

# The New Face of Wealth is Female



# Women are a Financial Force to be Reckoned with



Change to 30 trillion state

**\$30 Tn**

By 2030 women will control the \$30 trillion in financial assets that baby boomers will possess<sup>(1)</sup>

**48%**

of all U.S. stocks are controlled by women <sup>(2)</sup>

**1.5x**

Women-managed wealth is growing 1.5 times faster than other wealth.<sup>(3)</sup>

Source:

1. McKinsey. [Women As the Next Wave of Growth in US Wealth Management](#) (2020)
2. [Nerdwallet](#) (2021)
3. AZ Big Media. [Women and Wealth: How to Build a More Prosperous Future](#) (2021)

# When a Woman is Empowered, She Empowers Others



85%

Women are responsible for 85% of all consumer purchases <sup>(1)</sup>

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90%

of Household Financial Decisions are made by women <sup>(2)</sup>

Source:

1. Lexington Law. Women's Spending Habits: 99 Must-know Facts. (2021)
2. Forbes. [How Women Can Change the World with Their Money Choices](#). (2020)

# And Yet, Many Women Don't Feel Equipped with the Knowledge to Make Confident Financial Decisions



**63%** of women say they feel finding financial information can be overwhelming and difficult to understand. <sup>(1)</sup>



Only **25%** of affluent women say they are comfortable making investment and savings-related decisions on their own <sup>(2)</sup>



Only **14%** of women say they know a lot about saving and investing <sup>(3)</sup>

Source:

1. Kiplinger. [The Complicated Relationship of Women and Finances](#) (2019)
2. McKinsey. [Women as the Next Wave of growth in U.S. Wealth Management](#) (2020)
3. [Fidelity 2021 Women and Investing Study](#) (2021)

# Educating Women has Never been more Important, Given the Unique Challenges They Face Today



## CAREGIVING

More women put careers on hold or work part-time to take care of children and/or aging parents. <sup>(1)</sup>



## FEWER WORKING YEARS

Less time in the workforce may mean inability to take advantage of company retirement plans and matching contributions.



## LIVING LONGER ON LESS

With women living on average 5 years longer than men, there's a good chance a woman will outlive her male partner; yet, women are more likely to navigate career interruptions that can impact earning potential. <sup>(2)</sup>



## RISK TOLERANCE

Women are more likely to take *no, below-average or average risks* with their investments. <sup>(1)</sup>

Source:

1. U.S.Department of Labor. [Things to Know About Women and Retirement](#) (2021)
2. US Center for Disease Control, [CDC.gov](#) (2020)



# It Pays to Plan

# Set Yourself Up for Success



## **A Thoughtful Money Management Strategy can:**

- ✓ Give you the financial freedom to pursue your dreams.
- ✓ Support you and your loved ones when it matters most.
- ✓ Weather unexpected storms.
- ✓ Take advantage of longer investment horizons.
- ✓ Allow you to give back to causes you care about.

# How to Create a Money Management Strategy



## STEP 1

Define your goals.



- What personal and professional milestones do you hope to achieve in the next 5, 25, 50 years of your life?
- What does it mean to you to be wealthy?
- What do you envision your retirement to be like?
- What do you want your legacy to be?



## STEP 2

Determine your risk tolerance <sup>(1)</sup> over time.



## STEP 3

Create a savings & investment strategy to support your goals.

