

The Northwestern Mutual Life Insurance Company — Milwaukee, WI

3 Financial Challenges Women Face and How to Overcome Them

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Write down three
financial goals.

Short-term • Mid-term • Long-term

3 Financial Challenges Women Face

CHALLENGE #1



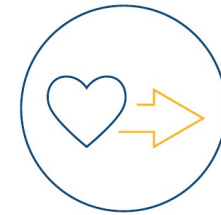
Women often earn
less than men

CHALLENGE #2



Women are often
caregivers

CHALLENGE #3



Women generally
live longer



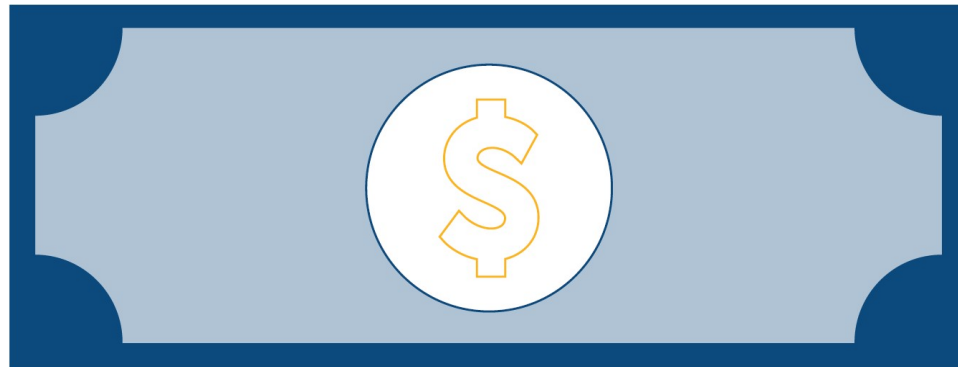
Challenge #1

Women often earn less than men

Women Earn Less Than Men

Women earn 82 cents to every dollar men earn.

Men



Women

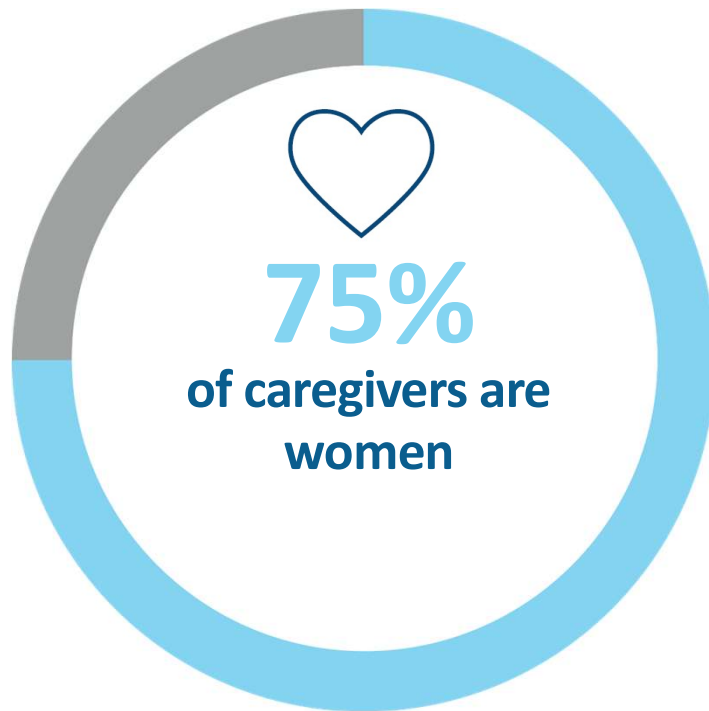




Challenge #2

Women are often caregivers

Caregiving in the United States



Financial Impact of Caregiving



58%

of female caregivers
reported their careers
were impacted by
their caregiving



26%

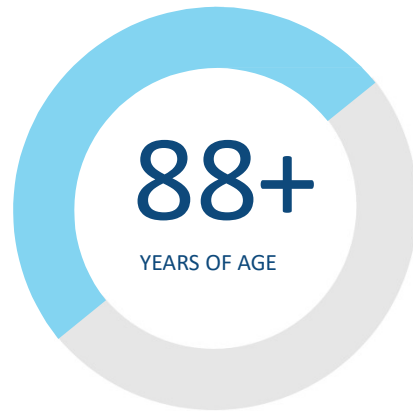
of a caregiver's
monthly budget
goes toward
caregiving



