

*Women and Financial Power*SM study

June 2014

Abstract

Women are continuing to gain more and more power economically, politically and socially. Today there are three times as many women earning college degrees than in 1970, and 71 percent of mothers with children under age 18 are working.¹ Only 40 years have passed since the Equal Credit Opportunity Act made it illegal for lenders to discriminate based on gender — and the number of women-owned businesses rose 44 percent between 1997 and 2007 — and has likely continued to grow since then.²

But when it comes to household finances — saving for retirement, managing budgets and making insurance and investment decisions — how are women involved, and what motivates their role in making financial decisions? That is what the *Women and Financial Power*SM study set out to understand. What the data uncovered is that almost every American woman surveyed is influencing these decisions or making them on her own; and those women nearing retirement, one of life's biggest milestones, are most engaged in and confident about their finances.

¹ U.S. Bureau of Labor Statistics, "Women in the Labor Force: A Databook", published February 2013

² U.S. Department of Commerce, "Women-Owned Businesses in the 21st Century", published October 2010.

Table of contents

Introduction	3
Many women are leading household financial decisions.....	4
Boomer women feel at peace with finances	5
Gen X women are the new “sandwich” generation.....	6
Young women feel most knowledgeable about financial matters	7
Conclusion	8
Methodology	8

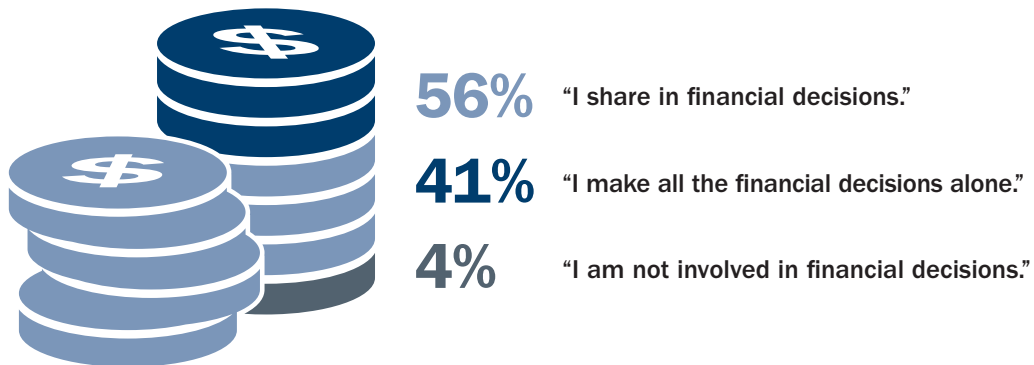
Introduction

Ameriprise Financial commissioned Artemis Strategy Group to conduct the *Women and Financial Power* study, which was designed to discover the various experiences and life events that influence women’s role in — and attitudes toward — making financial decisions for their households.

After hearing from more than 2,000 women spanning three generations with at least \$25,000 in investable assets, the data revealed an empowering story:³

- Women of all ages are involved in making financial decisions — and their relationship with money evolves as they move through different life stages and cycles.
- Women grow and change as they experience planned and unexpected life events. There are certainly roadblocks — especially during their middle years — but these challenges appear to build strength rather than present persistent challenges.
- Younger women feel educated about financial matters and are eager to teach their daughters what they know.
- Women who have a financial plan feel the most confident and in control financially. They are also more likely to feel at peace with their financial choices.

Women play various roles in making financial decisions, but almost all are involved in some way.



Q: Which of the following best describes how financial decisions are made in your household?

³ The *Women and Financial Power*SM study was created by Ameriprise Financial utilizing survey responses from 3,515 Americans ages 25 to 70 with investable assets of at least \$25,000. The online survey was commissioned by Ameriprise Financial, Inc., and conducted by Artemis Strategy Group from March 6–24, 2014.

Many women are leading household financial decisions, but not always out of necessity

More than half of women share in financial decisions with a spouse or partner (56%) and a small percentage consider themselves uninvolved in household finances (4%), a surprising two in five (41%) women are the sole financial decision-makers in their households — but not all of these women are single. Of this group of primary financial decision-makers, 37 percent are married.