1. Risk tolerance refers to your willingness or ability to withstand volatility in your investment returns.

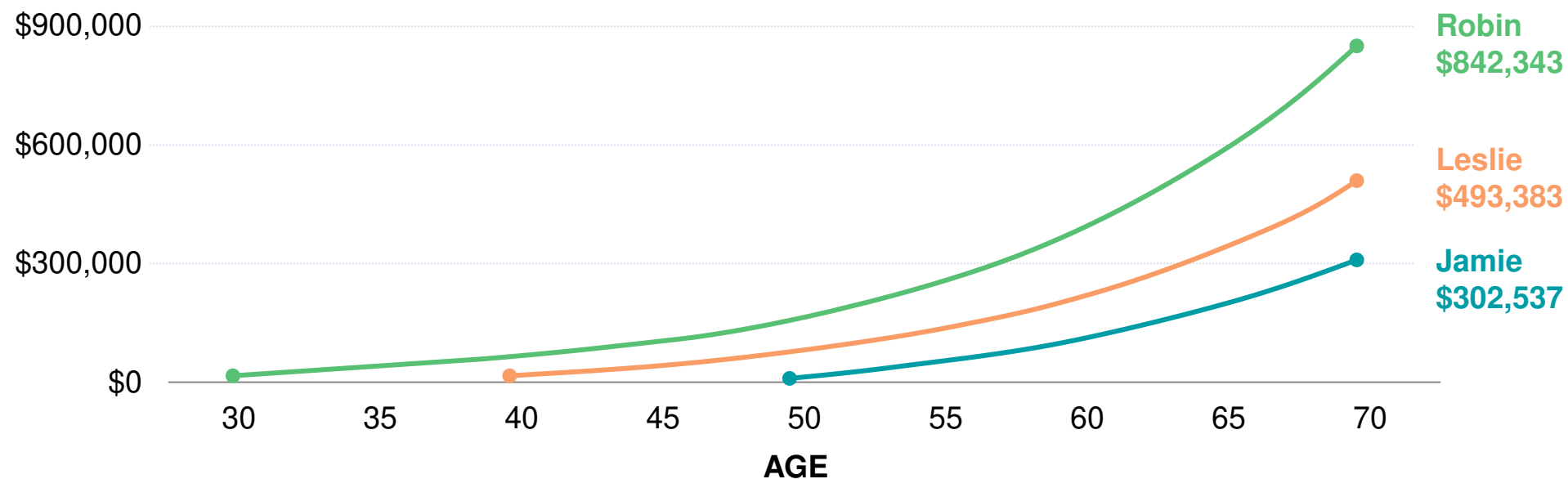


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# Focus on the Controllables

# Time is Money: Save Early and Often

The Power of Compounding Investment Returns Over Different Time Horizons Can Yield Dramatically Different Results.



Each person contributes about the same total amount.

At 70, Robin has \$340k+ more than Leslie and \$540k+ more than Jamie!

*HYPOTHETICAL EXAMPLE – FOR ILLUSTRATIVE PURPOSE ONLY*

Assumes 8% annual return. Increased inflation is not factored into example.

\*For more information about the risks to hypothetical performance please refer to the Risk Tolerance section at the end of this material.

# Take Advantage of Low-Hanging Fruit



**Only 39% Percent of women are confident they'll have enough resources to last into retirement<sup>(1)</sup>**



**Understand the retirement plan options available** to you and take advantage of any employer matching.



**Target a specific savings goal** – whether it's 6 months of salary or 20% of annual income.



**Increase your savings** every time you receive a salary bump or bonus.



**Automate your savings** whenever possible.



**Consider any company stock position you may own** in terms of your overall portfolio to ensure your asset allocation reflects your risk tolerance.

Source:

1. Morningstar. [100 Must Know Statistics About Women and Retirement](#). (2021)

## Keep in Mind that Retirement is Getting a Makeover



↓ ↓  
Only **43% of millennials** and **45% of Gen Xers** plan to retire before age 65 <sup>(1)</sup>

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**There are significant benefits of putting off retirement...**

- More time to save and invest
- Fewer years of living off retirement savings
- Ability to wait to claim Social Security retirement benefits
- Opportunity to pursue an encore career or start a business

Source:  
1. T Rowe Price (2019)

## Put Your Money to Work Sooner Rather than Later



60%

of women say they are concerned they won't be able to achieve a financially secure retirement.<sup>(1)</sup>

Source:

1. CNBC. [National Institute on Retirement Report](#) (2021)

# Balance Long-term Savings Goals with Short-term Needs

## Establish an Emergency Fund

- Set aside 3-6 months of living expenses in a liquid savings account.

