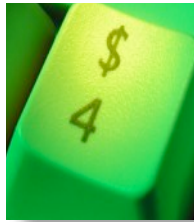




DIRECTIONS

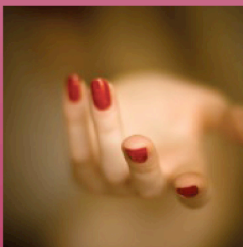
The Flaw of Averages In the Economy of Women



You know what they say about averages -- they may be mathematically correct but often fail to tell the real story. Take the guy who has his head in the oven, and his feet in a bucket of ice water. He, like you sitting there at your computer, may have an average body temperature of 98.6 degrees. But no doubt you are feeling a lot better than he is.

Such is the case with the economic status of American women: simple averages diminish and distort the wide array of their financial circumstances. In statistics, there is a phenomenon known as “fat tails” to describe a distribution of data that has many more instances of very low and very high values than normal. Unfortunately, “fat tails” would be an apt description for the way money and power are distributed among women in this country. In another words, there are some very big “**BUTs**” in any summary description of the personal finances of women.

The term “paradox” is probably more woman-friendly, and just as true. So what are some of these paradoxes that we, as financial advisors to women clients, are seeing?



- Women are growing richer, and by some reports, are now (or soon to be) the wealthier gender. *BUT* the vast majority of elderly Americans living at or below the poverty level are women. It has been estimated that without the net of Social Security, more than 50 percent of women over 65 would be poor.
- Women are launching new enterprises at a much faster rate than men. *BUT* for a variety of reasons – among them women’s aversion to taking risk – the average revenues of women-owned businesses are only 27% those of men-owned businesses.
- Fortune 500 companies with 3 or more women on the board show a competitive advantage relative to those companies with no women board members in three key areas: return on sales, return on investment, return on equity. *BUT* women hold only 16 percent of Fortune 500 board seats.
- Women are constitutionally guaranteed the same citizen rights and freedoms as men in our country. *BUT* women do not necessarily have the same economic opportunities. In 2010,

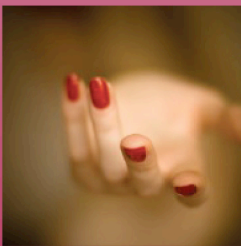
The Economist first compiled the Women's Economic Opportunity Index, which assesses the degree to which the laws, practices, customs, and attitudes of countries around the world allow women to participate in the workforce under conditions roughly equal to those of men. The U.S., as the wealthiest, most free country in the world, nevertheless lagged behind 13 other developed countries (out of 38) based on this index.

There is every reason to believe that as women continue to accumulate wealth and power in the workplace, some of these contradictions will become less glaring. When companies realize there is more money to be made when more women are at the top, when powerful women bring more attention to those less unfortunate women at the other end of the wealth spectrum, then perhaps we will finally get to a happy medium of gender and financial equality.

But there is just one more **BUT** in the way, which may prove the hardest to eliminate of all. This concerns women's own ambivalence about claiming their financial worth and value. Unfortunately, there is a real divide between awareness of the importance of financial planning and taking action. In a 2008 survey conducted by Prudential Financial, 73% of women claimed to be worried about their financial future, but just as many admitted to procrastinating when it came to doing something to manage these worries. Of women with investable assets between \$100,000 - \$250,000, 42% do not have a financial plan.

There is no single reason for this reluctance to take control of finances. For some women, it is a question of time; for others, lack of familiarity with financial terms and concepts; for still others, unrealistic hopes that someone else will take charge and make the worries go away. There are also women who see only the costs of financial advice, uncertain if they are worth the expense.

Our commitment to our women clients is to meet you exactly where you are: building your confidence, supporting good intentions and translating them into accomplishment, taking the time you do not have, helping you to build your own financial identity whatever your professional or personal status. You know – and we know – that you can be anything and everything, **BUT** not average.



...because women
ask for direction.