

10 Financial challenges facing women today

Shelly Maas

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Between 1970-2004, the percentage of women with college degrees tripled¹

Today's women are more educated than ever and are outpacing men in every degree.

By 2021, women are projected to earn²:



Bachelor's degrees



Master's degrees



Doctoral degrees

Significance

- ✓ Known strong correlation between education and wealth
- ✓ Educated, wealthier, more confident women in society with less cultural expectation to stay at home

³In 2012-2013, the percentage of degrees conferred to women respectively were 57%, 60%, and 51%.³

¹Fona International, "Purchasing Power of Women," December 2014

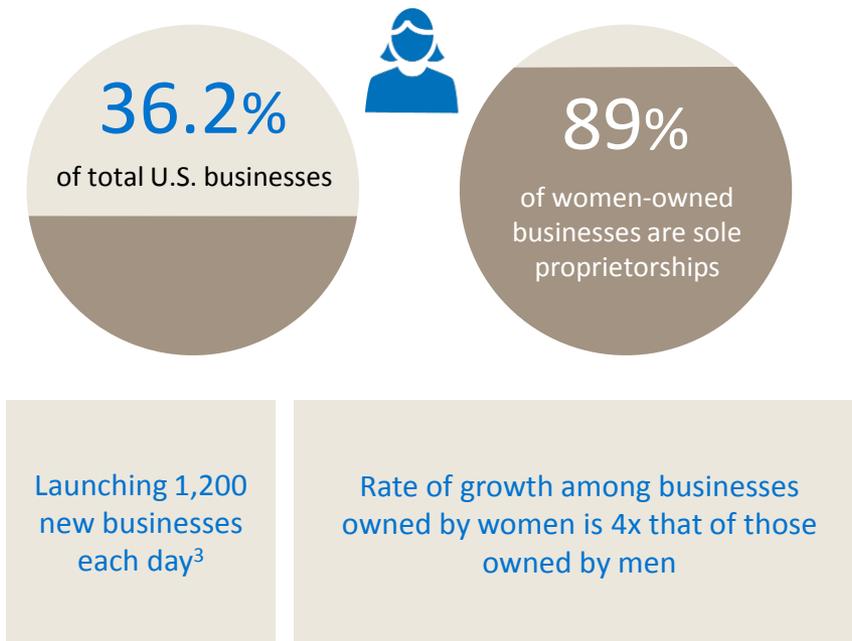
²Catalyst, "Buying Power: Women in the US," May 2015

³National Center for Education Statistics, "Digest of Education Statistics," 2014

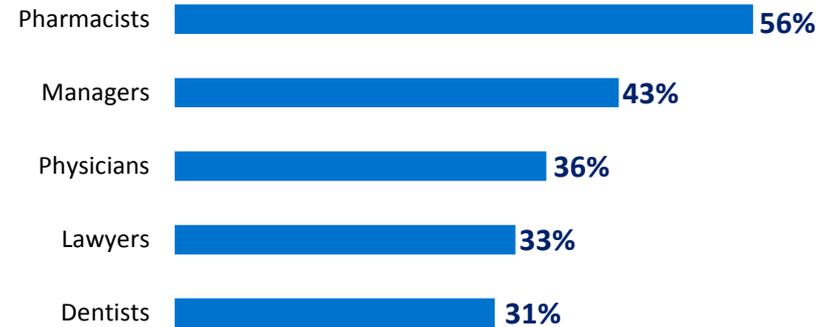
Women make up 47% of the total United States workforce¹

Entrepreneurship

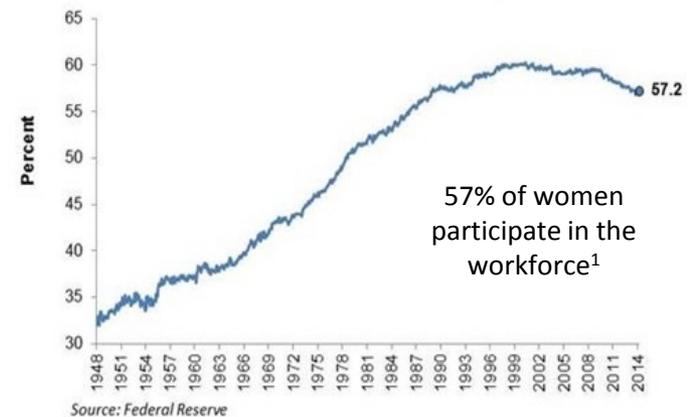
9.9 million businesses are owned by women²



