

WOMEN: Life in Transition

Each life transition introduces its own complexities, underscoring the importance of proactive and informed financial decisions.



Life transitions are inevitable, and for women, these pivotal moments often bring a mix of emotional and financial challenges. These transformative periods—starting a family or career, navigating divorce, managing an inheritance, experiencing widowhood, or transitioning into retirement—require thoughtful financial planning to ensure stability and success.

Women's financial journeys are uniquely shaped by societal, economic, and personal factors influencing their income, savings, and wealth accumulation. Each life transition introduces its own complexities, underscoring the importance of proactive and informed financial decisions.

Statistics Highlighting the Impact of Life Transitions

Starting a Family or Career

Women are disproportionately affected by career interruptions due to caregiving responsibilities. The U.S. Department of Labor estimates that women take an average of 12 years out of the workforce for caregiving, leading to an average Social Security benefit that is 80% of what men receive. Additionally, Pew Research notes that mothers are more likely than fathers to face wage penalties, earning about 70 cents for every dollar their male counterparts earn.

Divorce

Divorce is a financial turning point, especially for women. Studies from the Institute for Women's Policy Research reveal that divorced women are twice as likely as men to live below the poverty line post-divorce. Furthermore, nearly half (46%) of women report being surprised by hidden financial challenges during the divorce process, such as undisclosed debts or underestimated expenses.

Widowhood

Widowhood often leaves women managing finances independently for the first time. According to the U.S. Census Bureau, 34% of women over 65 are widowed, compared to only 12% of men. Women who are widowed at younger ages face even greater financial pressures, including raising children on a single income. In contrast, those over 65 face the risk of outliving their savings, given that women have a life expectancy approximately five years longer than men.

Inheritance

Women are poised to control significant global wealth in the coming decades. A Wealth-X report projects that women will inherit 70% of the estimated \$41 trillion in wealth transfers expected over the next 40 years. However, studies show that many women feel unprepared to manage inherited assets, with 62% reporting little prior experience with financial planning or investment decisions.



Retirement

Retirement is a stage where the cumulative impact of lower lifetime earnings, caregiving interruptions, and longevity come into sharp focus. A 2023 study by the Transamerica Center for Retirement Studies found that only 19% of women feel “very confident” about their ability to retire comfortably, compared to 34% of men. Additionally, women tend to live five to seven years longer than men, requiring more savings to cover extended healthcare and living expenses.

Becoming a Grandparent

Grandparents play a growing financial role in their families, with 70% providing financial support to their grandchildren, according to AARP. Many contribute to education, daily expenses, or major purchases like a first home. With longer life expectancies, strategic planning—such as 529 plans, lifetime gifting, and estate planning—ensures their generosity benefits future

generations without compromising their own financial security.

Embracing Transitions with Confidence

These statistics reveal the critical need for women to take control of their financial futures during key life transitions. While each stage presents its challenges, it also offers opportunities for growth, empowerment, and economic security. At Aspen Wealth Management, we are committed to equipping women with the tools, guidance, and strategies they need to confidently navigate these transitions.

By addressing financial complexities with clarity and care, we help women align their decisions with their long-term goals, ensuring that each transition becomes a stepping stone to greater financial independence and stability.

Starting a Family or Career

Starting a family or launching a career is a defining milestone, representing a time of growth, change, and new responsibilities. It is a period where financial habits are formed and foundational decisions are made, shaping long-term financial well-being.

Balancing the competing priorities of building a career or raising a family while maintaining financial stability can be overwhelming. Still, it is also an opportunity to set a strong financial trajectory.

Top Tips:

- **Budgeting and Saving:** Establishing a budget is crucial to align expenses with income during this dynamic phase. Include childcare, housing, education, and career-related expenses while setting aside funds for unexpected costs. Building an emergency fund ensures financial resilience in the face of uncertainties.
- **Employer Benefits:** Evaluate and maximize workplace benefits such as health insurance, retirement plans, and flexible spending accounts. These programs can support managing healthcare expenses, saving for the future, and reducing taxable income.
- **Financial Literacy:** Educate yourself about debt management, investments, and savings strategies to make informed decisions. Understanding how to balance student loans, mortgages, and other debts with savings and investments lays the foundation for long-term success.

