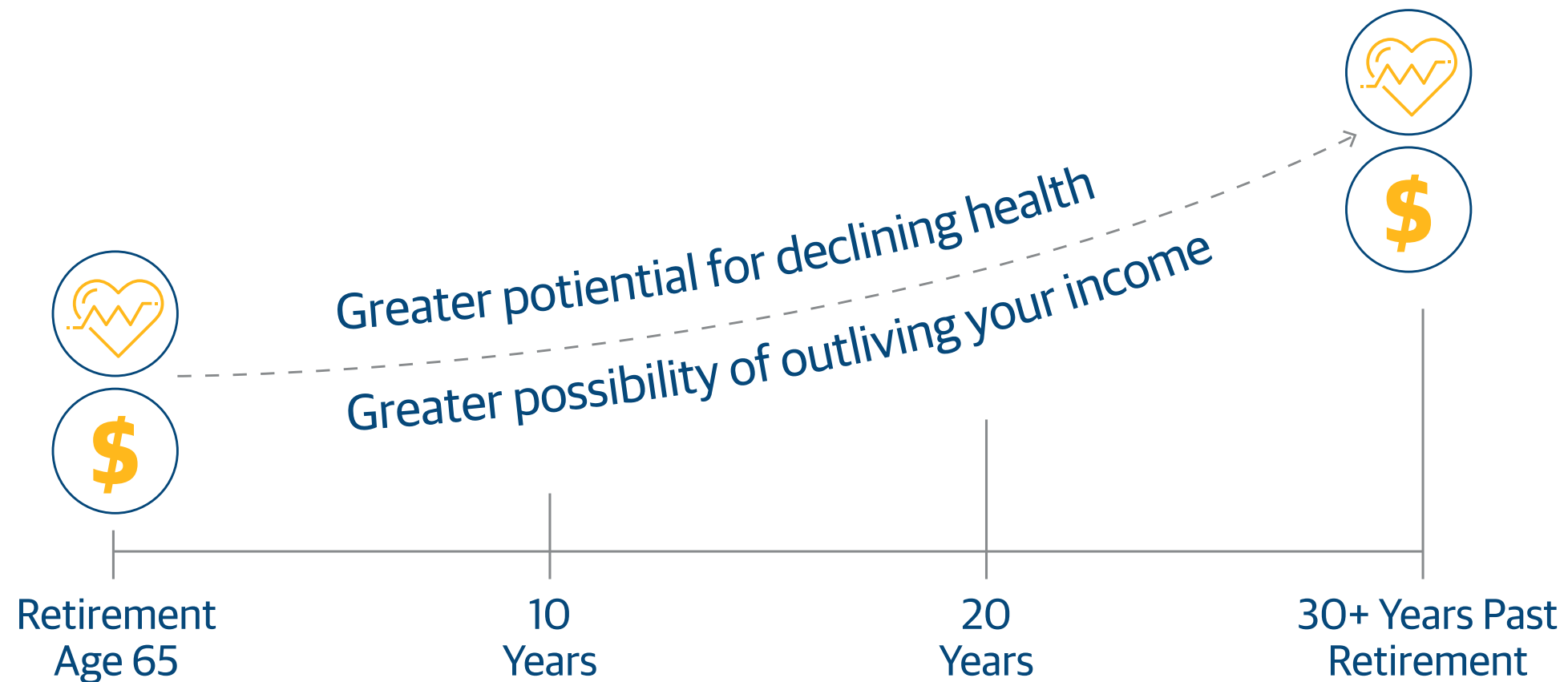
## WHY PLAN?

Having a financial plan is the first and most critical step you can take to make your dreams for the future a reality.

# LONGEVITY



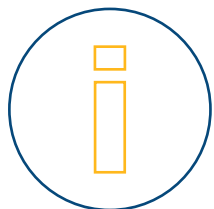
A woman who turns 65 today has a 50% chance of living to the age of 90.



# RESOURCES

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You may have fewer resources to work with.  
On average, women still earn less than men.



You may be putting less away in your 401(k) than your male colleagues, friends or family.



