



Women and Money – A Match Made in Heaven

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Women face special challenges when it comes to managing their money. Stereotypes abound that perpetuate the myth that women aren't any better at financial management than they are at operating motor vehicles. Janice Kimball, a CPA in Corpus Christi, TX, has worked with clients who have fallen into that clichéd trap. "I still have clients where the woman in the relationship still does not have a clue about any of their finances," Kimball said. "Her job is still to take care of the house and her husband."

While many women have broken free of the stereotype, facts show women do face financial challenges that don't always hinder their male counterparts. Consider the following:

Fact: In 2001, the most recent year statistics are available, the median income for women working full-time was \$30,420. Men doing the same level of work earned \$40,136.

Fact: According to a study conducted by Harvard Law School, younger women in the early stages of their careers tend to have lower salaries than their male coworkers; single women with children must spend more on basics and so have less of a financial cushion in the event of an unexpected expense, or to save for retirement; and older women have lower lifetime earnings than men, so they have less in retirement funds.

Fact: Single mothers, who often hold low-wage jobs, are 50% more likely to file bankruptcy than a married mother; more than 1 million women declared bankruptcy in 2005 – about 150,000 more than men, according to Women Work!

Fact: Women live longer than men. According to the Centers for Disease Control, life expectancy for women is about 80 years; for men, 74.5. Women, therefore, will spend more time in retirement. A 65-year-old woman is predicted to live another 20 years; a man, only 16.

Fact: The Social Security Administration reports that a typical man retires

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after 44 years on the job; a woman, 32. Women generally have less time invested in a career because they took time off to have and raise children, and, increasingly, must adjust their work schedules or leave the workforce entirely to care for aging parents.

Fact: Seventy percent of caregivers are women, and more than half adapt their work schedules to their responsibilities, according to AARP. These hits to their professional years mean women have less income to save for retirement and less work time to build Social Security benefits. As a result,

Fact: The average monthly SS check for men is \$1,008. For women, \$774.

Fact: Women are 71 percent more likely than men to live below the poverty line in retirement.

Despite the bleak financial outlook these facts cast for women, they are still less likely than men to save, participate in a 401(k) or other workplace retirement plan, or to have an IRA or other retirement account, according to a study by the Employee Benefit Research Institute.

This might be why a survey conducted by the Consumer Federation of America survey found that 71 percent of women worry about their finances, with their biggest concern being an unexpected expense. And yet, that same survey revealed that 42 percent of women have less than \$500 in savings.

The women polled for the CFA survey admit they don't feel in control of their finances and wished they did but felt overwhelmed. "I don't even know where to start," was the most common response.

CPA Kimball has advice for those women: "Take responsibility! Today I see women who take charge of their finances by learning as much as they can about finances and money," she said. "Seek professional financial guidance when needed. There are countless resources available to do that today."

She listed financial advisors, CPAs, financial literacy education providers and money managers as experts women should consider consulting. After 25 years as a CPA, Kimball reports that women today are much more likely to seek professional guidance than they were when she started her career, and their portfolios reflect this eagerness to learn.

Studies have proven, and financial experts have reported, that increasing the financial literacy of women has helped to eliminate the perception that women will never become financially savvy. Women throughout the U.S. are now demonstrating a strong desire to increase their financial

knowledge, and a canny ability to manage their money once they learn the right skills.

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