

July 3, 2014

Women, Declare Your Financial Independence!

As we celebrate Independence Day, we reflect on how far women have come in achieving financial independence, and how much more still needs to be done.

By many measures, it's never been so good to be a woman in the United States. According to a comprehensive report prepared for the White House Council on Women and Girls, [Women in America](#), the income gap between women and men continues to narrow. More women than men are now earning college degrees. Women's participation in the labor force has increased significantly in recent decades, and women's unemployment rates have increased less than men's in recent periods of recession.

Still, there is more to be done. Consider the following:

- While women live longer than men, they are far more likely to experience critical health difficulties that interfere with their ability to work.
- Women are more likely to live in poverty than men. Single-mother families suffer the worst disparity of all.
- Nine out of ten women will be solely responsible for their finances at some point in their lives.
- The historical average age at which women are widowed is 56 years old. One out of four widows is broke within two months of her husband's death.
- Only 41% of women participate in their employer's 401(k) plan.
- Among elderly Americans living in poverty, 87% are women.

Outdated Traditions Persist

What's going on here? Why are American women still not financially independent? We asked **Betty Harris Custer**, who has been in the financial planning profession for 43 years, and she has some ideas.



Betty Harris Custer, CFP®, CRPC
Custer Financial Services

"One of the biggest barriers is a lack of confidence," explains Custer. She observes that many women – herself included – were raised in families where their mothers had little to do with financial decisions.

"My father gave my mother a household allowance. That was it. If he had died before her, she would have felt very shaky about her own ability to make financial decisions. I saw that happen to other women. When one of my dad's closest friends

died, my father had to go over and teach his friend's widow how to write a check. That seems so long ago, but it wasn't, and there are many women who still haven't moved past that."

Custer notes that even women who feel confident in many other areas of their lives still feel uncertain about their financial acuity. She points to the wage gap between men and women, and the ongoing dearth of women serving as CEOs and corporate board members. "Women observe these things in our society, and we learn to feel undervalued. Society is telling us, 'We're still not sure if we trust you with that level of decision-making.' Women make up the majority of our population, but we're still a minority."

Betty thinks that her fellow financial advisors often miss the boat when it comes to meeting women's needs. She remembers that when she was starting out in her career, her empathy was perceived as a liability. She sees it completely differently.

My empathy has always been an asset to me. I can imagine people's fears and concerns, and help them to meet those and mitigate them. Instead of acting like I know everything, I go to their side of the table and help them to problem-solve. I treat every client interaction as if I were planning for my own family. Too few financial advisors try to meet people where they live.

Finding the Tools to Meet Women's Goals

While this state of affairs may seem bleak, take heart: Betty wants you to know that you have everything you need to declare your financial independence. She offers some insight into how she helps her clients toward that goal.

First, I try to demystify money a bit. Money isn't what's important. What matters is what money means to you. Women have strong ideas about where they want to live, where they want their kids to go to school, and what charities they'd like to support, for instance. I try to move away from talking about stocks, bonds, and options, and instead talk about goals. I talk to my clients about what they hope their money will help them to accomplish. This opens us up to hopes, dreams, fears, and all the complex human emotions, which is important. Then we can start talking about the financial tools that help with women's ambitions, and it becomes less scary because those tools are now just a means to an end.

This mindset may help to explain why women are more interested in Sustainable and Responsible Investment (SRI) than men. Studies show that women are more likely than men to view social and environmental impact as important considerations in their investment choices. (Please revisit "[2014: The Year of Women's Investment](#)" for more on this topic.) Maybe it's no wonder, then, that Betty is experienced with SRI!

Taking Charge of Your Future

If you're not satisfied with your financial independence, there's no time like the present to get started. While none of us wants to contemplate the possibility of divorce, injury, illness, or death, it is critical that you choose to be ready, at any moment, to be completely in charge of your finances. To this end, consider working with an advisor. Wouldn't you love to have someone like Betty guiding you toward your goals?

Whatever you do, Betty wants you to cut yourself some slack. She wants you to know that you don't need a master's in finance to understand the basics of securing your financial future. You can do this. You can understand this. Just start with the basics and work forward. You are much better equipped than you may think you are.

Happy Independence Day!

Betty Harris Custer has worked in the financial planning profession for more than 43 years, both as Founding Managing Partner of her own full service firm, Custer Financial Services, founded in 1981, and as a senior manager for several nationwide firms. She works with affluent individuals, private foundations and endowments and is experienced with SRI. She joined Lincoln Financial Advisors (LFA) in 1984 and served as one of its first female regional managers for almost ten years. She is a member of LFA's high achiever's Chairman's Council, as well as a member of LFA's group of top financial planners, The Resource Group.

Betty Harris Custer is a registered representative of Lincoln Financial Advisors Corp a broker/dealer (Member SIPC) and a registered investment advisor. Custer Financial Services is not an affiliate of Lincoln Financial Advisors Corp. CRN-960657-070314

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