

**BlackRock**<sup>®</sup>

# **Women, Wealth and Well-Being**



# Agenda

**1**

**Women in the world today**

**2**

**What does wealth mean to you?**

**3**

**Investing: beyond the headlines**

**4**

**Build your foundation**



# **Women in the world today**



# Women's power is growing...

**Congress  
has highest  
percent of  
women in  
U.S. history**

**1,242 female  
athletes  
at 2018  
Olympics**

**Start  
businesses  
at 2X the  
rate of men**

**57% of  
recent  
degree  
earners**

**Increased  
leadership  
roles**

Sources: Center for American Women and Politics, Olympic.org., United States Census Bureau, National Center for Education Statistics as of 2016, Pew Research Center



# ...and so are their assets.

## Women are:

- **On their way to holding the majority of wealth**
- **Set to inherit 70% of \$1 Trillion in intergenerational wealth**
- **Breadwinners or co-breadwinners in majority of homes**
- **In their lifetime going to be solely responsible for their finances**
- **Projected to own \$72T of total global private wealth by 2020**



# There are still a number of challenges

- They earn **82 cents** per dollar a man earns
- Women tend **not** to see themselves as investors
- Career breaks can mean **missed job opportunities**
- **43%** of women haven't started saving for retirement

Sources: Pew Research Center, 2019 BlackRock Investor Pulse, American Journal of Sociology, Vol. 112(5), 2007.



# What do women want?

- ✓ **Be secure financially**
- ✓ **Feel confident about investing**
- ✓ **Be debt free**
- ✓ **Balance different goals**
- ✓ **Invest to fulfill goals**
- ✓ **Learn about investing**

Source: 2019 BlackRock Investor Pulse.



# What does “wealth” mean to you?





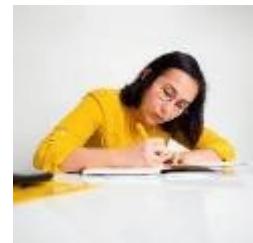
# It's Personal. Put your wealth in the **spotlight**.



