3 FINANCIAL PLANNING STRATEGIES FOR WOMEN
What financial concerns do you worry about most?
Clearly you’re making time to make financial planning a priority.
TODAY’S AGENDA

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

Let’s get started!
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.
A woman who turns 65 today has a 50% chance of living to the age of 90.

Source: Annuity 2012 table with mortality enhancements determined using projection scale G2.
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

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

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

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

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?

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

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

Start with an action plan.

SET PAYOFF DEADLINES → DEVELOP REALISTIC BUDGET → CASH-ONLY LIFESTYLE → EXCEED MINIMUM PAYMENTS
WHAT DO YOU CONSIDER YOUR MOST IMPORTANT ASSET?
PROTECT YOUR INCOME

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

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?

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

- Disability
- Long-term care
- Death
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

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

Over **75%** of caregivers are women\(^1\)

**61%** of working caregivers reported their jobs were impacted by their caregiving\(^2\)

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

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

Questions that you can start with:

- Are their accounts in joint name? Which ones?
- Are their primary and contingent beneficiaries current?
- Do they have a plan for their long-term care?
- Are you or a sibling listed as signers on their bank accounts?
- Should the house be transferred to you, a sibling or a trust to protect it in the future?
- Should you, a sibling or both consider paying for their long-term care insurance?
ADDRESS YOUR NEEDS

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.

Source: According to the U.S. Department of Health and Human Services.
DEATH

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

Three unpredictable circumstances you can protect yourself against:

- DISABILITY
- LONG-TERM CARE
- DEATH
STRATEGY 2: WEALTH ACCUMULATION
ACCUMULATING WEALTH

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.
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

Here are the most recent statistics from The College Board.

Public, 4-Year In-State Schools
Price includes tuition, fees, and room and board

$20,770

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

- 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?

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

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

No investment strategy can guarantee a profit or protect against a loss.
STRATEGY 3:
WEALTH PRESERVATION AND DISTRIBUTION
DISTRIBUTION OF ASSETS

Pre-Retirement Income

Deferred Annuities
Investments
401(k), IRA
Roth
Life Insurance

Cash Reserve

Income Annuities
Social Security
Pension

Retirement Income

Legacy
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

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

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

Risk Management

Wealth Accumulation

Wealth Preservation and Distribution
MAKE IT HAPPEN

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

- 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

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

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

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

Make sure your financial advisor:

1. Has the proper credentials.
   Examples: CLU®, ChFC®, CASL®, CFP®

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

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.
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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