



Financial Planning for Women

How planning can help provide peace of mind. A conversation with Johnson Financial Group's Kelly Mould and Melissa Olson.



When all is said and done, an effective financial plan not only helps you create the life you want, it also reduces stress because it prepares you for the worst while you hope for the best.



A [2022 Bankrate survey](#) found that nearly half of women say that money issues have negatively affected their mental health, prompting feelings of anxiety, depression, sleeplessness and stress. Another [2022 study by Ellevest](#) found that Gen X and Millennial women are particularly likely to worry about family and personal finances due to their position in the “sandwich generation,” often serving as both a caregiver for children and parents.

At present, market stress due to high rates of inflation and ongoing market volatility burden women with a variety of financial worries. Some are wondering if they need to adjust their retirement timeline, while others are worried about the effects of inflation on their weekly spending.

Now for a bright spot: financial planning can directly reduce anxiety. We both know this from direct experience. We regularly hear from clients, especially women, that the planning process makes them feel better about daily life now, not just the future. This is first in a series of four articles we’ve written to explore some of the specific planning needs for women.

Whether it is as simple as a household budget or a complex long-term financial plan, the reality is that a plan makes people feel more confident, secure, and in control of their money, reports the CFP Board. Budgeting is just the start. Creating a plan for your long-term goals goes a long way in reducing financial anxiety as you prepare for retirement, pay off debt or develop a personalized estate plan.

The process begins with coming face to face with your current situation, then making a roadmap for your future. The good news is that you don’t have to go it alone. Surrounding yourself with the right team of financial professionals provides built-in accountability, expertise and support.

Women hesitate to seek support from financial professionals

It isn’t all that surprising, considering the way women have been socially conditioned to view money. From a young age, many of us are taught that talking about money is impolite. It’s still a taboo subject of conversation. One [2020 U.S. Bank](#)

[survey](#) revealed that only around half of women talk about women with their friends because they find it too personal and downright uncomfortable. In addition, a [2021 study from George Washington University](#) found that up to one third of the financial literacy gender gap can be explained by lower confidence levels in women. But the most detrimental part of this lack of confidence is that less than half feel comfortable opening up to a financial professional.

Having a trusted financial professional in your corner will make you feel more empowered about your money. In our experience, we’ve found again and again that shame plays a very big role in all of this. Many female clients we’ve worked with over the years have come to the table with a sense of embarrassment over past financial mistakes. This only holds them back from making forward progress in the now. We like to remind them that we’re all human, and we all have financial skeletons in our closet.

And we should know! We’ve each been through some challenging periods ourselves — and were able to come out the other side wiser and less anxious and most importantly, in control of our financial future.

Just remember that your team is only as good as the information you’re willing to share. It’s kind of like going to the doctor — the only way to get an accurate diagnosis is to share all your symptoms. We both pride ourselves on our ability to provide a safe space where clients can feel comfortable opening up and asking the tough questions. From there, we create a road map together.

If you already have a team you trust, now is the time to reconnect, take a closer look at your plan, and make adjustments as needed.

When all is said and done, an effective financial plan not only helps you create the life you want. It also reduces stress because it prepares you for the worst while you hope for the best. In this way, there is some power in negative thinking because it prepares you to withstand the worst-case scenario.

It’s a lot to unpack, but we both believe planning can make it a little easier. We’re here to help all of our clients take control of anxiety and feel financially empowered. In our next article in the series, we’ll address how to plan ahead to have enough money in retirement.

Feeling behind in retirement savings and planning?

This whitepaper continues as a conversation with Kelly and Melissa.

Kelly: It's not uncommon for us to talk with people who underestimated how much money they would need in retirement and started preparing too late in the game. People typically underestimate the number of years they will spend in retirement. And women are often at greater risk of not achieving a financially secure future than men, about 50% of women ages 55 to 66 have no personal retirement savings according to a [U.S. Census Bureau survey](#).

There are plenty of things I wish I had in order twenty-five years ago. Some could have made a significant impact on my own financial situation.

Melissa: I'm earlier in my career than Kelly yet I'd say the same thing. I think almost all of us would. So, it's useful to briefly touch on a few basics through life's stages. Then, we'll revisit what to do if you are approaching retirement and find yourself feeling uncomfortably behind.

The first stage of a person's adult financial life typically covers ages 20-29. You might call these the "sky's the limit" years. Anything seems possible in a career that appears to stretch way into the future. That may be true, but it's so helpful to have a conversation about your dreams, hopes and goals. They can and likely will change but articulating what you want your life to look like long-term can help you better prepare.

62% of women feel they are behind on their retirement savings...you need to know your situation in order to know what you have to do, such as working longer or downsizing.

For example, with a long-term vision in place, you're more likely to stick with aggressive savings, such as maximizing benefits from your workplace 401(k) or other retirement plan.

