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WOMEN OFTEN FACE UNIQUE FINANCIAL CHALLENGES

By Cole Ehmke Cole Ehmke, University of Wyoming Extension Specialist

Late one July, I received a call from a woman requesting the debtor education class required of people going through bankruptcy. In her 80s, a widower, and with credit card bills (many stemming from medical costs), she said bankruptcy was the hardest thing she'd ever faced. While filing for bankruptcy was sensible, it hurt and shamed her to go through the process.

I'd say that she is not unusual in facing horrible financial stress late in life. And no less so, because she was a woman. I often teach and work with women, and my conversation with her reminded me that women and men tend to have some different financial planning challenges.

Some of the realities of life for a woman in the second millennium include:

1. Women, on average, live seven years longer than men.
2. Women generally earn less than men over their lifetime (Wyoming is noted for that fact). They spend less time earning paychecks and paying into Social Security and retirement plans, because many are in and out of the job market for one or two decades, and often longer, due to child-rearing and family-care-giving responsibilities.
3. Some 40% of marriages end in divorce, leaving both genders to fend for themselves, but with the mother generally having child-care responsibilities. I've heard that mothers in situations like this often bring in 30% less income than pre-divorce.
4. The average age of widowhood, according to AARP, is 56.
5. Women are less likely to receive a pension, and if they do it is often about 50% of that a man receives.
6. About 50% of retired women depend solely on Social Security.
7. No matter the economic level, many women fear becoming a "Bag Lady" in their later years.

And some women lack financial experience, because someone else always handled the money.

When we consider the great inequities in this country, the challenges that women face when it comes to money is one that raises my blood pressure, and I hope yours, too.

What actions can people take to address the inequities? Increasing our knowledge is a good first step. In part, this is understanding the scope of the general problem so that we can help motivate change at a national level, such as through reform of health care. At a more personal level, and one I'm more familiar with as the cross the state teaching personal financial management classes, it is increasing our knowledge of finance—the ways and means by which our financial future happens. Have we sought out advice or classes on understanding money, insurance, and risk management; the financial system; investing for retirement; financial safety (from fraud); and estate planning? In my experience, the people who know how the system works are far more able to accomplish what they want.

People like me in Extension offer services to help people in a variety of ways, but some of our patrons are facing some kind of a crisis, including financial, which makes such teaching reactive rather than proactive. For others, they were motivated by an event in their lives or someone else's life that caused them to imagine scenarios in which some knowledge would be helpful. And for others, it's because they had no choice—for instance, some bankruptcy proceeding require a personal finance class. Or, perhaps a class of eighth graders who will be learning principles of money management (unfortunately, many states (including Wyoming), don't require a personal finance class of all its high school graduates).

To put your financial house in order, remind yourself of the principles that cut across men and women and old and young. Some are simple, but not at all easy—AND they all require us to be fairly organized:

1. Get out of debt, and stay out of debt.
2. If single, take charge of your finances, don't wait for someone else to do it for you. If married or in a domestic partnership, set time aside each week or month to talk about finances and do some planning. You're in a relationship together, and sound financial management is essential for a sound and less stressful life together.
3. Even if you're 50 and haven't saved toward retirement—START NOW. If you're 20 start, saving with your first job. And in your 30s and 40s, try to boost the percentage of your paycheck going into a retirement plan.
4. Make money your friend—learn how to separate needs from wants, and save for your wants.
5. Detect spending leaks, and plug them so you can save for wants.
6. Start studying investments, and when you have your emergency fund, your retirement fund, and your children's college fund secure—learn how to make you money grow.

Guess I would avoid using the phrase 'do it together' since you're talking about a couple, as that wording could bring about an unintended laugh.