

Girl Talk 101

The Motley Fool

By Dayana Yochim

Forget investing clubs, ladies. Who wants to spend a perfectly good evening with friends doing math? I have a better idea. Let's get together and gossip ... about money!

Our girlfriends listen with empathy. We nod and ply one another with tissues over tea. We admit to each other what we really spent on hair care products. We talk back and forth about serious stuff and come to a consensus. We keep each other from buying unflattering jeans. We commiserate about [our Target shopping tab](#). In short, we *relate*.

Still, ladies, there's room for improvement.

Shrinking violet syndrome

The Employee Benefits Research Institute found that full-time, full-year working women take advantage of work retirement plans more than the guys around the water cooler (58.2% v. 55.4%).

Still, that doesn't mean we're socking away enough. Our retirement accounts are worth less than half as much as the guy in the next cubicle. Participation in the workforce is one reason why. On average, women spend about 12 years out of the office raising kids, compared to 16 months of time off taken by men. Salary disparity also plays a role in our smaller stashes. When it's time to start collecting our due from Uncle Sam, the average Social Security stipend for us gals is just \$826, compared to \$1,077 for the guys.

Additionally, fewer than half of wage-earning women in the U.S. contribute to a retirement plan. And those who do tend to invest more conservatively than their male counterparts.

That's one mistake we can't afford to make: Statistics show that between 80% and 90% of all women will at some point in their lives be the sole financial decision maker for their households. Pussy-footing around investing is not going to make for a flush future.

Don't be a shrinking violet when it comes to picking investments. Think stocks, not CDs, for your retirement funds.

And consider this: In financial matters, when we put our minds to it, we kick some serious butt.

Boy blunders

In matters of investing and dealing with the in-laws, women display an encouraging amount of pragmatism.



A study by professors at the University of California at Davis business school found that women are more persistent and consistent and less compulsive than men when managing their portfolios. Guys trade in and out of stocks 45% more often than women, and single guys even more so — they trade 67% more frequently than single women.

Frequent trading has been shown to be detrimental to investment returns. Our innate patience pays off in our returns — on average, our portfolios better those of the hairier sex by 1% to 1.4%.

Oh, and guys? You might want to listen to your honey for some scintillating investment ideas. As [one of my colleagues learned](#), his wife's trip to the mall can reap a lot more than markdown duds. Another would have never uncovered H&M (**Hennes & Mauritz**, Pink Sheets: HMRZF), **RedEnvelope** (NASDAQ:REDE) or **Overstock.com** (NASDAQ:OSTK) without his stock-picking sidekick spouse.

In other ways, women are holding more of the cards. One in four women in dual-earner couples now earns more than her husband. According to a study by the Spectrem Group, a woman is the head of household and/or primary investment decision-maker in 2.3 million households that have total assets exceeding \$500,000.

And when we make money mistakes — like racking up credit card debt — the dent is less crushing on dollar-for-dollar terms than the hairier sex's spending collision. Men age 30 to 44 carry an average of \$16,400 in debt, compared with \$14,575 for their female counterparts.

Besides paying off debt, we have plenty of other financial responsibilities. In households where money is pooled, 3 out of 5 women are solely responsible for balancing the checkbook, and 56% pay the bills.

Dealing with the everyday

So how will a gab-fest with our female friends put us on better financial footing?

Shopping for a high-yield checking account or rebalancing the IRA or calculating the costs of college for the twins is easy to push to page two (or five) of the “to do” list. These tasks are much more daunting than the day-to-day requirements of getting through life. After work deadlines are met, the dog is walked, bedtimes are enforced, and mothers' phone calls are returned, it's time to call it a day.

So how do we find time to ruminate on the bigger money challenges? By scheduling it. And making it a little more fun. Who better to bounce ideas off of than each other?

Heck, treat it like a financial book club. For some conversation-starters and a whole bunch of answers to everyday money questions (like “What's the best high-yield savings account?” “How do I figure out if my portfolio is balanced?” “How should I deal with the housing bubble?”), take [a free 30-day trial](#) of our new *GreenLight* service.



So let's use our girl power and help each other:

What a great excuse to get together once a month. We'll gossip about what's going on at the office. We'll show off our cute new shoes (that we found at a hidden resale shop — our secret!). And then one by one we'll take turns — each of us in our close-knit circle — and talk about our money progress since the last time we met.

To cap off the evening we'll burn our mail-order catalogs in the fireplace. (Except for the ones that are having really great clearance sales.)

So whaddya say, ladies? Does having your gal pals over for cocktails and a heart-to-heart chat about cash sound like a good idea?

More money stuff for she-Fools...

[Money for Women](#)

[Is Buffett a Woman?](#)

[Girls Can't Afford to Have Fun](#)

[Women on Board? Not So Many.](#)

[How to start an investment club](#)

[WIFE.org's starting a Money Club](#)

[Women's Institute for a Secure Retirement](#)

[Women's Institute for Financial Education](#)

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Dayana Yochim regularly meets for money chats (and thrift-store shopping) with her pals. She is the co-advisor for [GreenLight](#), and a green belt with a glue gun. She owns none of the companies mentioned in this article.

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