**Support  
my  
family**



**Pursue  
creative  
interests**



**Independence**



**Focus on  
wellness**



**Travel**



**Volunteer  
and  
donate**

## Wealth

# What are your goals?

**S. Specific**

**M. Measurable**

**A. Achievable**

**R. Relevant**

**T. Time-bound**

- **Dollar amount**
- **Timeframe**
- **Needs vs. wants**



# Needs vs. wants

## Short-term:

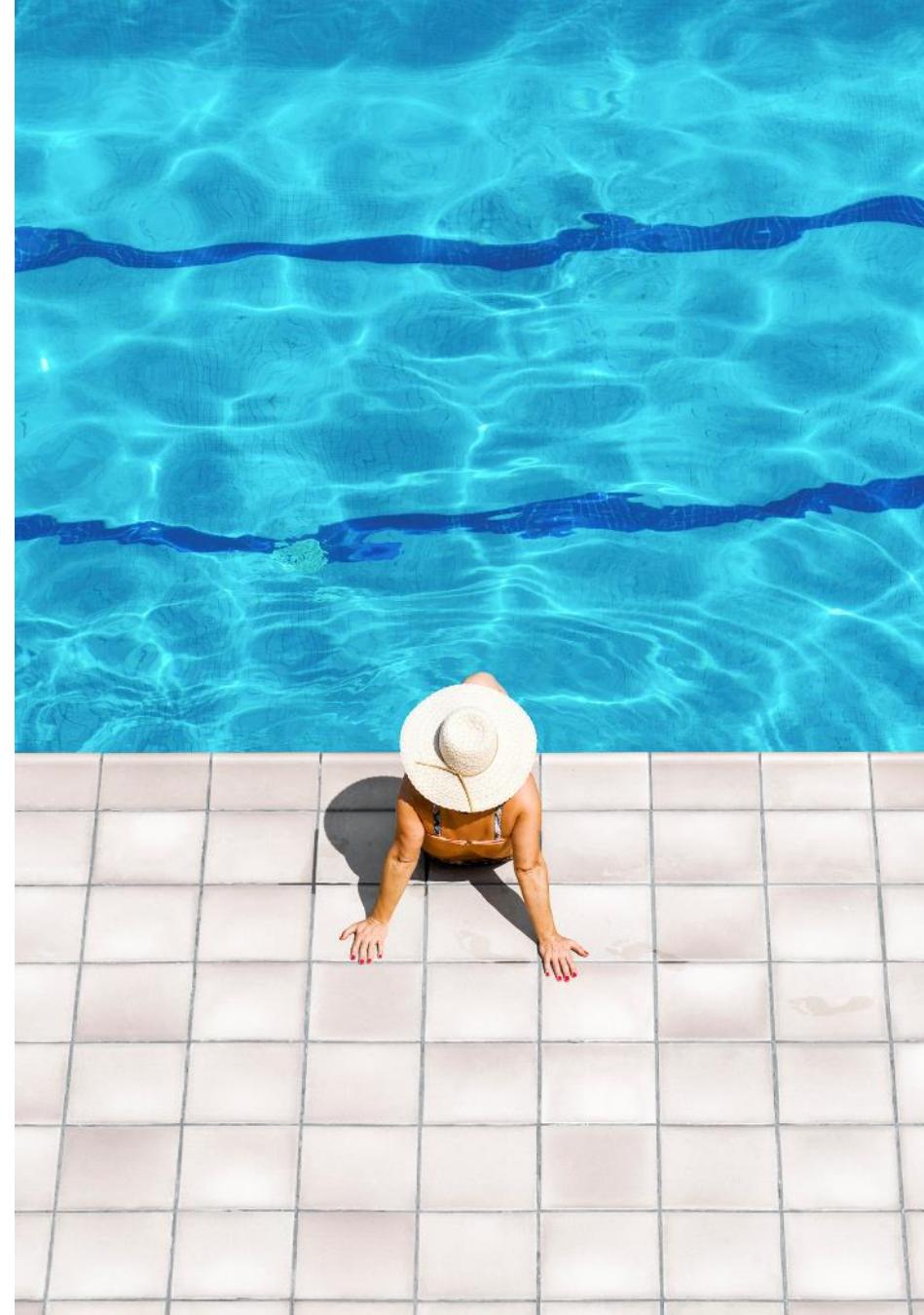
- **Need: Pay off \$10K credit card debt**
- **Want: Save \$2K to take mom on trip**

