

**FACT BRIEFING: Women have less peace of mind than men, but confidence grows with professional financial planning and advice**

**Selected findings from the FPA® and Ameriprise® Value of Financial Planning study conducted by Harris Interactive**

Among self-directed investors, women are less confident than men about their finances. However, the FPA and Ameriprise *Value of Financial Planning* study found that imbalance changes with the addition of a plan. Overall, women reported they were more financially prepared than men and take less risk.

**Women more passive, sit on the sidelines during market volatility**

- Women with a professional planner and a comprehensive plan are more likely to report that they are staying the course and continuing to save at the same rate during market volatility compared to those women not working with a professional (52% versus 34%).
- Men are more likely than women to report taking advantage of down market conditions, whereas women are more likely not to invest new money choosing to ride it out until the market recovers.
- Having a comprehensive financial plan reduces passivity for both men and women. About one third of respondents (26% men, 31% women) cite they've tried to minimize the hit to their portfolio by making investment changes, a higher percentage than those who are self directed (11% men, 15% women).
- When financial issues arise, males with a financial plan say they were more likely to contact their financial planner than women (33% men, 23% women). Women with a comprehensive plan were more likely to report that their financial planner initiated the conversation (64% women, 53% men).

**Women focus on protection needs**

- Among those with comprehensive plans, women were more likely to report having protection plans covering insurance needs (72% women, 62% men) while men were more likely to report having plans to help lower their taxes (47% men, 36% women).
- In general, women with a comprehensive plan are more likely than men to say they have:
  - health insurance (93% women, 83% men)
  - an employer sponsored retirement plan (68% women, 57% men)
  - employer-provided life insurance (60% women, 50% men)
  - disability insurance (54% women, 43% men)
  - non-employer sponsored retirement plan (70% women, 63% men)

**Women are saving but less optimistic than men**

- There are no *significant* differences in the savings rates between men and women. Notably, among those in a comprehensive planning relationship, more than four in ten men (44%) and nearly four in ten women (38%) say they are saving more than 10 percent of their gross income – this compared to only 30 percent of men and 24 percent of women who are self directed.
- Men are more likely to be optimistic than women about their financial future particularly if they have a comprehensive plan. More men report feeling optimistic that they will reach their retirement goals (84% men, 72% women) and are confident their families will be taken care of (84% men, 79% women).
- Self-directed women are less likely than self-directed men to say they have estimated the amount of money they need to save for retirement (24% versus 32%). However, with a comprehensive plan in place women are on par with men (54% versus 53%).
- Overall, six in ten respondents (61%) report having an emergency fund. Among this group roughly three quarters of both men and women are prepared with three to six months on reserve.

## **About the FPA and Ameriprise *Value of Financial Planning* study**

The Financial Planning Association and Ameriprise Financial launched a study to discern investor confidence and the value of financial planning in today's economy. Harris Interactive conducted the study online within the United States between June 27 and July 18, 2008, among 3,022 adults with greater than \$50,000 in annual income or investable assets. Of those 3,022 survey participants:

- 1,515 were "Self-Directed" meaning they had no financial planner or an unpaid planner
- 754 were "Advice-Supported" meaning they had a paid planner but no comprehensive written plan
- 753 were "Comprehensive Planning Participants" meaning they had a paid planner and a comprehensive written plan

Results for all groups were weighted as needed for age, sex, race/ethnicity, education, region and household income to represent the national population with greater than \$50,000 in income or assets. Weighting was also done to adjust for respondents' propensity to be online. While market volatility was significant during the study period, the dramatic financial developments later in the year, which may have affected attitudes and behaviors reflected in this report, had not yet occurred. No estimates of theoretical sampling error can be calculated; a full methodology is available.

Brokerage, investment and financial advisory services are made available through Ameriprise Financial Services, Inc. Member FINRA and SIPC.