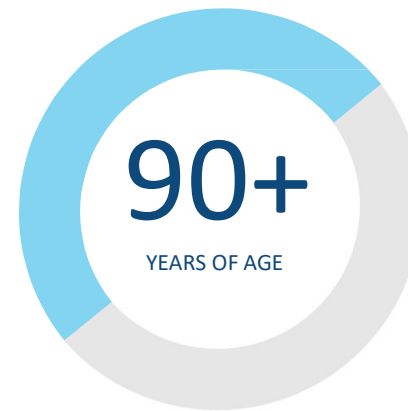
Challenge #3

Women generally live longer

We're All Living Longer




50% chance a single
65-year-old man will live
beyond the age of 88



50% chance a single
65-year-old woman will
live beyond the age of 90



Plan for a retirement that could last 30 years or longer.

A woman with brown hair tied in a ponytail is kayaking on a body of water. She is wearing a white t-shirt and an orange life vest. She is smiling and looking towards the right. She is holding a black and white kayak paddle. Water droplets are visible in the air around her. In the background, there is a red kayak and a blurred shoreline. A semi-transparent yellow circle is overlaid on the right side of the image, containing the text "You can overcome these challenges!".

You can
overcome these
challenges!

Financial Planning Concepts

1. Goals
2. Manage risk
3. Grow your wealth
4. Preservation and distribution

Setting Goals



Goal:

- Buy a larger home



Goal:

- Buy a larger home with:
 - 3 bedrooms
 - Attached garage
 - Large backyard
 - Eat-in kitchen
- Within 30 min of work
- Save \$20,000 down payment
- Purchase in 3-5 years



Knowing what you want and how long you have to get there brings your goals into focus and helps you plan for success.



Risk Management

What Is Risk Management?

Protecting your ability to reach your goals against things that are beyond your control, such as:



Unexpected
expenses



Illness, accident
or injury



Dying too soon



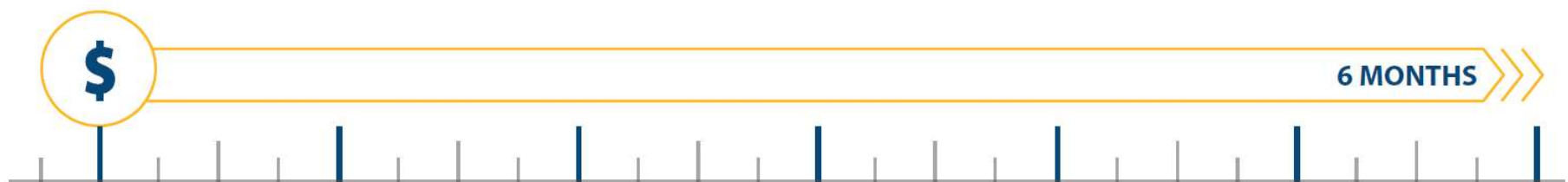
Managing risk is one of the most important aspects of financial planning.

Create an Emergency Fund

Life is unpredictable.

