Executive Summary
Cash Flow Is Queen: Women and Financial Literacy
Chapter 5
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Overview

Women are set to control nearly **half of Canada's financial wealth by 2026**, yet many lack confidence and knowledge in financial matters. This chapter emphasizes the urgent need for women to become financially literate and actively involved in financial decision-making to secure their future.

Key Insights

- **Confidence Gap:** Only **31% of women** feel financially knowledgeable compared to 43% of men.
- **Knowledge Deficit:** Women score lower on core financial concepts like diversification and compound interest.
- **High Stakes: 90% of women** will eventually be sole financial decision-makers.

Consequences of Low Financial Literacy

- **Conservative Investing:** Women often choose "safe" investments, limiting growth potential.
- **Poor Tax Strategies:** Misuse of accounts (e.g., not leveraging TFSAs) leads to lost income.
- **Inflation Risk:** Excess cash holdings erode value over time.
- **Retirement Shortfall:** Women contribute only 56% of what men contribute to RRSPs.

Life Events with Major Impact

- **Widowhood:** Average income drops **40%** after a partner's death
- **Divorce:** Requires a **30% income increase** to maintain lifestyle
- **Interrupted Careers:** Caregiving reduces earnings and retirement benefits.

Action Plan for Women

1. **Educate Yourself:** Learn financial basics before life-altering events.
2. **Engage with Advisors:** Schedule one-on-one meetings to review budgets, cash flow, and investments.
3. **Create a Financial Plan:** Include tax strategies, inflation hedging, and retirement goals.
4. **Discuss Values:** Align plans with lifestyle goals and philanthropic interests.

Core Message

Financial literacy is essential—not optional. Women must take proactive steps to close the knowledge gap, plan for life events, and secure their financial independence.
"A goal without a plan is just a wish." – Antoine de Saint-Exupéry

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