

WOMEN INVESTORS: *Minding the Gap*





Women have made—and continue to make—significant strides in achieving equality. But the climb is still uphill as generations of inequity and oppression have left wide gaps across the path that women walk toward their ambitions. Understanding these gaps and learning to navigate them is a task that no woman should take lightly, especially when it comes to managing the wealth they've built and aim to create.

Let's take a look at some of the prevalent financial gaps between women and men.



THE PAY GAP

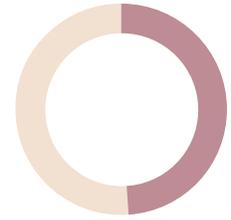
Throughout the world, even in the most modern nations, women continue to receive less pay for the same work. How much less? In the U.S., the current median stands at 83 cents on the dollar.¹ This pay gap has indeed narrowed over time, and we continue to see greater representation of women in the workforce.

Today, women make up 47% of the workforce,² 38% hold senior management positions,³ and 11% are CEOs of Fortune 500 companies.⁴ Interestingly, the pay gap actually widens as women move up the corporate ladder. Women with MBAs are paid 77 cents for every dollar compared to their male counterparts, resulting in a significant savings gap over time.⁵ This financial shortfall further affects how women must plan more carefully and proactively to make up for this gap.

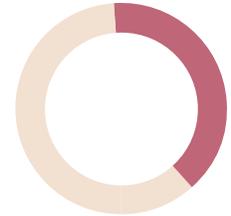
This environment makes saving money more difficult: Women save only 1/3 of what men save for retirement.⁶ This number is alarming, given that the median cost of a 20-year comfortable retirement in the U.S. is almost \$1.3 million.⁷ The pay gap remains a driving factor behind women's need for a strategic financial plan that can account for these savings shortfalls. They should have the opportunity to strive for a comfortable retirement, similar to that of many men.

Over the past few generations, women have certainly taken the bull by the horns in claiming their financial independence. In fact, single women own more homes than single men.⁸ However, in terms of working with a financial advisor, women are lagging — only 22% are working with a financial advisor, compared to 33% of men.⁹

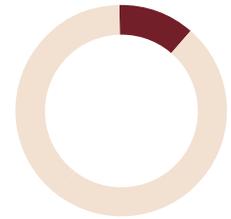
Across the board, men and women feel more confident in their ability to gain financial freedom when they work with a financial professional.¹⁰



47% of workforce is women



38% is senior management



11% are Fortune 500 CEOs

Fun fact:

The pay gap starts earlier than you think:

Parents pay their sons double what they pay their daughters for chores!¹¹

The Pay Gap

THE LIFE EXPECTANCY GAP

On average, women are two to three years younger than their male spouses and their lifespan is roughly five years longer.¹² For a straight couple, that leaves a seven to eight-year gap that women will have to plan for after their partner's passing. For single, divorced, or same-sex couples, this still leaves each woman with additional years of retirement they need to fund.