## Pay Off High Interest Debt

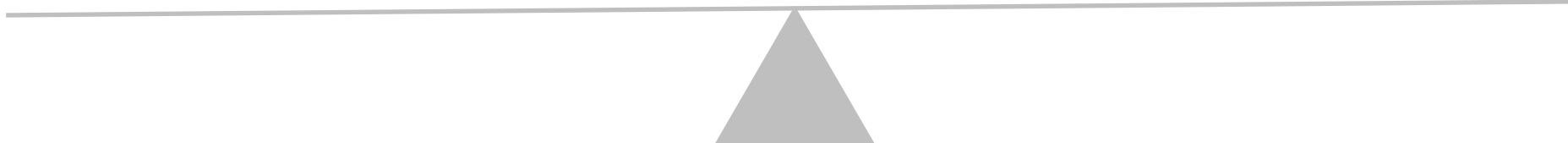
- While it is important to pay off lower-interest debt as well, such as student loans, don't sacrifice building up personal savings.

## Keep Up Your Credit

- Avoid late payments and cancelling credit cards.
- Automate your monthly payments.
- Don't apply for multiple credit cards at once.
- Stay below a 30% utilization rate.

**SHORT-TERM**

**LONG-TERM**



# Estate Planning: Get Your Affairs in Order



## Proper Estate Planning Can Help You:

- Make certain your assets will be distributed to your intended beneficiaries
- Minimize estate taxation
- Reduce family turmoil



## You May Want To Consider:

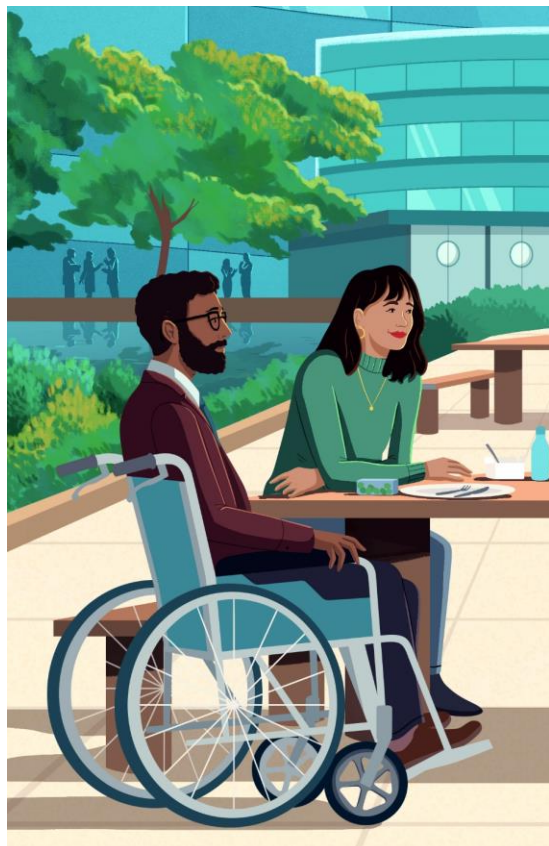
- Updating or establishing a Last Will and Testament
- Assigning a (financial) durable power of attorney
- Creating a revocable trust to help avoid probate and maintain your privacy
- Implementing a gifting program for people and causes you care about

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# Prepare for When “Life Happens”



# Health Emergencies: Plan for the Best, Prepare for the Worst



**Confirm you are covered** for the basics with health insurance.

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**Consider life insurance** and/or disability insurance.

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**Prepare important legal documents**, such as a healthcare proxy and medical directives.

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**Account for increasing healthcare costs** in your wealth management strategy and talk to an advisor about long-term care insurance, annuities or other strategic investment products.

# Caregiving: The Reality for Women

**61%**  
of the care provided  
to older adults is  
provided by women.

(1)



## What does this mean for you?

- Talk to your parents, grandparents, in-laws, and other loved ones about their long-term care wishes.
- Make sure you have access to important legal documents and are given the necessary authorizations.
- Educate yourself on Medicare and the different long-term care options that are available to you and your loved ones.

