

# Women Must Plan (Extra) Carefully for Retirement

If you're a woman, you have to be actively involved in your financial preparations for retirement — and that's true whether you're single or married. As a woman, you have at least two special considerations associated with your retirement planning:

- *You've got a longer life expectancy.* Women typically outlive men by about seven years, according to the National Center for Health Statistics — and more years of life mean more expenses.

- *You may have less money in your retirement plan.* Women drop out of the work force for an average of 12 years to care for young children or aging parents, according to the Older Women's League, a research and advocacy group. This time away from the workforce results in women accumulating much less money in their employer-sponsored retirement plans, such as 401(k)s.

The prospect of a long, underfunded retirement is not a pleasant one. Fortunately, there's much you can do to avoid this fate. For starters, know what's going on in your financial situation. If you are married, share the responsibility of making investment decisions. What are your retirement goals? Are the two of you investing enough to eventually achieve these goals? And where is the money going? If you are working with a financial advisor, make sure you ask all the questions you can think of — and whenever you think of new questions, ask them as well.

You'll also need to know what you can expect to receive if your husband dies

before you. As a surviving spouse, you will likely inherit all your husband's assets, unless he has specifically named other people — such as grown children from an earlier marriage — as beneficiaries. Nonetheless, you can't just assume that all sources of income that your husband receives will automatically roll over to you. For example, if your husband were to die before you, you wouldn't get his Social Security payments in addition to your own, although you could choose to collect his payments *instead* of yours. But if you both earned similar incomes, you might not get much of an increase in Social Security benefits.

In any case, whether you're married or single, here are some moves that can benefit you:

- *"Max out" on your 401(k).* If you can afford it, invest the maximum amount into your 401(k) and increase your contributions every time your salary goes up. Your 401(k) provides you with tax-deferred earnings and a variety of investment options.

- *Contribute to an IRA.* Even if you have a 401(k) or other employer-sponsored retirement plan, you might be eligible to contribute to a traditional or Roth IRA. A traditional IRA offers tax-deferred earnings, while a Roth IRA grows tax free, provided you don't take withdrawals until you're at least 59½ and you've had your account at least five years. You can fund an IRA with virtually any investment you choose.

Do whatever it takes to help ensure a comfortable retirement — and the sooner you start planning, the better.