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MARKET MATTERS: Mother's Day, a perfect time for financial independence



Joseph Matthews

It's Mother's Day, and all over the country we are reminded of the role mothers play in our lives — from teaching us to tie our shoes, to instilling a sense of right from wrong and helping us to understand some of life's most important lessons.

So what can we do for the women who have helped to mold us into the individuals we are today?

How about helping Mom gain a bit of increased financial independence?

Women tend to outlive men by several years and, on average, have a lower lifetime income resulting from a variety of factors, including years in the workforce and salary. With more time spent in retirement, and responsibilities and priorities that exist outside of their career, women often must consider unique needs when planning their retirement. Now might be a good time to sit down with Mom (and maybe Dad, too) to help them sort through their financial needs in retirement.

For specific investment options, for starters, let's take a look at the stock market. After a long uphill climb, the market of late has been full of jitters and accompanying ups and downs. But that could be a good thing — market movements can produce opportunities for investors with a close eye on the market.

And we don't have to limit our pick to one stock to give Mom an opportunity for the potential to see steady gains. There are broader issues and industries that may serve our purposes very nicely. Take, for instance, water.

If you've been following the news, you know that there is an overabundance of water in some places and drought in others. The issue is not how much water is in one place, it is how much drinkable water is available. There are some places — and I'm not talking about deserts or other arid areas — where there simply is not enough for everyone.

Enter water-related securities. Even just a few years ago, few people were excited about investing in water.

But lately, perhaps after the country had a good look at the years-long drought in California, or the water supply problems in Flint, Michigan, and elsewhere, water-related securities may be looking a lot better.

So that could be a good place to start. But bear in mind that every investment requires research and a solid understanding of the factors that drive the market. It is imperative to know what to look for and what to watch out for to get the best opportunities for sustained growth.

If water isn't a good fit for Mom, there are other industries to consider. And there are still plenty of opportunities to buy stock in solid, growing companies with a long history of increasing dividends. Or perhaps real estate is more Mom's style.

It is no revelation that the housing market is still in a state of recovery a half-decade after the worst of the crash, but the key word here is recovery. The market may be going up and analysts believe it is just going to get better.

As another option, ask yourself if Mom has a particular interest in the environment or another major issue. Investors are becoming increasingly interested in using their portfolios as a vehicle to create positive change. Sustainable and socially responsible investing may offer Mom the opportunity to align her strategies, themes and long-term financial goals while supporting positive causes.

Keep in mind, of course, that historic results are no guarantee of future returns.

Those are only a few of the myriad ways you can honor your mother by helping her establish a solid financial foundation for the years ahead. A well-thought-out investment that will provide long-term growth and be there in the decades ahead is truly the gift that keeps on giving, and it will last a lot longer than flowers or candy.

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