
A look at women and money, via Prudential

By Editorial Staff *Fri, Jul 18, 2014*

Even though they don't feel prepared to make wise financial planning decisions, fewer women say they are seeking professional financial advice, according to Prudential Financial's study of women's attitudes toward money and financial services.

Although women say they are taking control of household finances, they are no more prepared to make financial decisions than they were ten years ago, according to Prudential Financial's latest study of women and money.

The study, which is Prudential's eighth biennial study of this topic, revealed that women are less concerned about their financial security today than they were after the 2008 financial crisis. But even though they don't necessarily feel prepared to make wise financial planning decisions, fewer women say they are seeking professional financial advice.

The Prudential study, titled "Financial Experience & Behaviors Among Women," was based on a poll of 1,407 American women and 606 American men ages 25 to 68. According to the study:

- About a third of women give themselves an "A" for their knowledge of managing money (33%) and managing debt (29%).
- While three out of four women believe it is very important "to have enough money to maintain their lifestyles in retirement," only 14% are very confident they will. This gap is virtually unchanged from 10 years ago.
- Only 33% of women feel "on track" or ahead of schedule in planning for retirement, down from 46% in 2008.
- 66% of women surveyed said it was very important to keep pace with rising health care costs, but only 9% are confident they will be able to.
- Only 38% of women understand mutual funds and only 31% understand annuities "very" or "somewhat well."

Across almost all products and planning options—life insurance, retirement plans, IRAs, stock and bonds, estate plans, wills and trusts—understanding is now lower than it was in previous years. But only 31% of women use a financial professional, down from 48% percent in 2008.

In addition, one in five women say the financial services industry doesn't understand their needs, and many say the industry needs to use less jargon and maintain a strong code of ethics.

Generational differences may play a factor in determining use of advisers. Forty-five percent of Baby Boomers use a financial professional, while 31% of Gen Xers and just 15% of Millennials do. Millennials and Gen Xers may be using the tools available for free on the Internet instead of seeking advisers, the study said.

Women are now the primary breadwinners in 44% of households, down from 53% in 2012. But the drop

among married men as primary breadwinners is even greater, suggesting a leveling off of income among spouses and partners, and the fact that major financial decisions are made jointly.

This year 27% of married women say they have taken control of financial and retirement planning, up from 14% in 2006. Among married women who are their family's primary breadwinner, 65% say they take the lead role in financial and retirement planning. Even among women who simply contribute to household income or were not wage earners, nearly half said they share equally in the financial planning process.

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