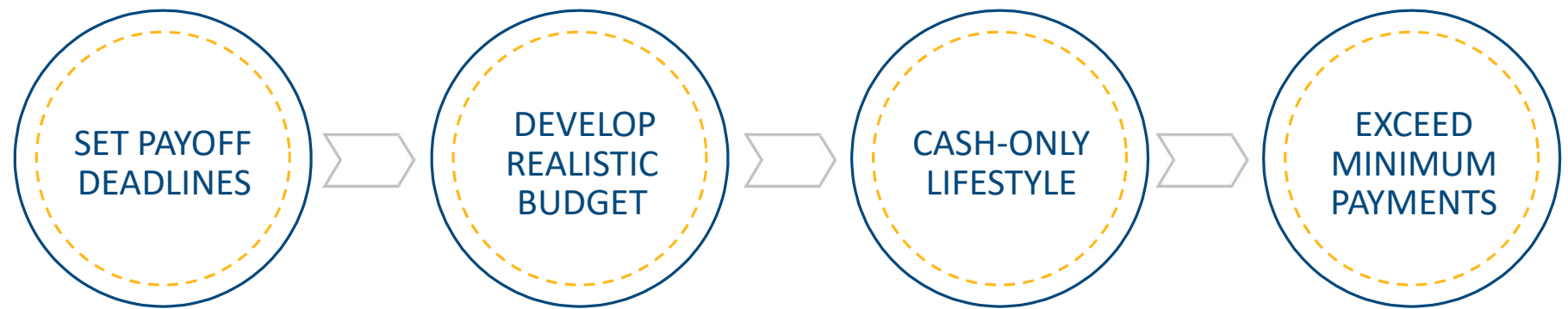
Create a short-term safety net.

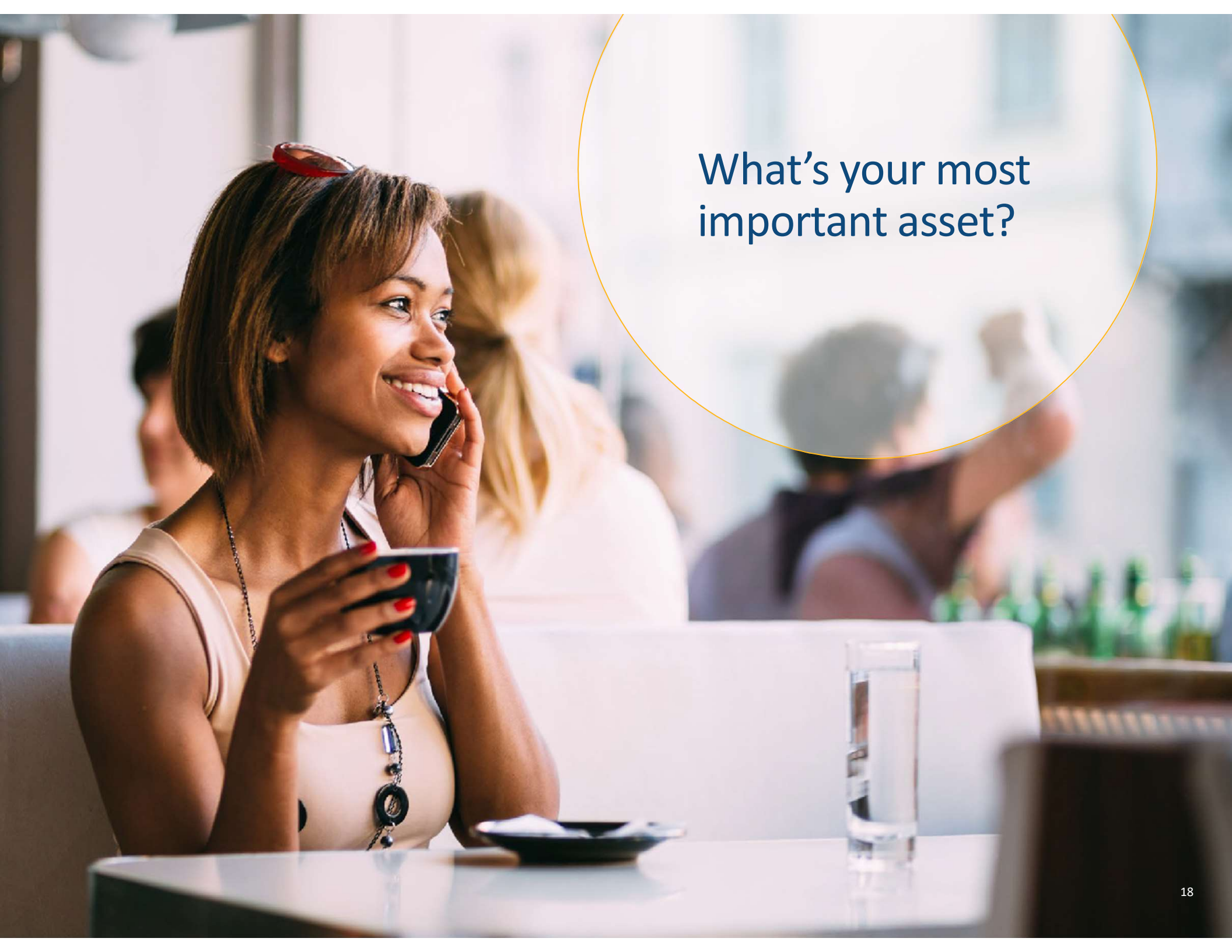
Keep an equivalent of six months of living expenses in an account you can access easily.