Source:

1. National Alliance for Caregiving. [Caregiving in the U.S. 2020 Report](#) (2020)

## Career Interruptions: How to Have it All

**45%**  
of working moms  
have sole  
responsibility for  
providing  
childcare<sup>(1)</sup>

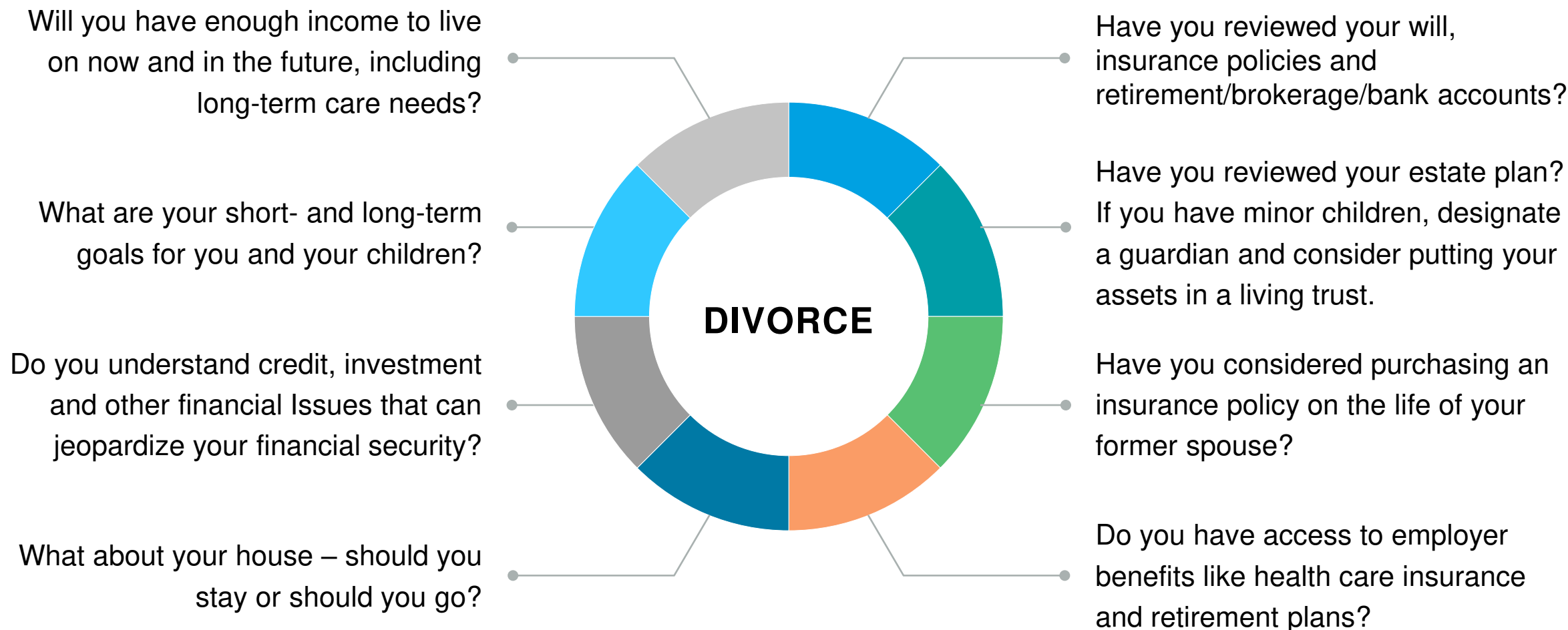
### Things to keep in mind when considering a career interruption:

- ✓ Staying at home can save on child care, but may sacrifice your cumulative and future earning potential.
- ✓ Starting a 529 College Savings Plan for your child when they're young can reduce the burden.
- ✓ Don't be afraid to take advantage of flexible work policies.
- ✓ Ask for help and outsource where possible.
- ✓ Keep your professional connections warm.