## Medium-term:

- **Need: Re-finance mortgage**
- **Want: Invest in 529 plan for grandchild**

## Long-term:

- **Need: Save \$1M for retirement**
- **Want: Buy second home in Cape Cod**



# Investing: Beyond the Headlines

# Knowledge is power



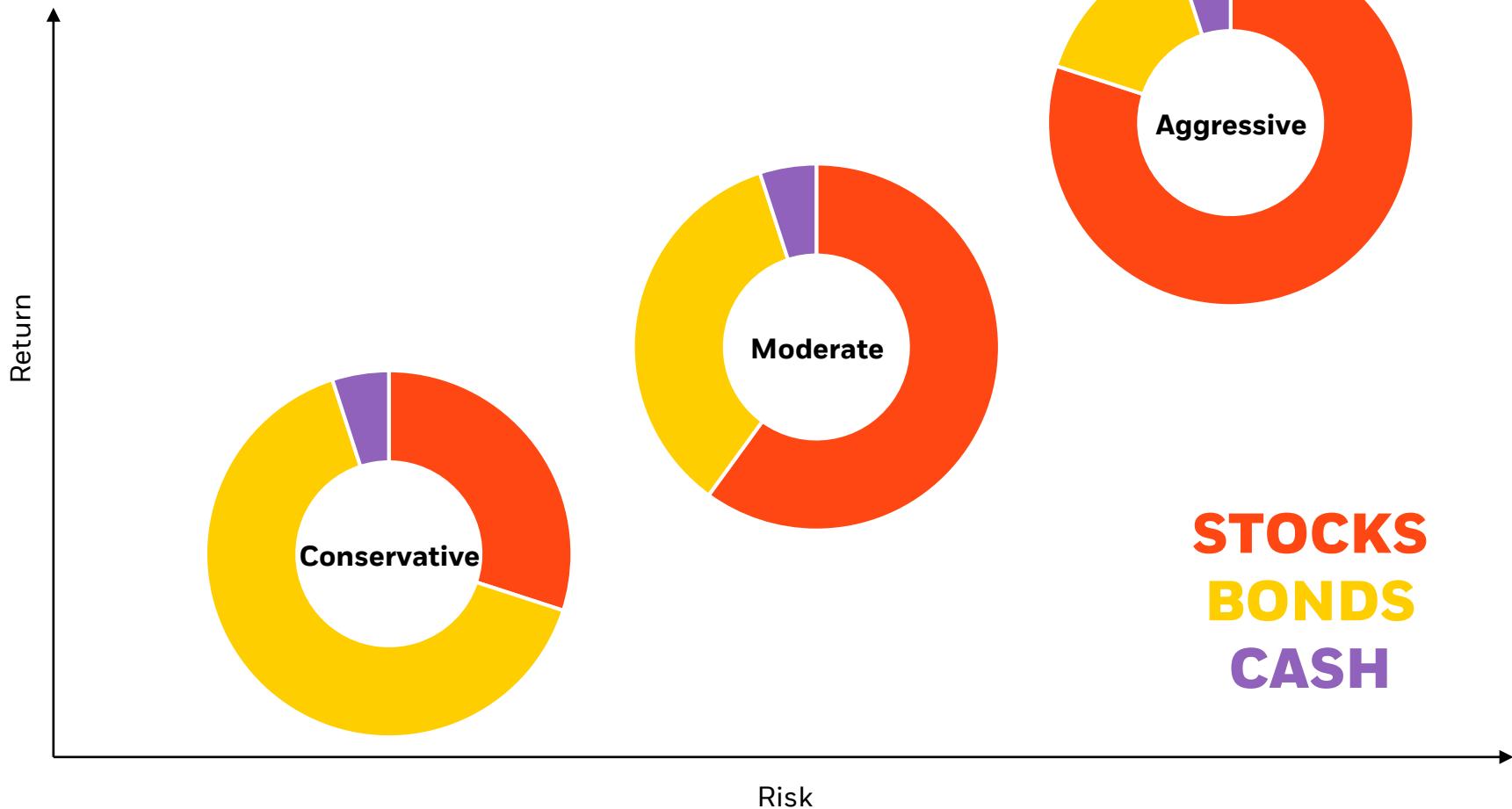
# What is Risk?



**How much risk are you  
willing to take on?**



# Your investment profile determines investments appropriate for you





# How your investments fare year to year can be unpredictable...

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sm cap 26.9%	Fixed income 7.8%	Lg cap value 17.5%	Sm cap 38.8%	Lg cap core 13.7%	Lg cap growth 5.7%	Sm cap 21.3%	Lg cap growth 30.2%	Cash 1.9%	Lg cap growth 36.4%
Lg cap growth 16.7%	Lg cap growth 2.6%	Int'l 17.3%	Lg cap growth 33.5%	Lg cap value 13.5%	Lg cap core 1.4%	Lg cap value 17.3%	Int'l 25.0%	Fixed income 0.0%	Lg cap core 31.5%
Lg cap value 15.5%	Lg cap core 2.1%	Sm cap 16.4%	Lg cap value 32.5%	Lg cap growth 13.1%	Fixed income 0.6%	Lg cap core 12.0%	Lg cap core 21.8%	Lg cap growth -1.5%	Lg cap value 26.5%
Lg cap core 15.1%	Div portfolio 1.8%	Lg cap core 16.0%	Lg cap core 32.4%	Div portfolio 8.1%	Div portfolio 0.1%	Div portfolio 8.7%	Div portfolio 15.1%	Lg cap core -4.4%	Sm cap 25.5%
Div portfolio 13.0%	Lg cap value 0.4%	Lg cap growth 15.3%	Int'l 22.8%	Fixed income 6.0%	Cash 0.1%	Lg cap growth 7.1%	Sm cap 14.7%	Div portfolio -4.7%	Int'l 22.0%
Int'l 7.8%	Cash 0.1%	Div portfolio 12.2%	Div portfolio 20.3%	Sm cap 4.9%	Int'l -0.8%	Fixed income 2.7%	Lg cap value 13.7%	Lg cap value -8.3%	Div portfolio 22.0%
Fixed income 6.5%	Sm cap -4.2%	Fixed income 4.2%	Cash 0.1%	Cash 0.0%	Lg cap value -3.8%	Int'l 1.0%	Fixed income 3.5%	Sm cap -11.0%	Fixed income 8.7%
Cash 0.1%	Int'l -12.1%	Cash 0.1%	Fixed income -2.0%	Int'l -4.9%	Sm cap -4.4%	Cash 0.3%	Cash 0.9%	Int'l -13.8%	Cash 2.3%

