TAYLOR FINANCIAL GROUP, LLC

THE RIGHT PARTNER CAN MAKE ALL THE DIFFERENCE

Women and Wealth Newsletter: January 2023

Building a Winning Client Experience for Women in 2023: Three Steps TFG Takes

Dear Friends,

We often discuss how women's wealth is growing fast and that we are seeing more and more women in our practice with “a seat at the table.” But, the facts are coming in to support these anecdotal observations. Indeed, according to a recent study by Simon-Kucher and Partners, women’s total wealth in the US and Canada is growing at a pace that was 180% faster than men’s between 2016 and 2021. This Simon-Kucher Study, entitled “Wealth Management: Building a Winning Client Experience for Women,” details what makes some women reluctant to invest and examines the investing and financial planning priorities of 951 women residing in the US and Canada with annual household incomes between $150,000 and $1M+ and a net worth of between $150,000 and $100M+.

From 2016 to 2021, men’s wealth grew at a 6.2% 5-year CAGR, compared to the 17.4% 5-year CAGR of total wealth controlled by women. That’s a huge difference. More important, couple those numbers with the fact that 90% of women will be managing their own finances one day, and that creates significant ramifications for our clients.

Despite their rising economic status, women are investing 22% less of their wealth in financial instruments compared to their male counterparts, according to the Study, costing an estimated ~$14 billion last year. But why is this?

The bottom line is that women can’t be treated the same as men. At TFG,

we work hard to listen to our women clients and treat you well.

1. **Women Want Education, Training, and Tools**

The Simon-Kucher & Partners Study found that women value holistic advice, as well as education, training, and tools that will help them with long-term planning. Women feel more driven and qualified to invest if they're given greater exposure to financial information, including through self-study and webinars, and feel empowered by access to long-term financial planning and budgeting tools. Women also focus less on income creation than men, and more on income protection.

Men, in comparison, tend to search for more "tactical" investment strategies that leverage current market conditions and value the ability to bounce ideas off friends and/or advisors. So, emails like "Top 10 stocks to buy now!" will be much more attractive to men compared to women, while (for example) outreach with long-term advice about sound investment strategies and taxation would be more popular with women. The prevalence of such headings contributes to the 45% of women who indicate that their bank sends them offers and mailings that don't reflect their needs and preferences, compared with 34% of men.

Women are more likely to value the ability to independently self-study, so we include lists of useful resources when communicating with you. We send a weekly newsletter about the markets, but we also send a monthly planning letter that's wholly conceptual and focused on retirement and tax planning topics, keeping our women clients in the loop.

We also hold monthly "all client" calls and quarterly webinars to constantly be communicating and educating all of our clients, especially our women clients. We are also holding quarterly women-only client events that include an educational component as well as a fun activity (like a cooking class or dinner). The idea is to get women together, create fellowship, and provide an informal and non-intimidating forum for your questions.

2. Women Want In-Person Offerings

During COVID-19, offices moved to online meetings, and though in-person meetings are back, Zoom can be more convenient for many advisors. So is Zoom the new meeting-room? Not for female clients. The Study found that investing behaviors and preferences were different between genders, notably regarding in-person vs. online advice. Women were found to value in-person connection, with 65% of women who invest willing to pay a 20% premium for in-person advice, according to the Study. And, 30% more women than men want to receive financial advice in-person.

25% more women value personalized one-to-one interaction; 79% of women prefer a personalized one-to-one interaction in contrast to only 64% of men. Clearly, offices that are reluctant to give in-person prospect and client meetings are missing out.

Though online meetings can certainly be convenient for both parties, we continue to offer the option to connect with you one-on-one and in-person — an experience female clients tend to value 25% more than men.

