

A Man Is Not a Financial Plan

My parents have been married for almost 5 decades, and have worked together most of that time. But both of them know that even the most successful marriages must end - either in death, or divorce. That is why a man is not a plan - even in the best of marriages. If you are married, you need the skills that will allow you to stand alone; because women tend to live longer than men, outliving their husbands.

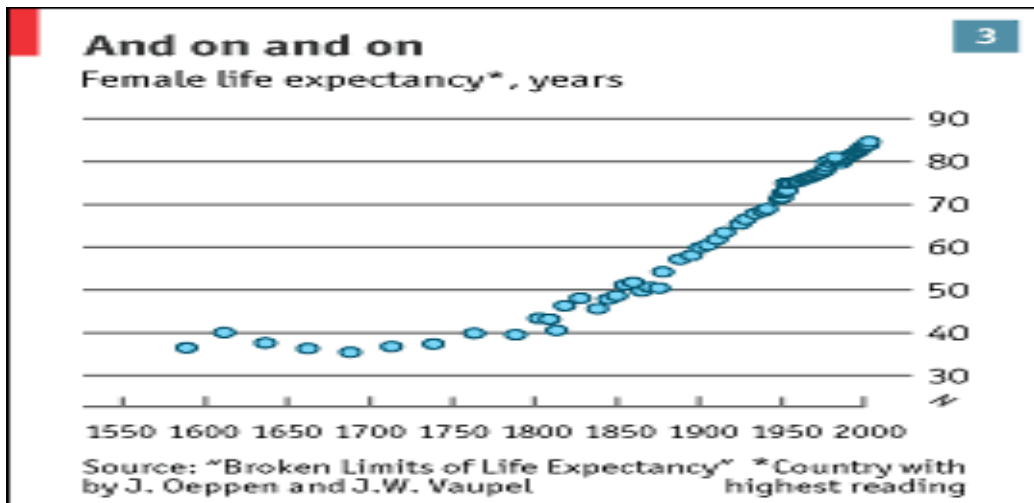


Figure 1: Will you receive a 100 year old birthday card?

If you look at Figure 1, it is very clear that in the last 200 years the advances made in the field of medicine are greater than those made in the previous 500 years!

An astonishing fact recorded by researchers J. Oeppen and J. Vaupel of Broken Limit of Life Expectancy is that female life expectancy has risen at a steady pace of almost 3 months per year over the past 160 years.

In 1840, the longevity record was held by Swedish women, who lived, on average, a little more than 45 years. Of all nations today, the longest expectation of life, almost 85 years, is enjoyed by Japanese women.

A combination of being on their own and living longer means that women need a far greater retirement income than most men.

Another reason why women need to take responsibility for their financial life is also related to medicine.

Research carried out by Singapore National Surveillance 2001, Ministry of Health, confirmed that the incidence of Chronic Diseases - Hypertension, Diabetes and Arthritis are higher among older women than among older men. In order to live comfortably, despite ill health, it is vital for women to have a steady income throughout their life, right up until death.

Age Specific Prevalence (%) of reported hypertension by gender, 2001					
Age (Years)		Males		Females	Total
45-64		16.1		16.1	32.2
65-74		31		33.4	64.4
75 and above		34.7		32.7	67.4
Age Specific Prevalence (%) of reported diabetes mellitus by gender, 2001					
Age (Years)		Males		Females	Total
45-64		8.4		7.5	15.9
65-74		20.4		21	41.4
75 and above		12.6		17.9	30.5
Age Specific Prevalence (%) of reported arthritis by gender, 2001					
Age (Years)		Males		Females	Total
45-64		3.1		8.2	11.3
65-74		9.3		21.4	30.7
75 and above		16.7		28.9	45.6

Source: *Singapore National Health Surveillance 2001, Ministry of Health*

Why it is crucial for women to take control and take responsibility for their own financial security

In the 1950s, women were taught not to be "powerful" but to be "nice". Girls were still portrayed as the caretakers, the nurturers and accommodators although they were not necessarily in positions to fulfill those roles. Domestic goddesses were all the rage! The aspiration of many women centered on providing a good home for their man and their family.

By the early 1970s women were well established in the work force, but were finding the "glass ceiling" impenetrable.

Today, more and more women are leaving the work force because of layoffs, poor job prospects, or to spend more time with their families. On average, women take 10 years out of the work force, while men, take an average of one year out.

Women often think that they can rely on their husband's pensions (if there is one), but they are wrong. Let's assume that a couple is living on the husband's pension, and the woman dies. Though grief-stricken, the husband suffers no financial detriment, and goes on collecting his full pension. But let's say the husband dies first, as is ordinarily the case. His wife will probably get only 50% survivor benefits, which won't come close to providing her with the income she needs to carry on her life-style. Not surprisingly, most widows who are poor now, were not poor before their husbands died.

Whether you are single, married, widowed or divorced, here are some of the things you can do to build a secure financial future for yourself.

Don't wait until you are older to discuss your finances. Failing to discuss financial issues throughout the marriage can jeopardize your personal financial security as well as your joint financial security. Don't avoid financial discussions because you are afraid he won't agree with you. Disagreements are inevitable, but by using the following tips, you should be able to discuss your differences and settle them fairly.

Work as a team on money management tasks. Who is in charge of paying the monthly bills in the home, who balances the checkbook, who files the paperwork? Is one of you in charge of your investment accounts, or do you make decisions as a couple? However you have allocated the financial duties, make sure you know what the other is doing.

Have a budget. It's easy to put money issues aside, often for far too long. Without a budget you'll end up spending beyond your means, which can make it nearly impossible to achieve your financial goals. Even if you and your spouse manage money separately, make a date once a month to review your respective checkbooks and bank statements, so you will both have a clear idea of how much you are spending as a family.

Pick up some personal financial skills. Many women still remain dependent on their husbands or partners to handle all the financial matters. Avoid believing that money is a "taboo" subject. You should know what your partner earns, and you should be involved in monetary decisions. If either of you lacks financial knowledge, make the effort to master the basics and boost your confidence about money issues. Review all your personal finances together. Knowing how to manage money wisely gives you a sense of control and security that is imperative to building a solid future as a couple.

This is about you. Pick up your financial priorities. Where the individual goals of both partners coincide, make a list of the steps it will take to accomplish these goals. If your goals are different, figure out what you can live without and how to combine the rest of your goals with your partner's.

A man is a partner, a friend, someone to love and cherish, to share your life with. But the odds are that one day you'll be financially responsible for yourself again.

For a broader perspective of your personal financial concerns, contact me at evelyn@evelynlim.com.hk



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