

# Take charge of your financial planning

While the basics of good financial planning are the same for both men and women, some unique lifestyle and economic factors faced by women deserve special consideration.

Women live longer than men and are more at risk for certain diseases. They generally take on more family responsibilities, contribute significantly to household income, earn less than men and are typically the main caregivers in the family.



“Insurance industry statistics show that women are dramatically underinsured when it comes to managing the financial impact of a life-changing disability or illness. While women today are equal if not greater contributors to household income, there is still a slanted approach to insuring men at higher benefit values than women. This makes no sense when you consider that women submit twice as many critical illness and disability claims than men,” explains Susan Gonnermann, head of claims at Hollard Life.

The company’s statistics show that the average amount of life cover for women is R780,000 while critical illness cover is much lower at R320,000. The real costs of medical treatment, rehabilitation, lost income and any necessary lifestyle changes, women are still woefully seriously underinsured when it comes to dealing with a serious health crisis.

- **Women live longer:** The so-called weaker sex tend to live around five years longer than men according to actuarial research, which means they need to stretch retirement savings further and plan for medical care. Look at comprehensive plan that covers retirement savings, long -term care, critical illness, healthcare benefits and the like. As you get older these benefits become increasingly important, so plan now so that you can afford them after retirement.
- **Women earn less than men:** Sad, but true for a large percentage of South African women. This means you have less to invest in retirement, savings and life insurance. The dilemma is that while women generally earn less than men, you need the income to survive due to a longer life expectancy. With leaner financial cushions, it also means women are more vulnerable to unexpected challenges such as a health crisis, disability, divorce, retrenchment and single parenthood.
- **Women are more at risk for certain diseases:** Cancer, most notably breast and ovarian cancers, account for around 25% of critical illness and disability claims by women, followed by heart conditions as a very close second. The age band of women with the highest number of critical illness and disability claims submitted is 31-50 years of

age, the prime of your life and working career. With so many women playing a major role in their households both from an income and caregiver perspective, surviving a critical illness or disability can be financially and emotionally devastating without the right insurance cover..

- **Growing family responsibilities:** The financial burdens and responsibilities of middle-aged South Africans are increasingly being driven by two trends – an ageing population and a generation of young adults struggling to achieve financial independence. When these two collide, we have what is aptly termed the sandwich generation – adults in their 40s and 50s who are providing financial support for their ageing parents, as well as supporting children of their own. As a woman, the responsibilities of caring for children and ageing parents are likely to fall heavily on your shoulders, and must be factored into your financial plan.
- **Don't overlook your valuable contribution as stay-at-home mom:** Just because you're not receiving an official "salary" does not mean you don't contribute substantially to your family's income. If something happened to you, your spouse would need to employ a very competent person to raise and look after children (read: huge responsibility), play taxi, house-keeper, teacher, cook and CEO of the home. Without a doubt there would be hard costs to cover everything that a stay-at-home mom does every day. You can't be replaced of course, but if you were seriously ill, disabled or pass away, someone needs to be hired to keep your family and household functioning as normally as possible under the circumstances.

"No one knows what the future holds and whether you could face a health or life-changing crisis in future. Make sure that you have a financial plan in place that makes it possible for you to recover and thrive if the unthinkable were to happen. The real challenge in surviving a disability or illness is being able to provide a future income for yourself and your family, and this is where a financial advisor can help you to develop a financial plan," concludes Gonnermann.

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