

WOMEN & RETIREMENT PERCEPTIONS

Will the reality of retirement live up to expectations?

In January 2011, Merrill Lynch released the results of a survey asking baby boomers with \$250,000+ in investable assets about their retirement hopes. There were some interesting across-the-board findings - 70% of those polled expected to work at least part-time, and 84% felt their retirements would be more comfortable and dynamic than those of their parents. Yet it was the collective response of women in the 1,000-investor study that drew the most attention.^{1,2}

Women envision a very active retirement. Volunteering and travel registered as major priorities for women, more so than for men: 64% of women said they wanted to get more involved in their communities, 62% planned to devote more time to philanthropy, and 86% planned to travel when retired. Additionally, 14% of the women surveyed said that they wanted to start a business after their careers ended.²

Women are more concerned than men about running out of money. While 52% of male respondents were unsure that their retirement assets would last a lifetime, 63% of women polled were worried about outliving their money. Additionally, 70% of the women surveyed said they worried about rising healthcare costs.²

Will reality prove disappointing? Too many women approach retirement unprepared, with too little saved or invested. You can cite two major reasons for that.

- 1. The multiyear absence of some women from the workplace (which can coincide with peak earning years, lessening the rate of retirement plan contributions)*
- 2. A notable earnings gap (full-time working women earn 78 cents for every dollar men earn, which may reflect everything from gender inequality in career paths to wage discrimination).³*

Another factor may be conservative investing. While you can take on too much risk in your portfolio and pay the price, there may also be a cost for assuming too little risk - your portfolio may not be able to produce returns that keep up with inflation. The federal Consumer Price Index from June 2011 shows annualized inflation at 3.6%.⁴

How are you investing and saving to pursue your retirement dream? Is there a strategy in place with realistic objectives? A chat with a financial professional may lead to the discovery of creative new ways to pursue your retirement ambitions.

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Citations.

- 1 - reuters.com/article/2011/01/31/us-retirement-study-idUSTRE70U3E820110131 [1/31/11]*
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