

# PLANNING FOR YOUR RETIREMENT

## Six Retirement Tips Every Woman Should Know

(NAPSA)—A recent national survey of employed adults commissioned by the Transamerica Center for Retirement Studies revealed that many women are not as prepared as they should be for retirement. Women are lagging in total savings, averaging nearly \$51,000 less than men. They are also underestimating how much they need to save for a comfortable retirement, with estimates nearly \$300,000 less than those given by men. The survey, however, found promising opportunities for women that might be easily overlooked but can significantly improve their chances for a more secure retirement.

**1. Start Saving Now.** According to the survey, 23 percent of employed women responded that they don't participate in their employer-sponsored retirement plan. If you are not participating in your company's retirement plan, you may be missing out on "free money" in the form of matching contributions from your employer. If you don't have access to a retirement plan, consider opening an IRA.

**2. Estimate What You'll Need.** Women face a number of challenges in preparing for retirement, as they are more likely than men to take time off from their careers or work part-time. They often earn less, and statistically, they live longer. That's why it's so important to estimate your needs as accurately as possible. Seek help from an advisor or use an online calculator to estimate what you'll need. If you participate in a company-sponsored retirement plan, your employer likely provides tools and worksheets through your company's 401(k) provider.

**3. Get the Facts.** Eighty percent of employed women surveyed said they don't know as much about retirement investing as they should. Learn the basics of retirement planning including your risk tolerance, years to retirement, and asset allocation strategies that are most appropriate for your anticipated needs. Most retirement plan providers offer a wide array of



**Research shows women are not saving nearly enough for their retirement.**

resources, ranging from printed materials and Web-based tools to in-person seminars. You can also consult a financial advisor for more information.

**4. Increase Contributions.** Even a one or two percent increase in contributions to your retirement plan can substantially grow the size of your nest egg over time. Remember that 401(k) contributions are pre-tax dollars, so the pinch you feel in your take home pay will be less than the amount you've actually saved.

**5. Check Your Progress.** The median amount of time women reported spending per year on monitoring and managing their retirement accounts was only five hours. Set aside time on a regular basis to review your account, rebalance investments, and gauge the progress towards your savings goal.

**6. Catch-up.** For individuals age 50 and older, you are eligible to make catch-up contributions to a 401(k) plan. For 2005, you can set aside up to \$4,000 as an extra catch-up contribution in addition to standard contribution limits.

"Although saving and planning for retirement may seem daunting, it can be quite empowering," said Catherine Collinson, retirement and market trends expert for the Transamerica Center for Retirement Studies. "Women have the ability to positively influence their own financial destiny. Timely actions taken today will ultimately enable women to achieve a more comfortable and secure retirement in the future." For more information, visit [www.ta-retirement.com/thecenter/](http://www.ta-retirement.com/thecenter/).

Harris Interactive® conducted the telephone survey between August 31 and October 6, 2004 among 601 U.S. business employers who have a role in decisions regarding employee benefits and 1,201 U.S. full-time business employees ages 18 and over. Employer data were weighted based on employee size distributions reported by Dun & Bradstreet within the 10-499 and 500+ employee ranges. The employee data were weighted by gender, age, education, ethnicity, region, household size and number of telephone lines in the household. Results from the employee sample were weighted to reflect the distributions of employees in U.S. firms of the target sizes. Sampling error for the employer results is  $\pm 3.4$  percentage points and for the employee sample results is  $\pm 2.4$  percentage points. Sampling error for sub-sample results of employed men (654) and women (547) is plus or minus 4 percentage points.