

Top 10 Reasons Women Experience Money Malfunctions

I recently read some alarming statistics about women and money:

More women file for bankruptcy than graduate from college.

Only 35% of women have some sort of retirement account.

The median debt for women has doubled in recent years.

40% of the average women's income goes to service mortgage debt.

Up to 90% of women will be responsible for their own finances at some point.

Average age of widowhood is 56 years.

Why are there so many women who don't have their financial act together?

Below are the top ten reasons women experience money malfunctions:

1. Women are nurturers and caregivers – we take care of everyone, but ourselves. We take care of our children, husbands, partners, grandchildren, and parents. I think it's because we've been programmed to give to others first and wait to see if there's anything left over for us. For years I thought I was selfish if I did something for myself. It took forever to get past that feeling of selfishness. It didn't change until I read this definition: *Selfish is when you are not doing something someone else wants you to do.*
2. Insist on being perfect. This puts women behind the curve. By the time we realize there are resources out there to help and guide us, we've lost a lot of valuable time. And, this costs us financially.
3. Don't think we're smart enough. Women don't think we are smart enough to get involved in making financial decisions. Studies show that women often make better investment decisions than men. We do a more thorough job of researching the possibilities before we investing our money. We're also slower to cash in or move our investments if they're underperforming. We give them time to yield a good return.
4. Fear of failure. We don't make investments because we're afraid we'll lose our money. The reality is you probably have more to lose by not taking any action. I'll talk more about this later. One of my favorite quotes is from Eleanor Roosevelt --"You gain strength, courage & confidence by every experience in which you really stop to look fear in the face. You must do the thing you think you cannot do."
5. Assume our husbands will take care of us. Unfortunately, society has encouraged this belief and the bottom line is there's a good chance we will be the sole person responsible for our finances at some point in our life. Approximately 50% of first marriages end in divorce and 58% of marriages end with the husband's death. The average age of widowhood is 56 and according to the 2000 Census women are more than four times more likely to be widowed than men. And, finally women outlive men by an average of seven to ten years. I've had many women tell me that their husbands were relieved to have them get involved in the family finances. Their husband really didn't want to be in charge, but felt it was their responsibility.
6. Think we have to do it alone. Did you learn a foreign language alone? No, you probably took a class, took tests and read books to master the language. The same thing goes for becoming fluent in the language of money. Find a good financial advisor to coach and educate you about financial issues.

7. Use shopping as retail therapy. We've all heard this saying and probably most of us have tried it at least once in our lifetime. You need a trip to the mall because you had a bad day at work and you need a pick-me-up. Or, you just got a promotion and celebrate by spending money on yourself. The reasons for shopping are numerous. But, the bottom line is shopping without a reason or plan can easily derail your financial future. Find another method of caring for yourself and celebrating.
8. Take the out-of-sight out-of-mind approach. We've convinced ourselves that if we don't think about our finances everything will be okay. The reality is bad things happen every day to good people. If you and your husband don't have a will and he dies in a car accident on the way to work, you could easily lose your financial stability and have a mountain of problems for years to come. Or, if you lose your job and you're knee deep in credit card debt with no savings, what will you use to sustain you until you find another job?
9. We're too busy. Most women are busy working; running the kids to and from school, ball games; making meals; keeping the house clean; doing the laundry and the list goes on. But, we really need to take time, even if it's just one hour a week to get educated and involved in our family finances. Carve out time when you and your husband can sit down together. Or, find a friend and learn together. You'll hold each other accountable and learning with someone else is a lot more fun.
10. Simply do nothing. Time is not on our side when we don't take any action. One of the biggest potential losses is the gift of compounding interest. If at age 20 you begin investing \$10 per week (\$520 per year) at 8% return, you'll have \$228,563 at age 65. But if you wait just 10 years (age 30) to invest \$10 per week you'll have \$99,402 at age 65. Starting 10 years later will cost you \$129,161. The bottom line is that simply doing nothing is NOT a good thing. Take action and do it now!

Ladies, it's time to get involved in your finances and start taking action. Just take one step at a time. Each step will help build your pathway to financial independence. I encourage you to attend a Money Wi\$e Women Forum or other financial conference to get you started on your journey.

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