



WHY WOMEN SHOULD PLAN *their financial map early on*

What led you to your career as a Financial advisor?

I spent many years in the technology industry as an executive running and growing businesses of medium to large companies. However, I always wanted to make a positive impact on people's financial lives using my financial knowledge, experience running successful enterprises and MBA in Finance. It was a natural progression to move from Corporate Finance/M&A to becoming a trusted guide (and "personal CFO") helping people plan their finances and retirement. I chose to be an independent advisor so that I could put my clients' best interests ahead of anything else. A significant part of my client base are women and in different stages of life and career.

Would you say that Financial Planning for Men and Women are different?

First of all, sound financial planning and investment principles are common across the board. However, women should plan ahead and be aware of the following statistics:

- Statistically, women live longer than men. 40% of women age 65 and above are widowed – compared with 13% of men.¹
- 40% of American households with children under age 18 include a mother who is either the sole or primary earner for her family.
- Divorce rates for women over 50 have doubled in the last 20 years to one in four.²
- Working millennial women who are saving in 401(k)s have comparable education to their male counterparts but have lower median personal incomes, and lower median 401(k) balances (almost 70% less than their male counterparts)³

Since women live longer, in addition to having a comprehensive financial plan, it is important to incorporate strategies that could mitigate longevity risk (living a lot longer than you would think) as well as planning for Long Term Care. Women are more

• M E X P E R T •

likely than men to become care-givers – 66% of all family caregivers are women.⁴

Is there a difference between Financial Planning and Retirement Planning?

While both are closely related, there are important differences. It cannot be a "one size fits all". Someone who is 60 and looking at retiring soon may have different needs and goals than someone younger.

'Sequence of Returns risk' is especially important – and risky - for retirees and for those in the retirement 'red zone' (5-10 years prior to retirement). In this type of risk, retiring into a down market can have significant risk of outliving your nest egg.

For those younger and in the 'accumulation' phase of life, the more immediate worries and need for planning are about saving for college while planning for retirement, balancing saving with cost of living, among others.

How do we teach our kids the value of money?

That is a tough one. Seriously! Every family (and spouses) relate differently to money. With my own kids, I have sought to teach the power of saving and compounding. I also strive to teach them that building wealth is not for splurging on things but for independence and to lead a life rich in value and meaningful experiences.

For example, my teenage daughter complains that I need to upgrade my car. My counter argument to her is to draw a depreciation curve on a piece of paper. She now understands what a depreciation curve means and how a brand-new car's value (or new smartphone) erodes/depreciates every year. However, she still wants me to get a newer car. ●

Considering Your Financial Future? Call/Email for a complementary consultation/financial check-up.

Note: This write-up is for educational purposes only and should not be considered financial or tax advice. For questions, please reach out to Arvind Ven: 408.725.7122 or arvind.ven@lpl.com. www.capitalvgroup.com

¹ Pew Research Center analysis of the Decennial Census and American Community Surveys (ACS) Integrated Public Use Microdata Sample (IPUMS) files.

² Marriage and cohabitation in the United States. A statistical portrait based on Cycle 6 (2002) of the National Survey of Family Growth, National Center for Health Statistics. Vital Health Stat 23(28), 2010.

³ 2010 Current Population Survey, Annual Social and Economic Supplement of the U.S. Census Bureau.

⁴ Family Care Alliance, "Women and Caregiving: Facts and Figures," FCA, <https://www.caregiver.org/women-and-caregiving-facts-and-figures>, updated February 2015.



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