Paying Down Debt

Start with an action plan.



A woman with short brown hair and red sunglasses on her head is smiling while talking on a black smartphone. She is holding a black coffee cup in her other hand. She is sitting at a white table in a bright, modern cafe or office setting. In the background, other people are blurred, and a glass of water sits on the table. A large, thin yellow circle is overlaid on the right side of the image, containing the text.

What's your most
important asset?

Protect Your Income

Your ability to earn an income is your most valuable asset.

1 IN 4

employees will be disabled for three months or more during their careers.



It's not always catastrophic events that lead to disability.

Disability Income Insurance

Group disability insurance through your employer:

- Usually has a cap.
- Is taxable.
- Covers only about 60% of your income (40% pay cut).
- Won't move with you to another company.



We insure our cars and our homes against unforeseen events.
Why not our income?

Long-Term Care

Are you providing care
for a loved one?



Talking With Your Parents

Questions you can start with:

Are their accounts in joint names?

Who are signers on their bank accounts?

Are their primary and contingent beneficiaries current?

Should the house be transferred to a family member or trust to protect it in the future?

Do they have a plan for long-term care?

Should the family consider paying for their long-term care insurance?

Address Your Own Needs

If you live beyond the age of 65, there's a 70% chance you'll need long-term care at some point.



Long-term care is not covered by Medicare or private health insurance. Medicaid is complex and offers limited choices.

Whose financial
welfare do you
want to protect?



Life Insurance Considerations

What would you want to cover if you couldn't be there for your loved ones?

Is there a mortgage to pay?

Are there significant costs you'd want to cover for your family?

Are there other people who may need your financial support in the future?

Do you want to leave a financial legacy?

Risk Recap

Ways you can protect yourself against unpredictable circumstances:

- Emergency fund
- Pay down debt
- Disability income insurance
- Plan for long-term care
- Life insurance

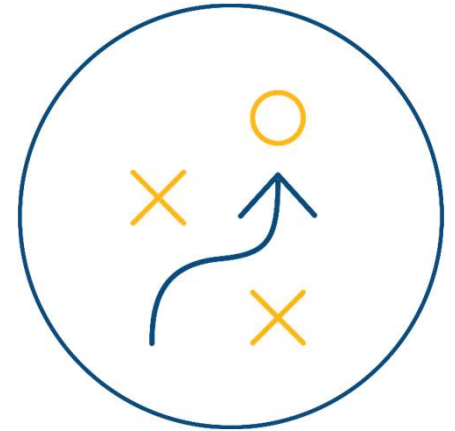


Growing Your Wealth

Growing Wealth

Make the most of your money by making investment decisions that are right for you.

How you invest your money will impact your ability to achieve your goals.



Retirement Savings

It's up to you to create your own retirement savings plan.

Invest your money in a way that gives you the greatest chance of reaching your goals.



College Costs

Average cost per year for public, 4-year, in-state schools, including tuition, fees, room and board:



Don't prioritize saving for college over saving for retirement.