Planning early in this stage can provide financial resilience, ensuring that immediate needs are met while long-term goals remain achievable.



Divorce

Divorce is one of the most emotionally and financially challenging transitions, often requiring a complete reevaluation of personal and financial priorities. It is a time when women must take control of their financial future, even amid emotional turbulence, to ensure long-term stability. The decisions made during this period can have far-reaching consequences, making it crucial to seek expert guidance and approach the process clearly.

Top Tips:

- **Asset Division:** Thoroughly inventory all marital assets, including real estate, retirement accounts, and investments, and seek professional advice to divide them equitably. Understand the tax implications and long-term effects of retaining specific assets, such as a home or retirement accounts.
- **Debt and Credit Management:** Close joint accounts and establish individual credit lines to safeguard financial independence. Monitor credit reports regularly to ensure debts incurred by an ex-spouse do not affect your creditworthiness.
- **Budget Realignment:** Adjust your financial plan to reflect income, expenses, and lifestyle changes. A well-constructed budget can help manage day-to-day expenses while prioritizing savings for retirement, education, and other long-term goals.

With proper planning, women can clearly navigate this period and emerge with a secure financial foundation.

Widowhood

Widowhood is a profound life transition that brings not only emotional grief but also the sudden need to address significant financial responsibilities. This stage often requires women to take charge of financial matters they may not have previously managed, making it both a challenging and empowering experience. It is a time when careful planning and professional support can provide stability during an otherwise tumultuous period.

Top Tips:

- **Immediate Steps:** Gather key documents, including death certificates, wills, insurance policies, and account statements. Notify financial institutions, government agencies, and insurance companies of the change in status to ensure a seamless transition.
- **Asset Management:** Reassess your financial portfolio with the help of an advisor. Consider liquidity needs, risk tolerance, and income-generating investments to support your financial stability.
- **Long-Term Security:** Evaluate Social Security survivor benefits, pension payouts, and life insurance proceeds. Work with a professional to develop a plan that ensures ongoing financial security while accommodating your new circumstances.

A strong support system and proactive financial planning can provide stability and peace of mind during this difficult time.

Inheritance

Receiving an inheritance often comes with emotional weight, as it is frequently tied to the loss of a loved one and the responsibility of managing their legacy. While this can provide financial opportunities, it also presents challenges in making prudent decisions that honor the memory of the benefactor. Women in this situation must balance short-term needs with the long-term management of inherited wealth.

Top Tips:

- **Understanding Tax Implications:** Consult with tax professionals to navigate estate taxes, inheritance taxes, or other financial obligations. Structuring your decisions to minimize tax burdens preserves the value of the inheritance.
- **Investing for the Future:** Develop an investment strategy that aligns the inheritance with your goals, such as funding education, purchasing a home, or building retirement savings. Ensure the strategy balances growth with preservation to meet immediate and long-term objectives.
- **Charitable Giving:** Explore philanthropic options, such as establishing a donor-advised fund or supporting charitable organizations that reflect your values. Thoughtful giving can

enhance your legacy while providing potential tax benefits.

Proactive planning ensures that the inheritance is a tool for achieving financial security and personal aspirations.

Retirement

Retirement marks the culmination of years of planning and hard work, offering the opportunity to redefine life on your terms while presenting financial complexities. For women, retirement planning is even more critical given the unique challenges of longevity and often interrupted career earnings. It is a stage that requires a careful balancing act between enjoying the present and ensuring security for the future.

Top Tips:

- **Income Planning:** Transitioning from saving to generating income involves assessing Social Security, pensions, and personal savings. Work with an advisor to determine a withdrawal strategy that supports your desired lifestyle without depleting resources prematurely.
- **Healthcare and Longevity:** Consider the impact of rising healthcare costs and the potential need for long-term care. Insurance options, including Medicare, supplemental health insurance, and long-term care policies, must be evaluated to mitigate these risks.
- **Legacy Planning:** Review your estate plan, ensuring that wills, trusts, and beneficiary

designations reflect your current wishes.