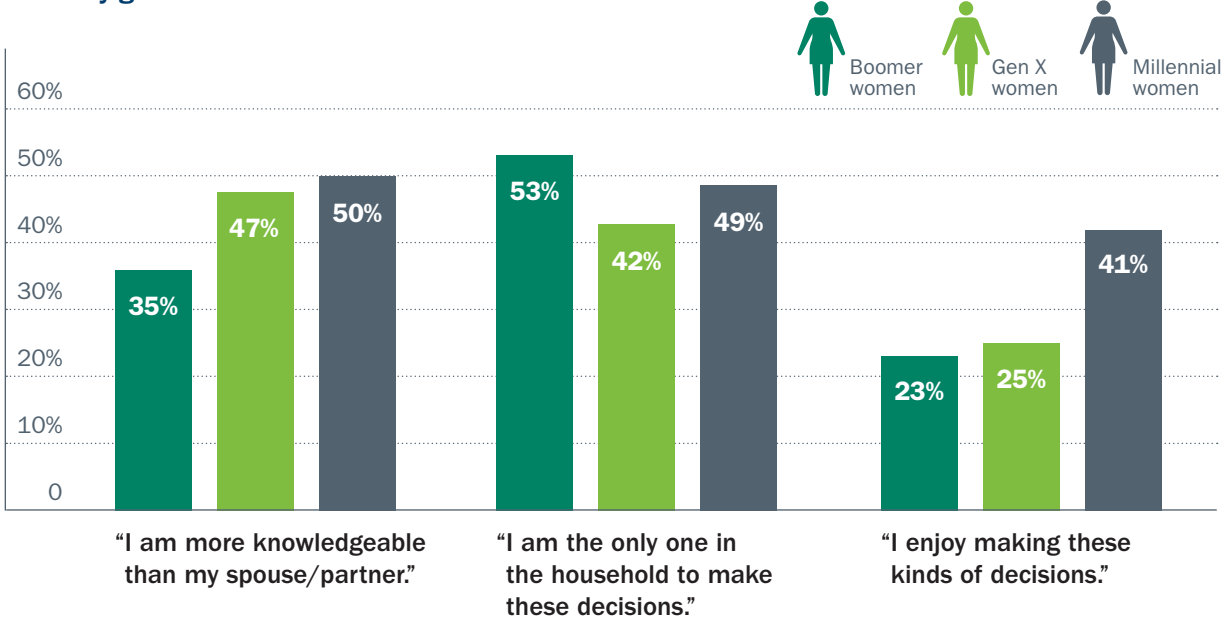
A closer look at this group reveals an interesting difference between those primary financial decision-makers who are younger versus those who are older. Boomer-aged women are more likely to cite “being the only one in the household to make these decisions” as the most significant reason for holding this role while younger women say they do it because they enjoy financial matters and better understand them than their spouse or partner (see graph).

Generally, married women are more likely to say they share in financial decisions with their spouse than to say they manage household financial matters on their own, but this is changing dramatically with younger women.

Among married women, only one in ten (11%) boomers and 22 percent of Gen X say they are primary financial decision-makers — considerably fewer than the 38 percent of married Millennial women who consider themselves as such.

However, it appears a young married woman may be more likely to keep her finances separate from her spouse’s. Eighteen percent of married Millennials say she and her spouse focus independently on different financial decisions (significantly more than other generations surveyed).

Women who are primary decision makers cite a variety of reasons for their role, though there are some trends by generation.



Q: What are the reasons for your role as a primary financial decision-maker?

Boomer women feel at peace with their financial situation

The national conversation about retirement continues to underscore that some baby boomers are woefully underprepared for this milestone, and many lack confidence about their financial future. However, of all women surveyed, those between the ages of 55 to 70 feel *most* comfortable with their financial circumstances. This may be a result of their mindset and willingness to participate in making financial decisions.

A large majority of boomer women say they feel that it is their responsibility to understand their financial situation (91%), three-quarters (76%) say they are confident their financial planning will pay off and 62 percent say they feel a strong sense of control when it comes to saving and investing. These numbers represent a larger portion of women than those in other generations who hold these sentiments.

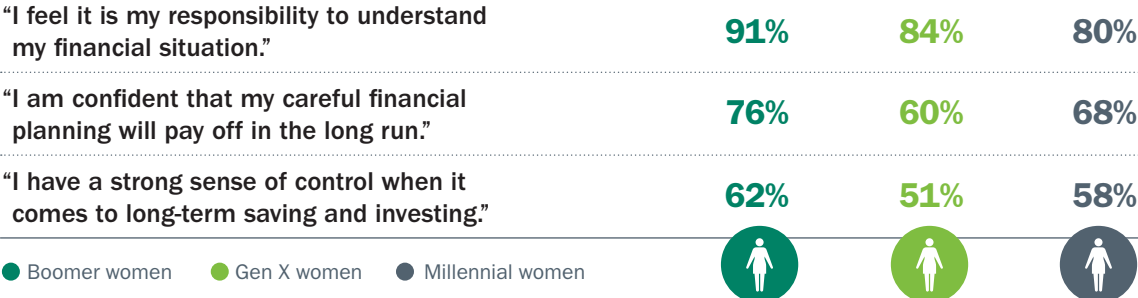
Additionally, boomer women who share jointly in financial decisions are more involved in financial choices than their younger (shared decision-maker) counterparts. Nearly half (46%) of boomer women say they share equally in decisions about short-term savings and investments, and about as many (48%) play a joint role in long-term investment decisions — more than Gen Xers (41%) and Millennials (38%) who do so.