Source:

1. USC News <https://news.usc.edu/183396/women-kids-covid-19-pandemic-child-care-workfore-usc-experts/> (2021)

# Divorce: Going Separate Ways



# Losing a Loved One: Ask for Support



**Losing a spouse or loved one may be one of the most traumatic events you ever face in your lifetime. It is emotionally draining and can make it hard to focus on daily tasks, let alone financial matters.**

- Consider a One-Year “Decision Free” Zone.
- Assemble a team of trusted advisors and don’t be afraid to ask for help.
- When you’re ready:
  - Revise your money management strategy to reflect your new circumstances
  - Update your accounts and insurance policies
  - Research additional employer benefits to which you might be entitled
  - Create/Update your estate plan

# Executorship: Educate Yourself on Your Responsibilities



**Being named executor of someone's estate is a great honor as well as a great responsibility.**

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## **While The Giver is Still Alive:**

- Review important documents, clarify wishes, and review possible scenarios together.
- Request copies of important documents and create a shared folder. This includes digital account passwords.
- Ask the giver to communicate your role to other important stakeholders (family, financial advisor, attorney, etc.)

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# What You Can Do Today

# Get Organized

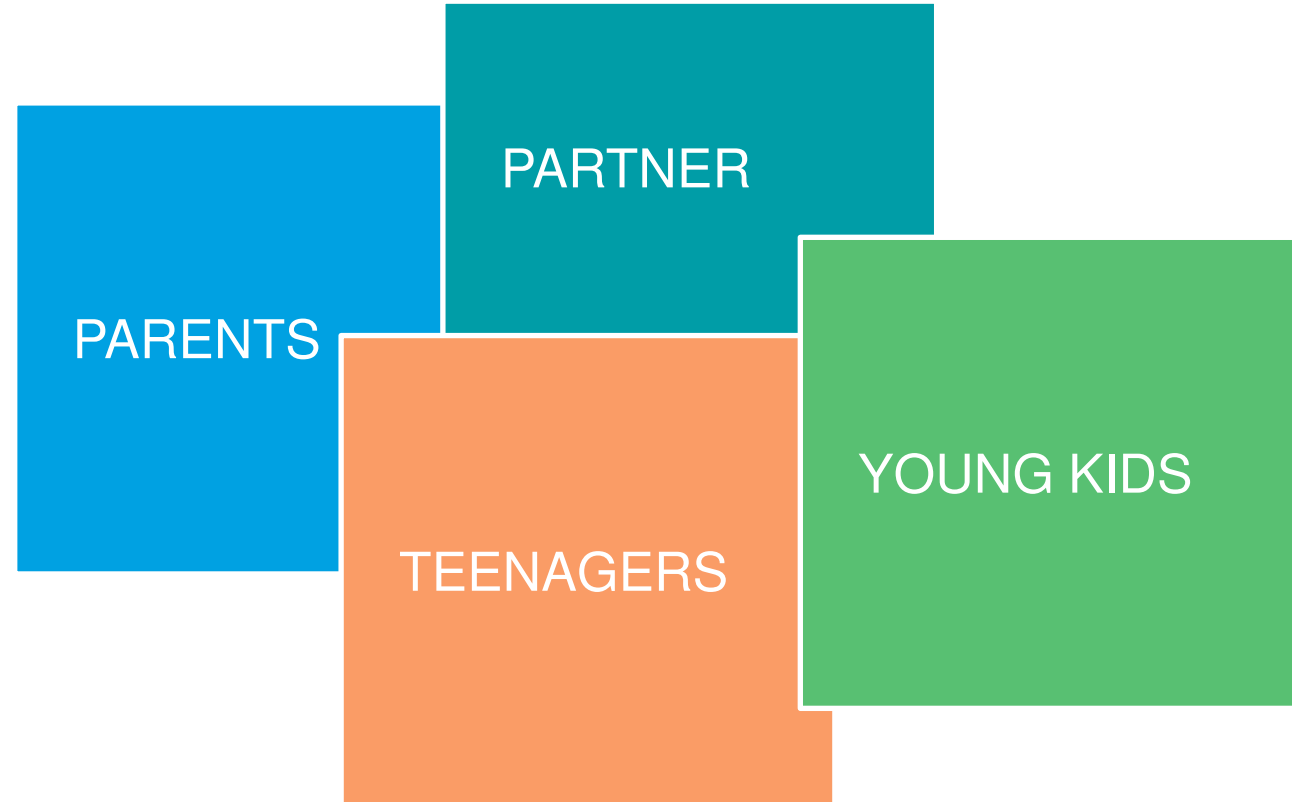


**Create An  
Orderly System  
for Accessing Vital  
Documents Including:**

- 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
- Contact information for key advisors (i.e. estate attorney, financial advisor, executor)
- List of digital usernames and passwords