¹Cost of 4 years at a state school. College Board, Trends in Higher Education, <https://research.collegeboard.org/pdf/2019-trendsincp-fig-1.pdf>

Investment Considerations

How much risk are you willing to take?

How long will you be making withdrawals?

How long will you invest before you need to tap into those funds?

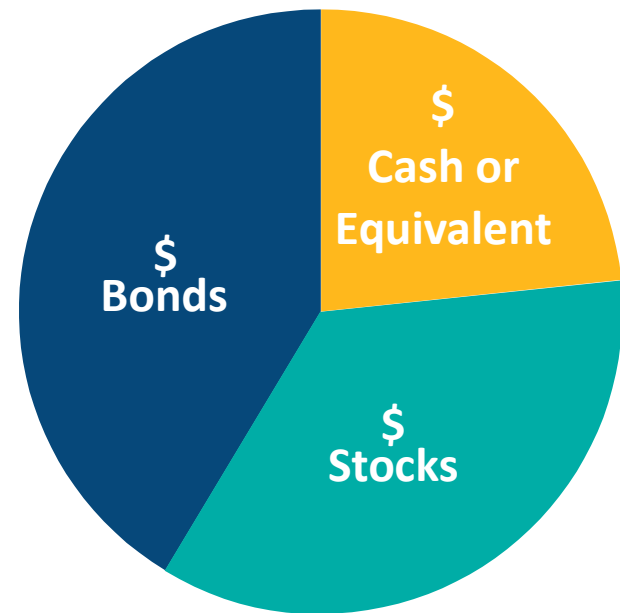
Are your investments in qualified or non-qualified accounts?

How will taxes impact your investments?

Asset Diversification and Allocation

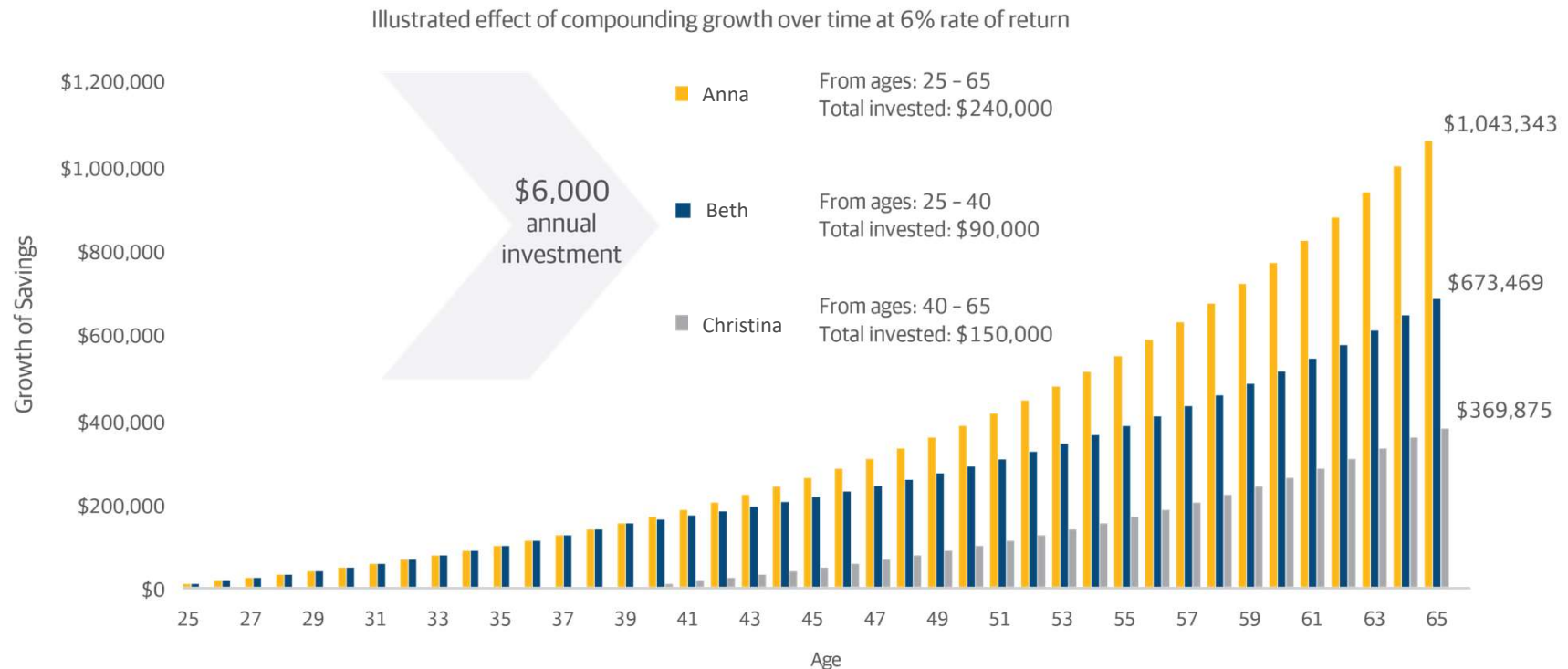
Historically, the three asset classes have responded differently to economic activity and market trends.

