

6 Ways Women Can Overcome the Money Taboo

A wealth management CEO on how to become more financially confident

By [Jill Fopiano](#) | June 21, 2018 | [Money & Policy](#)

Why are so many women afraid to talk about money?



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Although many women are running their family households and making most day-to-day purchases and budgeting decisions, they still feel uncomfortable discussing financial matters — even with their financial advisers. I call it the “money taboo.”

Ironically, 90 percent of women will be solely responsible for their finances at some point in their lives — whether from staying single, experiencing

divorce or simply living longer than men. In fact, women live an average of five years longer than men, meaning they need to support a more extended retirement and are also likely to have higher health costs down the road. And yet, in one survey, 61 percent of women said they would rather discuss the details of their own death than money!

Understanding Women and Money

What's going on here?

A lot of things, actually. For many people, and women especially, money is fraught with emotional meaning. The presence of money can mean opportunity, security, status, acceptance and power. Conversely, its absence can mean the opposite. No wonder it's such a loaded topic.

When our firm brought together a group of women clients and prospective clients to talk about the money taboo, we heard a variety of reasons for their reluctance. Some common themes emerged. A few of them were:

"I'm embarrassed that I make too much, maybe more than my friends."

"I was told it's not polite to talk about money."

"My husband has always handled that."

Because couples tend to not talk about money, divorcees and widows often come to us for help sorting out finances when they are emotionally distraught. Obviously, this is not the best time for them to be tackling the subject for the first time.

Sometimes, husbands initiate a dialogue between us and their wives so the women will become more educated and know whom to call if something happens to their spouses.

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Another common “money taboo” situation: couples who have not discussed the type of inheritance they want to leave their children and have very different ideas on “equitable” versus “equal.”

We also have female clients who took time off to raise kids or care for parents and, consequently, have far less in savings than male counterparts who remained in the workplace. If these women are single or divorced, this can be financially taxing.

Why Women Are Often Mum on Money

Certainly not all women demonstrate the money taboo. However, many societal norms and cultural messages undermine their ability to gain financial literacy and investment expertise:

- While women are increasingly the primary breadwinners in families, they often remain the primary caregivers as well, with less time to devote to financial planning
- They were taught as children things like it's not polite to talk about money and that girls aren't good at math
- Women are generally less familiar with financial terminology and industry jargon than men and think they don't know how to evaluate financial options. A recent study found that only 41 percent of women

said they understand their investments well, compared to 56 percent of men.

- Women tend to extrapolate the meaning of money beyond purchasing power into security, caring for their families and other “larger than life” ideas that make money more frightening to think about

The High Cost of Silence

Unfortunately, subscribing to the money taboo can seriously undermine a woman’s financial stability. The most striking effect is the wage gap. The reluctance to talk about money means that many women earn less than their male counterparts for similar jobs — in virtually every profession. Overall, women earn \$0.83 on the dollar compared with men.

Perhaps in part because of the way they think about money, women also tend to define financial success quite differently than men — to their detriment.

In general, men define success based on a target number. Women frequently talk about financial success in terms of having enough money to be self-sufficient, to maintain their lifestyles through retirement and not having to depend on their children. They want good investment performance and returns but tend to view these things in the context of life and family, rather than in absolute monetary terms. For women, an investment decision that men see as a simple trade becomes much more complex. Sadly, this puts women behind in saving for retirement and often leaves them ill equipped to handle finances in the event of divorce or the death of a spouse.

6 Ways for Women to Overcome the Money Taboo

Here are six ways women can overcome the money taboo:

- 1. Engage a financial professional, someone who is not just a glorified mutual fund salesperson but a financial planner with the CFP (Certified Financial Planner) designation or a Registered Investment Advisor (RIA)**

required to act first in the interest of clients. Women who use financial advisers are more than twice as likely to consider themselves on track in planning for retirement.

2. Find a community of women you can trust with money questions and concerns. Taboos get overturned through conversation, and conversation facilitated in a “safe space” is a good starting point.

3. Commit to spending some time understanding at least the basics of financial management. Seminars, books and podcasts are all good ideas. Knowledge is power.

4. Don't be afraid to “out the elephants.” Ask questions and talk about money with spouses and significant others, fiancées, aging parents and siblings.

5. Try to understand and accept whatever money issues you carry around. You may not be able to change these attitudes, but knowing how they can shape your perceptions may let you observe them rather than have them impact your financial decisions.

6. Do your homework. Research what you should be paid when you're going for that next job or promotion. Find a mentor or career coach in your industry. Know your value, and don't sell yourself short.

We Have the Power to Create Change

Women don't want a different investment portfolio than men; they want a different investment *experience*. There is a whole emotional side to money that many women feel keenly. As a woman-owned firm, we understand this and devote a lot of time to educating our women clients, facilitating couple's conversations around money and investing and offering forums for women to share experiences with others and build financial intelligence. We ensure that women feel heard and understood.

O'Brien is not alone. With \$22 trillion in wealth expected to transfer into the hands of women by 2020, many financial services firms are beginning to focus on this underserved market. Advisory firms are looking to add female advisers, although they remain relatively rare in the industry, and investment firms are adapting their marketing and messages to better resonate with women's unique circumstances, perspectives and preferences.

I feel hopeful that as the conversation changes and the industry adapts, more and more women will abandon the money taboo and overcome the barriers that have limited their financial success.

Jill Fopiano is CEO, chief investment officer and majority owner of O'Brien Wealth Partners. She is a Chartered Financial Analyst, a Certified Financial Planner and an Accredited Domestic Partnership Advisor. [Read More](#)

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