

## Proper Financial Planning: Critical for Women

A key goal of investing for retirement is making sure you save enough to make your money last throughout your lifetime. On this score, women may need to save more than men. The current life expectancy of a female at birth is almost 81 years, compared with 75 years for a male.<sup>1</sup> Although six years may not appear significant, many people in this age group incur expenses for health care and other items while living off of Social Security and personal assets.

Keep in mind that life expectancy statistics are averages and many people live much longer. It is not unusual for an individual's retirement to last 20 or 30 years or more. There is also the issue of the length of a person's career and how much time an individual has to build retirement assets. Many women take time off for care giving responsibilities, and during these years they may not add to their retirement portfolio.

In addition, time off from work may affect Social Security benefits because those who are not working do not earn credits that are used to determine retirement benefits. Also, parents, children, and other loved ones often have financial needs, and both women and men may provide help for family members, which may divert funds from retirement savings.

### Estimating How Much You'll Need

Of course, every woman's life is unique and many women capitalize on the benefits available to them, including participating in an employer-sponsored retirement plan or funding an IRA, to build the assets needed for their later years. It's important not to underestimate how much you may need or the importance of ongoing contributions to retirement accounts to build assets over time. Although there are no guarantees, the longer you stay invested, the more likely that your contributions may benefit from compounding, when investment gains are reinvested and potentially earn even more over time.

Your financial advisor can help you calculate how much you are likely to need for your later years. Be sure to consider how you will pay for health care expenses not covered by Medicare or other medical insurance. When considering sources of retirement income, log on to [www.ssa.gov](http://www.ssa.gov) or review your annual statement to estimate your retirement benefit from Social Security. If you find that your retirement assets are coming up short, delaying retirement or saving more while you continue to work may be helpful strategies.

<sup>1</sup>Source: Center for Disease Control, National Center for Health Statistics.

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