

FINANCE

Don't Delay: Plan Now for Retirement

by C.D. Moriarty

Self-reliance. Education. Equality. Independence. As women, we have fought for rights over the years. From gaining the vote in 1920 to the 1974 Equal Credit Opportunity act, large strides have been made in women's rights. Women have progressed socially, occupationally, and politically.

But though proactive medically and politically, women, as a group, continue to suffer financially, and in retirement planning we are falling behind. Current women retirees have, on average, 25 to 34 percent less income than men in retirement.

Women as individuals need to make the leap into long-term planning. Today's woman, no matter what her age, needs to focus some time and energy on retirement. According to studies, women already worry about retirement more than men. What we need to do is redirect our attention from worry to action.

Any good retirement plan starts with what you want, rather than conversations about "I will never be able to retire!" What are your goals? If you truly want to retire, when? Where do you want to live? What dollar amount per year will you need to retire comfortably? Writing the answers to these questions is the first step toward accomplishing a retirement plan.

Investing for the Future

The good news is women are better savers. According to Fidelity company data on investors, women save more than men. However, we have trouble

being proactive with those savings, such as investing it. Let's face it, our mothers didn't teach us about investing. The household budget and shopping were the conversations if there were any about money, and it hasn't helped that the financial industry has been dominated by men for years.

Most women I know will thoroughly research doctors, daycare centers, school systems, and clothing sales. Investment research? They find it boring or they don't know where to start.

An initial simple step you can take is finding out if your company has a retirement plan and reviewing your investment options within the company.

What if your profession or company does not offer retirement benefits? Here's a radical suggestion: consider a new job with the long-term in mind. For example, women in education earn less than other college-educated women during their careers but have the highest retirement income. Why? Many teachers have defined pensions; they continue to receive monthly payments in retirement. They have traded-off a lower immediate income for long-term security. Other fields besides teaching and some companies also contribute generously to profit sharing or other retirement plans. Start to explore what opportunities are out there for you.

If you don't want to or can't leave your job or you are self-employed, consider opening an Individual Retirement Account (IRA).

Planning with—and without—Your Partner

Whatever you do, talk to your partner. If you are planning retirement together, every financial decision either one of you makes will affect your long-term financial security. Setting

goals and planning for a retirement together can make it more of a reality. Knowing where you are heading is part of the way to getting there.

Those navigating a divorce need to think about retirement. Understandably, many women just want to move on and get out of the relationship. But these women need to negotiate retirement benefits as well as child custody, immediate cash, and other issues. Partners are entitled to share in each other's retirement accumulated during a marriage. An experienced lawyer can explain the state law on this subject.

Gathering Information

Use your hard-earned confidence in other areas to overcome any intimidation you have about this subject. Remove "math anxiety" from your vocabulary and your own self-imposed barriers. There are a host of software programs that do the numbers for you. Calculations can be done on money management programs from Quicken to Money Dance.

So really, all you have to do is stop worrying and put that time and intention into improving your knowledge. Start with the US Department of La-

bor's website: www.dol.gov/ebsa/publications/women.html. Another excellent online resource is Women's Institute for a Secure Retirement (WISER) at www.wiserwomen.org.

Not a fan of online? Go to the library and check out resources from books to magazines to free seminars. Consider consulting experts who will help you make sense of your information. Their job is to match your goals to your resources.

As you learn and strive toward your future, live within your means today. Learning to do this now will help you save more money for your future and also provide a basis for good financial habits during retirement. Retiring without debt will make your income go that much further. Once you spend some time with your financial information and goals, you will have a better understanding and know what else you need.

Planning for retirement can be stressful for everyone—men and women. Conversations help us process and make decisions. Talk to friends and professionals—anyone you can learn from on this topic. Just remember to take your own counsel. You are part of the independent, educated, and self-reliant women who have gained much in the past century. You can create a plan to sustain you in your retirement years—perhaps even to your 100th birthday!

C.D. Moriarty writes from Bristol and is a financial speaker and coach dedicated to empowering others around their money. Her financial advice and information are at www.MoneyPeace.com. □

