



Six Critical Reasons Women Must Plan Differently for Retirement than Men.





Six Critical Reasons Women Must Plan Differently for Retirement than Men.

1. Women typically have longer lifespans

The average life expectancy for women is 6-7 years longer than their male counterparts. Because women live longer, naturally they will need their financial resources to last longer and be more reliable. Married women who outlive their spouse will experience on average a 30%-40% reduction in household income.

2. Women are usually the primary family caregiver

Women are the family nurturer for the children, stay at home moms, and later becomes the designated one to leave work early to care for an elderly parent. As caregiver you often-making financial sacrifices, dipping into your retirement savings or being forced to leave the workforce early to become a full-time caregiver.

3. Women continue to fall prey to lower wages

Although the wage gap is closing, traditionally and still commonly women make less than their male counterpart. In many cases women tend to hold lower paying jobs or positions. Due to competing priorities, women may move up the corporate ladder at a slower pace. 2017 data shows female full-time year-round workers made only 80.5 cents for every dollar earned by men, a 20% wage gap. These gaps will account for lower social security, pensions and 401k contributions.

4. Women will pay more in healthcare cost in retirement

Rising health care cost, long-term medical care & expenses associated with aging is a critical component of any solid retirement plan. Women especially should expect to pay more in health costs in retirement. According to Fidelity women should expect to pay 147,000 in health care cost (not including a possible long-term care event). One major medical event or an extended long-term care situation could potentially wipe out an otherwise sound financial plan.

5. Women are typically more conservative investors

Understanding the difference of investing during the accumulation phase and asset allocation during the accumulation phase vs the distribution phase can make a huge impact on your ability to sustain retirement income. Women tend to play it safe, which is normally find especially while in the “RedZone” which is within 10 years of your target retirement date. Sequence of returns and income allocation are also concepts that women will need to master while navigating the retirement journey.

6. Women held been underserved in the financial service industry

Allianz Money Women and Power Study reveals that despite their growing economic power and influence women continue to be poorly served by the financial industry. Women are hungry for knowledge about retirement planning but want a different way of learning; with greater importance placed on interpersonal skills and feeling cared about. They prefer a more social way of learning, non-intimidating environment. The industry has underserved women and as result; 62% of the women surveyed still don't have a financial professional and seek the internet as a primary resource over a financial professional.