

Powerful Women Powerful Decisions

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Presentation Outline

- Why women should focus on finances
- Major mistakes women make
- Steps to financial security
- Common characteristics of successful money managers
- Resources

Women should focus on \$mgt., because most women

- Earn less than men
- Are engaged in paid work for fewer years
- Live longer
- Still grapple with the "a man is a financial plan" mindset
- Feel less confident in making investment decisions
- Are more likely to engage in problem spending behavior

More importantly women

- Are at the center of the family & community
- Play important role in their children's education
 - Make and shape the next generation
- Serve as role models
- Are responsible for Managing family finances
- Can do anything they set their mind to

Major mistakes women make

- Handing over the purse strings: "Ignorance is not bliss", must pay attention to the details of household finances
- Losing financial identity: must have a bank account and credit card in your name
- Walking away from their career: keep your skills fresh, do not lose touch completely
- Not saving for retirement: save as much as you can in your company's retirement plan/IRA,
 - if not employed, contribute to a spousal IRA
- Asking for the house during a divorce,
 - Most do not have enough financial resources to support house payments

Women's Investment Behavior

- Women are less confident in making investment decisions
- Women are less involved in learning about investing
- Women are less knowledgeable about risk and return relationships
- Women are less willing to take risks
- Women are less active investors
- But when they put their mind to it – they outperform men

Take steps to financial security

- Spend less than you earn; Shop off season
- Pay yourself first
- Don't try to keep up with the Joneses
- Do keep up with your bills and debt payments
- Pay credit card bills on time and in full
- Know that credit scores affect more than interest rates
- Maintain higher deductibles on home and auto policies
- If you don't understand an investment product, avoid it
- Don't even try to pick and chose a stock (go with M Funds)
- If your employer matches 401K investments, absolutely get the entire match

Financially successful people

- are grounded in reality
- are future oriented
- are emotionally secure
- *are in healthy relationships*
- are independent minded
- take long term view in managing their resources (money, time, energy)
- take responsibility for themselves
- have high self esteem

**Our financial situations
are often**

**better reflections of
who we are internally
than of whom we seem to
be on the outside.**

Get involved in money matters

- At personal level
 - yourself, children & grand children
- At your work place
 - know your benefits and manage them well
- Share with others
 - your knowledge and expertise & your money
- At the community level
 - with friends, schools, social service agencies

Resources

- **Women's Institute for Financial Education**
 - www.wife.org/
- **Money & the meaning of life**, Needleman, 1991
- **Common Characteristics of Millionaires**, Stanley & Danko, 1996
- www.chiff.com/personalfinance/womens.htm
- www.SmartAboutMoney.org
- www.nefe.org
- www.Mymoney.gov
- www.ftc.gov/MomeyMatters

**Thanks for
the Opportunity**

YOUR QUESTIONS OR COMMENTS