- **Diversification:** Splitting your portfolio between asset classes to help reduce overall risk in your portfolio
- **Asset allocation:** How you choose to distribute your funds between asset classes



The Power of Compounding

Long-term financial gains may result from early saving and the power of compounding.



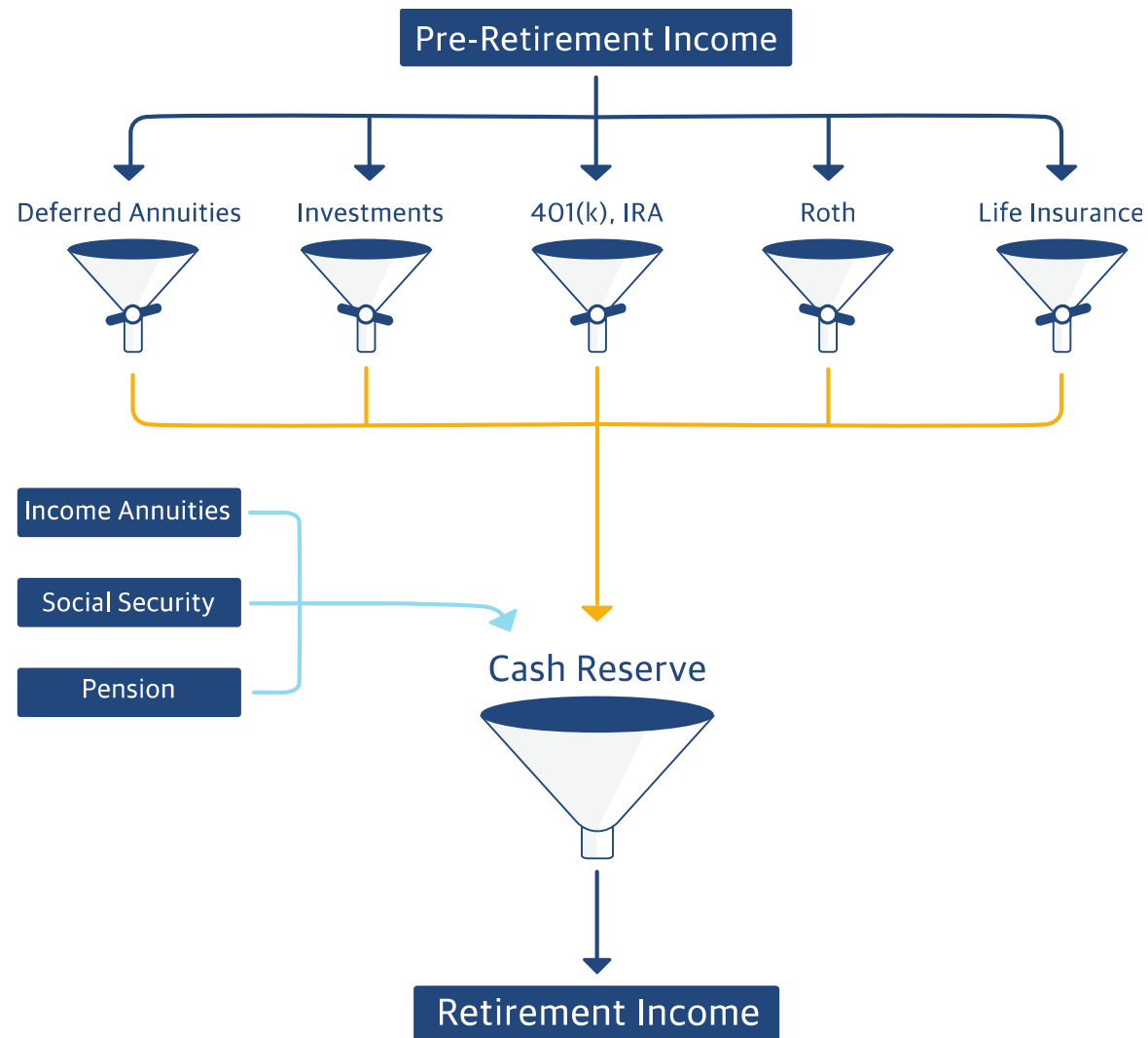
The sooner you start, the harder compounding can work for you.


Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. Returns and principal invested in stocks are not guaranteed. The data does not account for taxes or transaction costs.



Wealth Preservation and Distribution

Distributing Assets

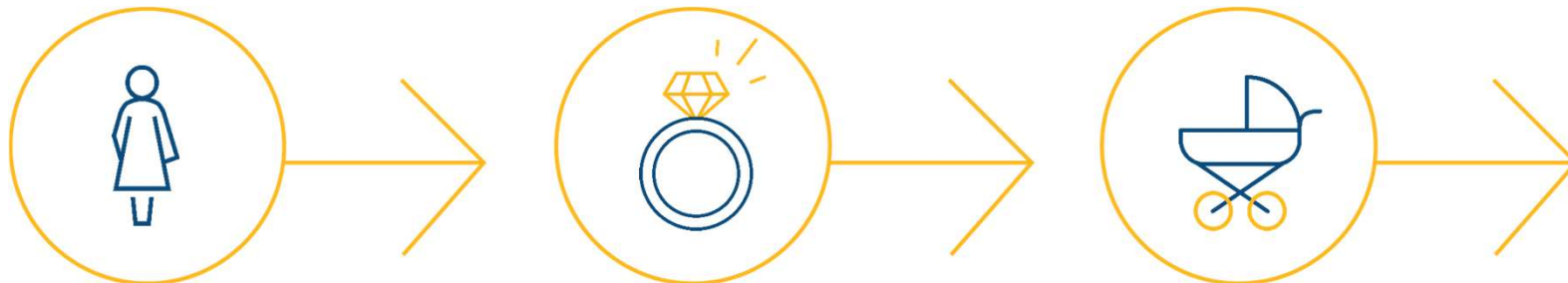




An estate plan gives you
a voice when you can
no longer speak for
yourself.

Estate Planning Basics

It's never too soon to plan for your estate.



Age 18

- Health care directive
- Durable power of attorney for health care
- Durable power of attorney for finances

Marriage

- Update POAs
- Update beneficiaries
- Will and/or trust
- Plan for your legacy

Growing Your Family

- Appoint a guardian
- Update beneficiaries, wills, trusts and legacy plans



Estate planning and financial planning go hand-in-hand.

Importance of Estate Planning

Estate plans can:

- Ensure that your wishes are honored.
- Eliminate friction and tension when assets are being distributed.