Women hold large percentages of high-paying jobs⁴



U.S. Female Labor Force Participation Rate



¹ Bureau of Labor Statistics, "Women in the labor force: a databook," December 2015

² National Women's Business Council, "10 Million Strong: The Tipping Point for Women's Entrepreneurship," 2015 Annual Report

³ Womenable, Commissioned by American Express OPEN, "The 2014 State of Women Owned Business Report," 2015

⁴ Catalyst, "Buying Power: Women in the US," May 2015

If the consumer economy had a gender, it would be female¹

Consumer Power

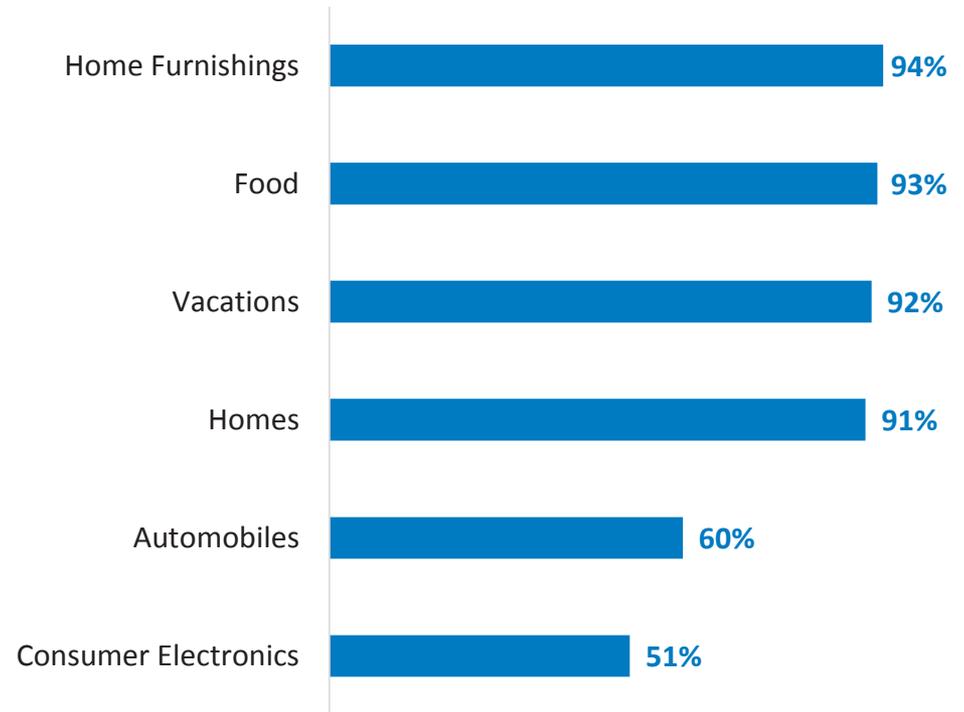


Women make
85%

of U.S. consumer purchases²

Around \$5 trillion in purchasing power⁴

Influence and drive major purchases³



¹ Forbes, "Top 10 Things Everyone Should Know about Women Consumers," January 2015

² Business Insider, "Women Control the Money in America," February 20

³ Harvard Business Review, "The Female Economy," September 2009

⁴ U.S. Trust, "Women Power," May 2015



The Top 10 Challenges

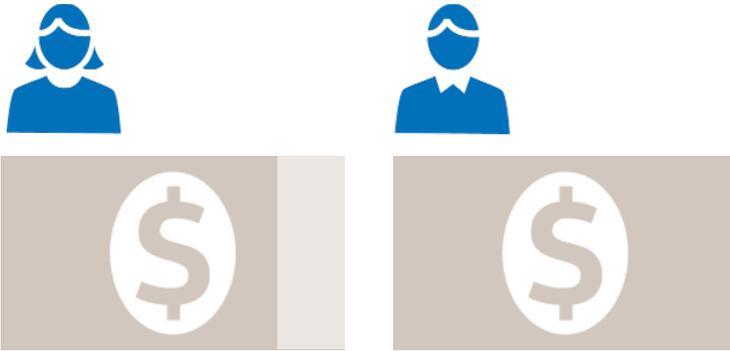
Despite their growing economic power, women face unique challenges that affect their ability to build and preserve wealth:

- Gender Gaps**
- 1 Earning Less
 - 2 Living Longer
 - 3 Maternity & Careers
 - 4 Caregiving
 - 5 Confidence
 - 6 Money & Marriage
 - 7 Divorce
 - 8 Smart Investing
 - 9 Estate Planning
 - 10 Retirement

This requires greater awareness and planning in order to meet financial goals.

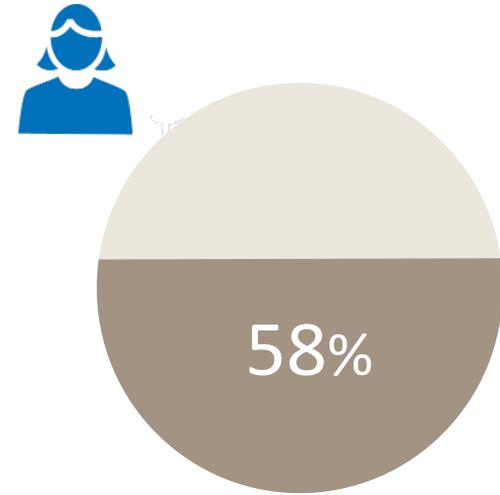


The Gender Gap: Earning Less



\$0.79 for every \$1

On average, women earn less over time than their male counterparts.



The median retirement income of women is **58%** of the median retirement income of men.¹

Sources: September 2016 Women and Life-Defining Financial Decisions Whitepaper.

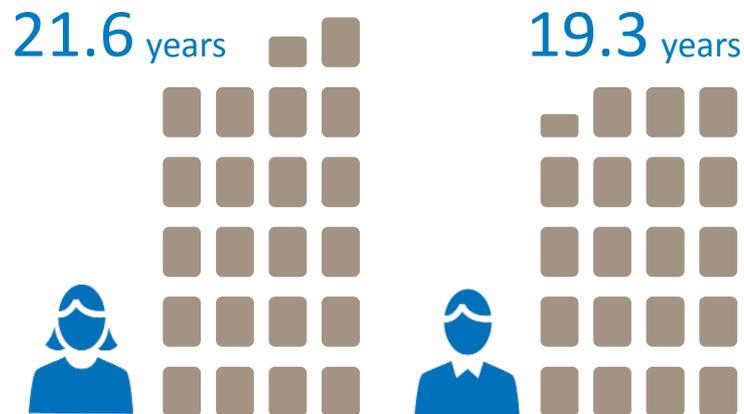
¹ Institute for Women's Policy Research, The Importance of Social Security in the Incomes of Older Americans Differences by Gender, Age, Race/Ethnicity, and Marital Status, August 2013. Based on 2012 Current Population Survey Annual Social and Economic (ASEC) Survey.

² American Association of University Women (AAUW), "The Simple Truth About the Gender Pay Gap," Fall 2015 Edition.



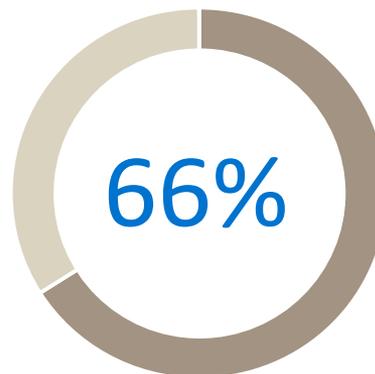
The Gender Gap: Living Longer

At age 65, women can expect to live an average of:

