GET THE FACTS MAKE SMART MONEY CHOICES

Create Your Own Happy Ending

GET THE FACTS MAKE SMART MONEY CHOICES

Create Your Own Happy Ending

NATIONAL ENDOWMENT FOR FINANCIAL EDUCATION

Partnering for Financial Well-Being

Note: The content areas in this material are believed to be current as of this printing, but, over time, legislative and regulatory changes, as well as new developments, may date this material.

TABLE OF CONTENTS

INTRODUCTION

This booklet is for working women who know that creating a financial Happy Ending at the conclusion of our working career requires:

- Putting aside money for the future
- Thinking long-term, planning long-term, and investing long-term

But the short term is so enticing, so incessant. We see our lives and our money swallowed up by the demands of TODAY. We watch the money come, watch the money go. And what about tomorrow? Ready or not, the day is coming when we no longer work for an income—because we don't have to, don't want to, or can't.

This booklet was created to encourage women to get serious about their financial future by taking two simple steps. First, get the facts (educate yourself). Second, make smart money decisions (take informed action).

In Part One you'll find 20 Questions that will help you think about:

- Earnings and work patterns of women
- Use of credit cards
- Saving and investing behaviors
- The value of compound interest
- Economic realities for women age 65 and older

You'll also learn about the motivations and personality traits of women that influence our money behavior.

Part Two includes a ***Creating Money*** exercise to help you identify ways to increase the money you have available for investing in your retirement.

Part Three, the last part of the booklet, has practical tips and resources to keep you focused on creating your own Happy Ending.

Get a pen and let's begin!

About the 20 Questions

The information in Part One of this booklet is presented in the context of 20 Questions. These questions are meant to create awareness about financial facts and statistics of particular concern to women. If you prefer to test your knowledge *before* reading the booklet, turn to page 17 and answer the 20 Questions now.

PART ONE: GET THE FACTS

Money In

The way money moves may seem mysterious, but it is really quite simple. ***Money In. Money Out.*** It is the same for the largest multi-national corporation as it is for each of us.

For most working women, the primary source of ***Money In*** is our paycheck. Women have an earning disadvantage—how serious is it?

1. ***What does a woman who works full time, year-round earn for every dollar earned by her male counterpart?***

a. 65 cents
b. 72 cents
c. 78 cents

Answer: b. 72 cents — *US Bureau of the Census, 1999*

2. ***What is the average lifetime earnings loss for women earning 72 cents on the dollar?***

a. $50,000
b. $100,000
c. $250,000

Answer: c. $250,000 — *Older Women's League (OWL), 2001*

Let this number sink in. One-quarter of a million dollars.

The Institute for Women's Policy Research reports that eliminating the wage gap would cut the poverty rate among married women and single mothers in half. Eliminating the wage gap is a laudable goal, but meanwhile we need strategies to move us in that direction. Women are closing the wage gap by increasing their work skills and their time in the labor market. We are entering better-paying occupations in large numbers, partly due to equal opportunity laws.

What can you do to narrow the wage gap? Expect to be fairly compensated. Believe in—and demonstrate—the value of your skills and experience. And support public policy that attempts to bring wage parity.

In addition to the wage gap, there are major differences in the work patterns of women and men.

3. ***How long does a woman who is out of the work force for one year have to work to recover lost income, pension coverage, and career advancement opportunities?***

a. 2 years
b. 3 years
c. 5 years

Answer: c. 5 years — *US Department of Labor, 1998*

4. ***What percentage of women with children are in the work force?***

a. 50%
b. 60%
c. 70%

Answer: c. 70% — *Institute for Women's Policy Research, 2000*

The Institute for Women's Policy Research also reports that mothers represent the fastest growing group in the labor force.

A study of 55 employed caregivers by the National Center on Women and Aging found the loss in lifetime earnings from cutbacks in work hours, missed promotions, lost opportunities to advance or improve job skills, and lost retirement benefits from Social Security and pensions totaled *over half-a-million dollars!*

Knowing these facts can strengthen our resolve to find innovative ways to minimize the financial impact of stepping out of the work force. Regardless of long-term financial repercussions, some women will choose or will be required to leave paid employment to provide care for children, frail parents, or other family members.

What are *your* ***Money In*** facts? How much money have you earned in your working lifetime? How much do you plan to earn in the future? Because the marketplace provides income parameters for different careers, you choose an income range when you decide on a career.

Money Out

There are strong pressures in our society to spend, spend, spend. The bumper sticker "I owe, I owe, so off to work I go" rings true for many of us.

