

Morgan Stanley

# Women and Wealth

Setting Your Course Toward a Strong Financial Future

Women are a powerful economic force, controlling nearly \$11 trillion in assets in the U.S.<sup>1</sup> They also represent almost half of the entire U.S. professional workforce.<sup>2</sup> However, women face unique financial challenges, and the many roles they play — business owner, mother, sister— influence the many financial obligations they have for themselves and their families. By exploring the things that really matter to you, you can identify your priorities, develop a strategy for achieving your goals and stay on track as life unfolds.



## **IDENTIFYING AND PRIORITIZING YOUR GOALS**

When you think about your wealth, it's more than just your money. True wealth is also about your life and the things you value most, as well as the relationships, interests and goals that bring you joy. Incorporating these vital elements into your overall wealth plan could help ensure you achieve the future you envision.

<sup>1</sup> McKinsey & Company. Women as the next wave of growth in US wealth management, July 29, 2020. Latest data available.

<sup>2</sup> Bureau of Labor Statistics. The Employment Situation – December 2020. Latest data available.

## Putting a Strategy in Place to Achieve Your Goals

Which of the following will you need to plan for? Do you know how much you will need to achieve those goals and protect the ones you love?

### **Paying for the education of your child or grandchild.**

While the long-term average inflation rate is about 3%, college costs are rising at 5-8% per year. In 2015, the average cost of one year at a private four-year nonprofit college was \$86,433. By 2040, that same year of tuition is expected to be \$80,975.<sup>3</sup>

### **Taking care of your parents or other family members as they get older.**

In 2021, the national median cost for one year in a private room in a nursing facility was \$108,405.<sup>4</sup> Prepare yourself for the emotional stress and expense of caregiving by asking yourself some key questions:

- Would you be able to continue working? If not, how would you replace your income?
- Will the time you need to spend away from your job affect your chances for promotions or raises?
- Can you afford to care for your loved ones and still meet your financial goals?
- What role will your siblings play?
- Have you thought about purchasing long-term care insurance for your parents?

### **Transitioning your business.**

Having a succession plan can help to make the transition a smooth one.

### **Enjoying a comfortable retirement.**

Consider whether your savings and income stream in retirement will be enough to support the lifestyle you envision. You'll need to anticipate supporting a retirement that could last 20-30 years, or even longer. Saving early and often enables you to take advantage of compound growth.

### **Planning for the unexpected.**

Some things in life are difficult to prepare for, and others are completely out of your control. The financial strategies and decisions you make need to be flexible enough to accommodate the unexpected, whether it's disability, divorce, the loss of a spouse or something else.

<sup>3</sup> Saving for College. Tutorial – The real cost of higher education, January 23, 2021. Available at <https://www.savingforcollege.com/tutorial101/the-real-cost-of-higher-education>.

Mefa. Estimate Future College Costs with the College Cost Projector. Available at <https://www.mefa.org/pay/college-cost-projector#future-college-costs>.

<sup>4</sup> Genworth Cost of Care Survey 2021

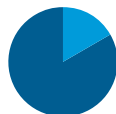
## Your Next Steps

### 1 Take 30 minutes to think about the next 30 years.

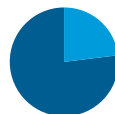
The best place to start the planning process is to consider what you value most. Identifying your passions, interests and goals will help you clearly articulate what you want and how you plan to attain it.



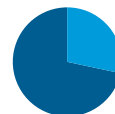
How do you and your family enjoy spending your time?



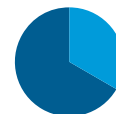
Where do you see yourself in five or 10 years?



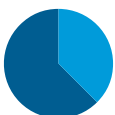
What are the five things you value most in life?



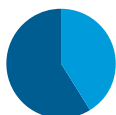
What goals do you have for your life?



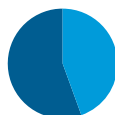
What does it mean to you to be wealthy?



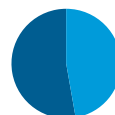
What's the best way to build your wealth?



How would you like to help your community?



What would you like your legacy to be?



What do you envision your retirement to be like?



What assets would you like to leave to your heirs?

### 2 Create a system for accessing vital documents.

Having an orderly record-keeping system enables you to access vital documents when you need them and to manage your wealth more effectively. When creating your Family Wealth Organizer, you'll want to include:

- Personal Information
- Financial and Personal Plans
- Financial Statements
- Retirement Benefits
- Taxes
- Liabilities (mortgage and other loan documents)
- Legal Documents (will, power of attorney, etc.)
- Insurance Policies
- Real Estate Documents (deeds, titles, etc.)
- Government Benefits
- Health and Medical Information
- Beneficiaries

### 3 Work with a Financial Advisor you trust — and who understands you — to help build a customized wealth plan.

At Morgan Stanley, we believe that a critical step in setting your course toward a strong financial future is a thoughtful, thorough conversation about the life you want for yourself and your family. Our customized wealth management process helps you see where you are today, charts where you want to go and shows you step by step what you need to do to get there. We help provide clarity about your finances and your financial future, and help you develop a customized road map for achieving and protecting the outcomes you envision.

**Let's have that conversation.**

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Investors should review a Program Disclosure Statement, which contains more information on investment options, risk factors, fees and expenses and possible tax consequences.

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