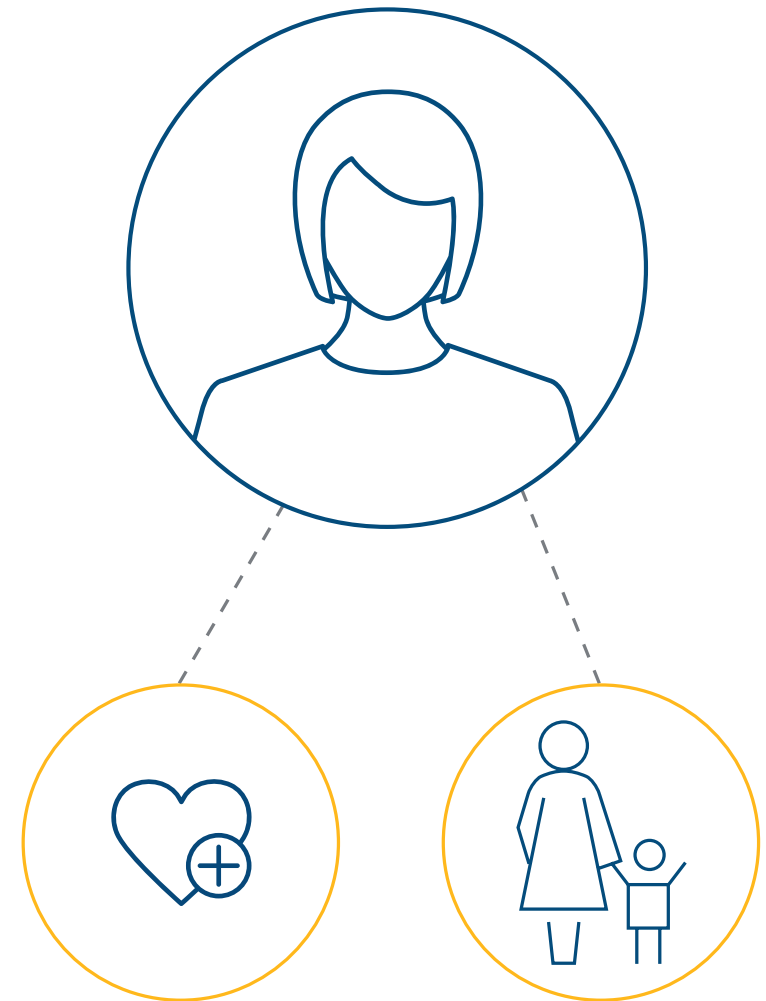
# RESOURCES

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## You may also raise children or care for a loved one.

That may have implications on the amount:

- You're able to save.
- Of Social Security benefits you're ultimately eligible for.



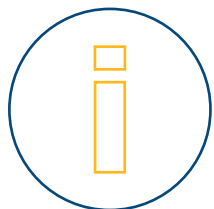
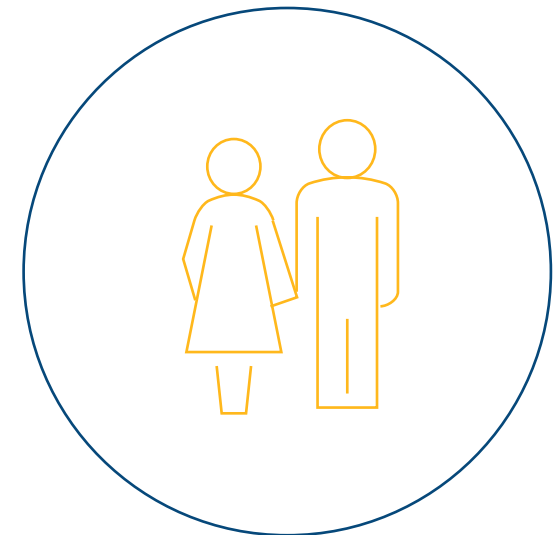


# LIFE CHANGES

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Even if you're married, don't delegate planning for your future solely to your spouse.

- Men tend to underestimate their longevity and the resources needed to support a lengthy retirement.
- If you should get divorced—or outlive your spouse—you'll ultimately need to handle your financial life on your own.