Where does *your* money go? It may be helpful to know about the three categories that financial planners use to answer that question. *Fixed expenses* are the basic costs of housing, food and clothing. *Discretionary expenses* are beyond the basics and can be thought of as lifestyle purchases. The third category is *savings and investments*.

You may know people who consistently save and invest. You are more likely to know people whose fixed and discretionary expenses gobble up their income with nothing left over to save or invest.

BUYING ON CREDIT

Since a good portion of our ***Money Out*** is disbursed through credit cards, here are some questions about credit card use.

5. ***What percentage of households carry a credit card balance month to month?***

a. 22%
b. 33%
c. 44%

Answer: c. 44% — *Kiplinger's Personal Finance, 2001*

6. ***What is the average credit card debt per household that has at least one credit card?***

a. $4,942
b. $8,123
c. $10,942

Answer: b. $8,123 — *cardweb.com, 2001*

7. ***What is the average annual interest rate charged for credit cards?***

a. 12.03%
b. 15.02%
c. 17.09%

Answer: b. 15.02% — *cardweb.com, July 2001*

If you are among the 44% who carry a credit card balance month to month, make plans to drop out of that statistic. If you need a reminder to pay your credit card balance every month, put this note on your card with lots and lots of tape: *Using a credit card is the same as getting a loan.*

The inability or failure to pay credit card balances in full each month can greatly increase the actual cost of items purchased with credit.

8. ***How long will it take to pay off the credit card purchase of a $1,000 computer? (Your credit card has an 18% interest rate and you make minimum payments of $20 a month.)***

a. 3 1/2 years
b. 5 1/2 years
c. 7 1/2 years

Answer: c. 7 1/2 years

By the time you make the last payment, how much would the computer really have cost, including interest charges? $1,800.

Credit card bills are not the only bills that must be paid. Missed or late payments of any kind can hurt your credit rating.

9. ***What percentage of adults thought that paying bills late would not present a problem when applying for a mortgage?***

a. 10%
b. 20%
c. 30%

Answer: c. 30%

National Housing Survey, Fannie Mae Foundation, 1999

Late payments on your credit report may keep you from qualifying for a mortgage—or the best mortgage rate. Know your credit history. Directions for ordering your credit reports are included in *Action Steps and Resources* on page 14.

SAVING AND INVESTING

Your net worth is calculated by subtracting the value of everything you owe from the value of everything you own. One of the most powerful financial goals you can have is to increase your net worth each year. Shedding credit card debt and other installment debt improves your net worth. So does savings and investing. Have you heard the phrase, "It takes money to make money"? Well, if you are earning an income, you have what it takes! All you need to do is commit yourself to saving and investing.

Many women ask "once I have saved some money, where should I invest it?" Savings and investments are very different—and you need to have both.

Savings are dollars that need to be safe and liquid, to be used for planned purchases and emergencies. The amount of savings you need depends upon your personal circumstances, but three to six months' living expenses is a common rule of thumb.

Any dollars over and above your savings goal are available for investment. When we talk about investing, we are talking about investments that provide higher returns than savings accounts but also carry a higher risk, such as mutual funds, stocks and corporate bonds.

We'll discuss investments in more detail in the "Stepping into the Stock Market" section.

Emergency Savings Account

The first place to put savings is in an emergency savings account. Saving for vacations or major purchases is a great idea. But having an emergency account is crucial. This account absorbs those unexpected expenses—home or car repair or medical bills—and keeps them off your credit card.

- Write firm guidelines that will keep you from drawing down on this account for non-emergencies.
- Shop for a high rate of interest at a reputable financial institution where your deposits are secure.
- Even if you are paying off your credit card debt, put a few dollars into this account regularly—no matter how small.
- Track your progress.

10. ***What percentage of Americans are earning money on their money through savings and investing?***

a. 33%
b. 43%
c. 53%

Answer: a. 33%

Save The Dream.org, 2000

11. ***On average, how much do single women save out of every $100 in earnings?***

a. $1.50
b. $3.50
c. $5.50

Answer: a. $1.50, or 1.5% of their earnings

Bureau of Labor Statistics and The WEFA Group, 1993

Single or not, decide how much you are going to save from your next $100. What percentage of your income would you like to be saving and investing one year from now?

Consider increasing the amount of your current savings by 1%—that's one more dollar for every $100 you earn. When you have met that increase, try to save an additional 1%. Serious savers and investors put away 10% of their income.

Savings Options

Is a regular savings account the best place for your savings?

12. ***What is the average interest earned for a savings account?***

a. 1.1%
b. 2.1%
c. 3.1%

Answer: b. 2.1% — *Consumer Federation of America, 2000*

At this rate, your savings account will grow, but slowly. And two beasts—taxes and inflation—can devour your interest earnings.

