



SMART INSIGHTS FROM PROFESSIONAL ADVISERS

Financial Lies Women Need to Stop Telling Themselves

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Think you don't have a head for finances or that your husband has it covered? You could be selling yourself short ... and endangering your retirement security.

Most people have heard of the gender pay gap, but we hear much less about the gender investment gap. If women focus only on raising their wages, they're missing an important financial step. Without solid planning and investing, even high-earning women could remain vulnerable, especially in retirement.

Yet, studies show women still invest later, invest less and retain more cash than men. They perform significantly worse when quizzed about retirement income planning, and they're less likely than men to engage a financial professional.

According to financial services provider TIAA's "Voices of Experience 2016" report, women also are more likely than men to name running out of money as their biggest retirement concern.

As a former psychotherapist, I am very aware of the anxieties women have about financial planning and the consequences for their retirement. I see many who are worried about their lack of knowledge and experience, as well as how those concerns hold them back.

Interestingly, when women do invest, studies show they often outperform men — they don't allow their emotions to trigger rash trading, and they're prudent when evaluating investment fees. "If you only trusted in yourself," I want to tell my clients. I am woman; hear me roar, remember?

Here are six reasons women often give for not seeking — and in some cases, actively avoiding — the information and planning that could provide the financial confidence they crave:

1. "My brain doesn't work that way."

Believe me, I understand the fear. I got my master's in social work and became a psychotherapist because I didn't think I had the savvy required to go to business school. Once I kicked that lie out of my head, I realized learning anything, including finance, is merely a decision. It's never too late to learn something new. And men don't necessarily know as much about finances as it might appear. In my experience, while a man may be less likely to admit he needs clarification on financial concepts, a look of relief will often cross his face when his wife asks.

2. "It's boring." Women frequently tell me they have no interest in numbers and charts. "But my husband loves this stuff," they'll say, "and he's got us covered." Thing is, it isn't necessary to get in the weeds with calculations and charts to develop a financial plan. There are simple programs available to crunch those numbers. But retirement is about you: Your trip to Italy, your grandkids, your desire to hold onto your money. Plus, consider that 90% of women will be the sole household provider at some point in their lives. If you haven't been attending financial meetings or don't understand your financial plan, you could literally live to regret it. Grief is hard enough without adding financial insecurity to the mix. As

the old proverb says, “Pain is inevitable; suffering is optional.”

3. “I don’t have the time.” I get it; time is short. Women are flying around doing for others and shoving their own needs aside. I’m usually the first to recommend that an overworked woman use any precious extra hour to hit a yoga class or get a massage. However, going through your budget, meditating on your retirement goals, educating yourself financially or going to see a financial adviser is also a vital part of self-care.

4. “It makes me anxious” or “It will all work out.” Ah, sweet denial. These sentiments are two sides of the same avoidance coin. One interesting dynamic I see in my practice is how some women misinterpret their financial situation. Wealthy female clients will come in with a coffee from McDonald’s claiming they can’t afford Starbucks; meanwhile, women who could be spending retirement in their child’s basement are giving money away by the fistful. Whether you’re feeling anxious when you shouldn’t or not worrying when you absolutely should, a defense mechanism is at work. But avoidance is not a viable strategy in life or in finance. There is no way over, around or under a problem — the only way is through. The good news is, there’s loads of information out there and many competent hands to hold on the journey.

5. “Money issues cause big arguments in our household, so it’s best not to talk about money at all.” Remember that when we fight as couples, the topic — be it money, children or sex — is often merely the expression of the underlying dynamic in our relationship, good bad or indifferent. While we might reach levels of acceptance for our partner’s position on a given matter, it does not excuse us from being responsible for getting our own needs met. Studies show that women have more and different concerns about retirement. This is directly related to how

money is spent and saved during earning years, and requires conversation. See a therapist, see an adviser, but don’t shove it under the rug!

6. “Although we’re on the same page about money, my husband bristles when I ask about our financial plan, so I just drop it.”

If you’re like many women I see, your husband knows where everything related to your finances is located, but you don’t. My husband has been working in the financial industry nearly twice as long as I have. I have no doubt he has it all figured out, and I trust him implicitly. But the information doesn’t seep into my brain through osmosis during the night, nor does anxiety wane in the darkness. What if he died? Where is everything? How would I manage it? When this power struggle arises, it’s typically one of two things: Your husband may be reading your fear as criticism, or he may be failing to grasp how important it is to you. Either way, I recommend finding a quiet physical and emotional space to share your concerns. Be clear: It’s not about him but about your own confidence level in understanding the plan. Request he walk you through it, or if there’s no plan, ask to see an adviser together. It’s OK to be firm; this one’s worth a fight.

If you saw yourself in this article, get out of your own way! Societal changes usually come slowly. Make the decision to take control when and where you can.

Kim Franke-Folstad contributed to this article.

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