So what’s their secret? It appears to start with having a financial plan. Three-quarters (76%) of boomer women say they have a long-term financial plan they feel comfortable with compared to just over half of younger women (55%). And having a plan plays a significant role in financial attitudes; 90 percent of boomer women say they feel confident about the financial decisions they’ve made in the last few years — compared to only 81 percent of Gen X and 83 percent of Millennials.

Women aged 55-70 are also more likely to say they are satisfied that they’ve achieved the things that are important to them (80% versus 66% of women under age 55), and this attitude extends to non-financial aspects of life. Boomer-aged women are more likely to rate all the life values we asked about as more important than other generations, suggesting that values — financial and otherwise — indeed grow stronger as women age.

Boomer women feel at peace with their values and their financial situation and many are more engaged in their finances than ever as they prepare for retirement.

Percentage who agree with this statement:



Q: To what extent do you agree or disagree with the following statements?

Are Gen X women the new “sandwich” generation when it comes to financial challenges?

Women between the ages of 35 to 54 report feeling the financial pressures that come with raising families and building careers. In the last five years, more than two in five (42%) Gen Xers have experienced a divorce, unemployment, are supporting a child’s college education and/or have seen a significant decrease in assets. This compares to 29 percent of boomer women and 24 percent of Millennial women having recently had these same experiences.

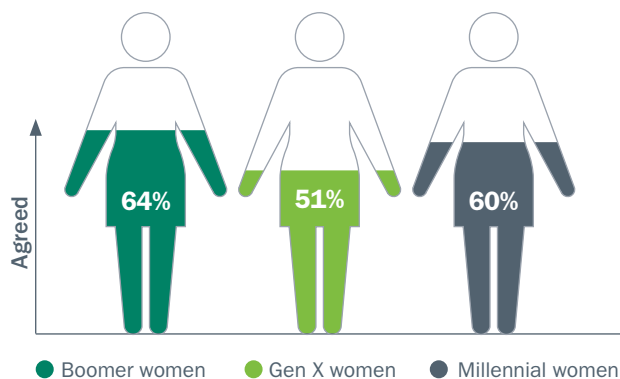
Perhaps due to their current life stage, these events appear to have impacted Gen X women more profoundly than women of other generations who have recently shared these experiences. For example, one-third (32%) of Gen X women who have had a child enter college in the last five years say it has had more of an impact on their finances than any other event (compared to only 12% of boomer-aged women who’ve had a child begin college in the last five years).

Life is likely to throw curveballs, but what is most concerning about these bumps in the road, is the way the data shows these women are responding to them. Only 19 percent of Gen X women say they became more involved in financial decision-making after a negative financial event compared to 27 percent of

Millennials and 26 percent of boomers. And, they’re more likely than other generations to cite feeling “worried” (15%) and “stressed” (20%) about financial decisions. Gen X women may find comfort by examining the financial attitudes of women a few years older — many of whom have experienced the same roadblocks but feel more engaged and in control now that they’ve emerged successfully.

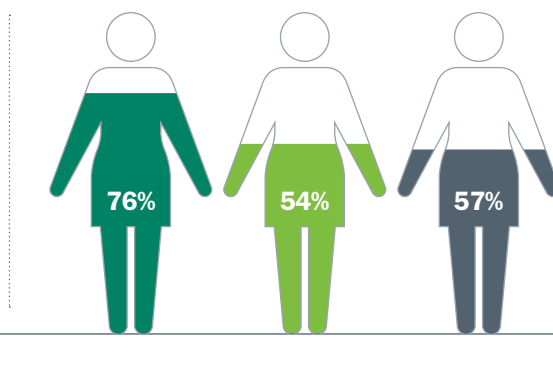
There’s no doubt that Gen Xers are strapped for time between working, being a parent and possibly caring for their parents — but asking for advice could benefit them. We found that far fewer Gen Xers (51%) say they seek advice about financial issues compared to boomers (64%) and even Millennials (60%). A little help can go a long way toward feeling more in control financially — even through challenging times.

Women who seek financial advice:



Q: Do you agree with the statement 'I seek financial advice'?

Women who have created a financial plan:



Q: Do you agree with the statement "I have created a financial plan I feel comfortable with"?