Develop a strong relationship with your advisor, create a plan, understand the details, and actively participate in it.



## WHAT'S INVOLVED?

How can you create a more secure financial future for yourself and your loved ones?

# KEEP IN MIND

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## Financial planning isn't one-size-fits-all.

- Your goals for your future are unique.



## Financial planning is not a one-time event.

- Your financial circumstances and priorities are going to change.
- Your financial plan needs to evolve and align with those changes.

# 3 STRATEGIES FOR CREATING A FINANCIAL PLAN

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1.

Protect against the unexpected by managing risk.

2.

Save and invest for your future goals.

3.

Preserve what you're working so hard to achieve.





# STRATEGY 1: RISK MANAGEMENT

# WHAT IS RISK MANAGEMENT?

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Protecting your ability to reach your goals against things that are beyond your control, such as:



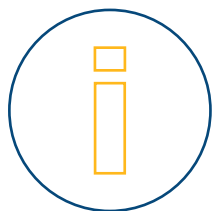
**Experiencing an  
accident or injury**



**Getting sick**



**Dying too early**



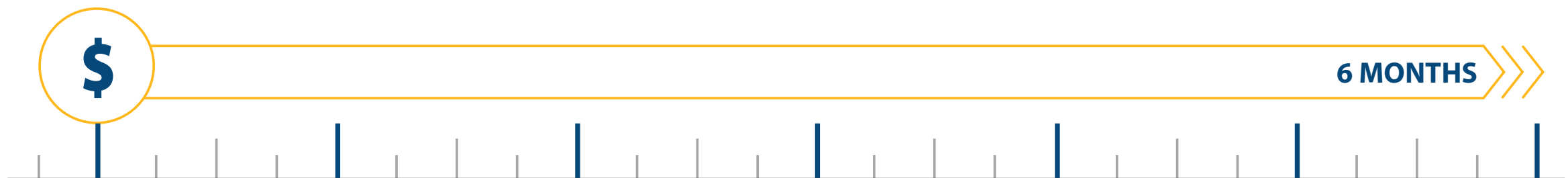
Managing risk is one of the most important aspects of financial planning.

# SET UP AN EMERGENCY FUND

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Life is unpredictable.  
Create a short-term safety net.

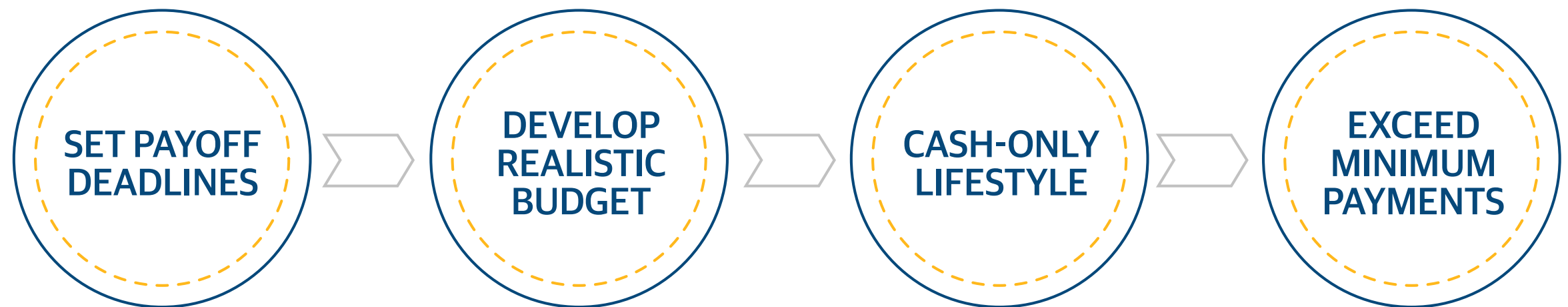
Keep an equivalent of six months of living expenses in an account you can access easily.




# PAY DOWN DEBT

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Start with an action plan.





A young woman with short brown hair and red sunglasses on her head is smiling while talking on a black smartphone. She is holding a black coffee cup in her other hand. She is sitting at a white table in a bright, modern cafe or office setting. In the background, other people are blurred, and there are green bottles on a counter. A large yellow circle is overlaid on the right side of the image, containing the text.

