T. Rowe Price
INVEST WITH CONFIDENCE

Finding and Funding Your “Why”:

Workshop for Women

Presenter Name
Position Title
Date

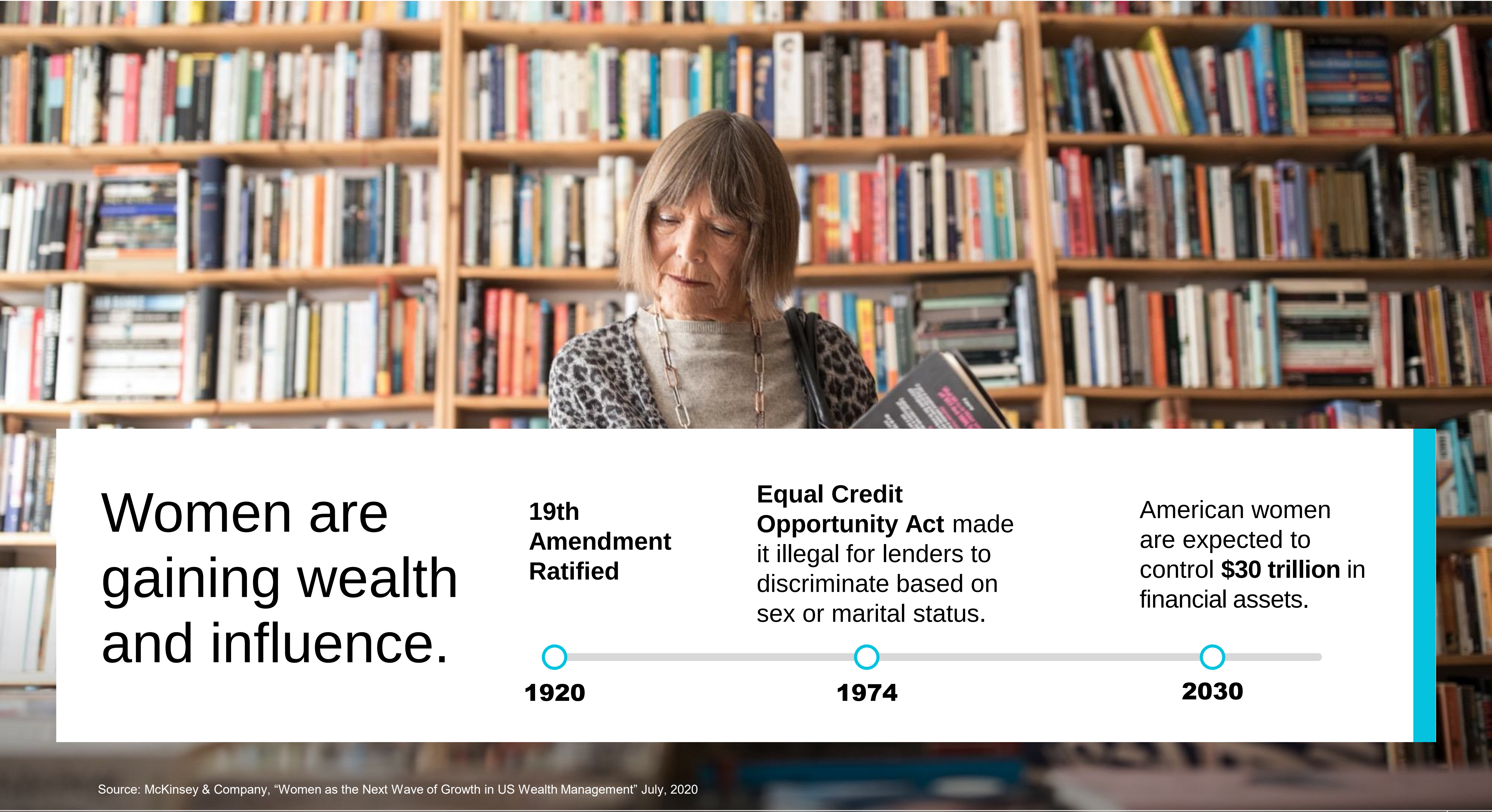
We’ll explore three topics:

Why Now?

Finding Your “Why”

Funding Your “Why”

Why now?



Women are gaining wealth and influence.

