



5 WAYS TO HELP **GEN Y, GEN X,**
AND **BOOMER WOMEN** ACHIEVE
THEIR FINANCIAL GOALS



A 2015 analysis of the study, *The Financial Needs of Women of Color*, conducted by The American College State Farm® Center for Women and Financial Services revealed some striking similarities in women’s financial goals across generations and across racial backgrounds. However, it also uncovered an important distinction in the prioritization of these financial goals.

- Younger Gen Y women focus on improving their financial safety net, which likely impacts their day-to-day budgeting.
- Gen X women are focused on reducing debt, driven largely by their mortgages, while trying to save for their children’s college education and for retirement.
- Boomer women are focused primarily on retirement saving, and worry about running out of money in retirement and being a burden on their children as they age.

Still, many feel they have not made progress or achieved success in these areas.

Establishing an end-goal for these financial priorities, as well as a timeline to reach that goal, is the start of financial planning, especially retirement planning. Many women report that they have not yet taken the first step of calculating how much is needed to accomplish their goal.

To help women better achieve their financial goals, financial services professionals must help them better define the end-goal. We have provided a list of five ways per generation that you can help.

“To help women better achieve their financial goals, financial services companies and advisors must help them better define the end-goal.”



5 WAYS TO HELP **GEN Y WOMEN**

- ① Gen Y women have less experience with investment and insurance products. As they finish college and begin careers, they need financial 101 education on budgeting, investing and retirement planning. The workplace is one avenue for providing this education.
- ② Workplace retirement plans provide the best opportunity for young consumers to begin saving for retirement. Gen Y women need to understand the usefulness of these plans and the benefits of starting early.
- ③ With little in the way of an emergency fund, Gen Y women need to protect their income through purchasing disability and life insurance.
- ④ Gen Y women of color may benefit from well-timed communications to increase savings, like at tax time, because they are less likely to save “found” money—such as bonuses or tax refunds—that can help them grow their cash cushion.
- ⑤ Gen Y needs access to advice to get off to a good start. They are talking to friends and family, but do not think they can afford to talk to a financial advisor. For those with significant, mostly student loan, debt, Gen Y may need debt counseling.

5 WAYS TO HELP GEN X WOMEN

- 1 Gen X women could benefit from a plan and a product to help them save for their children's education.
- 2 Even though retirement is not far off for some Gen Xers, few have calculated what they need to maintain their lifestyles in retirement. Gen X women need reliable tools to set goal and schedules for retirement savings.
- 3 It is time that Gen X women understand how financial services professionals can help. There is some lack of trust that needs to be overcome. Yet, Gen X women face competing financial priorities and need advice on how to balance them.
- 4 Most Gen X women say they are saving for retirement through a workplace retirement savings plan, but they are less likely than Boomers to use other products that can help them save and invest for retirement. Gen X women could benefit from advice on how to diversify beyond workplace plans.
- 5 As Gen X women increasingly take on caregiving responsibilities for elderly parents and relatives, it is a good time to talk to them about their own needs should something unexpected happen to them and how they hope to be cared for in old age.





5 WAYS TO HELP **BOOMER WOMEN**

- 1 Boomer women need to start thinking about what they want their life to look like in retirement. This includes when they plan to retire, whether they plan to work, and most importantly, how they will use pension, workplace, and personal savings to generate income during retirement.
- 2 There are some Boomers, especially women of color, who are trying to reduce their debt. These women may need debt counseling, but they also may need education to understand the impact of debt on retirement security. Paying off mortgages completely, for example, may not be as important as increasing retirement savings through catch-up contributions.
- 3 Boomer women of color use fewer insurance and investment products overall. The solution may be two-fold: (1) the financial services industry and its solutions need to come across as more relevant, and (2) recognizing the above-average risk aversion of Boomer women of color, promote and provide education on products that feel “safe” and can provide protection.
- 4 Many Boomer women fear running out of money in retirement. About four in ten say they have or will be caregivers themselves, and they do not want to burden their own children as they age. Long-term care insurance can help address these concerns.
- 5 Boomer women are the most likely to say they are working with a financial advisor, but still many do not, particularly among women of color. Continued or increased advisor use, especially for minority women, may help Boomer women as they make critical decisions that will impact their overall financial security in retirement.



CATERING TO THE NEEDS OF **WOMEN ACROSS GENERATIONS**

Financial services professionals need deep expertise in niches such as investments, debt reduction, and retirement income planning to best understand the needs of Millennial, Gen X, and Baby Boomer women. Pursuing advanced education, such as the Retirement Income Certified Professional® (RICP®), Chartered Financial Consultant® (ChFC®), and Certified Financial Planner® (CFP®) designations, is an excellent way for financial professionals to position themselves as trusted advisors to women across generations. To help you navigate the world of professional designations, we have compiled [6 Ways an Advanced Financial Designation Helps Grow Your Practice](#).

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