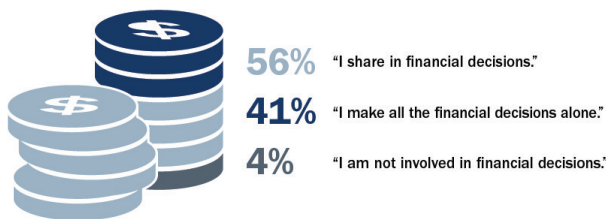


# Women and financial decision-making:

## How roles are changing across generations

Women of all ages are more engaged in financial decision-making than ever before. That's a finding of the new Ameriprise *Women and Financial Power*<sup>SM</sup> study, which surveyed women ages 25-70 with at least \$25,000 in investable assets. The study found 41 percent of women surveyed are making financial decisions alone. While a majority of these women are either unmarried or divorced (63%), the rest (37%) are in long-term relationships and making financial decisions for the household.

### Women play various roles in making financial decisions, but almost all are involved in some way



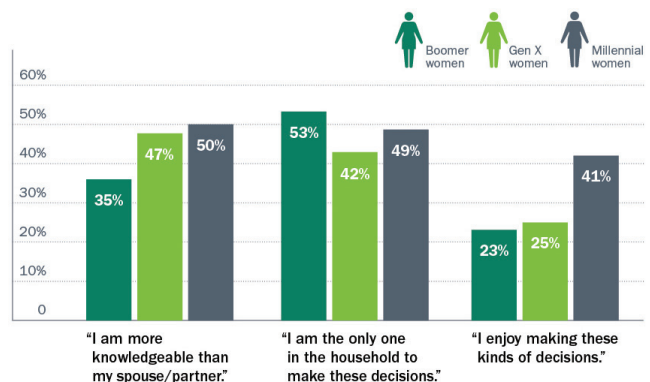
Q: Which of the following best describes how financial decisions are made in your household?

### Many women are leading household financial decisions, but not always out of necessity

Women's reasons for and comfort with making financial decisions differ substantially among generations. Boomers are making decisions out of necessity as they near retirement and they sometimes feel anxious. Millennial women, on the other hand, are making these decisions because they like to and they feel they know a lot about finances. Generally, married women are more likely to say they share in financial decisions with their spouse than to say they manage household financial matters on their own, but this is changing dramatically with younger

women. Among married women, only one in ten (11%) Boomers and 22 percent of Gen X say they are primary financial decision-makers — considerably fewer than the 38 percent of married Millennial women who consider themselves as such.

Women who are primary decision makers cite a variety of reasons for their role, though there are some trends by generation.



Q: What are the reasons for your role as a primary financial decisionmaker?

## Older, wiser and happier?

Baby Boomer women (age 55-70) are more engaged with their finances as they prepare for and enter retirement than they have been at any other time in their lives, according to the study. They also report feelings of peace with their values and their financial situation

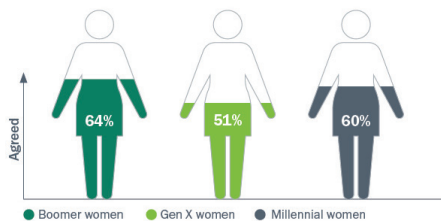
Percentage who agree with this statement:



Q: To what extent do you agree or disagree with the following statements?

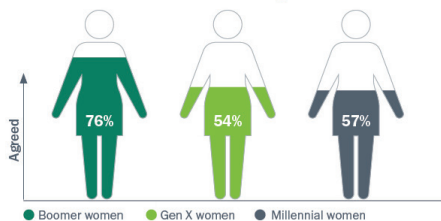
So what's their secret? It appears to start with seeking financial advice and having a financial plan. Sixty-four percent of Boomer women seek financial advice compared to 51% of Gen X and 60% of Millennial women. In addition, three-quarters (76%) of Boomer women say they have a long term financial plan they feel comfortable with compared to just over half of younger women (55%).

### Women who seek financial advice:



Q: Do you agree with the statement: "I seek financial advice"?