Kelly: The next stage is longer—roughly ages 30-60—and can be called the "juggling act" years. Thinking long-term during this period is vital. Although it can be difficult to imagine retirement between childrearing and grueling work schedules, now is the time to build out a rigorous financial plan and get realistic. Don't think simply about the basics of what you will need; you're working too hard to just try to survive in your golden years. Instead think about what your ideal lifestyle would look like and what you need to do to make that a reality.

While this stage of your life may be the highest earning years of your life, it often also comes with the highest expenses, from children to activities to meals. Many in this group eventually find themselves to be part of the "sandwich" generation providing care for multiple generations and juggling the needs of grandkids, adult children and parents.

Working with a financial professional at this stage is important for poking holes in your plan, helping you understand what planning tools you have available and helping you shape your overall approach. Complex financial topics such as wrangling debt, selecting an investing strategy, assessing tax and insurance needs, estate planning and establishing powers of attorney, and survivor guidance planning should not be overlooked.

Melissa: Then from age 61 onward come the "go-go," "slow-go" and "no-go" years.

The years leading up to retirement is a time for fine-tuning. Take time to revisit several of the possible expenses that are easy to overlook when planning for retirement such as a mortgage (if your house isn't paid off), house repairs, grandkids, travel and hobbies.

Pay special attention to healthcare expenses. Many Americans underestimate or don't understand the costs of healthcare in retirement and find it particularly difficult to predict the cost of long-term care. Remember, too, that women are statistically also more likely to live longer, creating a host of planning needs.

Kelly: According to a [2022 Bankrate survey](#), 62 percent of women feel they are behind on their retirement savings. If you are one of the women who feel they are behind and retirement is on the horizon, now's the time to buckle down and gain your confidence. You need to know your situation in order to know what you have to do, such as working longer or downsizing.

Whatever you do, don't let self-recrimination make you freeze up. A financial advisor exists to be an advocate for what you want to accomplish. Sometimes, that means advocating that you consider some tough choices. Still, the result is almost certainly going to be more peace of mind—and more of what matters to you, whatever that is—than if you don't start taking steps now.

Melissa: The next part of our conversation will focus in more detail on what it means to "take charge" of your financial plan.

Taking ownership of your retirement plan

Kelly: To get the most from financial planning, you have to actively participate in it. Here's a startling pair of statistics from [research in 2020 by Boston Consulting Group](#): "66% of married millennial women remain involved in financial decisions; the corresponding figure for female baby boomers is 29%."

Millennials are up-and-coming from a financial perspective, and it's so encouraging to see millennial women actively engaging to shape their financial futures. For women from prior generations, though, there's often a need to really step up awareness of family finances.

Melissa: It's very common for us to hear from women that they haven't been very involved and wish they had been. In many cases, women direct a large portion of household purchases, yet they aren't very involved with savings and investments. These women tend to have made sacrifices for their families. They've been nurturers of others but not necessarily themselves.

That's actually something many women find helpful about the planning process—realizing that to care for their families they need to plan for their own well-being. There will always be forces that gravitate attention away from that.

Kelly: Often couples will divide and conquer when it comes to household responsibilities, and there's nothing wrong with that, even in the financial area. But each person needs to maintain awareness of critical factors to financial health, even if you aren't the one handling the day-to-day or month-to-month financial processing. Far too often, we find the spouse who wasn't managing the money is ill-equipped to take effective action when needed due to the death of a spouse who managed the money or other trauma.

Melissa: There are five main categories you have to stay aware of: budgeting, saving, planning, investing and insuring. And when you're aware and active in those areas, you find you're far more confident about not outliving your money—which is the number one thing most people (and certainly most women) are afraid of.

Kelly: You'll gain that greater confidence in decision-making. And here's something else that's important but underappreciated: you'll also be better able to enjoy what you have. I've worked with women who are very comfortable financially whose fear of destitution hinders their ability to do so. Other times, people have a hard time shifting gears from one phase of life to another (or one income level to another). For example, sometimes it's very hard for people to make the mental switch from the accumulation phase to decumulation phase. It can be unnerving, in retirement, to see asset levels gradually fall, even though that was the plan all along.

Melissa: There's all kinds of mental challenges that come up. Retirement planning benefits from having someone with you—not to be in charge of you, but to be with you.

Kelly: Right. Because what we're really saying about taking ownership of your plan is making sure the plan connects with your actual life.

That's true during the accumulation phase and during retirement as well. For retirement, I like to talk with clients about "purpose planning." Speaking for myself, I want to make sure I have a clear purpose through each phase of life. As life gets hectic and we go through big changes in our lives, it is so easy to let nourishing activities fall away. I want to make sure I don't ever have a series of doctor's appointments and Wednesday discount-shopping at Kohl's be what drives my schedule.

For me, "purpose planning" also means being clear about how I want my assets to be used and enjoyed. If I were to die early, I'd like my assets to benefit my grandkids. But if I'm here as long as I hope to be—and enjoying my grandkids along the way—I want to write my last check with my last nickel.