Source: Informa Investment Solutions. Past performance is no guarantee of future results. The information provided is for illustrative purposes and is not meant to represent the performance of any particular investment. Assumes reinvestment of all distributions. It is not possible to directly invest in an index. Diversification does not guarantee a profit or protect against loss. Cash is represented by the ICE BofA ML 3-month Treasury Bill Index. Diversified portfolio is composed of 35% of the BBG Barclays U.S. Aggregate Bond Index, 10% of the MSCI EAFE Index, 10% of the Russell 2000 Index, 22.5% of the Russell 1000 Growth Index and 22.5% of the Russell 1000 Value Index. Fixed income is represented by the BBG Barclays U.S. Aggregate Bond Index. International is represented by the Morgan Stanley Capital International (MSCI) EAFE Index. Large cap core is represented by the S&P 500 Index. Large cap growth is represented by the Russell 1000 Growth Index. Large cap value is represented by the Russell 1000 Value Index. Small cap is represented by the Russell 2000 Index.



# But the risk of those investments is more predictable

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sm cap 23.2	Sm cap 22.3	Int'l 16.0	Int'l 11.6	Sm cap 14.9	Int'l 14.6	Sm cap 17.5	Sm cap 7.4	Sm cap 18.5	Sm cap 17.1
Int'l 22.0	Int'l 18.7	Sm cap 12.4	Sm cap 10.4	Int'l 9.3	Sm cap 13.9	Int'l 12.9	Lg cap value 5.2	Lg cap growth 16.7	Lg cap value 12.9
Lg cap growth 19.2	Lg cap value 16.5	Lg cap growth 11.1	Lg cap value 9.1	Lg cap growth 8.9	Lg cap growth 13.4	Lg cap value 10.6	Lg cap growth 4.4	Lg cap core 14.7	Lg cap growth 12.8
Lg cap value 18.4	Lg cap growth 15.3	Lg cap core 10.1	Lg cap core 8.1	Lg cap value 7.9	Lg cap core 13.1	Lg cap growth 10.5	Int'l 4.0	Lg cap value 13.5	Lg cap core 12.3
Lg cap core 18.4	Lg cap core 15.3	Lg cap value 9.8	Lg cap growth 7.7	Lg cap core 7.9	Lg cap value 12.4	Lg cap core 9.8	Lg cap core 3.8	Int'l 11.9	Int'l 11.0
Div portfolio 11.9	Div portfolio 10.4	Div portfolio 7.1	Div portfolio 6.2	Div portfolio 5.8	Div portfolio 8.0	Div portfolio 7.0	Div portfolio 2.0	Div portfolio 9.3	Div portfolio 8.2
Fixed income 2.8	Fixed income 2.3	Fixed income 1.9	Fixed income 3.1	Fixed income 2.2	Fixed income 2.8	Fixed income 3.6	Fixed income 1.5	Fixed income 3.0	Fixed income 3.3
Cash 0.0	Cash 0.0	Cash 0.0	Cash 0.0	Cash 0.0	Cash 0.0	Cash 0.1	Cash 0.1	Cash 0.1	Cash 0.1