1920 — **19th Amendment Ratified**

1974 — **Equal Credit Opportunity Act** made it illegal for lenders to discriminate based on sex or marital status.

2030 — American women are expected to control **$30 trillion** in financial assets.

Source: McKinsey & Company, “Women as the Next Wave of Growth in US Wealth Management” July, 2020

8 out of 10

women will be **solely responsible** for their financial well-being at some point in their lives.

Source: UBS, Own Your Worth, 2021.

The Stories in the Headlines Continue...

Women have unique **financial challenges**

Women earn **82¢** to every dollar a man earns[1]

Women of color earn **57¢–64¢** to every dollar a man earns.[2]

Only **25%** of affluent women are comfortable making investment decisions on their own.[3]

The average woman can expect to live **5.8 years** longer than the average man.[4]

40% of women age 65 and older are widowed

Divorce rates have **doubled** in the last 30 years.[5]

1 Pew Research Center, 2022.
2 The Center for American Progress, "Women of Color and the Wage Gap", by Robin Bleiweis, Jocelyn Frye, and Rose Khattar, November 17, 2021, www.americanprogress.org.
3 McKinsey & Company, "Women as the Next Wave of Growth in US Wealth Management" July 2020.
4 Center for Disease Control and Prevention, National Center for Health Statistics, 2022.
5 UBS, Own Your Own Worth, 2020.

Finding Your “Why”

Question 1 Better understand your relationship with money.

Plot your answer to the question below along each scale of 1 to 10.

Money Habits:

Are you a spender, a saver, or somewhere in the middle?

1 2 3 4 5 6 7 8 9 10

Saver **Spender**

Question 2 Does learning about investing rank right up there with having a root canal?

Plot your answer to the question below along each scale of 1 to 10.

Financial Markets:

Are you fascinated by the financial markets, or do you feel discussing financial markets is boring or obligatory?

1 2 3 4 5 6 7 8 9 10

Fascinated **Obligated**

Question 3 How do you feel about risk?

Plot your answer to the question below along each scale of 1 to 10.

Values:

Do you value financial security, meaning you’re more concerned with preserving the original value of your investments than maximizing growth? Or do you value opportunity and feel comfortable with the possibility of substantial declines in pursuit of higher levels of growth?

1 2 3 4 5 6 7 8 9 10

Security **Opportunity**

Question 4 How confident are you in your ability to manage your finances?

Plot your answer to the question below along each scale of 1 to 10.

Financial Confidence:

Do you feel knowledgeable and capable of handling financial decisions? Or do you feel that you need to learn more about finance and investing to make good decisions?

1 2 3 4 5 6 7 8 9 10

Not at all confident **Very Confident**

Question 5 How much involvement would you *prefer* to have in your household finances?

Plot your answer to the question below along each scale of 1 to 10.

Involvement:

What is your **desired** level of involvement in major household financial decisions?

1 2 3 4 5 6 7 8 9 10

Defer to partner on most decisions

Make all financial decisions myself

Question 6 How comfortable are you discussing money/your finances?

