

Machel & Associates

Wealth Advisory Group

Monday Morning Minute with Mike Machel

Women & Wealth: Navigating Shared Circumstances

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Are there gender differences that impact the way we accumulate and manage wealth? In our experience, there is no “typical” woman investor. However, many women share certain circumstances that can present challenges to wealth accumulation:

Longer Lifespans: Women can anticipate outliving men. The average life expectancy for females is 84 years, compared to 80 years for males. Assets may need to support a longer time span.

Career Interruption: Women are four times more likely than men to take on caregiving roles. Many interrupt careers to care for children or elderly parents; some are faced with the dual demands of both. Reduced time in the workforce can impact wealth accumulation.

Wage Disparity: Women typically earn approximately 89 cents for every dollar earned by their male counterparts. Lower wages can lead to the accumulation of lower assets.

At some point, most women will be in charge of wealth. While there is a growing population of single Canadians, even those who are married may end up needing to manage finances as a result of divorce or widowhood. Today, there are nearly twice as many senior women living alone as there are men.

Consider also that the wealth controlled by women is on an upward trajectory. By 2028, it is projected that women will oversee over \$4 trillion of assets, nearly double the \$2.2 trillion they currently control. This growth may be driven by increasing labour-market participation and higher rates of post-secondary education compared to men.

We are committed to helping navigate the challenges shared by many women in the wealth planning process. We address these circumstances in many ways: Given wealth accumulation differences, it may be necessary to adopt a more aggressive savings plan to achieve comparable retirement outcomes. Those starting the investment journey later may need a different focus on strategic asset allocation to balance risk and return considerations. We recognize the time pressures arising from managing multiple responsibilities, including work, household and caretaking duties. We are here to promote financial literacy, from engaging in financial discussions explained in understandable terms, to supporting activities like legacy planning. We also help guide financial discussions with (grand) daughters, as we have many resources to support these important conversations.

Understanding these unique challenges, we are here to provide support in the pursuit of a healthy balance between wealth and life.

Disciplined approach to wealth management

The "Swift" Effect: A Look at Forbes' #5 Most Powerful Woman

Q: What has an estimated economic impact of more than \$5 billion,⁷ more than the GDP of 50 countries globally?

A: Taylor Swift

While most of us do not fit the typical fan demographic of a "Swiftie," the sheer economic impact of Taylor Swift should make any head turn. Swift's Eras Tour has achieved the status of the largest music tour in history, surpassing Elton John's. When the tour arrives in Canada later this year, it has the potential to contribute an estimated \$800 million to GDP, based on the average concertgoer's spend of US\$1,300.⁷

Swift's rise to the fifth spot on Forbes' Most Powerful Women list shouldn't be overlooked. She joins prominent figures like ECB Head Christine Lagarde and U.S. Vice-President Kamala Harris. Beyond her profound economic impact, her business savvy is equally enviable. As a Forbes article recently noted, Swift "symbolizes a new era of power, influencing people and culture independent of any country or company." Here are some of her accomplishments:

- › Took direct control over her business after rights to her recordings were sold in 2020 by rerecording albums that were part of the sale.
- › Achieved billionaire status in October 2023,⁸ joining Jay-Z and Rihanna – a rare breed of artists to hit ten-figure status.
- › Holds a "brand" coveted globally – if Swift were a corporation, her "net promoter score" would make her the fourth most admired brand globally, tied with Apple.⁹
- › Voted Time magazine's 2023 Person of the Year.

⁷ <https://www.globenewswire.com/en/news-release/2023/06/08/2684710/0/en/Generating-5-billion-the-Taylor-Swift-The-Eras-Tour-has-an-Economic-Impact-Greater-than-50-Countries.html>

⁸ <https://www.bloomberg.com/graphics/2023-taylor-swift-net-worth-billionaire/>

⁹ <https://www.questionpro.com/research/taylor-swift-study/>; <https://www.forbes.com/sites/moiraforbes/2023/12/05/the-worlds-most-powerful-women-2023-are-women-key-to-solving-the-global-leadership-crisis/>

Have a great week.

Warmest Regards,

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