

**Financial Confidence a Chief Concern for Women**

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Women seem to be of two minds when it comes to their relationship with money and investing. On the one hand, two-thirds of women polled recently consider themselves to be the "CFOs" of their households -- strong, even dominant, managers of family finances.<sup>1</sup> Yet another study found that women are significantly less confident about making their own investment decisions than men.<sup>2</sup>

Whatever the reasons, there are real, tangible reasons why gender plays a critical role in an individual's long-term financial well-being.

**The Gender Gap -- A Reality Check**

Here are the facts. Generally speaking, women earn less than men, live longer than men, and often take time out of the workforce to have children or to care for aging parents. As a result, women are often playing "catch up" when it comes to saving for important life goals, such as funding their own retirement.

	Men	Women
Life expectancy at age 65	17.2	19.9
Average wage differential	\$1.00	\$0.77
Receive pension benefits	43.2%	29.4%
Average annual pension payout	\$19,557	\$12,127

Sources: CDC, National Center for Health Statistics, National Vital Statistics Report, August 2009 (based on 2006 and 2007 data); Institute for Women's Policy Research, September 2010; Employee Benefit Research Institute, "Retirement Annuity and Employment-Based Pension Income, Among Individuals Age 50 and Over: 2008" (most recent data available).

## Beating the Odds

Despite these challenges, all women -- whether single, married, or divorced -- should make planning for retirement a lifelong endeavor. No matter what your age or situation, it's important to start planning for your future now. Here's how to get started.

- **Have a clear picture of your current finances.** Create a net worth statement that defines your assets minus your liabilities. In order to determine if your net worth is appropriate for your age, income, and personal circumstances, you'll need to analyze your spending and saving habits and create a workable monthly budget.
- **Save as much as you can.** For working women, employer-sponsored retirement plans, such as a 401(k) or 403(b), are probably the most important saving and investing tool they will ever use. In 2011, most individuals enrolled in such a plan can put away up to \$16,500, plus an extra \$5,500 in "catch up" contributions for those aged 50 or older. Traditional and Roth IRAs offer another way to save for retirement, even if you're married and don't work outside of your home.
- **Be realistic about how much it will cost to live.** The costs of health care, housing, and many other basics are rising faster than the overall cost of living. Be sure to factor that reality into your overall financial plan.

<sup>1</sup>Source: Women & Co., March 2011.

<sup>2</sup>Source: MassMutual Retirement Services, March 2011.

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