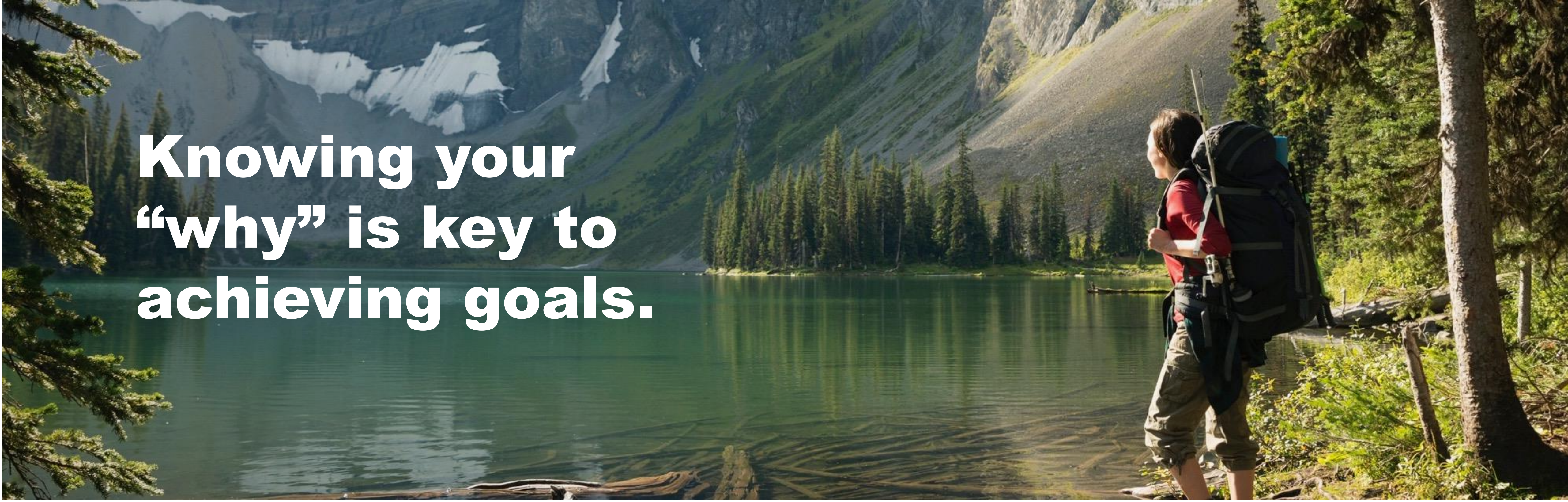
Plot your answer to the question below along each scale of 1 to 10.

Communication Style:

Do you value privacy when it comes to discussing financial matters? Or are you more open to talking about money?

1	2	3	4	5	6	7	8	9	10

Private ⟷ **Open**



Knowing your “why” is key to achieving goals.

What drives your behavior and actions?

Security	Independence	Empowerment	?

Results: Determine your household financial role

If you primarily selected...

7-10's
you may be a...

Primary Decision-Maker

You make all financial decisions for your household

4-6's
you may be a...

Shared Decision-Maker

You share financial responsibilities with your partner

1-3's
you may be a...

Delegating Decision-Maker

You prefer to have minimal involvement in major financial decisions

Primary
Decision-Maker

Primary motivation:
Independence

Role and relationship:
- In charge of financial decisions
- Frequent check-ins with financial professional
- Focused on investment performance/strategy and holistic financial health

Shared

Decision-Maker

Primary motivation:
Empowerment

Role and relationship:

- Makes decisions with partner
- Annual in-person check-ins with financial professional
- Focused on progress toward goals and learning

Delegating

Decision-Maker

Primary motivation:
Security

Role and relationship:

- Limited involvement in investment decisions
- Check-ins only when needed
- Focused on family needs and preparing for transitions

Own Your Role

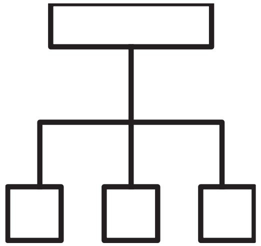




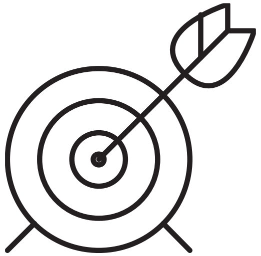

Funding Your “Why”

Funding your “why”: Working with a financial professional

Investment expertise



Decision-making guidance



Goal setting

Source: UBS, Own Your Worth, 2021

Funding your "why”: Generational differences

Millennials

Gen Xers

Baby Boomers

- Managing student loan debt
- Beginning to save for retirement
- Caring for children and parents
- Saving for education
- Adjusting your financial strategy because of divorce, death of spouse
- Small business owners face challenges of succession planning or potential sale
- Navigation transition to retirement
- Making Social Security and Medicare choices

Funding Your “Why”: Evolving Priorities

Liquidity	Longevity	Legacy
To help provide cash flow for short-term expenses	For long-term goals and needs	For needs that go beyond your own
1–3 Years	**4+ Years**	**Now—Beyond Your Lifetime**

Source: UBS, Own Your Worth, 2021

Be intentional about what you want.

Ask yourself…

- What's my "why"?
- Take some time to consider:
  - What is my financial vision for myself?
  - What is my financial vision for my family?
  - What is my financial vision for my legacy?

Why Now

Women have more power and influence and offer a different perspective—**your voice should be heard**.

Finding Your "Why"

Reflect and define what motivates you and how you want to be involved in the financial preparation process.

