



Plan today for the tomorrow you envision

Helping women achieve financial security



Wealth
Management


You – and your needs – are defined by more than your gender

Women are an economic powerhouse. Beyond controlling household spending, women are attaining higher levels of education, achieving success as business owners and professionals and are earning more. In addition, women are increasingly single, living longer and in line to inherit wealth.

We recognize that women sometimes have different financial needs, circumstances and opportunities than men. That is one reason why we established the investment industry's first internal organization dedicated to helping women advisors develop the expertise and skills necessary to best serve clients.

And we are proud of the many women financial advisors who serve the unique needs of women.

The purpose of this booklet is to share relevant information we have learned through deep experience, academic research and our own study, “The influence of women on building the family legacy,” published in collaboration with Scorpio Partnership. We look forward to helping you prepare for your financial future, with professional help from your RBC Wealth Management® financial advisor.



Why it is important to start planning today

When you think about the future, what do you see? Providing a college education for your children or grandchildren? Owning a business? Enjoying a rewarding retirement? Supporting worthy causes?

These dreams can be yours, but none of them will happen until you plan for them. Achieving the goals you have for yourself and your loved ones will require financial resources.

Women have made strides toward social, political and economic equality. Yet four key facts based on current statistics call attention to the reasons why careful planning may be necessary to meet financial goals.

1. Women generally earn less than men. This may result in having fewer assets to manage when preparing for the future.
2. Women may interrupt careers to care for children and/or elderly parents. This may further reduce the assets contributed to retirement plans.
3. Women can expect to live longer than a male counterpart. This may require more assets to cover lifetime needs.
4. Women will likely survive husbands and be in charge of the family wealth. This is often overlooked in planning for post-retirement needs.

What are your wealth management priorities?

Women play a critical decision-making role in family financial management, as confirmed by our “influence of women” study. Indeed, the women surveyed tended to be capable, curious, results-oriented and well-informed.

Results of our most recent RBC Wealth Management client survey further show that women clients assigned higher levels of importance to retirement planning, estate planning, tax planning, insurance and philanthropy, compared to men who responded to the survey.

Likewise, you may have wealth management questions about topics relevant to your unique needs. We can help you find the answers that are right for you, because our approach to wealth management encompasses all aspects of your financial life.



Achieving my financial goals



Research for our “influence of women” study shows that women well-versed in financial matters and focused on the long-term financial health of their families are both empowered and empowering. The study found that high net worth women are ambitious, both for themselves and for the next generation.

Questions about achieving financial goals may include:

How do I save for retirement and college for the kids?

Many well-intentioned parents, especially mothers, prioritize their children’s college education ahead of their retirement savings. Instead, consider maximizing retirement savings first and develop a college savings strategy with other funds. Also, try to start saving for both goals as early as possible.

Can I afford to make a major purchase?

Investors may occasionally want to liquidate portfolio assets for a major expense. Maybe it is a home remodel or vacation property. Perhaps it is a once-in-a-lifetime trip for the family. Or maybe a luxury car. Prudent use of credit can help fund major purchases without interrupting progress toward long-term goals.

How can I best support my family?

The decision about whether one parent should stay home with the children is complex. Most families depend on what

the mother provides. Indeed, mothers are the sole or primary breadwinners for 42 percent of U.S. families, with another 22 percent earning 25-49 percent of the family income.¹

Is owning a business right for me?

Women-owned businesses comprise 31 percent of all privately held businesses — and 20 percent of businesses with revenues of \$1 million or more.² Financial considerations include sourcing start-up funding, managing substantial risk and coping with unpredictable income.

How can my wealth help me lead a fulfilling life?

Many women see their wealth as a way to initiate positive change. It grants the freedom to support worthy causes and gives a sense of making a real and significant difference. In fact, 62 percent of high net worth women cite social impact as being very or extremely important, compared to 50 percent of men surveyed.³

Accumulating wealth



With generally longer life expectancies, women may need to both accumulate more assets and invest for more growth potential over time. Considerations women may face include potentially lower income levels and possible time away from work to raise families and care for older parents.

Questions about accumulating wealth may include:

What is my investing style?

Women tend to be more risk-aware with their portfolios. Risk-aware investors are less likely to suffer losses from chasing performance or trading too often. However, they also choose lower-risk investments that may produce lower returns. Understanding risk tolerance helps make appropriate decisions.

Am I considering inflation when I invest?

Everything today will cost about twice as much in 25 years, assuming a three percent annual inflation rate. To maintain a consistent standard of living over the long term, build a diversified investment portfolio that provides enough growth potential to keep ahead of inflation.

Am I considering tax consequences when I invest?

Capital gains taxes lower the “real” rate of return. Hold investments for more than one year for more favorable long-term tax

treatment. Retirement accounts can offer either tax-deferred or tax-free withdrawals. Municipal bonds and life insurance may also offer tax advantages.

How should I allocate my assets?

Asset allocation describes the way money is spread across stocks, bonds, cash and other investments. These asset classes offer different strengths and shortcomings. Since no single investment performs well all the time, it is prudent to diversify portfolios by holding multiple assets within each class.

Am I taking full advantage of my employer-sponsored retirement plan?

The median retirement account value for women is 34 percent less than men.⁴ Many employers match employee contributions, to a certain level. To maximize savings, take advantage of employer match, if available; contribute more if possible and consider boosting contributions when earnings increase.