13. ***Historically what is the average annual inflation rate?***

a. 1.7%
b. 2.7%
c. 3.7%

Answer: b. 2.7% — *Bureau of Labor Statistics, 2001*

The dollar that is in a savings account today will not have the same purchasing power in one year, five years, or 10 years. If you let too much money sit in a low-yielding account for a long period of time, your interest may not keep up with the loss of purchasing power. There are other choices.

A good place to start is at your bank or credit union. Ask about interest rates and minimum deposits for money market accounts and Certificates of Deposit (CD). A Certificate of Deposit offers a rate of return higher than a savings account, in exchange for your agreement to keep the money in for a specific number of months or years. Usually, the longer the time period, the higher the interest rate. The minimum amount to open a Certificate of Deposit may be as low as $250. Money market accounts do not require you to leave your money for a set period of time, but usually have a much higher minimum balance.

You may want to split your savings into a series of Certificates of Deposit with different maturities, such as three month, six month and one year. This is called laddering, and ensures that money is coming due regularly should an emergency arise.

Certificates of Deposit are also available through stockbrokers, often with a higher interest rate than you can find at a local bank. Think twice before buying these Certificates of Deposit, as they are not FDIC insured. Another option is money market mutual funds, which you can buy from a stockbroker or directly from a mutual fund company. These also are not FDIC insured, but pay higher interest than bank money market accounts and are generally considered less risky than a brokerage Certificate of Deposit.

Finally, don't forget about US Savings Bonds. Series EE and Series I can be purchased for as little as $50—available from most banks or directly from the U.S. Treasury. They offer a good rate of return, which is tax-deferred until you cash in your bonds. The EasySaver plan allows automatic deductions from your bank account to purchase bonds on a regular basis. This feature is a powerful one, especially for those of us who are still developing a savings habit. For information on purchasing savings bonds online, see *Action Steps and Resources* at the end of the booklet. Automatically directing dollars from your paycheck into a savings or investment account is a great financial strategy. Save it before you "see" it.

Once your emergency savings are in place earning a higher rate of return, you have satisfied an important short-term goal. What about long-term investing? Long-term investing is required for every woman who wants a financial Happy Ending.

From Saver to Investor

Once you have established a regular savings account and have investigated accounts that pay higher interest, you are ready to begin investing for the future. Are women making a successful transition from saver to investor?

Five out of 10 women surveyed:

- Described themselves as "more a saver than an investor"
- Claimed to lack the time, money, and knowledge necessary to invest for retirement
- Postponed financial decisions owing to the fear of making a mistake

14. ***What percentage of women surveyed said they were motivated to save and invest by "a fear of not having enough money in old age"?***
a. 23%
b. 53%
c. 93%

Answer: c. 93% *Women and Cents Study, 1995, The National Center for Women and Retirement Research*

If you are motivated by fear to save and invest, you can see that you have lots of company. Fear can stop us from doing what is in our best long-term interest. Or fear can get us going. We decide.

From Fear to Optimism

Beliefs about our financial future—and ourselves—profoundly affect our quality of life. Our families, friends, the media—the entire culture—shape our financial expectations. But it isn't written anywhere that we have to hold on to these expectations if they don't serve us well. We can create new ones.

Research supports what we intuitively know:

- Certain attitudes and psychological traits within a woman's personality play a profound role in financial decision-making.
- These attitudes and traits shape the ways that women perceive money, investment opportunities, and money-management tasks.

The following four personality traits have the most influence when it comes to making smart money choices. For each trait, rate yourself using the scale below:

TRAIT	RATING				
	low		middle		high
Assertiveness	1	2	3	4	5
Openness to change	1	2	3	4	5
Spirit of adventure	1	2	3	4	5
Optimism about the future	1	2	3	4	5

Choose any trait that you ranked yourself "3" or lower and make a decision to move your rating up a notch.

The Power of Investments

We know the average rate of return for savings accounts is 2.1%. To graduate to being an investor, we need to know about the performance of other investment options. The three major asset classes are cash (such as Certificates of Deposit, savings and money market accounts, which we have already learned about), stocks (also called equities) and bonds.