**WHAT DO YOU  
CONSIDER YOUR MOST  
IMPORTANT ASSET?**

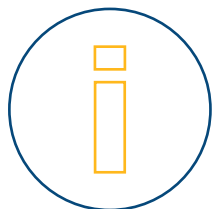
# PROTECT YOUR INCOME

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Your ability to earn an income is your most valuable asset.

1 IN 4

employees will be disabled for three months or more during their careers.



If you lose that earning power, what happens to your lifestyle?

# WHAT'S INVOLVED IN PROTECTING YOUR INCOME?

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Three basic threats to your long-term ability to earn income:



# DISABILITY

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Most people think something catastrophic needs to happen in order to take advantage of disability insurance.

Some of the major causes of disability are:

- Heart Attack or Stroke
- Cancer
- Back Problems
- Pregnancy Complications



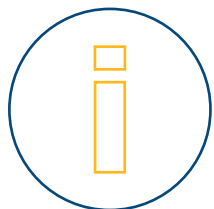


# DISABILITY

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## Group disability insurance through your employer

- Usually has a cap
- Is taxable
- Covers only about 60% of your income
- Means you'd be taking a 40% cut in pay



We insure our cars and our homes against unforeseen events.  
Why not our income?



# LONG-TERM CARE

How many of you are currently providing care to a loved one or have done so in the past?





# CAREGIVING IN THE UNITED STATES

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Over **75%**  
of caregivers are  
women<sup>1</sup>



**61%** of  
working caregivers  
reported their jobs  
were impacted by  
their caregiving<sup>2</sup>

<sup>1</sup> Institute on Aging, 2016 [www.ioaging.org/aging-in-america](http://www.ioaging.org/aging-in-america)

<sup>2</sup> Caregiving in the United States; National Alliance for Caregiving in collaboration with AARP. June 2015.  
[http://www.caregiving.org/wp-content/uploads/2015/05/2015\\_CaregivingintheUS\\_Final-Report-June-4\\_WEB.pdf](http://www.caregiving.org/wp-content/uploads/2015/05/2015_CaregivingintheUS_Final-Report-June-4_WEB.pdf)

# CAREGIVING IN THE UNITED STATES

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The typical family caregiver is a 49-year-old woman who:

- ☒ Is married.
- ☒ Has a job.
- ☒ Spends an average of 20 hours per week providing care for a loved one.



# TALK WITH YOUR PARENTS

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## Questions that you can start with:

Are their accounts in joint name?  
Which ones?

Are you or a sibling listed as  
signers on their bank accounts?

Are their primary and contingent  
beneficiaries current?

Should the house be transferred  
to you, a sibling or a trust to  
protect it in the future?

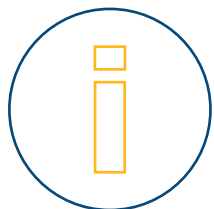
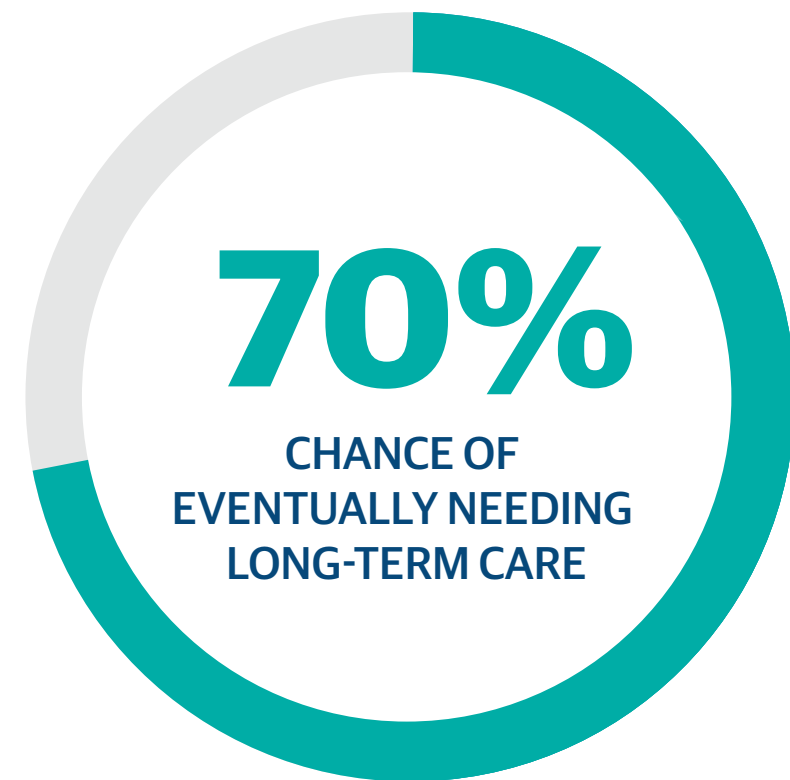
Do they have a plan for their  
long-term care?