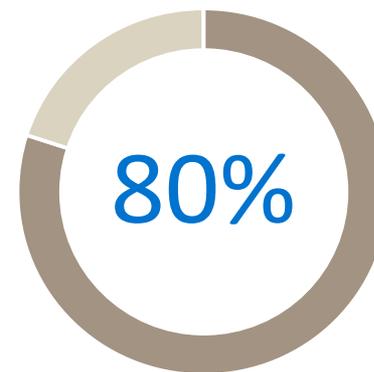


Women have longer life spans¹

The median age of widowhood across all ethnicities in the United States is 59.4 for a first marriage and 60.3 for a second marriage.²



Women more likely to provide care, less likely to receive help from family



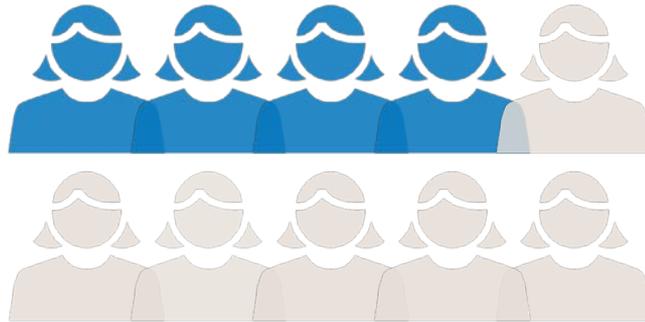
Women more likely to become single parents sooner and spend last years alone

Sources: September 2016 Women and Life-Defining Financial Decisions Whitepaper.

¹ Social Security Administration 2016: <http://www.ssa.gov/planners/lifeexpectancy.html>

² Social Security Administration, Social Security Bulletin, Vol. 70 No. 3, 2010, "Widows and Social Security."

The Gender Gap: Maternity & Careers



42% of women with children of any age

say that at some point in their working life, they have reduced their hours in order to care for a child or other family member¹

Considerations

A “career break” can dramatically alter a woman’s career, income and ability to accumulate retirement assets.²

- ✓ Be involved in financial planning decisions
- ✓ Keep work skills sharp
- ✓ Starting early can make a significance difference over time

¹ Pew Research Center, <http://www.pewsocialtrends.org/2013/12/11/on-pay-gap-millennial-women-near-parity-for-now>

² Center for American Progress, June 2016, <http://www.pbs.org/newshour/making-sense/how-much-does-it-cost-to-leave-the-workforce-to-care-for-a-child-a-lot-more-than-you-think/>

The Gender Gap: Caregiving



of caregivers are female¹

Women are more likely to take the off-ramp to assist with caregiving needs.

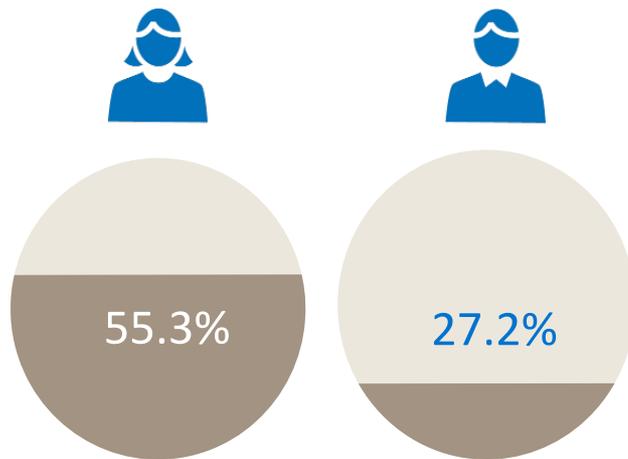
Considerations

- ✓ Do the math to understand how your decision may affect your future financial security.
- ✓ Encourage family members to use Long-Term Care and Disability insurance to provide a financial safety net.

