



Retirement Estate Assets Protection Planning

What Every Woman Needs to Know About Investing

Investing isn't just a man's game.

Financial equality and independence are just as important for women. And for those women looking to seek a life of prosperity and build wealth, having the right investing skills is the key.

Many women may think they lack the knowledge and insight necessary to grow their money with investments. But various reports, including one found in The Forum for Sustainable and Responsible Investment's "Investing to Advance Women" guide, consistently confirm that women outperform men by a considerable margin when it comes to investing.

To that point, a recent STEMconnector report found that women earn 12% higher returns than men when it came to individual investments.

So, what's different about the way a woman invests? Regarding banking and investing, in general women don't approach decision-making the same way men do.

- **Risk tolerance:** While not everyone manages their money the same, the gap in how women and men view risk is obvious. A Wells Fargo Investment Institute study found that 16% of men identify as "more aggressive" compared to just 4% of women.
- **Integrated financial goals:** For women, integrating a career, family and the need for self-care is often more important than beating the benchmark. This drives them toward more meaningful financial goals tailored to their life's circumstances.
- **Relational approach:** Rather than being driven by processes and results, women are more relational with their money. Seeing the big picture — which is essential in building an investment strategy — is part of their natural repertoire.

In order for women to cash in on investing opportunities, here are some key things that every woman should know:

1. Understand compound interest and time value of money. The earlier you invest, the more wealth you can accumulate. That's because compound

interest allows you to earn interest on your interest. It isn't as confusing as it sounds. When you invest, the initial amount you deposit is called the principal. If your principal is \$100 and you earn a 2% return, you'd gain \$2. Combining your principal and the interest brings your balance to \$102. Now you can earn interest on \$102 instead of just on your \$100 principal. Over 10 years, you'd end up with \$121.90. That doesn't sound like much until you consider it on a larger scale. Let's increase the investment to \$1,000 and plan to add \$1,000 to the account every year. Considering the average stock market return is 7%, your money will grow to \$108,685.30 after 30 years. In this scenario, you made more than \$77,000 thanks to the power of compound interest and the time value of money.

2. It's important to commit to your investment strategy. Personalizing your portfolio and developing a strategy to suit your situation is an important factor. Taking into account your personal goals, objectives, temperament, tax bracket and the time you can commit to managing it can help you find balance in your portfolio.

However, keep in mind that everyone — not just women — can get attached to their money. With investment prices in a constant state of flux, drops in the value of your portfolio is normal. In times like this, it's important not to panic. As long as your investing is done intelligently, you'll be fine. You can lose a lot of money if you sell off your assets for the wrong reason.

3. It also makes sense to seek the help of a financial professional. You might feel it's unnecessary to pay someone for something you think you can do yourself. After all, you've been managing your money for a long time, right? Well, think about this: Do you call a plumber when you have a flood in your basement, or an electrician when your lights go out? Of course, you do. Because you rely on their expertise and experience, so why not use a financial pro to help manage your money?

A financial professional can help guide you to make more informed financial decisions.

Whether your focus is retirement or growing wealth for financial security, investing can help you get there. Do some research and trust your instincts. When it comes to investing, it's clear that women are doing something right.

- — *By Marguerita Cheng, CEO of Blue Ocean Global Wealth*

At REAP Legacy, Inc. our approach to financial planning is always comprehensive and holistic. We believe it's important to educate you through the process and not simply direct you. Building wealth and a solid financial plan is based on a process and not products. Contact us for a "Free No-Obligation Strategy Session". REAP Legacy, Inc. (510) 409-0086.

Main Office: 1901 Harrison Street, Suite 1100, Oakland, CA 94612

Walnut Creek office: 2121 N. California Blvd., Suite 290 94596

(510) 409-0086 phone

(877) 409-0086 fax

Pat@REAPlegacy.com

{<https://www.reaplegacy.com>}

Investment advisory services offered through Brookstone Capital Management, LLC (BCM), a registered investment advisor. BCM and REAP Legacy, Inc. are independent of each other. Insurance products and services are not offered through BCM but are offered and sold through individually licensed and appointed agents.