

**Tennessee Society of CPAs**

201 Powell Place  
Brentwood, TN 37027  
615/377-3825  
[www.tscpa.com](http://www.tscpa.com)

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**CONTACT:**

Jared Booth  
Communications/Technology Associate  
[jbooth@tscpa.com](mailto:jbooth@tscpa.com)

**Five Key Financial Planning Questions for Women**

Do women have special considerations when it comes to financial planning? Women with full-time jobs earn an average 79 cents for every dollar men make, according to the Institute for Women’s Policy Research. Given potential lower salaries over the course of their careers—and time away from the workplace to care for children or aging relatives—good money management and smart investment choices become even more critical. The Tennessee Society of CPAs spotlights questions women should be asking about their financial planning, and the answers they need.

**Do You Have Confidence in Your Investment Decisions?**

Conservative investors—those who choose investments with low risk and low yield—run the risk of missing out on some potential investment growth. And while you should always respect your own risk tolerance in making an investment, keep in mind that women tend to be more conservative with their money, and perhaps less confident. While 57 percent of men consider themselves knowledgeable about saving and investing, according to a Blackrock Investor Pulse Survey, only 48 percent of women do. The best solution is simply learning more about your options so that you can make informed decisions. You can do that by [reading up on investments](#), attending seminars, joining an investment group or reaching out to [your local CPA](#).

**Do You Monitor Your Investments?**

Although 61 percent of women said they have a household budget, less than one-quarter review the performance of their savings and investment accounts on a regular basis, according to Blackrock. You’ll never know if your investments are the right ones if you don’t reassess them periodically. CPAs recommend you do so at least once a year, and that you consider whether it’s necessary to make changes in light of new developments in the market and in your life, such as a promotion or loss of a job, or a marriage, divorce or death of a spouse, among others events.

### **Are You Prepared for Changing Professional Expectations?**

The last recession and continuing advancements in technology demonstrate the importance of keeping your professional skills up to date and anticipating new expectations for professionals. In particular, women who leave the job market temporarily should monitor changes in their fields and be prepared to add new proficiencies when they return to the workforce.

### **Are You Building for a Secure Retirement?**

Between typically lower salaries and time taken off from working, women are more likely to have smaller retirement nest eggs and may also qualify for lower Social Security payments. To offset those challenges, set up a regular retirement savings plan now if you don't already have one, and contribute as much as you can to it. If you're job hunting, be sure to evaluate prospective employers' retirement plans and to factor them in when deciding whether to take a position. If your employer matches the contributions you make to a retirement savings plan, it's best to chip in enough to qualify for the entire match.

### **Have You Factored in Health Care Costs?**

Given their longer lifespans, paying for potential health care costs should be a key consideration in women's planning now and for retirement. In fact, it's estimated that a 65-year-old woman will spend \$21,578 more on total health care costs over time than a man of the same age, according to a HealthView Services report, so don't omit this expense from your planning.

### **Your Local CPA Can Help**

No matter what your financial concerns, be sure to turn to your local CPA. He or she can offer personalized advice on setting or updating your goals and practical ideas for achieving them.

### **About Money Management**

Money Management is a column on personal finance that is a joint effort of the AICPA and the Tennessee Society of CPAs, as part of the profession's nationwide 360 Degrees of Financial Literacy program. Members of TSCPA are CPAs residing and practicing primarily in Tennessee in all areas of public accounting, education, government, business and industry. TSCPA offers a speakers bureau for

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