

Poll shows most U.S. women still struggle with managing their money

by Rockford-Register-Star

Why don't most women do something about the sorry state of their finances? Like investing more aggressively for their retirement?

Because they're sidetracked by immediate, pressing matters. Taking the kids to soccer practice, ironing clothes, cooking dinner, paying bills and so forth.

"They wear too many hats," said Vivian Banta, vice chairman of Prudential Financial, speaking during a recent news conference in New York City. "They're so busy with work and with their family that they procrastinate. They're overloaded, so they focus on the short term and not the long term."

That's why most women just don't make the financial honor roll. Not only that, but it's disturbing," said Banta, that they have made little progress in recent years.

That's the conclusion of a 2006 poll that Prudential Financial took of women and their knowledge of finances.

About 62 percent of the women polled gave themselves a grade of C or lower in regard to knowledge of financial products and services. Only 1 percent gave themselves an A.

Exactly what do women say they don't know much about? Stocks and bonds (44 percent), long-term care insurance (46 percent), estate plans, trusts and wills (46 percent), mutual funds (47 percent) and annuities (59 percent).

Their lack of self-confidence may explain why most of the women polled are so passive, Banta said.

In 2004, 53 percent of those polled expected to raise their savings or invest more money over the next year. They talked a good game. The 2006 data showed that only 11 percent invested in stocks or mutual funds for the first time, and only 14 percent opened a retirement account.

In the 2004 poll, 47 percent of the women intended to make a will; in 2006, only 14 percent had done so.

One positive finding: Almost one of three report that they are more involved in financial decision-making than they were five years ago.

Not only do women earn less than men, and have less retirement money, but they live longer.

Another speaker, Lynette Khalfani, a financial author, joked that when she found out that wives lived seven to 10 years longer than their husbands, she didn't know whether to laugh or to cry.

Many women are making the mistake of relying too much on Social Security to support them later in life, instead of having other sources of income, Khalfani said. Nearly 80 percent said they would depend on Social Security in their golden years even though the benefits are sure to be cut and the age to qualify is certain to be raised.

Some 44 percent plan to work during retirement. But their health or a lack of available jobs may prevent that. Only 13 percent of retirees are actually working.

Still other women suffer from the Cinderella syndrome, thinking that Prince Charming will take care of them.

The speakers referred to a book with a wonderful title, "Prince Charming Isn't Coming" by Barbara Stanny.

About 1,000 American women were questioned in January. They had a 2005 household income of \$50,000 or more, were between 25 and 68 and used the Internet.

By Warren Borson GANNETT NEWS SERVICE

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