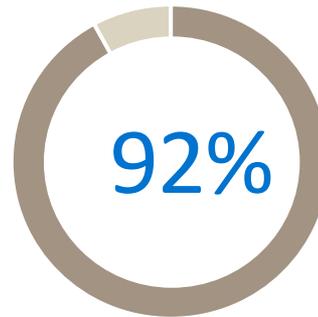
¹ AARP Public Policy Institute and National Alliance for Caregiving. "Caregiving in the U.S.," June 2015, <http://www.aarp.org/content/dam/aarp/ppi/2015/caregiving-in-the-united-states-2015-report-revised.pdf>

The Gender Gap: Confidence

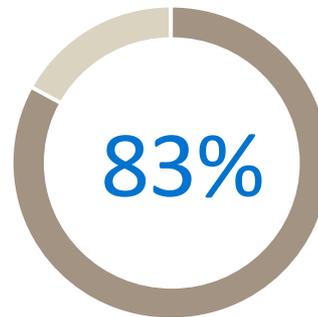
Women may be challenged by having lower levels of confidence in their investing knowledge.¹



In a Merrill Lynch research study, 55.3% women agreed with the statement, **“I know less than the average investor about financial markets and investing in general,”** compared with only 27.2% of men.¹



of women want to **learn more** about financial planning¹



want to get **more involved** with their finances within the next year²

Considerations

- ✓ Men tend to over-report financial knowledge and women tend to under-report¹
- ✓ Find the joy to propel confidence
- ✓ Seek out a financial adviser who will take the time to provide education and guidance

¹ Merrill Lynch, *Women and Investing: A Behavioral Finance Perspective*, November 2015.

² “Male Investors vs. Female Investors,” *The Wall Street Journal*, Georgette Jasen, 2015.

Money & Marriage

Cash flow, savings, debt and investments including retirement accounts in detail

What would happen financially if either spouse outlived the other

Beneficiary, wills, power of attorney and health care decisions

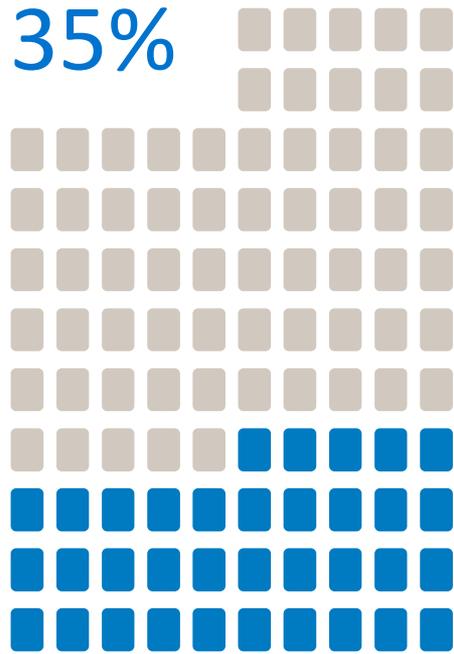
Understand the difference between JTWROS, Community Property and Tenants in Common

Gifts and inheritances are separate property

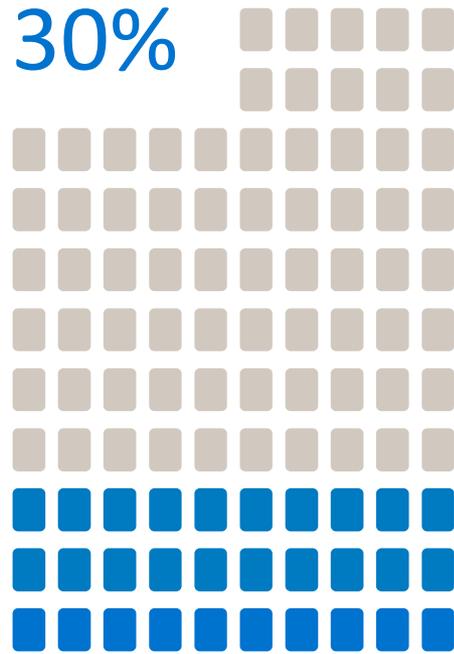




Money & Marriage



of couples experiencing relationship stress pinpoint money as the leading cause¹



of couples say finances cause the most stress in their relationship²

Arguments about money are the top predictor for divorce³

¹ Source: Suntrust Bank, "Love and Money: People Say They Save, Partner Spends, According to SunTrust Survey," 2015.