15. *What is the average annual return of stocks, government bonds, and cash when we take the long view—from 1926 to 1998?*

Average Annual Rate of Return	Savings/Investment Category		
3.7%	a. cash	b. stock	bonds
5.2%	a. cash	b. stock	bonds
11%	a. cash	b. stock	bonds

Answers:
a. 3.7% cash (Treasury bills),
c. 5.2% bonds (30-year government bonds),
b. 11% stock (large company stock) *Ibbotson Associates, 1998*

How much does a better rate of return really matter? Over the long term—a lot! It's based on the power of compound interest—that means interest is figured on your original investment, plus the accumulated interest you've earned. The chart below shows the impact of investing $100 each month at different interest rates, starting at different ages. The amount shown is the total you would have at age 65 if you made no withdrawals and the interest rate remained constant. You can see just how much a better rate of return can mean to YOU.

Stepping into the Stock Market

Seeing these returns, why would anyone invest in anything other than stocks for the long term? One answer, for many women, is the fear of losing money. Even though the *average* return for stocks is 11% annually, some years the return was much lower and even negative. Other years the return was much higher. That's one of the rules of the market place. As the potential for a higher return increases, so does the potential for loss. Of course, the average return of stocks for the past seven decades is not a guarantee of future returns.

$100/month	Age 25	Age 30	Age 35	Age 40	Age 50
3.7%	$109,717	$85,743	$65,811	$49,242	$24,015
5.2%	$160,813	$118,792	$86,372	$61,362	$27,180
11%	$860,012	$492,830	$280,451	$157,613	$45,469

Another reason is something called diversification—more simply, don't put all your eggs in one basket! Whether you are investing through your company's retirement plan or on your own, it makes sense to put money into several different investments—and not all into stocks.

Surveys consistently find that women choose lower-risk investment options in their retirement plans, such as bonds, and receive lower long-term returns. A tendency to choose safer but lower-yielding investments may add years to our working careers and delay our Happy Ending. It is important to have both types of investments working for you. An all-bond portfolio will give you safety, but at too high a price. An all-stock portfolio is too volatile for even the most aggressive investor.

16. ***What percentage of women (in 1998) had their retirement plans invested mostly in bonds?***

a. 10%
b. 20%
c. 30%

Answer: b. 20% *Employee Benefit Research Institute, 2000*

If your Happy Ending depends on maximizing your investment return, you owe it to yourself to research stock ownership. A good place to begin is to own shares in a suitable stock mutual fund. Among the dizzying number of stock mutual funds are the stock index funds. There are many appealing reasons for considering these funds—including their low management fees. Do your homework. Less risk is associated with diversified mutual funds (those with a mix of different types of companies) rather than sector funds (those that are restricted to one type of company).

Do you qualify to participate in a 401(k) plan? If so, begin your contributions as soon as possible, even if that means splitting your available dollars with the emergency account. Be sure to take advantage of matching 401(k) contributions from your employer. Talk with your benefits representative to learn more about the investment options and contribution rules for your plan. Learn, invest, and track your 401(k) account. Once you see how the program works, devise a schedule of increasing your contributions. Some planners recommend gradual increases until you reach the maximum contribution limit. When you put money into your 401(k), you make a long-term investing decision. To create a Happy Ending at the conclusion of your working career, save and invest consistently—no matter what. Living from paycheck to paycheck is no way to live. Join others who save and invest. Their money is making money through the power of compound interest.

All investing requires some homework. There are many ways to learn about how the stock market works. One option is to get some friends together to form an investment club to research and invest in stocks. According to the National Association of Investment Clubs, all-women investment clubs *outperform* the investment returns of all-male clubs. We *are* capable of becoming savvy investors.

Women at Retirement

The facts describe women—not all women, but an alarming number of us—earning less than men for doing similar work. We move in and out of the work force with devastating financial repercussions. We spend too much. We save and invest too little and are not maximizing our return on savings and investments. The cumulative effect is expensive.

17. ***What is the average monthly Social Security benefit earned by women?***

a. $676
b. $846
c. $1,046

Answer: a. $676 or $8,112 annually

Fast Facts and Figures about Social Security, 1999

Retired male workers earn an average monthly benefit of $877, or $10,524 annually. The wage gap and work history of women translates into a benefit gap.

The "three-legged stool" is often used to identify the sources of income needed for a financially comfortable retirement. The three legs are Social Security, employee pensions, and personal savings. We know the average Social Security income for women. How about employee pensions? As you might guess, women receive less in pensions than men receive. Some of this disparity can be explained by the interrupted work patterns for women. Many employer pension plans "vest" after five years. According to *"Focus on Women: The Importance of Your 401(k)"* the average job stay for women is 4.6 years compared to 5.1 for men.

That leaves one more leg on the stool—personal savings. Remember the average savings rate of 1.5% for single women? What are the long-term implications of minimal savings?

18. ***What is the average amount that single women over age 65 receive in monthly interest income from their personal savings or investments?***

a. $55
b. $95
c. $295

Answer: b. $95

Social Security Administration, 1999

Minimal Social Security benefits, pensions and personal savings means many women over age 65 live in or near poverty.