Young women feel knowledgeable about financial matters, but still need advice

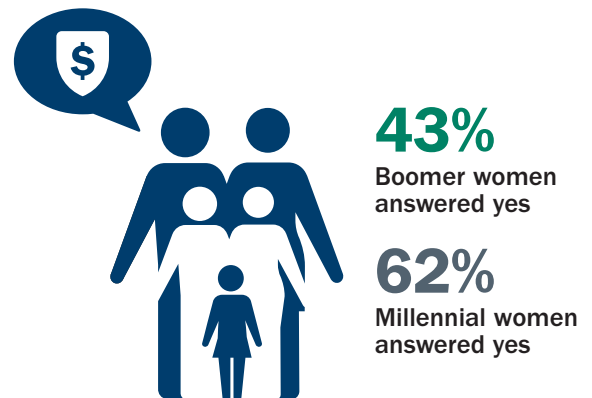
Millennial women are still finding their way financially and the study uncovered several strengths and opportunities for young women. Most encouragingly, these women feel educated and knowledgeable about finances; 62 percent say that one or both of their parents spent time teaching them about finances and financial decision-making while growing up. That's in comparison to only 43 percent of boomers.

Their experience of learning financial lessons from their parents appears to have made mothers under age 34 even more inclined to pass this knowledge on to their own children. A large portion (85%) of Millennial women with children over the age of five say they have at least done a good job of teaching their children about money — in fact, 33 percent rate themselves as “excellent” at this — many more than the other generations studied. About the same number say they are “excellent” at fostering involvement in financial decisions (37%) and helping build their child’s confidence in financial decision-making (38%). If they keep it up, modern women will pave the way for the next generation, which will be comprised of financially savvy, confident women and girls.

There is some room for improvement among Millennial women. Perhaps because of their busy lifestyles, many aren’t making time to spend with their finances; over half (54%) say that it’s difficult to balance responsibilities against the need to spend time managing money (compared to 40% of Gen X and 22% of Boomers who cite this concern). And though they may consider themselves as having financial know-how, Millennials are feeling stretched by immediate financial obligations. Nearly half (48%) agree with the statement “I am driven more by the present than the future when it comes to financial decisions,” compared with 37 percent of Gen Xers and only 20 percent of boomer women.

Women ages 25 to 34 are experiencing many of life’s exciting milestones, but there’s still a long journey ahead. They are bound to hit some of the same roadblocks as Gen X. Seeking advice and having a financial plan that can withstand unexpected events is crucial, even at a young age.

Younger women are more likely to have learned from their parents about finances while growing up.



Q: Did one or both of your parents spend time teaching you about finances and financial decisions as you were growing up?

Conclusion

Every woman will experience various life events and circumstances that will influence her involvement in and attitude toward making financial decisions for her household. Engaging in and feeling confident about making these decisions, alone or with a partner, is empowering and the *Women and Financial Power* study demonstrates that women are playing a crucial role in managing the family's finances.

Managing finances throughout one's lifetime is a journey. Having a long-term financial plan that accounts for unexpected and landmark events is important for women — and men — to feel more confident about their finances as they age.

Methodology

The *Women and Financial Power* study was created by Ameriprise Financial, Inc., and conducted online by Artemis Strategy Group from March 6–24, 2014.

- The survey sampled 2,010 U.S. women ages 25 to 70.
 - 800 Boomers ages 55 to 70 with a median of \$264,500 in investable assets
 - 802 Gen Xers ages 35 to 54 with a median of \$129,300 in investable assets
 - 408 Millennials ages 25 to 34 with a median of \$77,500 in investable assets

- The survey also sampled 1,505 men ages 25 to 70 as a control.
- Margin of error for 3,515 respondents is +/- 1.7 percent at the 95 percent confidence interval.

For further information and detail about the *Women and Financial Power* study, including verification of data that may not be published as part of this report, please contact Ameriprise Financial.

About Ameriprise Financial

At Ameriprise Financial, we have been helping people feel confident about their financial future for 120 years. With outstanding asset management, advisory and insurance capabilities and a nationwide network of 10,000 financial advisors, we have the strength and expertise to serve the full range of individual and institutional investors' financial needs. For more information, or to find an Ameriprise financial advisor, visit ameriprise.com.

About Artemis Strategy Group

Artemis Strategy Group (www.artemisg.com) is a communications strategy research firm specializing in brand positioning, thought leadership and policy issues.



Financial Planning | Retirement | Investments | Insurance

Ameriprise Financial
108 Ameriprise Financial Center, Minneapolis, MN 55474
ameriprise.com

Ameriprise Financial Services, Inc. Member FINRA and SIPC.

Investment advisory products and services are made available through Ameriprise Financial Services, Inc., a registered investment adviser.

© 2014 Ameriprise Financial, Inc. All rights reserved.

942067 A (6/14)