Longer Retirement Costs

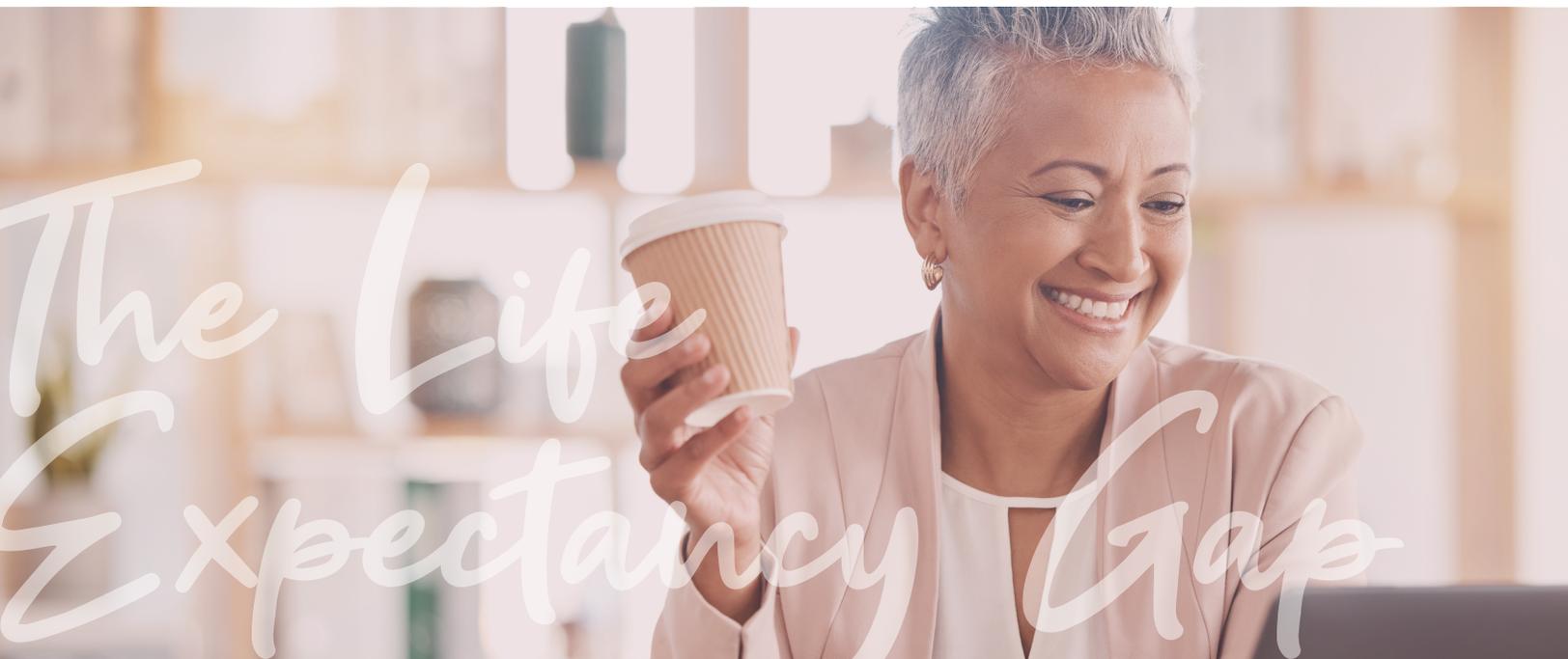
The average annual cost of retirement is around \$60,000,¹³ which means that women will need more money for retirement due to their longer lifespan. Given the pay gap women already face, saving these additional funds can be a challenge. Let's not forget that funding retirement isn't just about living expenses: it often involves increased medical and long-term care costs. In terms of financial planning, these last five years may be the costliest of your life. A complete and comprehensive financial plan should account for long-term care needs that may arise during your retirement.

Legacy Planning Needs

The tendency toward longer lifespans and older partners also means that women are often left with the burden of legacy planning. Of course, developing an estate plan together while both spouses are alive is the best option, but unfortunately, it's neglected more often than not. It's estimated that 55% of people in the U.S. don't have an estate plan, and 76% of Americans die without having a will.¹⁴ Even more alarming, only 5% of women widows had a financial strategy in place before their loved one passed, according to a survey by Thrivent.¹⁵



In any relationship, one partner is bound to be more interested or equipped to manage the family finances. No matter how your family manages the process, make sure you're an active participant in your financial plan. And ensure you have access to any documents and assets that you own jointly or individually.

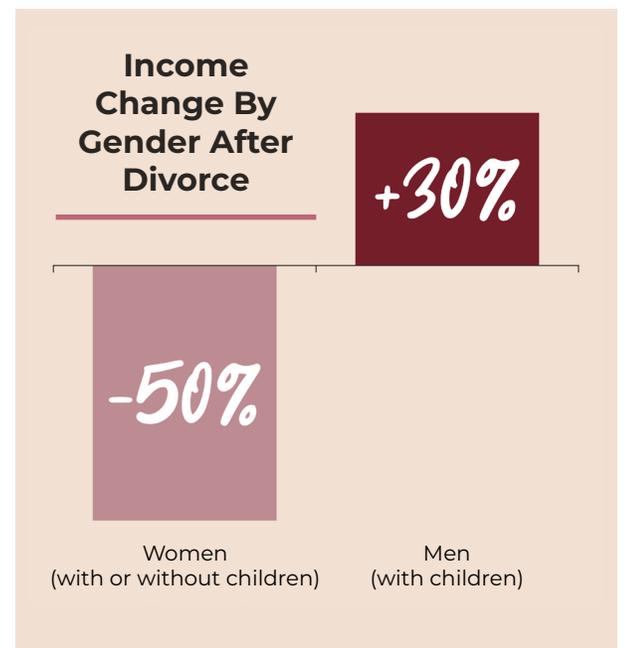


THE DIVORCE GAP



When it comes to divorce, women are disproportionately disadvantaged—financially—by divorce. On average, women’s household income drops by as much as 50% after a divorce.¹⁶ And this amount is double the decrease that divorced men experience. Further, 20% of divorced women who are 65 or older live in poverty, and more women than men fall into poverty after divorce.¹⁷

Women must prepare and protect themselves financially—even while happily married—to get ahead of these statistics. Working with a trusted financial professional, staying informed about your personal finances, and creating an estate plan are a few ways women can achieve financial independence.



