

# Money's Hidden Messages for Women



Heidi G. Clute, CFP

It's hard to accumulate wealth when you shy away from the responsibility of making fiscal decisions or if the idea of money scares or guilt-trips you. Yet that seems to be the mindset of some women today. Unfortunately, this emotional attitude toward money stops many women in their financial tracks.

It seems that sometimes we women believe we don't deserve to achieve financial success. We are taught to seek safety and avoid risks. Even when we dabble in investing we often don't do as well as men because we are overly conservative in our investment choices. Women tend to be conservative because we don't

have deep knowledge of the stock market. We would rather keep our money in savings where we can see it, than in something we know nothing about.

Where does it all begin? Women are subjected to all kinds of societal messages around money. The most prevalent and most power-robbing message of all is that managing money is a man's business. Parents typically encourage their sons to start earning money at age 13 but they don't encourage their daughters to earn money until age 16. They do this imprinting unconsciously.

The result?

- Over the course of our careers we women earn less than men do.
- We tend to spend 10 years away from the workforce vs. one year for men.
- It takes five years to recover financially for each year away.
- We are three times more likely than men to work part-time.

Being a woman and a financial planner, I am especially aware of these unique circumstances and I take them into account when dealing with clients.

## Money Roles in Marriage

Women often have math anxiety. That math paranoia interferes with financial planning decisions. And so, when we are married, many times women choose to be the financial follower, rather than leader, in the relationship. "I'll let him do it," many women think. "He's better at it." But in reality, the husband may not know more than she does. Often women literally "pass the buck" because we don't want to make a wrong decision. Consequently, we often make a decision by default.

Women tend to save more, but have less, because we're conservative. In a relationship, the woman tends to be conservative in investment strategies; the man tends to be aggressive. That can be a good thing for couples. When they are combined it works out. Aggressive can do well in up

markets; conservative may be more appropriate in down markets. But when I meet with couples and sense that a woman seems content to let her husband do the heavy financial lifting, I ask "What do you do if he dies or becomes disabled?" Over the years I have found that women do step up to the plate if we're forced to. And it's good to raise the issue before an emergency or crisis occurs.

Women (and their partners) often need help in sharing their financial roles. I encourage passive partners to be active. I make a point of asking their opinions. Because men are often in a leader's role, women won't say much without prompting. So I ask probing questions and create a safe environment where women can be heard and then they often find their voice.

In many families, the woman start out balancing the checkbook and paying the bills, but more often than not, it's the man who's doing the investing. It's up to me as a planner to encourage active participation of both so it becomes a collaboration.

Financial planners are trained to look at all aspects of a client's life. We have to know how to discern how clients feel psychologically. When I start with clients I have them fill out an extensive fact-finder. I want to find out what my clients know and what they don't understand. (This questionnaire creates a safe environment for clients to explore what they don't understand.) I ask questions to figure out what their financial goals are. I ask things like: "Do you buy new cars? If you get lost will you pull over and ask directions?" That way I have an idea when we're talking if they will "pull over" and say, "I don't know what 'alternative investment' means."

Once I get a client to talk and feel comfortable, then we can roll up our sleeves and get to work on the business of creating and managing wealth. I have learned over the years that psychological obstacles and imprinting can be overcome. Once they are, there's no reason we women can't successfully manage – and grow – our finances. After we lose all of that money-baggage, we are ready and fully equipped to proceed to prosperity with joy and confidence. My goal, then, is to help you with your financial dreams.

*Heidi Clute is the owner of Clute Wealth Management in Plattsburgh, NY, and South Burlington, VT, an independent firm that provides strategic financial and investment planning for individuals and small businesses in the Champlain Valley region of New York and Vermont.*

[www.clutewealthmanagement.com](http://www.clutewealthmanagement.com)

PLATTSBURGH, NY OFFICE  
152 Tom Miller Road • Plattsburgh, NY 12901  
Tel. (518) 561-5707 or (877) 561-5707 • Fax (518) 561-5809

SOUTH BURLINGTON, VT OFFICE  
1233 Shelburne Road, Suite 202 • South Burlington, VT 05403  
Tel. (802) 864-5707 or (877) 561-5707 • Fax (802) 864-7007