Funding Your "Why"

Be intentional about getting involved at a level that's right for you.

Actions to take tomorrow:

- Better understand your relationship with money
- Find a “why” that motivates you to take action
- Gain confidence and set an example for the next generation by becoming a money mentor
- Schedule a meeting with your financial professional

Understand Your Relationship With Money

Find Your “why”

Consider becoming a Money Mentor

T.Rowe Price®
INVEST WITH CONFIDENCE

APPENDIX

We continue to see a savings gap with the next generation

Working millennial women who are saving in 401(k)s
have comparable education to their male counterparts, *but…*

Lower median personal income

Lower median contribution rates
(**6%** compared with **8%** for their male counterparts)

Lower median 401(k) balances
(**almost 50% less** than their male counterparts)

Source: T. Rowe Price Retirement Savings and Spending Study, 2021.

How to close the investing gap

15%*

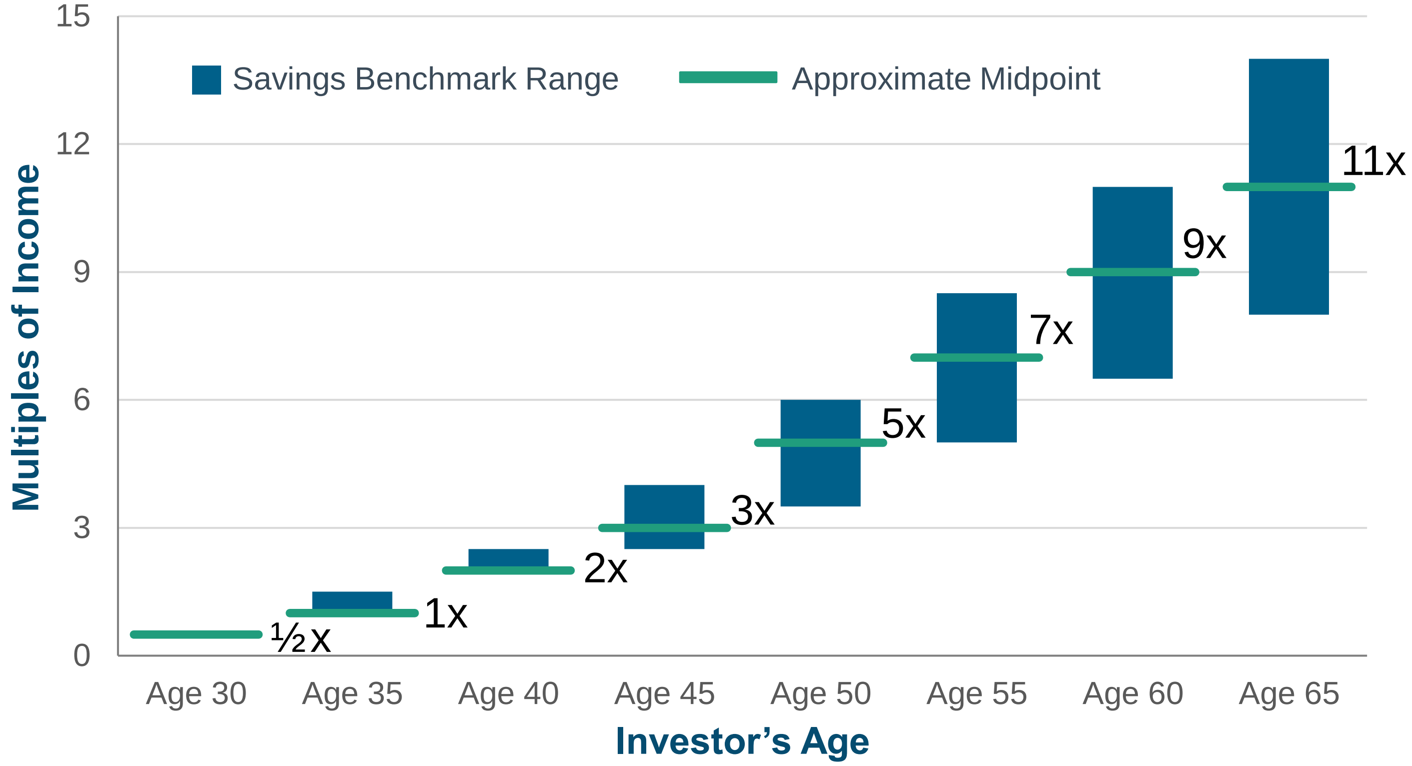
***INCLUDING COMPANY MATCH**

Investors should strive to

SAVE AT LEAST 6%

Consider increasing contributions by 2% each year to build toward 15% target

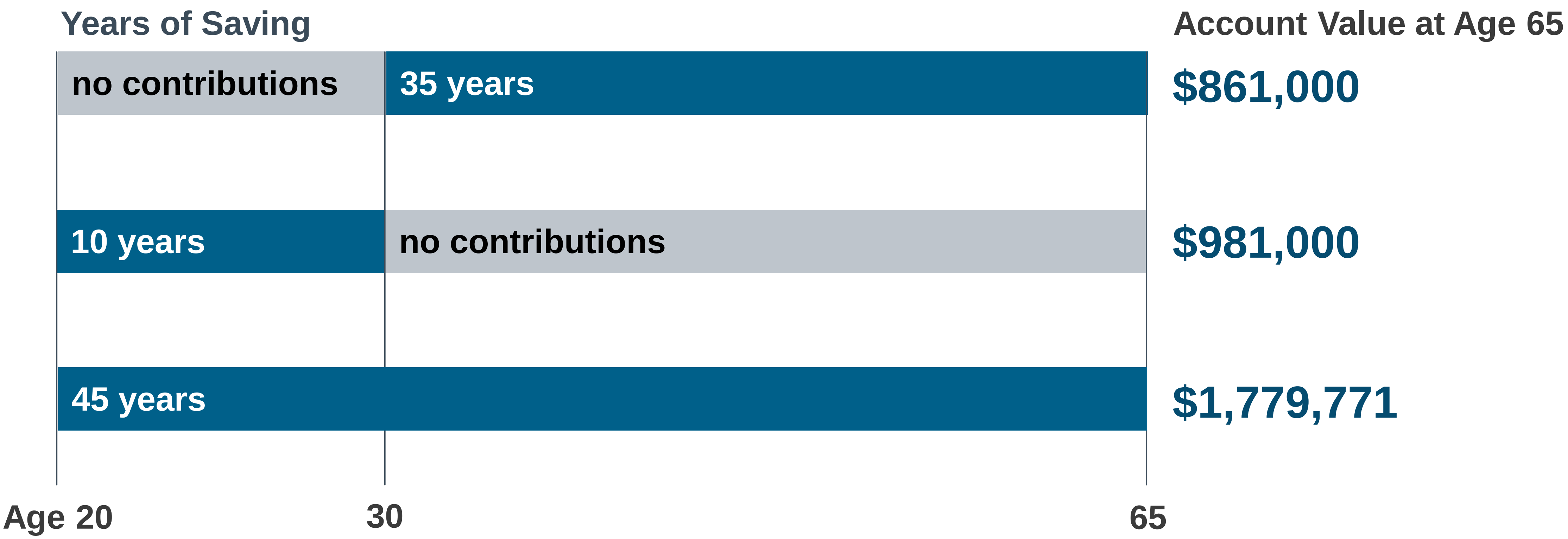
SAVINGS BENCHMARKS BY AGE—AS A MULTIPLE OF INCOME



Assumptions: Benchmarks are based on a target multiple at retirement age and a savings trajectory over time consistent with that target and the savings rate needed to achieve it. Household income grows at 5% until age 45 and 3% (the assumed inflation rate) thereafter. Investment returns before retirement are 7% before taxes, and savings grow tax deferred. The person retires at age 65 and begins withdrawing 4% of assets (a rate intended to support steady inflation-adjusted spending over a 30-year retirement). Ranges are based on individuals or couples with current household income between $75,000 and $250,000.

Starting early can enable you to save less and accumulate more

Compounded savings over 45 years, saving $500 per month.



This chart is for illustrative purposes only and is not meant to represent the performance of any specific investment option. Final account balances are rounded to the nearest thousand. Assumes $500 invested each month in a tax-deferred account and a 7% annual rate of return for a hypothetical investor from age 20 to age 65. The Account Value at age 65 is tax-deferred, and contributions and earnings are subject to taxes upon withdrawal. All investments involve risk, including possible loss of principal.
Source: T. Rowe Price

Short term liquidity needs

Emergency Reserves

Adequate savings can prevent the need to use credit cards or raid retirement accounts.