Protecting wealth

Many women want to live independently while caring for their loved ones during their later years. Taking appropriate steps to protect wealth may help preserve individual autonomy and offer peace of mind about future financial security.

Questions about protecting wealth may include:

What are my current protection needs?

All women need a survivor plan to help ensure financial security for themselves or for their spouse and potential dependents in the event something happens to either individual. This includes adequate life, health and disability insurance to help protect the financial contributions of both insureds.

What are my future protection needs?

Seven of 10 retirees will need some form of long-term care.⁵ Seven of 10 nursing home residents are also women.⁶ Medicare covers brief periods after qualifying hospitalizations. Medicaid is intended for those with extreme financial need. Planning ahead can help prepare for potential long-term care expenses.

What can I count on from my spouse or domestic partner?

Find out what legal and financial arrangements have been made should one spouse outlive the other. Make sure all wills and living trusts are in order and updated, and that all beneficiary designations are correct, especially if either spouse has been married previously.

Turning wealth into income



Women are far more likely than men to face financial hardship during retirement. The typical income for women 65 and older is 25 percent lower than for men, and that gap widens to 44 percent by age 80 and older.⁴

Questions about turning wealth into income may include:

Will I be able to retire comfortably?

Consider developing a retirement income plan that takes specific financial circumstances and retirement goals into account. Plan to cover living expenses (such as housing, groceries and health care) as well as lifestyle expenses (like hobbies, travel and entertainment).

How much can I expect from Social Security?

Women who are widowed, divorced, over age 70 and have household incomes of less than \$80,000 rely on Social Security benefits for a majority of their income.⁴ Claiming benefits before full retirement age permanently reduces the amount received, while delaying benefits past full retirement age increases it.

Am I entitled to a portion of my ex-spouse's employer-sponsored retirement plan benefit?

As part of a divorce or legal separation, ex-wives (and ex-husbands) may be able to obtain rights to a portion of their former spouse's retirement benefit. In most private-sector plans, this is done using a qualified domestic relations order issued by the court.

Am I entitled to any employer-sponsored retirement plan benefits if my spouse dies?

The surviving spouse of a defined benefit plan (e.g., a pension) may be entitled to receive a survivor benefit when the enrolled employee dies. The rules may be different for a defined contribution plan (e.g., a 401(k)). Consult the summary plan document or the plan administrator about spousal rights to death benefits.



Transferring wealth

Women are likely to inherit wealth from grandparents, parents and spouses. This may be why research for our “influence of women” study found that providing a financial legacy for loved ones is an important goal for many women.

Questions about transferring wealth may include:

How can I ensure my legacy wishes will be fulfilled?

A will allows recipients of estate assets to be designated. Beneficiary designations on financial accounts supersede wills. Without a will, estates are settled according to state law. Trusts can provide additional instructions, such as when beneficiaries receive assets and how assets may be used.

How can I maintain my family’s privacy?

Estate settlement of a will is conducted in probate court and is a matter of public record. It can also be time-consuming and costly. Assets transferred by trust are not subject to probate publicity or delay. Life insurance proceeds also offer privacy and speed without legal fees or taxes.

How can I minimize my estate tax liability?

Taxes may be due on estate assets above the federal estate tax exemption. To leave more to intended heirs, reduce a taxable estate by making gifts to charities and heirs during lifetime or by moving assets into a trust, either during life or at estate settlement.

How can I share my wealth during my lifetime?

Gifts to qualifying charities can lower income tax and reduce estate tax liability. Other gifts exceeding the federal gift tax exemption may be subject to gift taxes. Gifts to third parties for the benefit of the recipient (e.g., paying tuition directly to a school) may not be subject to a gift tax.

Where (and how) to begin?



Life is busy. Your RBC Wealth Management financial advisor is well-prepared to address the unique challenges you face as a woman. He or she can also help watch out for your financial interests as an individual with unique goals. Here is what you can expect.

Professional responsibility. With a long-standing reputation for integrity and putting the needs of clients first, we are deeply committed to careful management of the wealth you entrust to us.

Goals-based planning. We take time to understand you and your goals. Then we recommend customized strategies to address your specific preferences and needs.

Integrated expertise. We will work with your attorney and accountant on tax and estate planning. Our own team of experts also provides research and expertise on a wide variety of financial issues.

Holistic solutions. You will work with a company with extensive capabilities. Virtually every wealth management decision made will affect all the others – and it is our job to make sure they all fit together.

Attentive, ongoing service. We will meet with you regularly to answer your questions and ensure you stay on course to reach your goals. So you can feel confident about your financial future.

Your next step



Talk to your RBC Wealth Management financial advisor today about what you hope to accomplish and what concerns you the most. We have helped many women prepare for a financially secure future. And we want to help you achieve what you envision for yourself and for the people you care about. Because like you, we believe that the greatest returns are realized when you **grow more than wealth.**



www.rbcwealthmanagement.com



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1. Center for American Progress, "Breadwinning mothers are increasingly the U.S. norm," December 2016.
 2. National Association of Women Business Owners, women business owner statistics from Womenable report commissioned by American Express, "OPEN State of Women-Owned Businesses 2015."
 3. "U.S. Wealth Report 2014," produced by Capgemini and RBC Wealth Management.
 4. National Institute on Retirement Security, "Women 80% more likely to be impoverished in retirement," March 2016.
 5. U.S. Department of Health and Human Services, National Clearinghouse for Long-term Care Information, www.longtermcare.gov, February 2017.
 6. American Association for Long-Term Care Insurance, 2014.

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