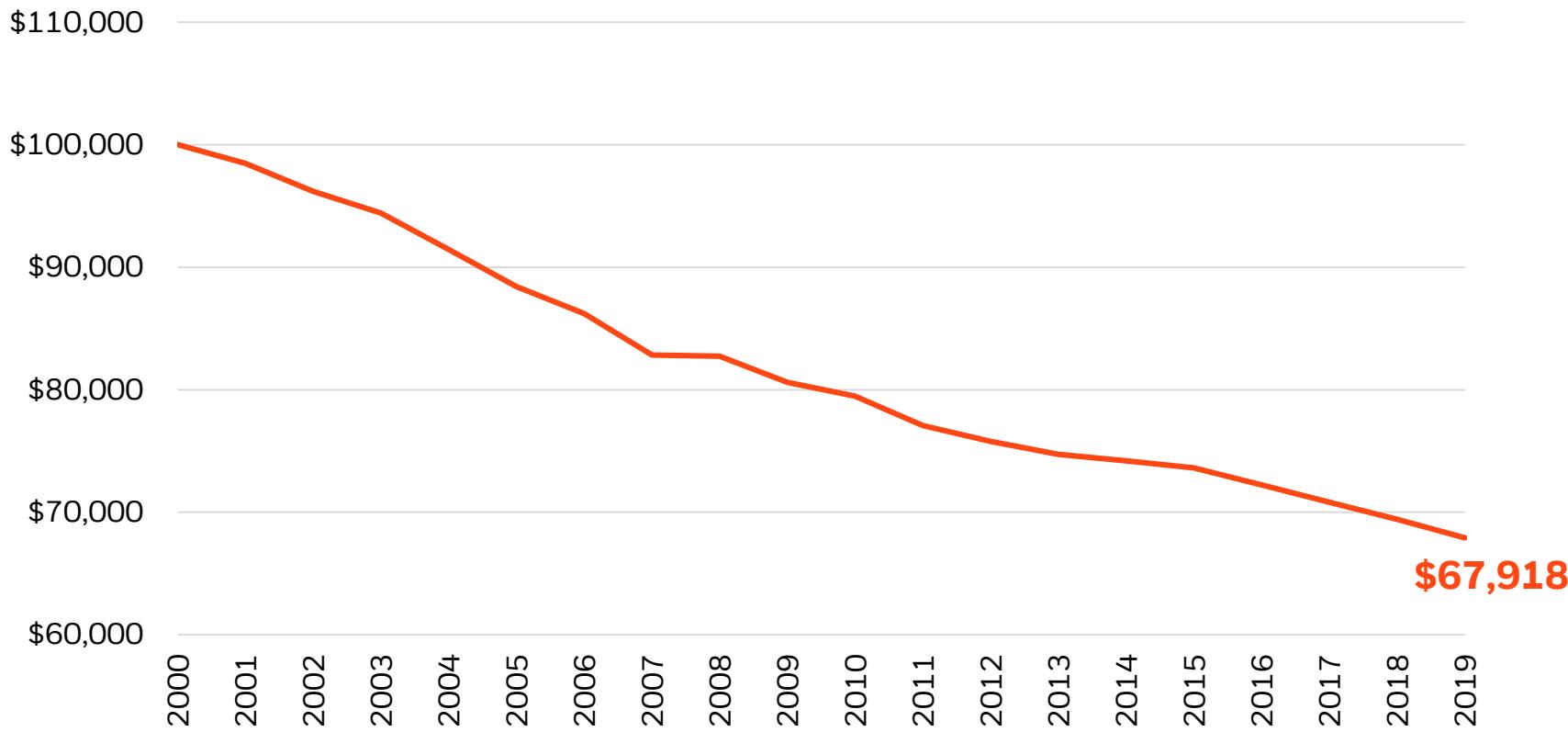
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# Don't sit on the sidelines

## Erosion of purchasing power

Cumulative inflation (12/31/2000-12/31/2019)