Should you, a sibling or both  
consider paying for their  
long-term care insurance?

# ADDRESS YOUR NEEDS

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If you live beyond the age of 65, there's a 70% chance you'll have some type of need for long-term care.



Extended long-term care is not covered by Medicare, Medicaid or health insurance plans.

# DEATH

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What would you want to cover if you couldn't be there to financially support your loved ones?

Is there a mortgage to pay?

Will your children be able to go to college?

Would you want to be able to cover the costs of some or all of a child's wedding?

Do you expect to support family members in the future?

Do you want to leave a legacy to your children or grandchildren?

# RISK: RECAP

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Three unpredictable circumstances you can protect yourself against:



**DISABILITY**



**LONG-TERM  
CARE**



**DEATH**



# STRATEGY 2: WEALTH ACCUMULATION



# ACCUMULATING WEALTH

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Make the most of your money by making investment decisions that are right for you.

How you invest your money will impact your ability to achieve your goals.



# RETIREMENT SAVINGS

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Funding retirement is far different today than it was for your parents' or grandparents' generations. You're responsible for creating your own paycheck in retirement.



Invest your money in a way that gives you the greatest chance of achieving your goal.

# COLLEGE COSTS

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Here are the most recent statistics from The College Board.



## Public, 4-Year In-State Schools

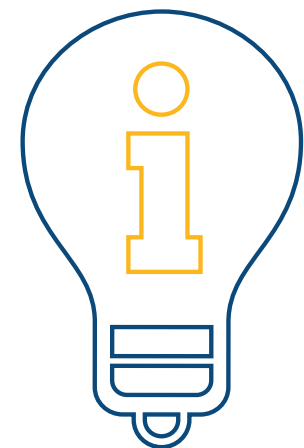
Price includes tuition, fees,  
and room and board

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## Did you know?

### You can gift:

- A child's tuition cost directly to the university when you pass away.
- On behalf of anyone, as much as you wish, estate tax free.



# KEY CONSIDERATIONS

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How much risk are you willing to take?

Are your investments in qualified or non-qualified accounts?

How long will you invest before your money is needed to meet financial goals?

Have you considered the impact of taxes—now and later—on your investments?

For how long will you be making withdrawals?

# STOCKS? BONDS? CASH OR CASH EQUIVALENTS?

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## HIGHER RISK

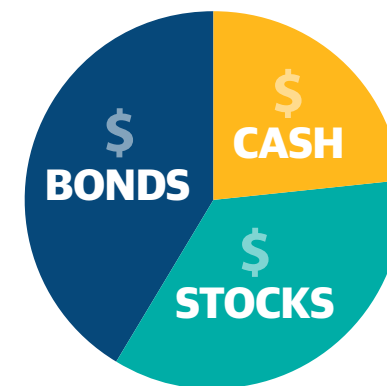
Historically, each of these asset classes has responded differently to economic activity and market trends.



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## LOWER RISK

The process of dividing your investment portfolio among these various asset classes is called asset allocation.