Creating Financial Security



Risk
Management



Growing Your
Wealth



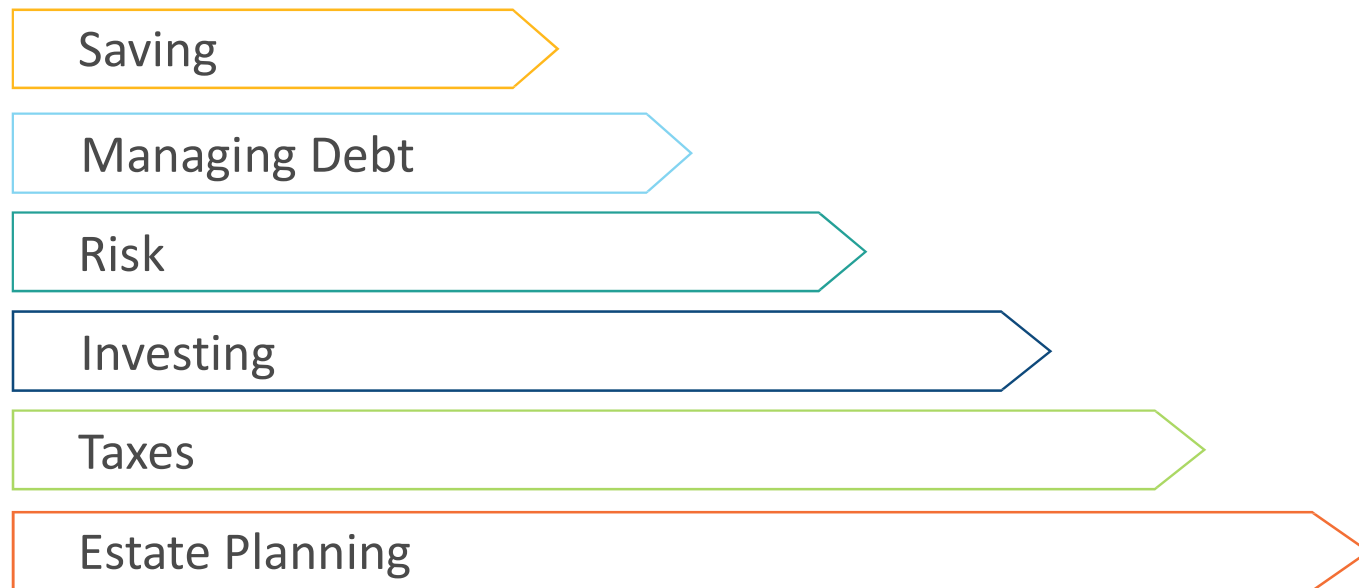
Wealth
Preservation
and Distribution

Find a financial professional to help you along your journey.



1. Look for More Than Investment Advice

A financial professional will take a broader look across all aspects of your financial life and help you through times of transition.



2. Align Your Priorities

Work with someone who:

- Creates a long-term plan that's focused on your priorities.
- Will help turn your plan into action.
- Helps you make big financial decisions.
- Meets with you regularly to make sure you're on track and adjusts your plan as your life changes.



3. Do Your Homework

- Ask for referrals from people you respect.
- Set up a meeting (there's typically no obligation).
- Ask about the advisor's areas of expertise and credentials.
- What's the process for working together? How are they paid?
- Learn about the company they represent.

A++

A.M. BEST

AAA

FITCH

Aaa

MOODY'S
INVESTORS SERVICES

AA+

S&P GLOBAL RATINGS

4. Words of Caution

Be wary of:

- Anyone who attempts to sell you a financial product in a first meeting.
- An off-the-shelf planning solution.
You are unique – your plan should be, too.



5. Self-Care Applies to Finances, Too

When you take care of your own finances, you're taking care of others, too.



What is one small step you can take in the next 24 hours that will help you make progress toward your goals?

Any Questions?
Book a Consult:



Thank You

Northwestern Mutual is the marketing name for The Northwestern Mutual Life Insurance Company (NM), Milwaukee, WI (life and disability insurance, annuities, and life insurance with long-term care benefits) and its subsidiaries. **Northwestern Mutual Investment Services, LLC** (NMIS) (investment brokerage), subsidiary of NM, registered investment adviser, broker-dealer, member FINRA and SIPC. Northwestern Mutual Wealth Management Company® (NMWMC), Milwaukee, WI (investment advisory and trust services), subsidiary of NM and federal savings bank.

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