



Economic and Market Insights

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Women and Finances: Empowering a Better Future

Women now control \$18.4 trillion in consumer spending, hold approximately 30% of global wealth, and are the sole heads of 32% of U.S. households. All that leads to the fact that more women are making financial decisions for themselves and their families than at any other time in history.

Managing personal finances and preparing for retirement isn't easy for anyone, but women often face unique challenges in that regard. Kim Bridges, Vice President and Senior Financial Planner at The Commerce Trust Company, has a wealth of experience in this area and has spoken extensively on the subject.

In the first of a three-part series, Kim talks about the challenges women face as they look to take greater control of their financial lives.

Q. What do you mean when you talk about helping “empower” women in regard to their financial future?

Many women find it empowering to take control of their own financial futures. And whether by choice or by necessity, 90% of women will have to manage their finances on their own at some point in their life – either because they stay single, become divorced, or find themselves widowed. That's why it is imperative for women to have a solid understanding about how to manage money and invest for the future. Women who are educated and informed, and who have a financial plan in place, are confident in their financial decisions. This confidence leads to empowerment.



Q. What is different with regard to women and finances than, say, a decade or so ago?

You have women that are very smart, very engaged in the world but for a variety of reasons were not very engaged in their finances. Many learned from their own experiences — and those of other women — the importance of being involved in financial decision making. While greater engagement was evident before the recession, in 2008–2009 increased market volatility created a lot of angst. Many women began to get a real sense that their financial goals were at risk and that their ability to provide for their children and their family — which is always top of mind — was increasingly being threatened. So a growing number of women have been seeking financial education and taking an active role in their financial planning and investment management decisions.

Q. What are some of the main frustrations that you hear from women when you talk to them about financial issues?

First, women feel that they do not have good two-way communication with their financial advisors. The most common complaint is that financial professionals — often men — assume the women are not interested in learning about financial issues and spend most of the time talking to their husbands. This is simply not the case. Having a strong financial base is the No. 1 priority for families to meet their goals — whether it's tuition, retirement, going on vacation, or buying a home — and women are in the middle of every one of these discussions. Women do really care and want to be engaged; they just may not communicate that enough.

Second, many say that the firms they work with don't understand their needs or the challenges they face. Women live longer than men and are more likely to become widowed and spend their later years in reduced circumstances. They are also more likely to be called upon to provide care for aging parents. These factors contribute to a greater need for financial security. Women are less interested in communication regarding investment performance than in how that performance impacts their ability to meet their own goal of financial security. The investment discussion often fails to take place in a way that translates to their lives and goals. Poor communication can leave women feeling confused, misunderstood, and judged — and, most importantly, that their needs aren't being met.

Finally, women talk about how advisors can be condescending or tend to talk down to them. Many of these women are intelligent and accomplished in their own right. But advisors expect female clients to trust their advice without question, while being dismissive of their client's concerns and needs. Frankly, women want exactly what men want: They want to be given



options, they want to have adequate information to make informed financial decisions, and they want to feel like a partner in their financial planning and investment management.

Q. Any final pearls of wisdom?

Take charge of your financial future, become engaged in financial planning and investment decisions, and remember not to settle for an advisor who doesn't address your needs and concerns. Your financial future is too important to ignore or just settle for "good enough." Educate yourself and get involved.

About Kim Bridges, PhD, CFP®, CPWA®, CDFA™

Kim Bridges is a senior financial planner for The Commerce Trust Company and member of the financial advisory services team — a dedicated financial planning practice within Commerce Trust that provides objective financial advice to clients. In her previous financial planning roles, she specialized in providing customized financial planning solutions for high net worth individuals and families as part of an overall personal wealth management strategy. Kim has spoken extensively on issues related to women and finance. Kim received a Bachelor of Science degree in human ecology and Master of Science degree in family studies and human services, with an emphasis in family financial planning, from Kansas State University. She also earned a doctorate in personal financial planning from Texas Tech University. Additionally, Kim holds the CERTIFIED FINANCIAL PLANNER™, Certified Private Wealth Advisor®, and Certified Divorce Financial Analyst® designations.

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