3. Women Want to Be Understood (And TFG Listens)

Women want to feel their financial advisors are advocates for them and truly understand their wants and needs. But women financial advisors only make up to 15-20% of all advisors, according to Barron’s magazine, meaning women walking into a prospect meeting are often meeting with someone they can’t fully relate to. Given 90% of women are or will be solely responsible for their finances at some point in their lives, advisors should examine the female representation at their firms and more proactively tailor their outreach towards women.

As you know, TFG is woman-founded, woman-led, and is committed to advancing women.

We make every effort to understand the needs of women, beyond not just treating our women clients the same as men. We also hold a women’s advisory board where we solicit direct feedback from our women clients.

In addition, our communications reflect a genuine focus on serving the needs of women. Taylor Financial Group does this by sending out a women’s quarterly newsletter (the one you are reading right now!) that is designed to appeal specifically to women's issues.

We also know that women can be focused on community and giving. So, we give clients the option to choose philanthropic ventures that support women-centric causes around the holidays, putting our money where our mouth is. Our firm provided TisBest charity gift cards to each client, where clients were then able to choose the charity that the money is put towards.

For Thanksgiving, TFG also supports Heifer International, a developmental organization that focuses on increasing income and assets for farmers, ranchers, and female business owners by investing in livestock or agriculture. Women and girls are primary beneficiaries of Heifer, and we included an informational pamphlet in our Thanksgiving Announcement to educate our clients on the difference that our contributions are making.

In conclusion, the Study recommends that financial advisors take the following four steps to create value for women investors.

1. Establish transparency — how and how well are you serving women today?
2. Make an intentional effort to understand women’s needs as clients
3. Prioritize offerings to women
4. Develop a go-to-market strategy for women, including communications, sales, and organizational capabilities

We work hard day in and day out to fulfill the needs of our women clients and we look forward to working with you and addressing your unique needs for years to come!

Please reach out to us if you have any questions.

Debbie

Women's Events Calendar

Save the date and join us for these fun upcoming events!

- Wednesday, February 15th: 4:15pm Galentine's Chat followed by dinner at Pazza at 6pm
- Wednesday, March 22nd: 4pm Women & Wealth Webinar
- April 2023 (Actual Date TBD): Bowling at Montvale Lanes at 12:30pm followed by Happy Hour at Debbie's House at 3pm
- Tuesday, May 16th: 12pm to 3pm Educational Event and Cooking Class at Debbie's House

Debbie In Action!

Debbie presenting on taxes and wealth on the Main Stage at Thrivent to 1500 financial advisors in Minneapolis. ⍰⍰

They Lost a Spouse but Bounced Back: 5 Women's Financial Stories

They Lost a Spouse but Bounced Back:
5 Women's Financial Stories
Article Provided by Kiplinger

When you've just lost your spouse, you may be dealing with the loss of your life companion, your partner and best friend. It can be an overwhelming time, and it may be difficult to see a light at the end of the tunnel, to a day when you might feel better and brighter about your emotional and financial future. **Click here to read more**

Retirement Tips for Women – Whether You're 22, 62 or 102

Retirement Tips for Women –
Whether You're 22, 62 or 102
Article Provided by Kiplingers

Women were already facing a retirement preparation gap, and the COVID-19 pandemic has only made it worse. In fact, nearly three-fourths of women said the pandemic has had a negative impact on how long they could live off their retirement savings, according to Nationwide's sixth annual **Advisor Authority**
(opens in new tab) study.. **Read more here!**

SECURE Act 2.0: A Summary Checklist

What Important Issues Should I Consider Regarding Changes Made By The SECURE Act 2.0?
Checklist Provided by Taylor Financial Group

The SECURE Act 2.0 implements several changes that affect many different areas of financial planning. Many clients will have questions about how this impacts them —

and what they should be doing about it. That's where you step in.
Using this checklist, you will be able to effectively highlight the important changes that affect your client, identify some proactive planning points to consider, and be able to chronologically prioritize which next steps should be taken.