19. ***Of this country's elderly poor, what percentage are women?***

a. 30%
b. 50%
c. 70%

Answer: c. 70%

National Center for Women on Aging, 1999

Especially startling is the plight of women who are elderly and widowed. Over half of elderly widows now living in poverty were not living in poverty before their husband died.

20. ***How many years on average do women outlive men?***

a. 3 to 5 years
b. 5 to 7 years
c. 7 to 9 years

Answer: b. 5 to 7 years

U.S. Department of Labor,Pensions and Welfare Benefits Administration, 2000

Among other things, living longer means our money has to last us longer.

Today's elderly women did not grow up with the financial information, opportunities, or choices that we have today. If we are going to break the cycle of women living in or near poverty (annual income of $7,990), we must make smart decisions that will provide us with our desired financial future.

U.S. Bureau of the Census, 1999

Creating Money Exercise

Each of us is capable of changing our habits—and our attitudes—to those that support our long-term financial goals.

The ***Creating Money*** exercise will help you think about ways to increase the money you have for retirement investments. After completing *Part Two: Make Smart Money Decisions*, you will have identified two action steps to move you toward your Happy Ending.

You'll need six index cards and a calendar for this exercise.

- Take three cards. On each card, name an action you would be willing to take to *cut your current expenses*.
- Take three more cards. On each card, write an action that you would be willing to take to *create more income*.

Keep your cards handy. After you've read about more ways to decrease expenses and increase income, you may find some ideas to add to your cards.

MANAGE EXPENSES

How can you create more money for retirement? Two common methods are managing expenses and increasing income. As your income increases, so do your options for retirement investment.

The most dramatic task (and for many the most difficult) is to record *everything* you spend for one month. Once you have this information, you will have a better response to the haunting question: "Where does it all go?"

Here are other ways to manage expenses:

- Search for a free checking account and credit cards with no annual fee.
- Ask for discounts where you do business—the cleaners, your health club. Also consider making annual or semi-annual payments to earn discounts on large expense items such as car insurance.
- Exchange or barter services. Do you have a product or service that you could exchange to get something you are now buying? Some communities have organized systems for trading services.
- Take care of maintenance tasks now. Whether it is changing the oil frequently in your car or maintaining your home, wise owners take care of small repairs before they become big, expensive ones. Though you incur a cost now, you are avoiding higher expenses in the future. That is a wise financial strategy.
- And don't forget to take care of yourself! Regular health, dental and vision checkups can alert you to potential problems before they become expensive health issues.

INCREASE INCOME

If you wish to increase your income, here are two possible considerations:

- Identify and develop a new skill that will increase your earning power.
- Research other ways to increase your income. Would you consider starting your own business? Changing jobs? Relocating?

INCREASE RETIREMENT INVESTMENTS

The goal of increasing earnings is to find more money to put into your retirement program.

- If you have questions about your retirement plan at work, meet with the benefits representative to confirm your account performance and contribution limits.
- Gradually increase your retirement contributions to the maximum.
- Shop for better returns on your savings and investments given your risk tolerance.
- Review the performance of your retirement plans with a financial professional annually.

REVISIT YOUR CREATING MONEY CARDS

Have these suggestions given you more ideas for ***Creating Money***? If so, you may want to make changes to your cards. Take a look at the *Action Steps and Resources* in Part Three of this booklet for more suggestions, then incorporate the information that works best for you on your cards.

Prioritize and Assign a Timeframe

Combine your cards and prioritize them in terms of what you would *most likely do:*

- On each of your top two highest priority cards write specific steps you need to take in order to accomplish the task. If your task is a large, complex one (one you've been putting off doing), break it down so you have at least one step that you could complete in six months or less.
- Refer to your calendar and write dates to begin, monitor, and finish each step. Remember to include a date to celebrate the successful completion of your steps.

Personalize and Display Your Creating Money Cards

Have fun with your two cards. Illustrate them with stick drawings or colorful designs. Imagine how accomplishing this task will improve your life. Write key phrases on your card as reminders of why you are committing to this financial step.

Find an obvious place to post your cards. On a mirror, a closet door? Consider asking a friend to help you monitor your progress.

Your ***Creating Money*** cards can be the beginning of your financial plan. Modify and multiply your ***Creating Money*** cards. When you are ready, choose a professional to work with you to develop a more complete financial plan.

Create the Happy Ending you deserve. Start working toward your goals TODAY, continue making smart money choices, think long-term, plan long-term, and invest long-term. You can arrive at the end of your working career financially prepared.