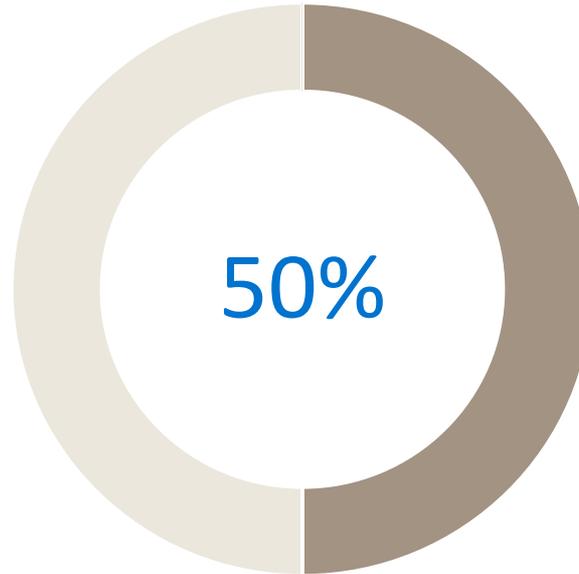
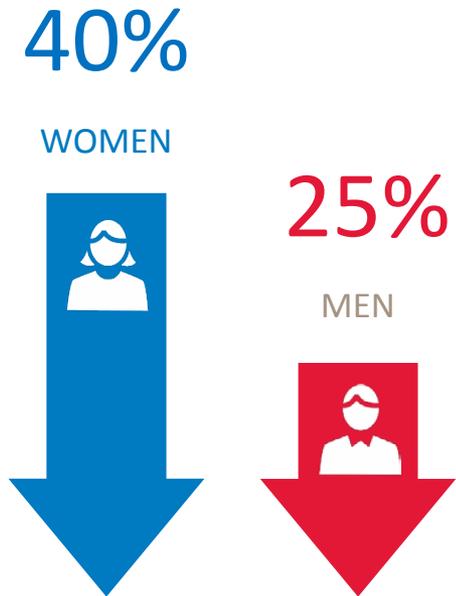
² Source: American Express Spending & Saving Tracker, 2011.

³ Dew, J., Britt, S. and Huston, S. (2012), Examining the Relationship Between Financial Issues and Divorce. Family Relations.



Divorce

After a divorce, **household income drops**¹ by approximately



of divorced women said that **financial planning** seems an impossible task in their lives²

Considerations

- ✓ Future income is not property to be split
- ✓ Pre-nuptial agreement?
- ✓ Don't hand over the purse strings
- ✓ Retain a financial identity
- ✓ Make retirement saving a priority

¹ The U.S. Government Accountability Office (GAO), "Women Still Face Challenges", 2012.

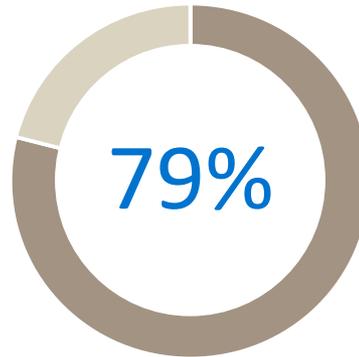
² Allianz, The Allianz Women, Money and Power Study: Empower and Underserved, March, 2013.

Smart Investing

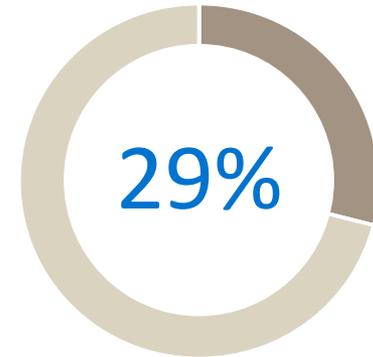
Research does support the idea that women don't make investment decisions exactly as men do.¹

As investors, women tend to be:

- ✓ Goal-oriented, methodical and detail-oriented
- ✓ Interested in what money can help them achieve
- ✓ Focused on the long-term and will be more prone to ride out market fluctuations



When it comes to investing, **women are less confident** than men, who are 79% more likely to express confidence.²



U.S. women are 29% more inclined than men to pick the most **conservative** portfolio allocation.²

The gender difference that seems to have the greatest impact on investor behavior is men's and women's self-reported level of **financial knowledge**.³

¹ Boys Will Be Boys: Gender, Overconfidence, and Common Stock Investment
<http://faculty.haas.berkeley.edu/odean/Papers%20current%20versions/BoysWillBeBoys.pdf>

² Harnessing the Power of the Purse: Female Investors and Global Opportunities for Growth, 2014.