Set aside

Build over time

3 to 6

Months of Expenses

20%

of Income

Managing debt

If debt payments are prohibiting saving for your "why":

Target debt

Set a timetable

Continue payments

Target high-interest debt (credit cards) and accelerate payments

Short term liquidity needs

Emergency Reserves

Adequate savings can prevent the need to use credit cards or raid retirement accounts.

Set aside

Build over time

1 to 2

Years

Managing debt

If debt payments are prohibiting saving for your "why":

Target debt

Target high interest debt (credit cards) and accelerate payments

Set a timetable

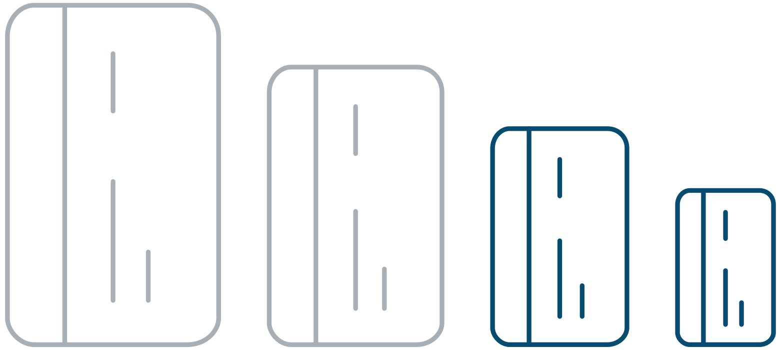
Set a timetable (for example, one to three years)

Continue payments

Managing debt

Behavioral Approach

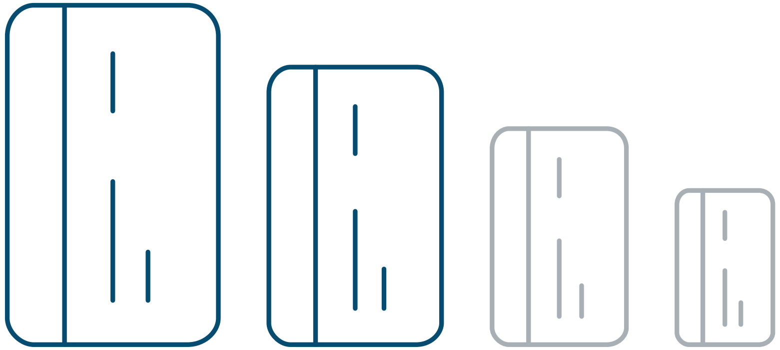
Tackle lowest balances first and accelerate payments



$2,500 $1,000 **$500** **$200**

Economic Approach

Target highest-interest cards first and accelerate payments



29% **16%** 14% 11%

Once a card is paid off, reallocate payments to the next card you plan to tackle.