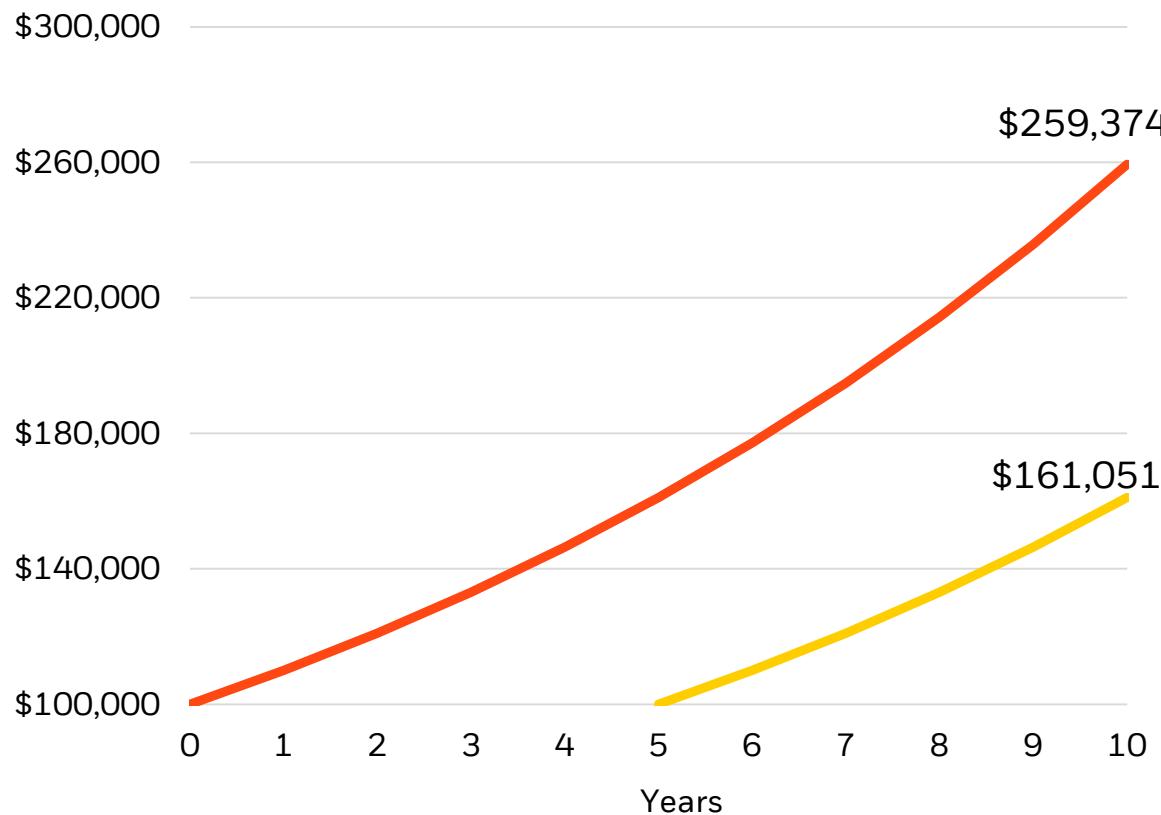
Source: BlackRock, Informa Investment Solutions as of 12/31/19. Inflation represented by the Consumer Price Index. For illustrative purposes only. Past performance does not guarantee or indicate future results. You cannot invest directly in an index.