³ Merrill Lynch, Women and Investing: A Behavioral Finance Perspective.

Estate Planning

Use a trust to plan in case of your incapacity or that of a spouse

At a minimum, use a Power of Attorney to appoint an agent for financial matters

If married, review and understand the estate plan and the consequences of a spouse's death

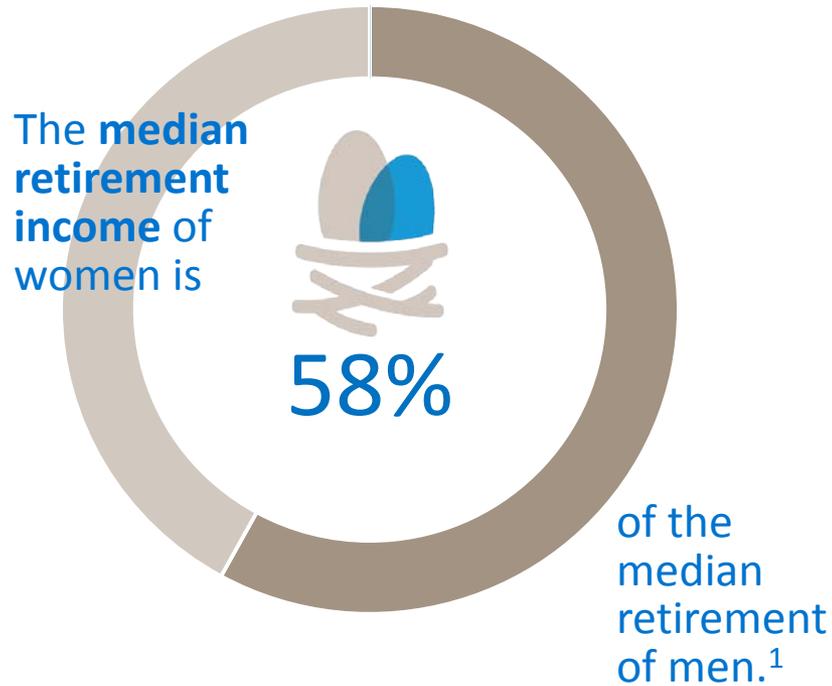
High probability of spending some part of life alone and assuming complete responsibility for planning

If there is no estate plan, get a plan!





Retirement



Social Security and pensions tied to earnings

Women need approximately **\$45,000 more** at retirement than men do, just to cover general medical expenses.²

¹ "Institute for Women's Policy Research, The Importance of Social Security in the Incomes of Older Americans Differences by Gender, Age, Race/Ethnicity, and Marital Status, August 2013.

² "Knowing Women: Engaging female clients in brave conversations on retirement," BNY Mellon 2016.

