

Go Your Own Way: Investing as a Woman in The Prime of Your Life



[Investing](#) is a variable experience. It varies according to your goals, your profile, and a host of other factors. As a woman in your 40s or 50s, those factors may include experiences unique to your demographic. Think about all the women you know who have children to put through college; or have lost a job or had a spouse who lost a job; or who have lost a spouse – most often on purpose! For many women, these common experiences add a layer of uncertainty in their financial world, and for some, cause them to [wonder if they'll ever be able to retire](#). But, I am here to reassure you that you can find a way to retire, and enjoy your life in the meantime too.

A Common Experience

You may recall that in my last blog I introduced you to Lisa and her mother, Rosalie. Rosalie was navigating how to live on an uncertain income during her retirement after her husband passed away. Lisa was trying to help her mother traverse the unsteady waters of that financial situation. After meeting for her mother, Lisa and I set up a private meeting for her to [discuss her own financial situation and her investment needs with a wealth advisor](#).

In that meeting, the advisor wasn't surprised to learn that at the age of 50, Lisa shared several common experiences with other women she had worked with in the prime of their lives. As a recent

divorcee, Lisa was working as a high level manager at a major department store. She was dealing with the stress of managing the emotional roller coaster of divorce while keeping her job. Lisa was also financially supporting her son -- who was living with her while attending college -- while helping her daughter, who had recently married and was expecting her first child. She was dealing with all of this on top of helping her mother manage life after her father's death.

Needless to say, Lisa had a lot going on in her life. The wealth advisor could see the weight of the stress on Lisa's shoulders as she slumped in front of her and asked for help.

Finding Your Own Way

Thankfully, Lisa had a lot going for her, despite her significant stressors. At the top of that list: she found herself debt-free after successfully managing the separation of assets with her ex-husband during their divorce. Lisa may not have recovered emotionally just yet, but her finances were in good shape. Specifically, she was able to use her portion of the proceeds from the sale of her matrimonial home to purchase her own modest townhome. She had also received half of her ex-husband's RRSPs in her divorce.

Now Lisa found herself at a crossroads: she was stressed out and wanted to escape on an exotic vacation to recover, but she also wanted to invest a significant portion of her new money to avoid ending up like her mother and scrambling to survive during retirement. Lisa felt quite alone and uncomfortable at this juncture, and really didn't know which way to go in her life and with her money.

The wealth advisor began by focusing on all of Lisa's positives. She reassured Lisa that she was young enough to take charge of her destiny and she had a solid financial situation with her employment and her new nest egg of RRSP money. Lisa was relieved to hear that she could invest in a comfortable retirement while enjoying her life in the lead up.

To guide her along that path to retirement, the wealth advisor walked with Lisa through some important information gathering and decision making around her investments. What did that walk look like? It followed several common steps, but the process is highly individualized to help each investor go the way that works for them at their current stage of life. For Lisa, her advisor assessed if she was a higher or lower risk investor and how her money might grow and if it would meet her goals. All of this helped Lisa determine how she could invest to balance her current situation with her future goals. Specifically, it looked a bit like this:

Step 1:

Lisa's advisor looked at her pool of money and projected how that pool would look when she wanted to retire at age 65 by factoring in her risk profile and what she could afford to add to her current pool over the next 15 years.

Step 2:

Lisa and her advisor then discussed the amount Lisa thought she'd feel comfortable living on during retirement. They also discussed Lisa's goals during retirement, because she mentioned that she didn't just want to live comfortably— she also wanted to leave a legacy for her children.

Step 3:

Next Lisa's advisor helped her determine how long her money would last and if there would be any left over for her goal of leaving a legacy. They did this by taking how much money Lisa thought she would need to live each year of her retirement, and factoring in her other sources of income during retirement (such as her company pension, CPP and OAS payments). Using her advisor's software, they were able to play with the numbers until they came up with a plan to meet all her retirement goals.

Step 4:

Finally, Lisa and her advisor set up [ongoing bi-weekly contributions](#) that corresponded with Lisa's pay cheques to make it easy for her to save. They also agreed to meet annually to review Lisa's plan [based on any life changes](#).

Step 5:

To wrap it all up, Lisa rocked out! She left her advisor's appointment feeling confident in her investment planning (and happily humming Fleetwood Mac's "Go Your Own Way") and her future.

Going Your Own Way

After leaving her meeting with her wealth advisor, Lisa called me to say thank you. She noted how happy she was that she decided to sit down, crunch her numbers, and inform herself properly to create a solid plan. While her life may have felt like it had been turned upside down, she could now see a way through with stability for her future. Even better, she knew that she could afford to escape on a weekend spa getaway with her friend to celebrate her freedom. Like many [women who take charge of their investment](#) destiny, Lisa was enjoying the confidence that came from understanding how to spend her money today without compromising on her investments or her future. [Reach out to a wealth advisor at PenFinancial](#) today to learn about your options and take charge of your future!