PART THREE: ACTION STEPS AND RESOURCES

Take Control of Your Happy Ending

Now is the time to take action to improve your financial situation and create your own Happy Ending. The resources listed in this section offer several good places to start.

ORDER YOUR CREDIT REPORTS

Financial professionals suggest ordering credit reports from all three agencies. There may be a fee for your reports. To run a report, you'll need to provide your Social Security number, date of birth, current and previous addresses for the past five years and any names (legal, abbreviated, married, maiden, changed names) you used when making credit purchases.

Equifax
(800) 685-1111
www.equifax.com

Experian
(888) 397-3742
www.experian.com

Trans Union Corporation
(800) 916-8800
www.transunion.com

GET CONTROL OF CREDIT CARD DEBT

The National Foundation for Credit Counseling Web site provides online help, budget and debt calculators, and a directory of neighborhood credit counseling centers.

National Foundation for Credit Counseling
Hotline: (800) 388-2227
www.nfcc.org

CALCULATE YOUR RETIREMENT NEEDS

Ballpark Estimate worksheet (also available in Spanish). This exercise takes only five minutes online. The calculator does all the math and combines estimates of future Social Security benefits, income from pensions, and earnings from savings and investments.

American Savings Education Council
www.asec.org/ballpark/index.html

You may also order the ***Ballpark Estimate*** worksheet by calling the Pension and Welfare Benefits Administration at (800) 998-7542.

ORDER YOUR SOCIAL SECURITY BENEFIT STATEMENT

The Social Security Administration sends yearly statements to workers age 25 or older who are not yet getting Social Security benefits. Your statement will arrive about three months before your birthday and you get a statement every year about the same time. You can also request a statement at any time. Call (800) 772-1213 and ask for the "Personal Earnings and Benefit Estimates Statement," Form SSA-700A. Or visit www.ssa.gov/mystatement/ on the web.

Social Security Administration
(800) 772-1213
www.ssa.gov

LEARN ABOUT SAVINGS BONDS

Check current rates. Buy bonds online or sign up for EasySaver and purchase Series EE or the new inflation-adjusted Series I Bonds using automatic deductions from your checking or savings account at regularly scheduled intervals.

U.S. Savings Bonds
Call Treasury Direct at (800) 722-2678
Or call EasySaver at (877) 811-7283
www.savingsbonds.gov

CONSIDER JOINING AN INVESTMENT CLUB

Investment clubs may enroll in the National Association of Investors Corporation (NAIC) for $40 a year plus $14 for each member. See the NAIC Web site for information and a directory of clubs.

National Association of Investors
Corporation (NAIC)
(877) 275-6242
www.better-investing.org

INCREASE YOUR FINANCIAL LITERACY

Listed below are online resources, pamphlets, videos and books to help you increase your financial knowledge.

Online Resources

Resources for Women Planning for Their Financial Security. This online booklet lists 26 Web sites as well as free and low-cost publications that are relevant to women earning $30,000 a year and less.

National Center on Women and Aging at
Brandeis University
Order by calling the POWER*Center* at
(800) 929-1995
Or visit
www.heller.brandeis.edu/national/shelf.html

ivillage.com is a Web site that provides advice and support to women on a wide variety of topics. Click on the "money" section for financial tools and information. Find it on the Internet at www.ivillage.com.

Pamphlets

Wealth Care Kit. A consumer guide offered free from the National Endowment for Financial Education. This booklet may be used for insurance, investment, income tax, retirement and estate planning. It includes helpful checklists and worksheets. Find the *Wealth Care Kit* online now.

Your Spending, Your Savings, Your Future: A Beginner's Guide to Financial Readiness. This 80-page free publication from the National Endowment for Financial Education offers useful information, worksheets, and tips for those who are taking the first steps to take control of their financial futures. Single copies are available by writing to NEFE at the address below.

National Endowment for Financial Education
5299 DTC Boulevard
Suite 1300
Greenwood Village, CO 80111-3334
www.nefe.org

What Every Woman Needs to Know About Money and Retirement: A Simple Guide. An excellent 15-page pamphlet that every woman should have as a reference guide. Send $3.00 for shipping and handling to:

Women's Institute for a Secure Retirement (WISER)
1920 N Street, N.W.
Suite 300
Washington, DC 20036
Telephone: (202) 393-1990
Fax: (202) 393-5890
www.wiser.heinz.org

Video

Women Count: Smart About Money. This 30-minute video was funded by a National Endowment for Financial Education grant and produced by Third Wave Television, Inc. It is designed to highlight the importance for women to take a strong, hands-on approach to their financial lives. The video may be ordered from Third Wave Television, Inc. for $20 + $5 for shipping and handling.