# Waiting for the “right time to invest” can leave you behind

## Compound interest makes time your friend

Growth of hypothetical \$100,000 investment assuming 10% annual yield



### Money earned:

- Over 10 years: \$159,374
- Over 5 years: \$61,051

Investing for 10 years vs. 5 years would result in **261%** more earnings

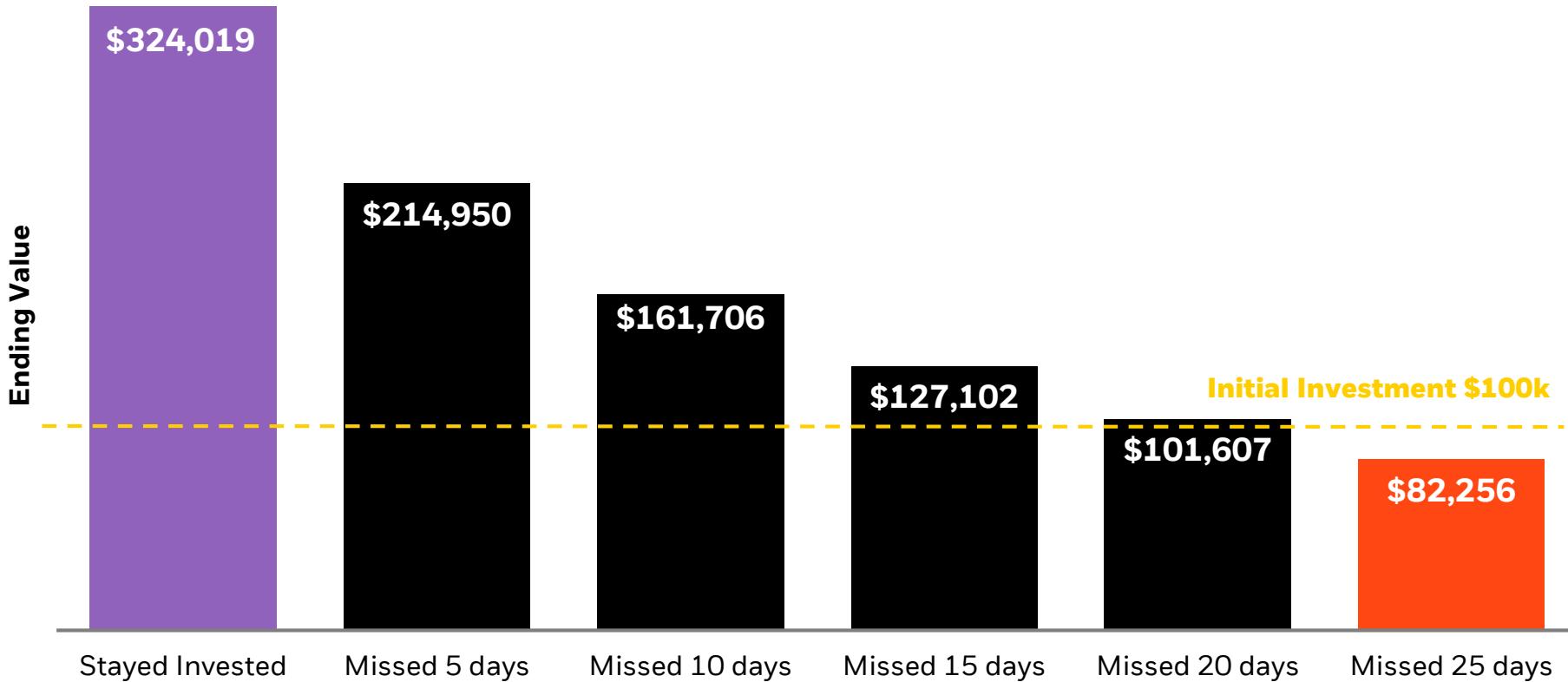
For illustrative purposes only. Not meant to represent the past or future performance of any particular fund or index.



# Time in the market vs. timing the market

## Missing top-performing days can hurt your return

Hypothetical Investment of \$100,000 in the S&P 500 Index over the last 20 years (2000-2019)



Source: Morningstar. Past performance does not guarantee or indicate future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index.



# Trust diversification – even when it's hard

Years	S&P 500	Diversified portfolio	
2000*-2002	-40.1%	-18.6%	►  “I lost money”
2003-2007	82.9%	73.8%	►  “I didn’t make as much”
2008	-37.0%	-24.0%	►  “I lost money”
2009-2019	351.0%	191.7%	►  “I didn’t make as much”
Total Return	211.4%	213.5%	►  “Diversification wins even when it feels like it’s losing”
Gr \$100k	\$311,420	\$313,510	

Source: Morningstar as of 12/31/19. \*Performance is from 8/1/00 to 12/31/00 to more accurately reflect the time period encompassing the previous two bull and bear markets. Past performance does not guarantee or indicate future results. Diversified Portfolio is represented by 40% S&P 500 Index, 15% MSCI EAFE Index, 5% Russell 2000 Index, 30% Bloomberg Barclays U.S. Aggregate Bond Index, and 10% Bloomberg Barclays US Corporate High Yield Index. Index performance is for illustrative purposes only. You can not invest directly in the index. **Past performance does not guarantee or indicate future results.** Diversification does not guarantee a profit or protect against a loss in a declining market.

# **Build Your Foundation for Wealth and Well-being**

# 5 steps to build your financial foundation

- 1 Get organized**
- 2 Define your goals**
- 3 Know your numbers**
- 4 Get invested**
- 5 Plan for your unique life path**





# 1 Get organized

**Getting organized is one of  
the keys to financial security**

## **Collect**

- **Investment statements**
- **Recent tax returns**
- **Insurance policies**
- **Retirement accounts**
- **Estate and trust documents**



# 2

## Define goals

### Write down your goals

**Every goal has three elements:**

- **Dollar amount**
- **Time frame**
- **Needs vs. wants**

**What do you need to get there?**



# 3

## Know your numbers

### Net worth



#### Assets

What you own



#### Liabilities

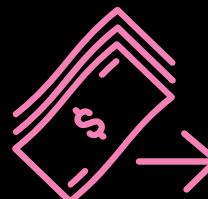
What you owe

### Cash flow



#### Income

What goes in



#### Expenses

What comes out



4

**Get  
invested  
in a  
diversified  
portfolio**

## **How to get started**

- **Know yourself. Your goals.  
Your needs.**
- **Ask for help**
- **Know your options**
- **Start now**
- **Stay invested**



