

Women Retirees May Need to Adjust Financial Course

We all hope to retire comfortably. But once we reach retirement, we may need to adjust our expectations and behaviors somewhat in response to financial issues — and that's especially true for women. So, if you're a woman, what can you do to live a financially secure life when you retire?

To begin with, it's useful to be aware of the scope of the challenge. Consider this: 50% of women have had to adopt a more frugal lifestyle in retirement, compared to 34% of men, according to a recent survey by Age Wave and Edward Jones.

There's certainly nothing wrong with frugality — you could spend two or three decades in retirement, so you'll need to make your financial resources last. But, at the same time, you do want to enjoy your retirement years and take advantage of the opportunity to do things you may not have experienced when you were working full time.

To help fulfill this desire, you can take several steps, depending on your age and your stage of life.

If you're still working ...

- *Contribute as much as possible to your retirement plans.* Try to put in as much as you can afford to your 401(k) or similar employer-sponsored retirement plan. And every time your salary goes up, you may want to boost your annual contributions. You might also be eligible to contribute to a traditional or Roth IRA.

- *Consider extending your employment.* Even if you had planned to retire at a certain age, give yourself the flexibility to keep working longer, especially if you enjoy your job. The longer you work, the more you'll be able to contribute to your retirement plans — and the added years of employment may also allow you to delay taking Social Security, which can result in larger benefits. Even if you don't want to continue full-time work, you might be able to go part time or do some consulting.

If you're already retired ...

- *Reduce your expenses.* You may be able to find several ways of cutting your expenses, such as finding less expensive mobile phone and internet plans, but one potentially large source of savings could come from reducing your living space. In fact, 43% of women retirees and 64% of women pre-retirees would be willing to downsize their homes, according to the Age Wave and Edward Jones survey. Of course, other, non-financial factors — proximity to your family members, enjoyment of your current neighborhood, and so on — will also come into play when deciding whether to downsize.

- *Manage your investments carefully.*

Once you're retired, you will likely need to depend on your investment portfolio to provide a significant part of your income. Consequently, you'll want your investments to provide you with at least enough growth potential to keep you ahead of inflation. And you'll also want to avoid withdrawing too much from your portfolio during your early retirement years, a move that could increase the risk of your outliving your money. A financial professional can help you with these and other issues relating to your investments.

For a variety of reasons, such as taking time away from the workforce to care for children or elderly parents, the retirement experience can be more challenging for women than for men. But by adjusting your financial course as needed, you can help make your retirement journey less stressful — and more enjoyable.

This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.

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