
Helping Women Take Charge Of Their Finances

by [Steve Brown](#)

One of our favorite episodes of the 1950s television sitcom *I Love Lucy* is the one where husband Ricky is angered by how much money his wife Lucy is spending. He encourages her to go to work for a week, so she and her neighbor Ethel find a job at a candy factory. Here, they are clearly and comically out of their element, as their nemesis, a super-speedy conveyor belt forces them to stuff chocolates in their mouths, blouses and hats in a futile attempt to keep up. It is extremely funny, but also seems shockingly misogynistic to our modern sensibilities. Decades ago, when this show aired, most women weren't working outside the home, let alone making financial decisions for their household. Today, things have changed and women are more empowered financially than ever.

Consider these stats. BLS data shows that there are 3X as many women earning college degrees today than there were in 1970 and 71% of mothers with children under age 18 are working. Meanwhile, the number of women-owned businesses soared 44% between 1997 and 2007 and continues to grow.

We've written before about why it's important for community banks to engage women investors and here's yet another reason. A report by Ameriprise Financial polled women between the ages of 25 and 70 with at least \$25K in investable assets. What they found is that 41% of those surveyed are making financial decisions alone. Most of these women are unmarried or divorced, but a noteworthy 37% are in long-term relationships and making financial decisions for their household. Another interesting takeaway is that 42% view themselves as the most financially savvy member of their household.

If your bank isn't making a concerted effort to reach out to and work with women, this data could be a much-needed kick in the pants. Notably, Ameriprise found that far fewer Gen X women say they seek advice about financial issues when compared with their Baby Boomer and Millennial counterparts (51% vs. 64% and 60% respectively). The study also found that fewer Gen X women (54%) have created a financial plan than Baby Boomer women (76%) and Millennial women (57%). While it is not surprising that the Boomers are planning as they move closer to retirement, once again the Millennials surprise with their conservative financial habits and their level of preparedness. They have grown up in a difficult economic environment. Gen X clearly could use some help.

Armed with this knowledge, your bank has a greater opportunity to run marketing campaigns targeted to women taking charge of their finances. That could be through targeted email campaigns, seminars or sponsoring educational workshops on financial planning and investing topics. In other words, instead of waiting for them to come to you, deliver relevant and timely advice directly to them.

Retirement planning, for example, remains a huge gap for women. Even for women working in professions that pay well, studies show women still are often paid less than men. Financially speaking, that means women need to plan better to end up at the same place when they reach retirement. This is an opportunity for community bankers, and when handled properly, can bring in new customers and deepen relationships with existing ones.

As with most men, many women would welcome advice on how to plan for a more secure future. As the research shows, women are less likely to be banging on your door, so now's as good a time as any to get started seeking out their business.

ECONOMY & RATES

Yesterday

Strong employment numbers caused Treasury yields to climb 4bps by the close of the day.

Today

Yields are currently down less than 1bp in what should be a quiet day for the market.

Rates As Of: 10/06/2014 07:52AM (PDT)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.01	0.00	0.00
6M	0.04	0.00	0.00
1Y	0.09	0.00	0.00
2Y	0.54	0.00	0.00
5Y	1.70	0.00	0.00
10Y	2.43	0.00	0.00
30Y	3.13	0.00	0.00
FF Market	FF Target	Fed Disc	
0.00	0.25	0.00	
Prime	Unemployment	Oil	
3.25	0.00	\$0	

[More Market Rates](#)

BANK NEWS

M&A

Bank of Eastern Oregon (\$308mm, OR) will acquire Bank Reale (\$39mm, WA) for an undisclosed sum.

M&A

Iberiabank (\$15.2B, LA) will acquire Florida Bank (524mm, FL) for about \$87mm in cash and stock (45% and 55% respectively) or roughly 1.26x tangible book after adjustments are made.

Global Economy

The head of the international monetary fund (IMF) said in a recent speech that she is concerned the global economy will remain mediocre and that the global recovery is brittle and uneven. She called 2014 growth disappointing and forecasts only a modest increase in 2015.

Unintended Consequences

Following a push to move certain financial services products out of the banking system, the IMF reports so-called shadow banks in the US have now reached \$15T to \$25T in size as their lending activities increase.

Jump Timing

A study by Oliver Wyman finds consumers start looking for a new bank an average of 2.5 months prior to leaving. By time bucket: 23% take less than 1 month; 37% take 1 to 3 months; 18% take 3 to 6 months and 22% take 6 months to

decide.

Pension Change

A federal bankruptcy judge has ruled payments for future worker retirements can be reduced like other debts when a city declares bankruptcy. The judge was ruling on the City of Stockton CA, but the impact could be felt nationwide as cities struggle and employee pensions are often very large and unfunded.

Less Debt

Bloomberg reports the ratio of debt for S&P 500 companies as measured by earnings before interest, taxes, depreciation and amortization (EBITDA) is currently 1.6x vs. 4.9x in 2003 (and the lowest in 24Ys).

CFO Relationships

A survey of North American CFOs by Deloitte finds CFOs say they would rate their relationship "very good" with the following people: Audit committee chair (74%); CEO (71%); general counsel (67%); COO/CAO (57%); Chief HR officer (57%) and Board Chairperson (47%).

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