Melissa: No matter where people are in the process, and whatever their purpose may be, we want them to know we can help them get clearer about what's important to them, what stands in the way, and what stands at their back.

Ultimately "taking ownership" is about getting your planning aligned with your purpose. Don't wait till catastrophe strikes. Challenges will inevitably come, and that's what we'll talk about next.

Millennials are up-and-coming from a financial perspective, and it's so encouraging to see millennial women actively engaging to shape their financial futures.

Handling emergencies at every stage of life

Kelly: The one thing we know for certain about difficult situations is that none of us go through life without some unanticipated challenge impacting us financially. There are things you plan for—such as college and retirement—and then there are the things you don't plan for. As I like to say, even psychic mediums have insurance.

It's prudent to have a financial plan flexible enough that you can adjust as life happens.

Melissa: Having a plan in place—not waiting until catastrophe strikes—gives a person more confidence through every stage of life. For a young homeowner, the hit to the budget from an unexpected house problem can be staggering. For parents, common fears surround children's medical needs and anything that might take a parent out of the workforce for a while, whether that's illness, injury or caring for an older adult.

Then of course there's divorce and the challenges of starting over, which is something I can definitely relate to.

Kelly: That greater confidence Melissa mentioned comes partly thanks to the plan itself and partly thanks to having everything in order, which is what happens through the planning process. I tell people don't wait until you're going on an African safari to do your estate planning. You're more likely to run into trouble at home than to be eaten by a lion.

That sounds silly, but people often need to get past a subtle kind of reluctance to estate planning—that doing it too early might somehow be unlucky. If that's you, know you're not alone in having those thoughts.

Letting a financial advisor into your fears—as well as your hopes and dreams—can be a little disconcerting. But it's far preferable to waiting for tragedy to strike to shift into gear. When the unthinkable happens, it is reassuring to know where you stand and that trusted people are ready to help you.

Melissa: I suspect many people are even more reluctant to have certain conversations with their financial advisors than they are to go to the dentist. They don't want to have to talk about things they haven't done consistently, like setting aside funds for emergency use. But as with the dentist, it's better to go sooner than later and to address any issues you may have and start working on building new and sustainable habits. So many of us have to take stock of where we are and rebuild from

there, and an advisor can help you identify specific strategies—from budgeting to insurance—and which to prioritize first.

Kelly: Ultimately, unless someone dies young, there will come a time when you have to face what's not working in your financial plan. The young homeowners Melissa mentioned might struggle if the plumbing goes out, but they have many years to get things on track—whereas people approaching retirement may have less debt but more medical needs. To protect yourself along the way, don't wait to learn good habits. Start right now. And definitely don't wait until you're facing retirement to try to pull it all together.

Melissa: Confidence to deal with emergencies doesn't come in a day, but often the hardest part is making the first call. A financial advisor is a good place to start. Ultimately, you'll want someone in each of what I call the “big five” roles: financial advisor/planning, banker, lawyer, accountant and personal representative (as with a power of attorney or healthcare directive).

And if you're working on these things together with a spouse, be sure to stay aware. More than anything else, be sure you personally know the people on your team, even if historically you were less involved in financial decision-making. Confidence comes from having a plan and knowing there are skillful people ready to help.

WANT TO LEARN MORE?

Visit [JohnsonFinancialGroup.com](https://www.johnsonfinancialgroup.com)

WRITTEN BY



Kelly Mould
SVP Wealth Team Lead
262.619.2913
kmould@johnsonfinancialgroup.com



Melissa Olson
Wealth RPS Participation
Education Specialist
414.220.5073
molson@johnsonfinancialgroup.com

2022 Bankrate Survey (mental health) | www.bankrate.com/banking/federal-reserve/why-women-feel-more-financial-stress/
2022 Ellevest Study | www.ellevest.com/magazine/disrupt-money/ellevest-financial-wellness-survey-2022
US Bank Survey | www.usbank.com/about-us-bank/company-blog/article-library/us-bank-survey-says-women-are-leaving-money-and-influence-on-the-table.html
2021 Study from George Washington University | gflec.org/wp-content/uploads/2021/03/Fearless-Woman-Research-Final.pdf?x27564
US Census Bureau Survey | www.census.gov/library/stories/2022/01/women-more-likely-than-men-to-have-no-retirement-savings.html
2022 Bankrate Survey (behind on retirement savings) | www.bankrate.com/personal-finance/women-prepare-for-recession/#disproportionately-struggle
2020 Research by Boston Consulting Group | www.bcg.com/publications/2020/managing-next-decade-women-wealth

Wealth management services are provided through Johnson Bank and Johnson Wealth Inc., Johnson Financial Group companies. Additional information about Johnson Wealth Inc., a registered investment adviser, and its investment adviser representatives is available at adviserinfo.sec.gov. NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