# Your unique path



# 5

## Plan for your unique path

**Your life is unique. So is your financial strategy.**

- **Caregiving**
- **Health**
- **Social Security**
- **Life After Divorce or Loss**
- **Estate Planning**



# Parenting & Caregiving

**And it has a cost:**

**\$48,000 / year for assisted living on average**

**\$100,375 / year for private room in nursing home**

Source: Genworth Financial, 2018.





# Invest in your health



**Be prepared:**

**\$10,739 / year on average**

**Women need long-term care  
for an average of 2.5 years**

Source: National Healthcare Expenditure Data, 2017, Morningstar, 75 must-know statistics about long-term care, 2018.



# Understand your Social Security and Medicare Options

**Consider all eligible benefits to set strategy for when to collect each**

## 3 types of benefits

- 1 Individual
- 2 Spousal
- 3 Survivor

## 3 milestone ages to collect

- 1 62: Earliest
- 2 Range: Full Retirement Age
- 3 70: Latest

Source: Social Security Administration ([www.ssa.gov](http://www.ssa.gov)).



# Spousal benefits

## Spousal Benefits

- Married 1 year
- Your spouse must be collecting
- Your benefit must be less than  $\frac{1}{2}$  of your spouse's full-retirement age benefit

## Ex-Spousal Benefits

- Married to ex-spouse for 10+ years
- Unmarried
- Both are at least age 62
- Divorced for at least 2 years\*

Source: Social Security Administration's Annual statistical supplement, 2018. Assumes full retirement age of 66 and primary insurance amount of \$2,200.

\*2 years does not apply if the individual was eligible for spousal benefits at the time of divorce.

Source: Social Security Administration ([www.ssa.gov](http://www.ssa.gov)).



# Survivor benefits

**Jordan**  
PIA: \$2,200

Jordan's Benefits (63 1/2)  
**\$1,833**

**Alex**  
PIA: \$600

Survivor Benefits  
**\$1,833**



Jordan's Benefits (70)  
**\$2,904**

Survivor Benefits  
**\$2,904**



Source: Social Security Administration's Annual statistical supplement, 2018. Assumes full retirement age of 66 and primary insurance amount of \$2,200.

\*2 years does not apply if the individual was eligible for spousal benefits at the time of divorce.

Source: Social Security Administration ([www.ssa.gov](http://www.ssa.gov)).



# What is Medicare?

A federal health insurance program for people 65 and over\*

## Part A

Hospital Insurance

## Part B

Medical Insurance

## Part D

Prescription Drug Coverage

## Part C

Medicare Advantage

## Medigap

## Enrollment Periods for Part B

### Initial

7-month period between age 64 and 9 months and age 65 and 3 months

### General

Jan 1-Mar 31 each year  
Surcharges may apply

### Special

Anytime while covered by a current employer's plan or within 8 months of separation

Source: [www.medicare.gov](http://www.medicare.gov)

\* And for many disabled people.



# Life After Divorce or Loss

## Divorce

- Know your numbers
- Insurance – life and health
- Consider child support
- Work with attorney
- Protect what's yours
- Your home (sell or hold?)

## Spousal Loss

- Pre-plan if you can
- Be patient before making decisions
- Estate Planning



# Protect your wealth

## Why build an Estate Plan?

- To position assets to go where intended
- To ensure that assets are taxed efficiently
- To protect and communicate with your loved ones

## Assemble important documents

- ✓ Will
- ✓ Power of Attorney
- ✓ Directive to Physicians (Advance Directive)
- ✓ Patient Authorization
- ✓ Declaration of Guardian



# Take action

## Assemble Your Team of Professionals

- 1 Get organized**
- 2 Define your goals**
- 3 Know your numbers**
- 4 Get invested**
- 5 Plan for your unique life path**



Source: Kathleen Miller, Fair Share Divorce for Women.



**Talk to your  
financial  
professional.**



# Open Discussion

What financial actions are you going to take?  
What is something you learned today?

# Important notes

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