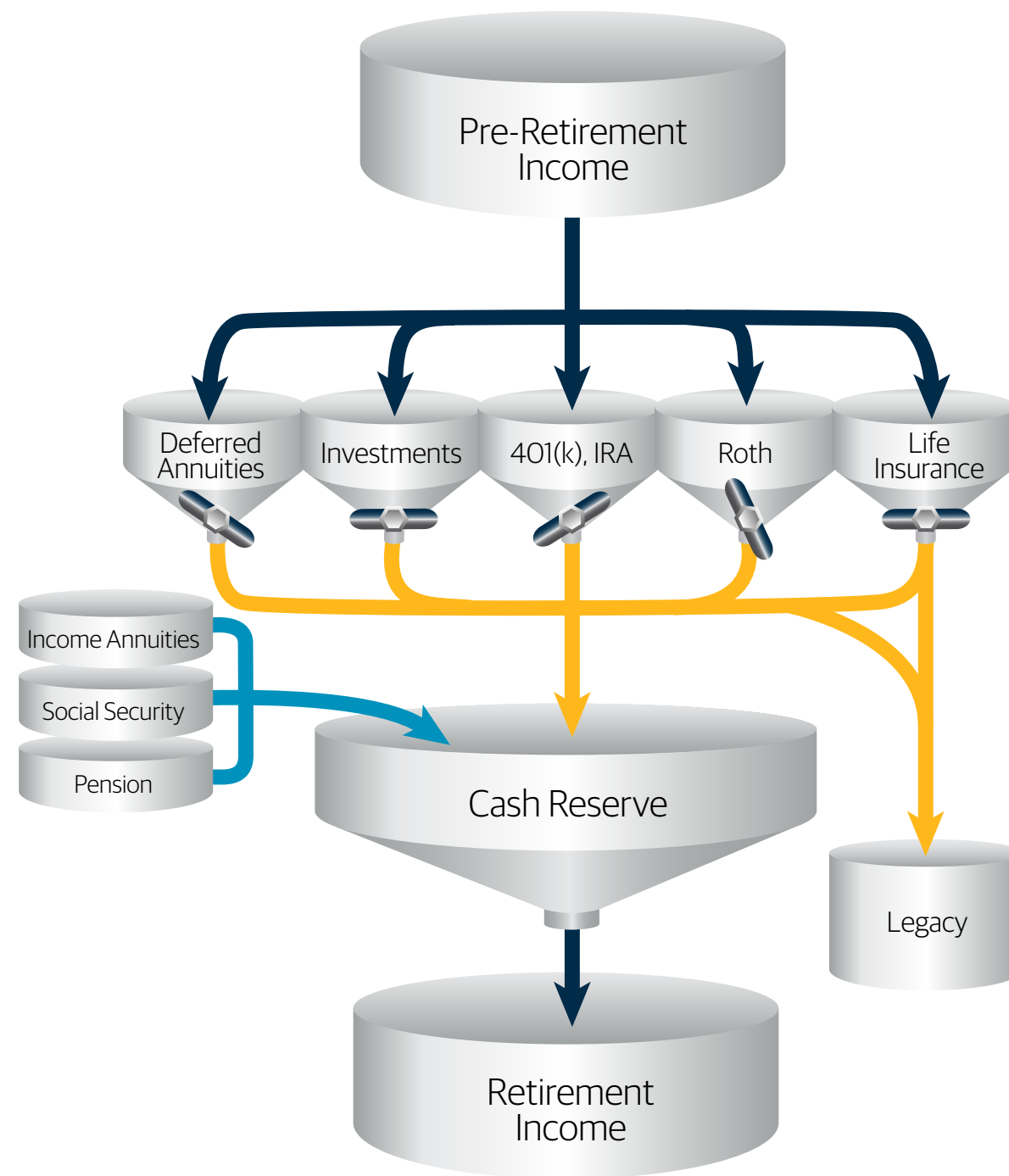




# STRATEGY 3: WEALTH PRESERVATION AND DISTRIBUTION

# DISTRIBUTION OF ASSETS

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## ESTATE PLANNING

Estate planning is about getting the right things to the right people, at the right time, in the right way.

# ESTATE PLANNING BASICS

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**It's never too soon to plan for your estate**



## **Age 18**

Establish a power of attorney.

## **Marriage**

Establish a will.

