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/](http://www.wife.org/)
- **Money & the meaning of life**, Needleman, 1991
- **Common Characteristics of Millionaires**, Stanley & Danko, 1996
- [www.chiff.com/personalfinance/womens.htm](http://www.chiff.com/personalfinance/womens.htm)
- [www.SmartAboutMoney.org](http://www.SmartAboutMoney.org)
- [www.nefe.org](http://www.nefe.org)
- [www.ftc.gov/MyMoneyMatters](http://www.ftc.gov/MyMoneyMatters)
Thanks for the Opportunity

YOUR QUESTIONS OR COMMENTS