Third Wave Television, Inc.
P.O. Box 5292
Greenwich, CT 06831
(203) 622-1372

Books

A Woman's Guide to Investing by Virginia B. Morris and Kenneth M Morris (Revised ed., McGraw-Hill, 1999). Amazon.com notes that this book is based on years of research by the Oppenheimer Funds; this book discusses all aspects of investing, from setting goals to dealing with investment advisors to developing a sound investment strategy.

The Million Dollar Car and $250,000 Pizza: How Every Dollar You Save Builds Your Financial Future by Allyson Lewis (Dearborn Trade, 2000). Lewis will take you through the seven steps to develop your financial plan; help you develop one-month, one-year or lifetime investment strategies; and, help you stay motivated to achieve your financial goals.

Simple Money Solutions: 10 Ways You Can Stop Feeling Overwhelmed by Money and Start Making It Work for You by Nancy Lloyd (Random House, 2000). Real-life examples of financial problems are used to present Lloyd's advice on various financial topics, such as credit, home buying and mortgages, family finance, and retirement.

Smart Guide to Maximizing Your 401(k) Plan by Barbara Hetzer (John Wiley & Sons, 1999). This book presents the basics of 401(k) investing: how to borrow, tax information, and what to do at retirement.

The Wall Street Journal Guide to Understanding Personal Finance by Kenneth M. Morris and Virginia B. Morris (3rd ed., Simon & Schuster, 2000). This handbook offers clear explanations of the fundamental principles that govern personal financial management. The authors cover the basics of banking, credit, home finance, financial planning, investing, and taxes.

20 QUESTIONS

1. ***What does a woman who works full time, year-round earn for every dollar earned by her male counterpart?***
   a. 65 cents b. 72 cents c. 78 cents

2. ***What is the average lifetime earnings loss for women earning 72 cents on the dollar?***
   a. $50,000 b. $100,000 c. $250,000

3. ***How long does a woman who is out of the work force for one year have to work to recover lost income, pension coverage, and career advancement opportunities?***
   a. 2 years b. 3 years c. 5 years

4. ***What percentage of women with children are in the work force?***
   a. 50% b. 60% c. 70%

5. ***What percentage of households carry a credit card balance month to month?***
   a. 22% b. 33% c. 44%

6. ***What is the average credit card debt per household that has at least one credit card?***
   a. $4,942 b. $8,123 c. $10,942

7. ***What is the average annual interest rate charged for credit cards?***
   a. 12.03% b. 15.02% c. 17.09%

8. ***How long will it take to pay off the credit card purchase of a $1,000 computer? (Your credit card has an 18% interest rate and you make minimum payments of $20 a month.)***
   a. 3 1/2 years b. 5 1/2 years c. 7 1/2 years

9. ***What percentage of adults thought that paying bills late would not present a problem when applying for a mortgage?***
   a. 10% b. 20% c. 30%

10. ***What percentage of Americans are earning money on their money through savings and investing?***
    a. 33% b. 43% c. 53%

11. ***On average, how much do single women save out of every $100 in earnings?***
    a. $1.50 b. $3.50 c. $5.50

12. ***What is the average interest earned for a savings account?***
    a. 1.1% b. 2.1% c. 3.1%

13. ***Historically what is the average annual inflation rate?***
    a. 1.7% b. 2.7% c. 3.7%

14. ***What percentage of women surveyed said they were motivated to save and invest by "a fear of not having enough money in old age"?***
    a. 23% b. 53% c. 93%

15. ***What is the average annual return of stocks, government bonds, and cash when we take the long view—from 1926 to 1998?***

Average Annual Rate of Return	Savings/Investment Category		
3.7%	a. cash	b. stock	c. bonds
5.2%	a. cash	b. stock	c. bonds
11%	a. cash	b. stock	c. bonds

16. ***What percentage of women (in 1998) had their retirement plans invested mostly in bonds?***
    a. 10% b. 20% c. 30%