## **Having Children**

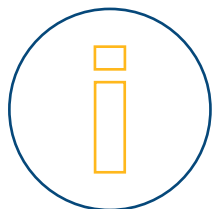
Appoint a guardian and plan to leave money to your children, a charity or an alma mater.

# FUND YOUR LEGACY

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## An estate plan can help:

- Ensure that your wishes will be ultimately honored.
- Eliminate the friction and tension that can sometimes happen when assets are being distributed.



Your gift of a plan is as important as your gift of money.



# CREATING FINANCIAL SECURITY

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**Risk  
Management**



**Wealth  
Accumulation**



**Wealth Preservation  
and Distribution**

# MAKE IT HAPPEN

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## Tips for success:



Find a financial advisor who can help you navigate your financial planning journey.









Make sure your plan is a living, breathing document.



Revise your plan over time and update it as your circumstances and your priorities change.

# WHAT TO LOOK FOR IN A FINANCIAL ADVISOR

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-  Look for more than investment advice.
-  Know what you can expect.
-  Do your homework.
-  Insist on quality.
-  It's a partnership.
-  Set aside the time.

# 1. LOOK FOR MORE THAN INVESTMENT ADVICE

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A financial advisor will take a broader look across every aspect of your financial life and help you through times of transition.



SAVING

MANAGING DEBT AND RISK

INVESTING

TAXES

ESTATE PLANNING

## 2. KNOW WHAT YOU CAN EXPECT

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### A financial advisor will also:

- Create a long-term plan that is focused on your priorities.
- Meet with you regularly to make sure you're on track to reach your goals.
- Help you adjust your plan as your priorities change throughout life.





### 3. DO YOUR HOMEWORK

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## Ask for referrals from someone you trust and respect.

Typically, there's no obligation in an initial meeting.

- Ask about the advisor's areas of expertise.
- How does he or she work with clients and get paid?
- Be wary of anyone who attempts to sell you a financial product in a first meeting.
- You want a financial advisor who is more interested in getting to know you—not selling you products.



## 4. INSIST ON QUALITY

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### Make sure your financial advisor:

1. Has the proper credentials.  
Examples: CLU<sup>®</sup>, ChFC<sup>®</sup>, CASL<sup>®</sup>, CFP<sup>®</sup>
2. Is supported by a firm that has a strong history and excellent financial strength ratings.

**Moody's**  
**Aaa**

**A.M. Best**  
**A++**

**Fitch**  
**AAA**

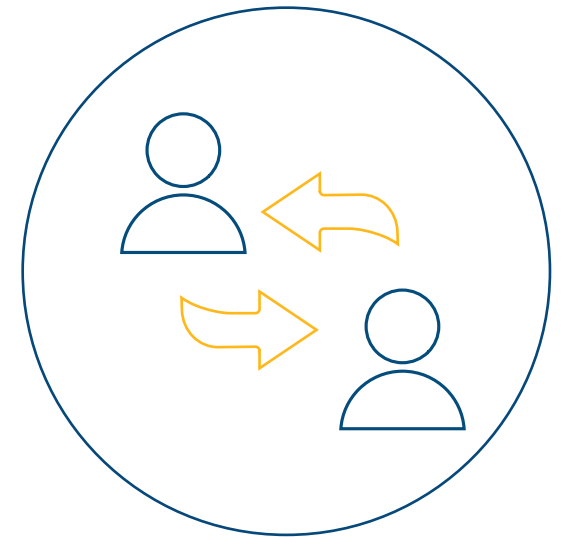
**S&P**  
**AA+**

## 5. IT'S A PARTNERSHIP

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**Work together and discuss any big financial decisions you are considering.**

You'll feel better about your choices if you know that the decisions you make today won't put your financial goals for the future at risk.

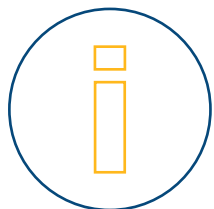


## 6. SET ASIDE THE TIME

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### Think about yourself, too.

When you take the time now to take care of yourself, you are actually helping those you care about, too.



What is one small step you can take in the next 24 hours that will help you make progress toward your goals?

ANY QUESTIONS?

# THANK YOU

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