This checklist covers many important issues to consider as a result of the SECURE Act 2.0, such as:

- Understanding and prioritizing the chronological order of new changes.
- Explaining changes made to retirement planning, including RMDs, employer contributions, catch-up contributions, and much more.
- Highlighting the several new ways of accessing retirement funds without incurring a penalty.
- Introducing entirely new planning points to consider, such as the 529-to-Roth transfer, the new Emergency Savings Account, and the retroactive establishment of solo 401(k) plans.

Click here to view the checklist

2023 · WHAT IMPORTANT ISSUES SHOULD I CONSIDER REGARDING CHANGES MADE BY THE SECURE ACT 2.0?

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PLANNING ISSUES - EFFECTIVE 2023	YES	NO
Were you born in 1951 or later? If so, consider the following: ▪ If you were born between 1951 and 1959, your RMD begins when you turn 73. If you were born in 1960 or later, your RMD begins when you turn 75. ▪ Implementing additional tax planning strategies (e.g., Roth conversions, harvesting capital gains, accelerating taxable distributions, etc.) before RMDs commence may help mitigate your (or your heirs') overall tax liability in the future.	☐	☐
Are you looking for additional ways to delay your RMD and/or reduce the chances of outliving your money? If so, consider putting a portion of your IRA into a qualified longevity annuity contract (QLAC), which would enable you to delay taking RMDs on that portion until the age of 85. Be mindful of the new $200,000 limit (adjusted for inflation).	☐	☐
Does your employer offer a match on your retirement plan contributions? If so, consider whether electing the newly allowed employer matches to Roth accounts (taxable as income) is better suited to your tax planning goals.	☐	☐
Are you contributing to a SEP or SIMPLE IRA? If so, consider whether making newly allowed Roth contributions makes sense for your personal tax situation.	☐	☐
Are you a public safety worker (including private sector firefighters and state or local correctional officers), and do you need to access your retirement funds early? If so, you may be eligible to access your funds penalty-free if you are over the age of 50 and separating from service. If under the age of 50, you may still be eligible if you have at least 25 years of qualified service to the same employer before separating from service.	☐	☐
Are you terminally ill, and do you need to access your retirement funds early? If so, you may be eligible to access your funds penalty-free if your doctor expects you will pass away in the next 7 years. (continue on next column)	☐	☐

PLANNING ISSUES - EFFECTIVE 2023 (CONTINUED)	YES	NO
Do you need to take a hardship withdrawal from your retirement plan, and is the timing urgent? If so, consider requesting the withdrawal from your employer via the newly allowed "self-certification" (no evidence required) in order to expedite the process (if adopted by your employer). Be mindful to document your evidence in the event you are audited.	☐	☐
Is giving to charity part of your financial planning goals? If so, consider whether making qualified charitable contributions (QCDs) to a charitable remainder trust (CRT) or charitable gift annuity makes sense for your situation, but be mindful of the associated limitations and costs.	☐	☐

PLANNING ISSUES - EFFECTIVE 2024	YES	NO
Do you (or will you) have extra funds in a 529 plan? If so, consider transferring it to a beneficiary's Roth IRA (if they have earned income). Be mindful of the $6,500 annual transfer limit (reduced by any regular contributions) and $35,000 lifetime limit per beneficiary.	☐	☐
As an employee, do you plan to make catch-up contributions to your employer's retirement plan, and are your wages over $145,000? If so, consider the impact of now only being eligible to make catch-up contributions to a Roth account (i.e., no tax deduction).	☐	☐
Do you have a younger spouse that you anticipate may predecease you (e.g., terminal illness, family longevity issues, etc.), and also has a retirement plan you may inherit? If so, consider whether electing (if allowed) to be treated "as your deceased spouse" (i.e., start taking RMDs based on when they would've needed to take them) would be more appropriate for your financial goals.	☐	☐
Do you have a Roth retirement plan (e.g., 401(k), 403(b), etc.)? If so, consider how the elimination of RMDs for this account affects your plan. (continue on next page)	☐	☐

CONTACT US!

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