The Divorce Gap

THE CHILD GAP

Put simply, women are more likely to put their careers on hold for childcare. In fact, working mothers are more likely to take unpaid leave than fathers. Interestingly, however, fathers are 24% more likely than mothers to have access to paid leave, though they're far less likely to take it (whether paid or unpaid), plus, they even receive more money for their paid leave than women do.¹⁸ And while the Family and Medical Leave Act states that eligible fathers can take up to 12 weeks of unpaid leave, less than 75% of men take more than 2 weeks of time off to be with their family.¹⁹

What does this have to do with investments? Quite a lot.

The expectation that women take unpaid leave perpetuates the pay gap, while the expectation that fathers don't take their full leave furthers the narrative that mothers are less ambitious or career-driven than their male counterparts. This creates a culture gap where women, seen as primary caregivers, are far more likely to take on unpaid work than men. While stay-at-home dads have been on the rise in recent years, with 7% of fathers in this role, 26% of women stay at home — a significant divide.²⁰

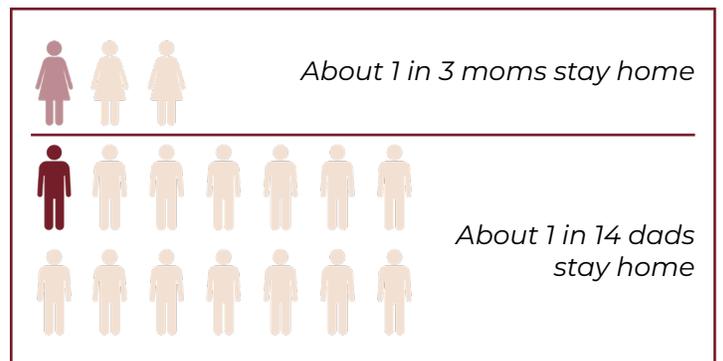
With lower incomes, stay-at-home moms face greater challenges in participating in investing and growing their personal wealth.

More Women Are Caregivers and Tend to the Home

This culture gap extends well beyond children. An estimated 63% of unpaid caregivers are women.²¹ Women are also more likely to endure negative effects on their financial savings and income due to caregiving responsibilities.²²

Even breadwinning wives are far more likely to do the bulk of the housework. For couples without children, women spend 2.4 times more than men on housework, and for couples with children, women spend twice as much as men.²³

All women should feel empowered to care for their loved ones in whatever way works best for them and their family, whether they stay home, work full-time, or anything in between. Whatever childcare and caregiving mean to you, make sure you remain an active participant in your financial plan.



Fun fact:

There are theories that suggest men and women may have different approaches to risk, which could be influenced by both cultural and chemical factors. Men's inclination toward risk isn't restricted to finance and may be related to their higher testosterone levels.³³ This chemical difference may also contribute to men's shorter life expectancy.³⁴

THE PRIORITY GAP

While priorities and financial objectives vary significantly among individuals, women tend to share some distinct priorities within the financial planning realm that differ from those of men.

For example, high-net-worth women make 85% of philanthropic decisions in a family.²⁴ Women are also inclined to be more conservative investors and experience better investment returns than men. This difference manifests itself in a few different ways. For one, women tend to trade their portfolios less actively than men, resulting in a “buy and hold” strategy that often outperforms attempts to “time the market.”²⁵ Yet, only 28% of women report feeling confident in their investing.²⁶ While men are generally more confident investors, that doesn’t necessarily translate to their market performance.²⁷

There’s a downside to the conservative approach: Women typically hold more assets in cash, often resulting in opportunity loss.²⁸ Money that may have otherwise funded long-term goals with greater growth potential sits in a savings account. Much of this divide can be attributed to the “confidence gap” between men and women.

Compared to men, women:

- Consider themselves less financially savvy/successful²⁹
- Are less confident making financial decisions³⁰
- Talk less about money with friends³¹
- Use fewer more financial tools³²

The shift toward greater financial confidence and participation among women is imminent but has not yet caught up to men’s. Discussing financial topics, reading articles, and using budgeting and tracking apps are great ways for women (and really for any individual) to take control of their financial well-being.

Women have proven time and time again that they’re a force to be reckoned with. Throughout history, they’ve adapted and overcome obstacles deeply rooted in corporate culture, gender norms, and even biology.

Financial independence has been no exception to the list of hurdles that women have faced and overcome, which is why we shouldn’t overlook the challenges that linger. To move ahead in their financial life — and make the most of their wealth growth and saving power — women must prioritize their financial well-being.