Legacy planning provides clarity and security for your heirs and supports causes you care about.

With the right strategies, retirement can be a fulfilling phase of life, offering the freedom to explore passions and enjoy the fruits of financial preparation.

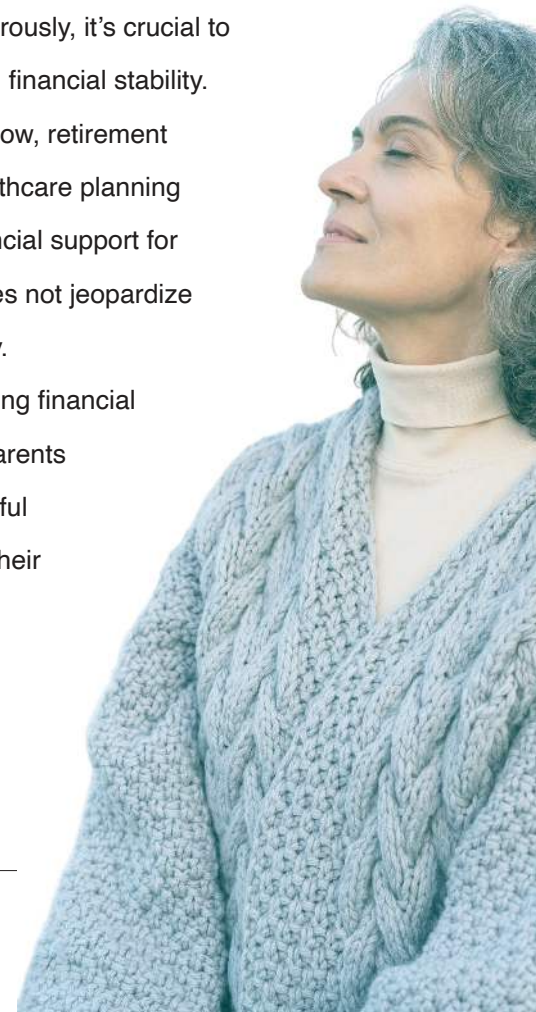
Becoming a Grandparent

This is a joyful and transformative life transition, often accompanied by new financial considerations. Many grandparents want to contribute to their grandchildren's future—whether by funding education, providing financial gifts, or planning their legacy. While generosity is a natural instinct, thoughtful financial planning ensures that contributions have the greatest long-term impact. From tax-efficient gifting strategies to structuring college savings, understanding the best ways to support future generations can create a lasting financial legacy.

Top Tips:

- **Contributing to a 529 College Savings Plan:** Grandparents can help fund their grandchild's education through a tax-advantaged 529 plan. These plans grow tax-free and can be used for qualified education expenses. Recent rule changes have made it easier for grandparents to contribute without affecting financial aid eligibility.
- **Understanding Lifetime Gifting:** The annual gift tax exclusion allows individuals to gift without incurring gift taxes (limits generally change annually). Direct payments for education and medical expenses made to institutions do not count toward this limit, offering another strategic way to provide financial support.
- **Updating Estate and Beneficiary Plans:** As families grow, estate plans should be revisited to ensure grandchildren are included in inheritance plans. Consider setting up a trust to provide structured financial support or updating life insurance policies to reflect evolving family needs.
- **Balancing Generosity with Financial Security:** While many grandparents want to give generously, it's crucial to maintain personal financial stability. Evaluating cash flow, retirement savings, and healthcare planning ensures that financial support for grandchildren does not jeopardize long-term security.

By strategically planning financial contributions, grandparents can create a meaningful legacy that supports their family for generations while maintaining their own financial well-being.



Conclusion

Life transitions, while often challenging, are opportunities for growth and empowerment. Aspen Wealth Management is committed to guiding women through these pivotal moments, helping them make informed decisions that align with their goals and values. By addressing financial complexities with clarity and care, we help women in transition confidently embrace the future.

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