Women and money: Top 10 financial goals

With 2023 behind us, it may be a good time to revisit your financial goals.

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Key Insights

- The start of a new year is a good time to revisit your financial strategy and goals.
- Developing a financial framework can help keep your finances on track.
- Make time for household financial conversations with your spouse or partner.

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As women, we face unique challenges in the workforce, such as the gender pay gap, which can limit our resources and the amount we're able to save. And economic difficulties coupled with market uncertainty may have exacerbated these challenges. Now may be a good time to revisit your financial goals. Here are my top 10:

10 – Buckle down and budget

Have your spending patterns changed over the last year? Do you anticipate they will continue as they currently are, or are you planning to make changes? Maintaining a budget or spending plan can provide you with a framework to track your income and expenses and to help you determine ways to accommodate your savings goals. Developing a budget can be empowering—providing you with the information you need to make saving and spending decisions. There are plenty of online tools and apps that can help you with budgeting—some are free, and some aren't. You can always use an old-fashioned spreadsheet if that's more your style.

9 – Ditch your most expensive debt

If debt is getting in the way of you reaching your savings goals, target the real culprit first—high-interest credit card debt. This is the debt that can likely cost you the most. You may have to make spending and saving sacrifices to eliminate it, and having an up-to-date budget can help you make these adjustments.

8 – Have money on the side

We've seen how fast unexpected events can disrupt our lives and finances. Many people may have had their income interrupted by choice or not. Having money on the side—an emergency fund—can act as a personal safety net to help you get through financial hurdles, such as a period of unemployment or an unbudgeted large expense. We recommend saving an amount that could cover three to six months of your typical expenses in an account that's easily accessible—such as a bank savings or money market account. Money on the side also gives you the freedom and flexibility to make changes in your life, such as pursuing a new career.

7 – Have shared financial objectives

Many couples tend to "divide and conquer" when it comes to finances. One spouse or partner may take care of the day-to-day finances while the other handles the longer-term investments. This is understandable, as it's efficient and couples generally tend to trust each other. However, it's important that couples have shared objectives and are transparent with each other. What are the key financial objectives for your household? How are you tracking toward each of those objectives, whether it's paying down debt or saving for short- and long-term goals?

It's also important to understand each other's spending style: Are you savers or spenders? Just being aware of your financial tendencies can help you make any necessary adjustments. Reviewing a budget as a household can help make sure your objectives are in line with your values.

6 – Make saving for retirement a priority

Most likely, many of us will be reliant on a combination of Social Security benefits and personal savings to fund a retirement that could last decades. Keep in mind that, statistically, women live longer than men, so it's imperative that we are adequately prepared. At T. Rowe Price, we suggest saving 15% of income for retirement (that includes any company match). As a household, determine how you could work this saving goal into your budget, taking into consideration the retirement accounts available to you.

If there is a primary earner in your household or if only one spouse has a workplace plan, for example, it may make sense for much of the responsibility for retirement saving to fall to one spouse. You may also be able to supplement workplace savings with individual retirement accounts and taxable accounts. Even though retirement accounts are individualized by nature, they should still be viewed as a shared financial objective.

5 – Plan for the "what-ifs"

The what-ifs in life are not fun to plan for, but it is a necessity to do so. Financial disruptors tend to affect women harshly, whether it be divorce, disability, unemployment, or the death of a spouse. This could also include caregiving for children, a spouse, or aging parents—in which case, women are more likely than men to leave the workforce or alter their careers.

In preparation for these possibilities, women should be sure to pay attention to their credit standing. Establish your own credit history, and only take on joint debt when necessary, such as a mortgage.

4 – Protect your household

Ensure that there is adequate life insurance, disability insurance, health insurance, and liability insurance for the benefit of the household. Especially if there is a primary earner, make sure there is enough life and disability insurance to support the family should something happen. At the same time, consider the insurance needed to replace the contribution of the at-home spouse who runs the household but doesn't earn a check. There would be costs associated with these activities if they had to be outsourced.

3 – Protect your family's future

Make sure your estate planning documents are complete and up to date—and remember, estate planning isn't just for the wealthy! Your estate plan should include a will that names guardians for minor children, names a financial power of attorney and a power of attorney for health care (people who can make financial and health decisions for you if you are unable), and provides an advanced directive (where you state your health care wishes).

Also important are the beneficiary designations for retirement accounts and life insurance, for example, as these types of assets pass outside the purview of your will.

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2 – Continue having money conversations

I mentioned earlier the importance of shared financial objectives and the need to understand the entire picture of the household finances. Having regular conversations to understand your household's finances is key to achieving your shared financial objectives. Be intentional and work time into your calendar for these discussions. It could be a finance Friday date night—or a quarterly finance summit. Try to have some fun with it.

Also, continue your own learning to improve your financial acumen, whether it's a book, podcasts, or a financial blog. A good place to start could be financial wellness resources provided by your employer or workplace retirement plan. Keep learning.

1 – Take care of your health and well-being

You should be your number-one priority. As women, we tend to put everyone else's needs before our own. We've seen how important our health and well-being is. This may not be a financial objective, but it's a life objective—and we deserve giving ourselves that attention.

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