# Talk to People Who Matter to You



## Build Your A(dvisory) Team

**40%**

**Only 40% of women  
work with a  
financial advisor.<sup>(1)</sup>**

**A team of trusted advisors can help you navigate life milestones with confidence.**

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### **What does this mean for you?**

- Certified Public Accountant (CPA)
- Attorney or Lawyer
- Financial Advisor or Financial Planner
- Therapist, Coach or Counselor

Source:

1. Bloomberg Wealth Research Report, October 2020

# Morgan Stanley's Goals Planning System

Our Integrated Platform Ties Goals to Implementation, Leveraging the Intellectual Capital and Sophisticated Institutional Capabilities of Morgan Stanley



## DISCOVER

Start with a conversation to uncover your goals and understand your entire financial picture.



## ADVISE

Work with you to assess various scenarios and advise you on the appropriate strategies designed to meet those goals.



## IMPLEMENT

Look across multiple accounts/products to identify the combination to help meet spending needs and invest tax-efficiently.



## TRACK PROGRESS

Periodic review of your financial situation with the ability to make adjustments according to your needs, life events and changing market conditions.<sup>(1)</sup>

1. This functionality is currently limited and will expand with future phases of the tool.

# We Offer Comprehensive Solutions

We help Individuals Manage Their Financial Life, No Matter the Complexity of the Specific Situation



## WEALTH PLANNING

- Goals-Based Wealth Management
- Retirement Strategies



## INVESTMENT ADVICE

- Thought Leadership
- Asset Allocation
- Portfolio Construction
- Investment Manager Selection



## INVESTMENT SOLUTIONS

- Advisory
- Brokerage
- Traditional Products
- Alternatives
- Annuities
- Investing with Impact



## LENDING and CASH MANAGEMENT

- Home Loan Solutions
- Securities Based Loans
- Mobile Check Deposit/Bill Pay
- Morgan Stanley Cards (debit, credit, charge)
- Unlimited ATM access



## DIGITAL OFFERINGS

- Morgan Stanley Online
- Morgan Stanley Mobile App
- eDelivery
- Bill Pay
- Transfers
- Mobile Check Deposit Authorizations
- Send Money with Zelle®



## TRUST, ESTATE AND LEGACY PLANNING <sup>(1)</sup>

- Wealth Transfer Strategies
- Wills, Trust, Estate and Legacy Planning
- Trust and Estate Professionals



## INSURANCE SERVICES

- Permanent Life
- Term Life
- Long-Term Care
- Disability



## PHILANTHROPY SERVICES <sup>(1)</sup>

- Charitable Lead Trusts
- Charitable Remainder Trusts
- Family Foundations
- Donor-Advised Funds

Source:

1. Although they may be admitted attorneys, planning directors and other wealth planning center personnel holding legal degrees are acting purely in a non-representative capacity. Neither they nor Morgan Stanley provide tax or legal advice to clients or to Morgan Stanley.

# Take Control of Your Financial Future

Take 30 minutes to think about the next 30 years. Educate yourself about your options so you can make empowered decisions for your (financial) future.



If you're wondering what type of advice is right for you, we're here to talk!



Women face a **UNIQUE SET OF CHALLENGES**



A thoughtful **STRATEGY** offers both freedom and protection



**TIME IS MONEY:** investing early allows you to take advantage of compound interest



An **ESTATE PLAN** can minimize family turmoil, taxation and protect your assets



Focus on the controllables but have a plan for when **LIFE HAPPENS**



Educate yourself on the **CAREGIVING RESPONSIBILITIES** you may face one day



Consider your options when determining whether or not to move forward with a **CAREER INTERRUPTION**



When navigating challenging milestones like divorce or loss, don't be afraid to **ASK FOR HELP**



Build your **A(DVISORY) TEAM** and lean on them for support.

# Disclosures

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