### Women who've created a financial plan:



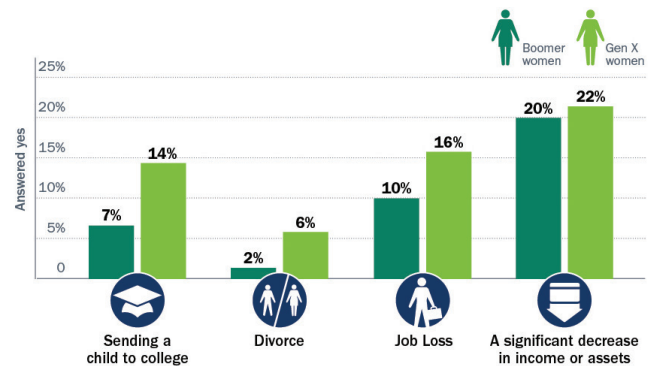
Q: Do you agree with the statement "I have created a financial plan I feel comfortable with"?

## The squeezed generation

Generation X women (age 35-54) have more recently faced life's challenges, including divorce, unemployment or a major loss in assets, according to the data. Many may be dealing with the financial strains of aging parents or grown children needing assistance. These challenges can impact how confident Gen X women feel about finances.

- Gen X women are more likely to face a life challenge (51 percent) than men in their generation (43 percent).
- When faced with life challenges, 70 percent of all women said they make an effort to spend less money while 27 percent attempt to save and invest more. But, only one in four Generation X women felt "very confident" that they made the right financial decision in their circumstances.

More Gen X women than boomer women have been impacted by challenging life events in the past five years.



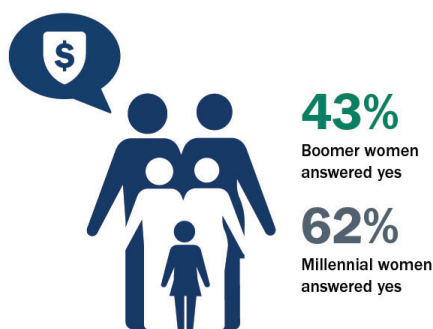
Q: In the last five years, have you been impacted by the following events?

## Ready and willing

Millennial women (age 25-34) feel well educated about finances and are more likely to feel in control of their financial lives, according to the survey. Many of these respondents haven't yet experienced the financial challenges of Gen X and Boomer women, but a lot are in the midst of several life milestones, such as moving in with a partner, buying a home or having children.

- Younger women feel strongly that they have received more financial education and are more attuned to financial decisions than their mothers were. They also have access to lots of financial tools and information and know how to use them.
- Many married Millennial women who are the primary financial decision-makers say they do so because they are more knowledgeable than their partners (66 percent) or because they enjoy making these decisions (49 percent).

Younger women are more likely to have learned from their parents about finances while growing up.



Q: Did one or both of your parents spend time teaching you about finances and financial decisions as you were growing up?

While the results of this survey are encouraging, there is still more that many women need to do to feel financially confident. Boomer women, for instance, may still need to address specific issues in retirement such as health care and long-term care. Gen X women, who may be feeling overwhelmed, need to take the time to make a financial plan. The challenge for Millennials may be keeping their optimism intact as they face the financial challenges that may come with age.

All three generations can learn from each other. Understanding how other women approach financial decision-making can help increase your knowledge and confidence going forward.

As a financial advisor, I can help you feel more confident about your financial decisions and how best to plan for life's milestones and challenges.

\*The *Women and Financial Power*<sup>SM</sup> study was created by Ameriprise Financial utilizing survey responses from 3,515 Americans (2,010 women and 1,505 men as a control) ages 25-70. All respondents have investable assets of at least \$25,000. The survey was commissioned by Ameriprise Financial, Inc. and conducted via online interviews by Artemis Strategy Group from March 6 – March 24, 2014.

For further information and detail about the *Women and Financial Power*<sup>SM</sup> study, including verification of data that may not be published as part of this article, please contact Ameriprise Financial.

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