

# Women and Investing

## 3 Strategies to Bridge the Savings Gap

Whether you've always been the sole financial decision-maker or have relied on a spouse or partner to manage the finances, as a woman you face some unique financial challenges, from living longer to being temporarily out of the workforce to care for loved ones. Those challenges make it essential to plan now to bridge the savings gap you may face in the future.

Whether you're married, single or widowed, we'll discuss three challenges you'll likely face during your lifetime and financial strategies to help you overcome them.

1. **Earning Less Than Men/Being Out of the Workforce**
2. **Living Longer Than Men**
3. **Funding Rising Health Care Costs**

### Be Part of Wealth Planning Process Now

It all starts with being part of the wealth planning process if you're married and being proactive about your financial plan if you're single or widowed to help ensure you have enough saved to last your lifetime.

If you're married, you're not alone in relying on your spouse in this area—in two-thirds of affluent American homes, men are still the key financial decision-makers.<sup>1</sup> According to a Fidelity study, while women do want to learn more about investing, just 31% are confident about planning for financial needs in retirement.<sup>2</sup>

**Women feel confident being the CFO of the household, managing day-to-day finances:**



feel confident  
balancing a  
checkbook

feel confident  
managing the  
household  
budget

feel confident  
making a large  
purchase

**but are less confident when it comes to long-term planning and investing.**



feel confident  
selecting  
investments  
that align with  
their goals

feel confident  
investing  
for short- or  
medium-term  
goals

feel confident  
planning for  
financial needs  
in retirement

Source: 2021 Fidelity Women and Investing Study

## 1. Earning Less Than Men/Being Out of the Workforce

Though the wage gap between American men and women has shrunk, albeit slowly, over the past three decades, women still make only \$0.82 for every dollar a man earns. In fact, over time, there's a cumulative lifetime earnings gap of around \$1 million between men and women at retirement age.<sup>3</sup>

Further undercutting your ability to accumulate wealth is the fact that at some point in your life, you're likely to temporarily step away from your job to look after loved ones. In fact, 39% of women have forfeited income or career opportunities to care for the needs of children or parents.<sup>4</sup>

### How do these factors affect your long-term savings and what proactive actions can you take?

- **Your Social Security monthly benefit could be lower** because it's calculated in part based on your top 35 earnings years.
- **You may need to stay in the workforce longer** and wait until after your full retirement age to take Social Security, to increase your monthly benefit over your lifetime. And, if you can afford to wait until age 70, you will gain an 8% per year increase in benefits.<sup>5</sup>
- **You should also consider contributing more to your employer-sponsored retirement plan**, and you may need to increase the amount you contribute annually to help accelerate savings. Take advantage of catch-up contributions too, which are additional contributions you can make to your retirement plan after age 50.

## 2. Living Longer Than Men

The average life expectancy for women is around 81 years. American women on average outlive their male counterparts (often, their husbands) by almost five years.<sup>6</sup>

With this challenge and the others mentioned, it's all about saving as much as you can now to help ensure you have enough to live on once retired. In addition to maximizing contributions to employer-sponsored retirement accounts, consider opening a traditional or Roth IRA to put more away, and work with a wealth advisor to create a financial plan designed to give you security later in life.

## 3. Funding Rising Health Care Costs

Women also face higher health care expenses over their lifetimes. On top of that, the average increase in the cost of individual health insurance has been about 4.5% annually for the past five years—and costs are expected to continue to rise.<sup>7</sup>

While you may be counting on Medicare to cover most of your health care needs once you reach age 65, keep in mind you'll still pay a monthly premium, and Medicare won't cover all of your costs, so you'll likely need gap coverage. In addition, it doesn't pay for long-term care, which you may need later in life. Considering the median annual cost of a private room in a nursing home as of 2021 was nearly \$107,000,<sup>8</sup> you'll want to work with your wealth advisor on the best strategy to fund it should you need it at some point.



### Health Care Funding Strategies to Consider:

- **Private Funding:** You may be able to cover costs out of your investments, but you might also consider using a life insurance policy with a long-term care rider to help fund long-term care costs.
- **Health Savings Account (HSA):** An HSA is typically attached to an employer-sponsored insurance plan but is portable when you leave your company. Funds accumulated can be used to cover Medicare premiums and other eligible medical expenses.
- **Former Employer Insurance:** Sometimes you can retain health care coverage through a former employer with a group health retiree insurance plan. You should be aware of the type of coverage that is offered through the plan, whether a spouse is covered by the plan, and if the coverage will remain in place once you are eligible for Medicare. Medicare will pay first after you are retired, so many retiree plans offer similar coverage to a Medigap policy.

## Working With a Wealth Advisor

For those who are married and have lost a spouse, it's very common for women to switch advisors. Among the reasons cited for leaving was the advisor's failure to fully involve them as partners in the financial planning process. If establishing a personal connection with an advisor is a top priority for you, take time to find one who understands your financial needs and goals—and one with whom you feel comfortable working.

At Mariner Wealth Advisors, we will partner with you to create a wealth plan designed to help you overcome these unique financial challenges to ensure you have enough savings to last throughout your lifetime and to give you confidence that you're laying the foundation for a secure financial future, especially in retirement.



For more information visit: [marinerwealthadvisors.com](https://marinerwealthadvisors.com)

<sup>1</sup> [“Women as the next wave of growth in US wealth management.”](#)

<sup>2</sup> [“Fidelity 2021 Women and Investing Study”](#)

<sup>3,4</sup> [“Women and Investing: 20 Years of Research and Statistics Summarized.”](#)

<sup>5</sup> [“How Women Can Combat Their Greatest Retirement Risk.”](#)

<sup>6</sup> [“Average US Life Expectancy Statistics by Gender, Ethnicity, State.”](#)

<sup>7</sup> [“Health Plan Cost Increases for 2022 Return to Pre-Pandemic Levels.”](#)

<sup>8</sup> [“Cost of Care, Trends & Insights”](#)

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