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Issue

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**WOMEN AND FINANCIAL
INDEPENDENCE**

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Working Together For Your Future

A Call To Action



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A Call To Action



All things being equal, the needs of the female investor should be precisely the same as the male.

But in reality, all things aren't always equal. And because of the differences, many women need to follow a different road if they are to achieve financial freedom.

In fact, many women have to make the very fundamental decision to become involved in determining their financial destiny.

MARRIED OR SINGLE, EVERY WOMAN NEEDS TO TAKE AN ACTIVE ROLE IN HER FINANCIAL AFFAIRS.

The facts are clear:

- ◆ Society is changing, but that change is happening slowly. Women, as a group, still earn a lower income than men.
- ◆ Many women today remain financially independent. At the same time, some women continue to rely on their spouses to look after all their personal financial matters.
- ◆ The Canada Pension is equal to 25% of the contributor's average monthly pensionable earnings. If an individual's pensionable earnings fall short of the maximum (\$32,300 in 1997), that person will not receive a full pension upon retirement. This fact is important for women in particular to remember since, in 83% of dual income families, women earn \$30,000 less per year than their partners. In some cases, women also stay home to raise a family, further reducing their life long income earning power and, therefore, their allowable Canada Pension.
- ◆ The Old Age Security pension is under scrutiny as well. Experts seriously question whether this pension will be able to make payouts by the time "baby boomers" reach retirement age.

The implications are equally clear:

- ◆ In a large number of cases, due to these inequalities, it's more difficult for women than men to achieve financial freedom. An organized approach that makes your money work harder for you can make the difference.
- ◆ No one should rely solely on the Government to take care of them in retirement.
- ◆ With a single lifestyle comes greater responsibility to actively pursue a personal financial plan. No one else is taking this crucial step for you.
- ◆ Even if you plan to marry, it is important to implement a personal financial plan **now**, enabling you to develop a firm foundation upon which to build your family.
- ◆ Some women are surprised to find – after divorce or the death of their spouse – that their financial matters have not been handled well. Even then, many lack the experience to deal with these issues without professional assistance.
- ◆ Given what's at stake, every woman needs to be actively involved in determining her own financial future.



ARE YOU MARRIED?...

If so, and if you have not been previously involved in your family's investment planning, you need to discuss the following issues with your spouse:

- ◆ Do we have life insurance? Am I the sole beneficiary?
- ◆ Are we taking full advantage of RRSPs and spousal RRSPs?
- ◆ What is our pension coverage and for how long are we covered?
- ◆ Where are our financial documents kept? Is there a safety deposit box? If so where is it – and do we both have access?
- ◆ Is there a will? If so, who is the executor?



ARE YOU SINGLE?...

If so, you need to ask yourself these questions:

- ◆ What is my net-worth?
- ◆ Do I have an annual budget?
- ◆ What are my financial goals and how will I achieve them?
- ◆ Who will benefit from my estate?
- ◆ Do I have a will?
- ◆ Do I need life or disability insurance?
- ◆ Will I have the income necessary to support the lifestyle I expect to lead when I retire?

FIVE KEY STEPS EVERY WOMAN SHOULD TAKE TODAY

Regardless of your marital status, you need to take the following 5 steps:

1. Seek out a good Financial Advisor. Couples should both meet the Advisor and participate in the planning process.
2. Set specific financial and retirement goals.
3. Determine and monitor your net-worth and develop a budget based on monthly cash flow.
4. Start a savings and investment program which, at a minimum, includes investment in an RRSP. For couples, where one individual is not the main income earner, the minimum savings plan needs to include a spousal RRSP.
5. Increase your knowledge of current financial issues. Read articles and books, take courses, and attend seminars.

Ultimately, every woman must take responsibility for her own finances. With the insight of your Financial Advisor, you will be well on your way to controlling – or helping to control – your financial destiny.

FOR MORE INFORMATION

An independent Financial Advisor can offer solutions to the challenges facing every investor.