



Key financial topics for women

Questions women need to ask



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Women and men are vastly different in many areas of life and especially when it comes to matters of money. A large number of women feel extreme stress when making a financial decision; and who's at their best when feeling intense pressure?

The Institute for Health and Human Potential recently released a very interesting white paper called *Women Under Pressure*¹. In it, the authors examine some of the differences between women's and men's brains and how this difference can affect her ability to deal with pressure of various types. The paper states that "women's brains have nearly ten times more white matter than men's and the structure connecting the left and right lobes (the corpus callosum) is 10% thicker, on average, in female brains. The benefit of these differences is that under pressure women tend to weigh more variables, consider more options, see more content, connect more brain areas and visualize a wider array of solutions and outcomes to a problem. Men, on the other hand, when under pressure, have a greater tendency to develop tunnel vision, the tendency to focus exclusively on a single or limited goal or point of view while ignoring everything around them".

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Financial Planning Standards Council

Where this becomes a challenge in a woman's financial life is that while she may be better able to take a holistic view of her objectives, she can also become overwhelmed and suffer from the inability to shut off her financial worries. No wonder a recent study² by the Financial Planning Standards Council revealed that 51% of women vs 40% of men are more likely to stay awake worrying about their financial life.

There's good reason to believe women are bearing the greater share of health burdens too because so many have taken the lead in managing household finances.

Although women have always controlled aspects of family finances, they are forefront more than ever before. Women are also earning more, holding an increasing share of jobs and living longer. This relatively “new” reality brings to light some fundamental differences in the approaches men and women take to financial adversity.

Women and men are simply different, from their brains to their emotions to why and how they relate. For women, financial planning is inclusive, focused on building and maintaining the family, community and even beyond, well into the future. Men, meanwhile, tend to focus less on relationships and more on shorter-term transactions.

In the face of considerable stress, men release higher doses of adrenaline, activating a “fight or flight” response, while women produce higher levels of oxytocin, activating a “tend and befriend” response – that’s the new stress paradigm for women other than the old “fight, flight or freeze” options. The model won’t replace fight-or-flight but rather, adds another dimension to the stress-response arsenal, reveals University of California, Los Angeles, psychologist Shelley Taylor, PhD, who, along with five colleagues, developed the model³.

In particular, they propose that:

...females respond to stressful situations by protecting themselves and their young through nurturing behaviors--the “tend” part of the model--and forming alliances with a larger social group, particularly among women--the “befriend” part of the model. Males, in contrast, show less of a tendency toward tending and befriending, sticking more to the fight-or-flight response, they suggest.

The *Women Under Pressure*¹ white paper summarizes three key strategies that will help women take a more intentional, less haphazard approach to pressure:

1. Leverage their brain based strengths of decision making under pressure. (To learn more, read a book called *The Brain That Changes Itself*⁴.)
2. See pressure as an opportunity rather than a crisis or threat.
3. And lastly, build confidence. Success breeds success.



Three questions that provide a strong starting place for taking control of your financial life are:

1. **What are my goals now and in the future?** This may take some time, and if you’re married, try this exercise out with pen and paper on your own and then get the feedback of your spouse. Are you both on the same page or do you have widely varying long and short term desires? Do you intend on transitioning from your current career to opening your own business? Perhaps you’d also like to take a sabbatical or finish your PhD?
2. **Examine all of those dreams and divide a sheet of paper into needs and wants.** Then figure out what are your top three and assign completion dates to each. At this stage, if you’re in a relationship, take time to examine your list and that of your spouses’. Are there conflicts? Where are you on the same page? Do your time horizons align?
3. **How are you going to get there?** The first two might take some time, so don’t rush them – you may need to revisit this exercise a few times over a month or two. And if you get stuck, the third strategy is to get some help on your side. A financial professional can help you crunch the numbers and set a path to get you where you want to go and within the time you’ve determined is ideal.

Sources:

¹ Women Under Pressure: The Science of Doing Your Best When It Matters Most – Institute For Health And Human Potential - <http://www.ihhp.com/women-under-pressure>

² Canadians Cite Money Worries as Greatest Source of Stress – Financial Planning Standards Council - <http://www.fpsc.ca/alerts-updates/2014/11/13/canadians-cite-money-worries-as-greatest-source-of-stress>

³ A New Stress Paradigm for Women – Science and Innovation - <https://medium.com/science-and-innovation/a-new-stress-paradigm-for-women-39617dce1e08>

⁴ The Brain That Changes Itself by Norman Doidge, 2007

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