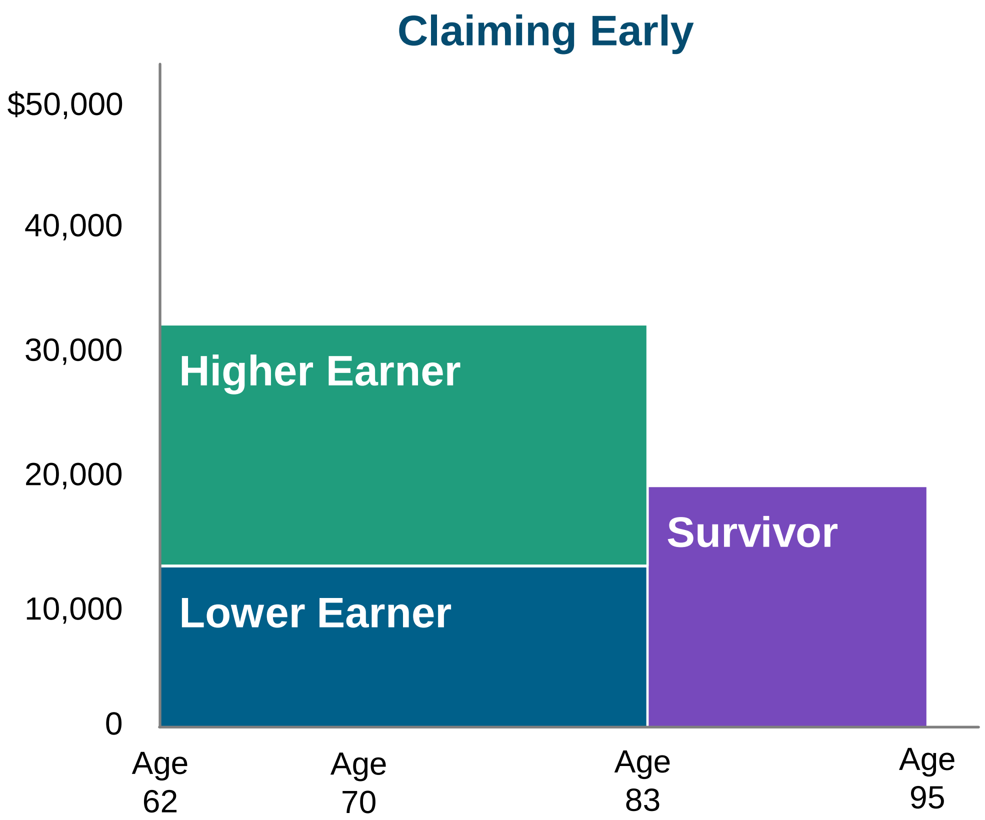
Managing debt

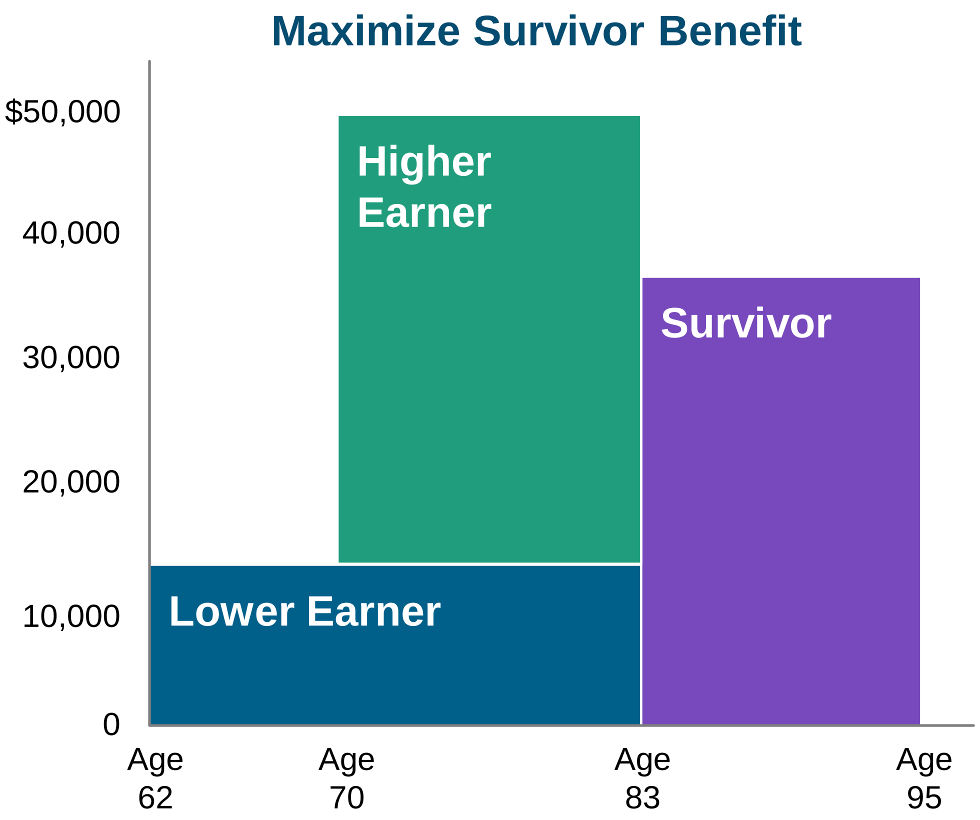
If debt payments are prohibiting saving for your "why":

Target debt	Target high interest debt (credit cards) and accelerate payments
Set a timetable	Set a timetable (for example, one to three years)
Continue payments	Continue making regular payments on other kinds of debt, like student loans and mortgages