The Priority Gap

1. <https://www.cnbc.com/2025/03/25/equal-pay-day-highlights-stalled-progress-on-closing-gender-pay-gap.html>
2. <https://www.uschamber.com/workforce/data-deep-dive-a-decline-of-women-in-the-workforce>
3. <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>
4. <https://fortune.com/2025/06/02/fortune-500-companies-run-by-female-ceos-women-2025/>
5. <https://www.payscale.com/featured-content/gender-pay-gap/>
6. <https://www.reuters.com/world/us/women-us-have-just-13-mens-retirement-savings-prudential-report-says-2024-06-24/>
7. <https://finance.yahoo.com/news/americans-retire-comfortably-number-2025-190300583.html>
8. <https://finance.yahoo.com/news/single-women-own-2-72-114500773.html>
9. <https://business.yougov.com/content/50180-27-americans-use-financial-advisors-60-prioritizing-trust-as-the-top-factor>
10. <https://www.investmentnews.com/practice-management/amid-volatility-americans-stay-optimistic-and-advisors-are-helping-steer-the-course/261103>
11. <https://www.usatoday.com/story/life/allthemoms/2018/07/03/gender-pay-inequality-parents-allowance-boys-girls/755056002/>
12. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3000022/#:~:text=It%20shows%20that%20most%20men,younger%20than%20their%20husbands>
13. <https://www.cbsnews.com/news/what-is-a-good-monthly-retirement-income-in-2025/>
14. <https://www.caring.com/resources/wills-survey>
15. <https://newsroom.thrivent.com/2024-06-12-Financial-Challenges-Hit-Harder-for-Widowed-Women-Thrivent-Survey-Finds>
16. <https://psc.isr.umich.edu/news/research-shows-economic-consequences-of-divorce-in-the-us-vary-by-gender-race-and-ethnicity/>
17. <https://group.legalandgeneral.com/en/newsroom/press-releases/the-divorce-gap-women-see-their-household-income-cut-in-half-in-the-year-after-a-divorce>
18. https://www.oecd.org/en/publications/gender-gaps-in-paid-and-unpaid-work-per-sist_25a6c5dc-en/full-report.html
19. <https://www.findlaw.com/family/paternity/paternity-leave.html>
20. <https://www.pewresearch.org/short-reads/2023/08/03/almost-1-in-5-stay-at-home-parents-in-the-us-are-dads/#:~:text=Between%201989%20and%202021%2C%20the,up%20from%2011%25%20in%201989>
21. https://nationalpartnership.org/news_post/unpaid-caregiving-valued-at-more-than-1-trillion-per-new-analysis/
22. <https://care.com/blogs/resources/caregiver-statistics>
23. <https://thegepi.org/reports/GEPI-Free-Time-Gender-Gap-Report.pdf>
24. <https://ssir.org/articles/entry/wealth-transfer-women-philanthropy>
25. <https://www.fool.com/research/women-in-investing-statistics/>
26. <https://www.blackrock.com/us/financial-professionals/practice-management/defined-contribution/insights/women-and-wealth>
27. <https://www.fool.com/research/women-in-investing-statistics/>
28. <https://www.ngpf.org/blog/question-of-the-day/question-of-the-day-womens-history-month-a-major-investment-firm-analyzed-5-million-accounts-over-a-10-year-period-who-earned-higher-returns-men-or-women/#:~:text=Yet%20the%20firm%20also%20found,know%20more%20before%20they%20invest.%22>
29. <https://www.fool.com/research/women-in-investing-statistics/>
30. <https://www.ngpf.org/blog/question-of-the-day/question-of-the-day-womens-history-month-a-major-investment-firm-analyzed-5-million-accounts-over-a-10-year-period-who-earned-higher-returns-men-or-women/#:~:text=Yet%20the%20firm%20also%20found,know%20more%20before%20they%20invest.%22>
31. <https://www.empower.com/press-center/over-half-americans-say-there-secret-success-and-reaching-it-takes-270000-year>
32. <https://www.intuit.com/blog/global-stories/intuit-canada/intuit-financial-literacy-survey-2024/?utm>
33. <https://news.harvard.edu/gazette/story/2008/10/financial-risk-taking-behavior-is-associated-with-higher-testosterone/#:~:text=Higher%20levels%20of%20testosterone%20are,biological%20origins%20of%20risk%20taking>
34. <https://www.health.harvard.edu/blog/why-men-often-die-earlier-than-women-201602199137>

The content within this document is for educational purposes only and does not represent legal, tax or investment advice. This document does not represent an office to buy, sell, replace or exchange any product. Customers should seek guidance from a legal or tax professional regarding their own unique situation. Financial planning services are generally provided by an individual who is qualified to provide such services by achieving a Certified Financial Planner designation. Financial planning fees are typically established in the form of a financial planning agreement/arrangement. Please review this information carefully prior to engaging in financial planning services.