

Financial Empowerment for Women

By Cheryl J. Sherrard, CFP®; January 2014

It is estimated that women will control two-thirds of the consumer wealth in the U.S. over the next decade.¹ Whether this is the result of sweat equity from building a business, the disciplined savings as a corporate executive, or through an inheritance from a spouse or other family member, it brings with it great power and great responsibility. Control over this wealth presents an opportunity for women to demonstrate their values and priorities through the choices they make with their money.

There are lessons to be learned today, whether you are managing thousands of dollars or millions of dollars. The principles are the same but it first takes a resolution on your part to begin the journey by engaging in your personal financial situation. The lessons to be learned can, in their simplest state, be condensed to the following four guiding principles:

1. Be informed

If the area of finance is foreign to you, you have a choice: to put your head in the sand and remain uneducated or to begin today to learn the ropes of your financial situation. As you know from other areas of your life, when you are lacking knowledge in a particular area, you search out the experts. Your financial education needs to include input from those whom you can trust, people who will truly help you to learn and understand, and who will be advocates for you in future financial decision making. Partnering with a financial advisor who is your fiduciary will help ensure they are always acting in your best interest.

Wherever you begin, strive to continue learning and expanding your own knowledge so that you stay engaged and make informed decisions about your future. This will serve you well when those decisions involve greater wealth and have potentially greater impact on those whose lives you touch. Even if you are not the primary breadwinner in your current situation, stay informed about the details of your family finances, so there are no surprises down the road. Because the future is unknown and uncertain, you should always stay engaged in the economics of your situation. Ignorance is not bliss; ignorance puts someone else in control of your financial future.

2. Be responsible

The United States is one of the wealthiest nations in the world. There exists a culture of “excess” and most have become so accustomed to it they don’t even recognize it anymore. Every day, no matter the amount of your wealth, you make choices as to how you use that wealth. Those choices teach lessons to others, both directly with those whose lives are dependent on you, and indirectly with those who watch and learn from afar. Are you teaching wastefulness and self-centeredness or are you teaching how wealth can be used to positively impact the lives of countless others? Responsible use of all your resources is a lesson that needs to be learned by this generation and passed on to future generations so the future remains bright for all.

3. Be Passionate

As women, there seems to be hardwired within us an innate capacity to care about others and about our world. When we are in control of wealth, we are presented with a plethora of options as to how to invest. The beauty of having so many options available is that we can choose to invest with our values and speak loudly and clearly about what is important to us.

We have the opportunity to tailor our investing in such a way that our choices are a reflection of our values and the causes we support. It is possible to target certain areas we are passionate about to focus on for our portfolio investments. You may wish to invest in companies which are truly supporting environmental sustainability. Conversely, you may choose to exclude companies that support alcohol production if you consider this to be offensive. You have the choice to let your voice be heard.

Additionally, women tend to be the ones who control much of the charitable giving which occurs from within their families. Giving to causes you support can have a tremendous impact on others and can also serve to model desired behavior for future generations.

4. Be Realistic and Reasoned

Inaction is sometimes the easiest choice, but it is usually the most ineffective choice. No matter the excuse, when you do nothing you are giving control of your future over to others. Whether you control a Fortune 500 company or spend your day helping mold the minds of children (yours or others), you make decisions each and every day to help shape the world in which you live.

Decisions about your wealth will have long-lasting physical, mental and emotional effects, both for you and those whose lives you touch. Do not leave those decisions in the hands of others. There will be many advisors who will be more than happy to assist you with your wealth. Choose wisely! This is not a decision to be taken lightly. Talk to other people to learn which credentials are meaningful; check the disciplinary history of advisors you are considering and insist on someone who will act as your fiduciary, always putting your best interests first. Find someone to partner with in your financial dealings that will truly listen to your passions and your goals and work with you to design a blueprint for achieving those goals, one step at a time. You don't have to tackle everything at once. Instead, prioritize the action items and systematically work your way through the list. The hardest step to take is usually the first one. Resolve to begin the journey today.

Women of today are intelligent, empowered, and in control of vast amounts of wealth. It is imperative that you take seriously the management of your wealth, doing so in a way that secures the future for both you and your family. That speaks to the "caretaker" inherent in all women. This year, go one step further and allow your wealth to speak clearly about your other priorities by investing with your values, giving back to causes you find worthy, and allowing your wealth to make a statement about what you consider to be important in the world.

¹*U. S. Women Control the Purse Strings*; Nielsen.com, April 02, 2013

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