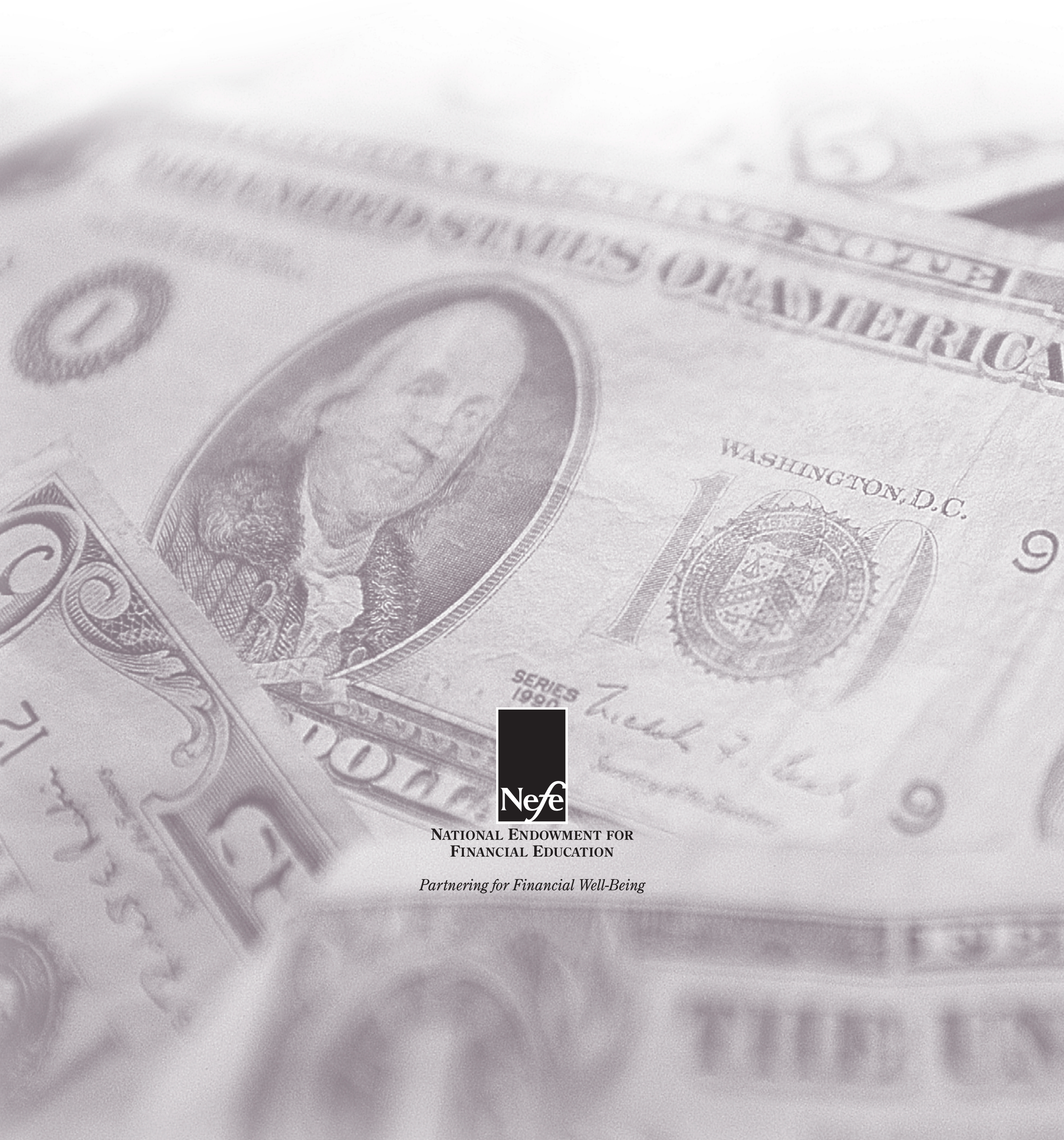
17. ***What is the average monthly Social Security benefit earned by women?***
    a. $ 676 b. $ 846 c. $1,046

18. ***What is the average amount that single women over age 65 receive in monthly interest income from their personal savings or investments?***
    a. $55 b. $95 c. $295

19. ***Of this country's elderly poor, what percentage are women?***
    a. 30% b. 50% c. 70%

20. ***How many years on average do women outlive men?***
    a. 3 to 5 years b. 5 to 7 years c. 7 to 9 years

ANSWERS:
1. b. 72 cents
2. c. $250,000
3. c. 5 years
4. c. 70%
5. c. 44%
6. b. $8,123
7. b. 15.02%
8. c. 7 1/2years
9. c. 30%
10. a. 33%
11. a. $1.50, or 1.5% of their earnings
12. b. 2.1%
13. b. 2.7%
14. c. 93%
15. a. 3.7% cash (Treasury bills),
    c. 5.2% bonds (30-year government bonds),
    b. 11% stock (large company stock)
16. b. 20%
17. a. $676, or $8,112 annually
18. b. $95
19. c. 70%
20. b. 5 to 7 years



NATIONAL ENDOWMENT FOR FINANCIAL EDUCATION

Partnering for Financial Well-Being