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# RISE IN FEMALES IN HIGHER EDUCATION HIGHLIGHTS NEED FOR PROPER FINANCIAL PLANNING FOR DEPENDANTS

Latest statistics from the United Nations Development Program (UNDP) Report, which maps gender equality progress in South Africa, show that women outnumber men in higher education with females making up 55.2% of postgraduate enrolments. While this increase is positive, it is important that these women are protecting themselves and dependants through sound financial planning.

This is according to Motshabi Nomvethé, Product Specialist at PPS, who points to PPS data which shows that 39% of PPS' members are female professionals. "While significant strides are being made by women in the workplace, there is a disconnect between providing for their families at present and having proper insurance in place to continue providing for them when they can no longer do so themselves."

Nomvethé believes that it is time that more women protect themselves financially through life and disability insurance and provides the below reasons why insurance should be a very important consideration in any woman's financial plan:

## **1. Women's financial responsibility is growing**

Women are generally the primary caregivers of a family and are increasingly becoming the breadwinners too. While the non-financial contributions that women make in the home are often not fully quantified, these need to be catered for when creating a financial plan and a proper life insurance policy will provide a safety net for this provision. A good example of this would be the cost to pay for a nanny or au-pair to tend to the kids in the event that the mother is no longer there to perform this activity.

## **2. Being single**

All women will find themselves single at some point in their lifetime - whether through never being married, divorce or widowhood. It is a fact that generally women will outlive men, so it is critical that they learn about financial matters to ensure they are in control of their finances as they will have to manage their own money.

## **3. Yours, mine, ours**

Statistics from the Justice Department of South Africa show a 28% increase in divorces for the years 2012/2013. With this high rate of divorce, blended families are becoming more common. It is vital



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for women to have enough cover for themselves, their children, their new partner's children (e.g. what happens if your partner loses everything, dies or is disabled) and any other dependants arising from a new relationship. Relying on their partner's financial plan alone could lead women into trouble as the assets might have to be shared with an ex-spouse or children from a previous relationship.

#### **4. On average, women with a retirement plan save 5% of their salary, versus 15% saved by men**

Women generally live longer than men and therefore their pension funds need to last longer, yet very few women have sufficient retirement savings. It is imperative that women recognise the importance of saving an adequate amount to ensure a comfortable retirement to maintain their lifestyle while in retirement. Women simply have to incorporate this into their budget and stick to it.

#### **5. The importance of a will**

Most women have sentimental items and therefore it is vital to include these items in their will. The only way of having control over how their assets will be distributed, is to state it in a will. Women should always be sure that their will is updated regularly and particularly when they acquire an asset that they want to bequest to loved-ones.