Social Security: Survivor benefits

To maximize your survivor benefit, higher earner should claim later

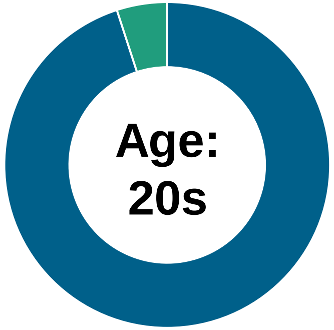




Assumptions: Spouses are the same age (born 1/15/1957). One spouse makes $90,000 a year prior to retirement. The other makes $50,000 a year prior to retirement. One lives to age 83, the other to age 95.
Source: SSA.gov quick calculator, using default earnings history assumptions.

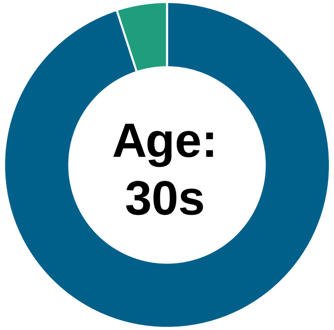
Asset allocation

Stocks   Bonds   Money Market/Stable Value



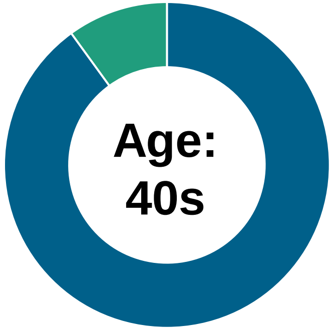
90%–100%
Stocks

0%–10%
Bonds



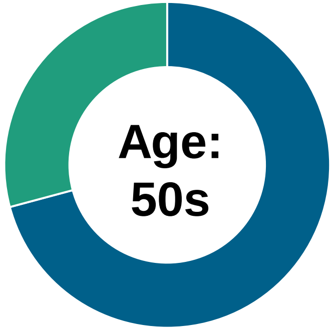
90%–100%
Stocks

0%–10%
Bonds



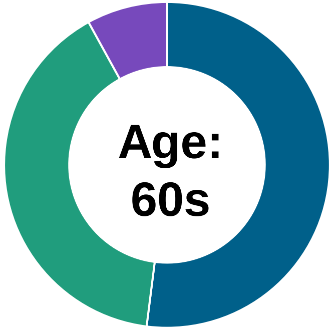
80%–100%
Stocks

0%–20%
Bonds



65%–85%
Stocks

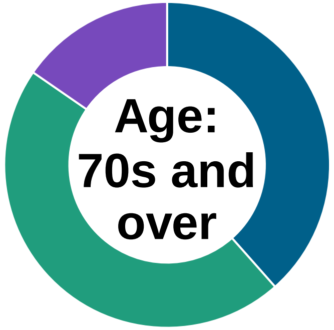
15%–35%
Bonds



45%–65%
Stocks

30%–50%
Bonds

0%–10%
Cash



30%–50%
Stocks

40%–60%
Bonds

0%–20%
Cash

The allocations are age-based only. Depending on your risk tolerance, time horizon, and financial situation, you may need to make adjustments. Diversification cannot assure a profit or protect against loss in a declining market.

Asset allocation assumptions

Our asset allocation models are designed to meet the needs of a hypothetical investor with an assumed age 65 retirement and a withdrawal horizon of 30 years. The model allocations are based upon an analysis that seeks to balance long-term return potential with anticipated short-term volatility. The model reflects our view of appropriate levels of tradeoff between potential return and short-term volatility for investors of certain age ranges. The longer the time frame for investing, the higher the allocation is to stocks (and the higher the volatility) versus bonds or cash.

Limitations:

While the models have been designed with reasonable assumptions and methods, the tool provides hypothetical models only and has certain limitations.

- The models do not take into account individual circumstances or preferences, and the model displayed for your age may not align with your accumulation timeframe, withdrawal horizon, or view of the appropriate levels of tradeoff between potential return and short-term volatility.
- Investing consistent with a model allocation does not protect against losses or guarantee future results.

Please be sure to take other assets, income and investments into consideration in reviewing results that do not incorporate that information. Other T. Rowe Price educational tools or advice services use different assumptions and methods and may yield different outcomes.

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