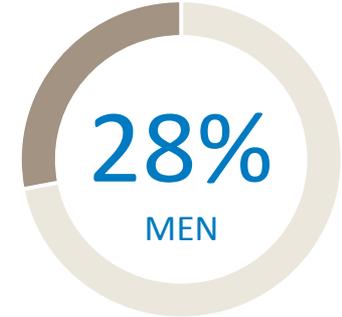


Retirement



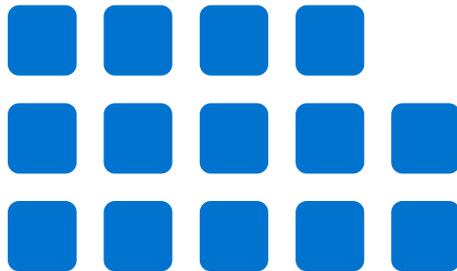
4x

more likely than men to be widowed



Will outlive their spouses by an average of

14 years¹



and lose their spouse at the median age of 59²

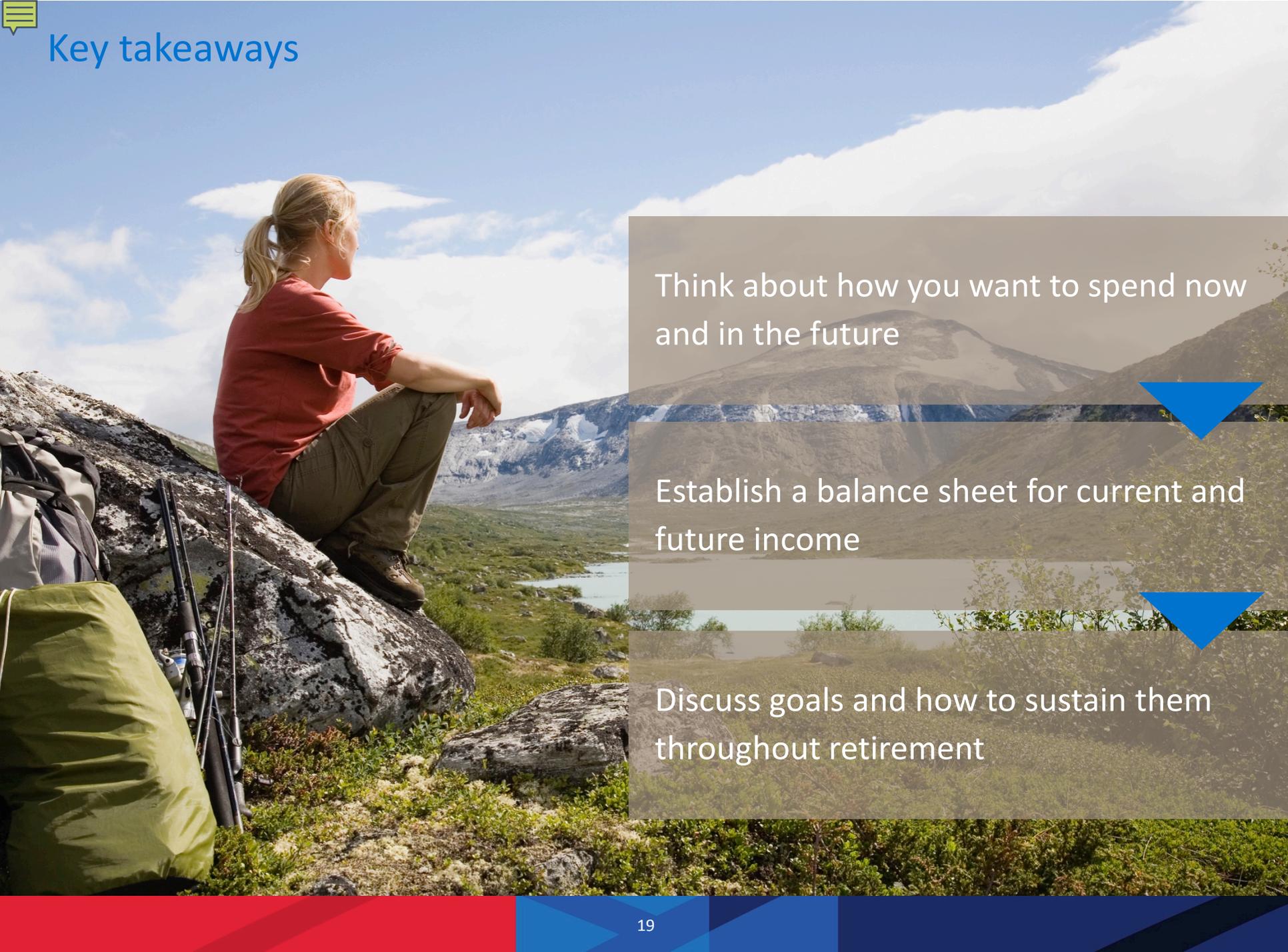
Despite the fact that **women tend to face higher health care expenses in retirement**, women are more likely than men to think they will need to accumulate less than \$250,000 for retirement.

¹ "Knowing Women: Engaging female clients in brave conversations on retirement," BNY Mellon 2016.

² Source: U.S Bureau of the Census, issued June, 2014.



Key takeaways



Think about how you want to spend now and in the future



Establish a balance sheet for current and future income



Discuss goals and how to sustain them throughout retirement

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