

Retirement Planning for Women



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RETIREMENT PLANNING

Navigating the world of personal finance and investing can feel overwhelming to most people—and gender may further affect your financial experiences and situation. Here's some of the unique considerations women often face, and how you can take control by planning for your financial future.



A seismic shift is underway in the United States: Women are gaining more economic power. They start more businesses than their male counterparts.¹ They earn as much or more than their husbands in 45% of heterosexual marriages. And among solo households, they own more homes.²

Compared to men, women are:

- More disciplined at long-term goals: 55% would choose to hold their investments during an economic downturn, compared to just 40% of men.³
- Considerably more risk-aware and focused as much on asset protection as asset growth.³

Yet only about 19% of women feel “very confident” that they will be able to retire with a comfortable lifestyle.⁴

It's an understandable concern. Retirement today is less about the end of something. Instead, it is about the beginning of a new chapter in your life—a chapter that could very well last as long (or longer) than your working years. It's a chance to make new choices and pursue new passions.

You may want to travel the world. Perhaps you have a hobby that you've always dreamed of turning into a second career.

Or there might be one or two social causes you're keen to devote more of your time and energy to. Whatever it is you want to achieve, it starts with a plan—but for women, the retirement planning challenges are both somewhat different and often more complex.

The Longevity Challenge

Longer, healthier, and more active lives require more savings to fund additional years of retirement income. And since women are expected to live nearly six years longer than men,⁵ your need for extra savings will be even greater.

Rather than thinking of retirement as a single chapter, it's helpful to instead plan for three very distinct chapters:

- **The Early Years:** The first decade of retirement is a time to pursue all the activities you always planned on doing (e.g., traveling, taking classes, volunteering, starting a business). You'll want to start thinking now about savings goals to support your current lifestyle in retirement. It's a good idea to plan for your expenses to be higher during this phase as you fully embrace a newfound freedom of both time and opportunity.
- **The Middle Years:** This is often a period of self-reflection and deciding on 'what's next.' Many women find themselves redefining their goals and priorities—often spending more time with family and friends. Annual expenditures typically begin to lessen as you become less active.
- **The Late Years:** During these years, attention often turns to health care and legacy planning. Expenses often pick back up, fueled by rising medical costs.

Planning for each of these phases separately can make it easier to prioritize the saving and spending decisions you need to make. How quickly you progress through these phases will depend on many factors—from how healthy and active your lifestyle is, to how willing you are to maintain intellectual and social engagement. Additionally, you and your spouse (if you're married) could potentially find yourselves in different phases at the same time depending on your age and health.

Living longer also means you can expect higher lifetime health care expenses. A healthy woman can expect to spend \$147,000 on health care in her retirement.⁶ And that doesn't even include the potential costs associated with needing long-term care.

As if the need to save more for retirement than men (despite the lingering gender pay gap) isn't stressful enough, you may also face other challenges.

Balancing Career, Childcare, & Eldercare

We've all heard the term 'sandwich generation' in the media. But what does it actually mean? As primary caregivers, women often find themselves torn between the demands of a career, emotionally and financially caring for children, and then—right as they're entering their peak earning years in their 40s and 50s—being called on to care for an aging parent.

First and foremost, this unexpected new role can exact an emotional toll as you deal with a parent's declining mental and/or physical health. But it can also take a tremendous financial toll in the form of:

- Lost wages due to either taking a sabbatical to provide care or scaling back on your work hours;
- A resulting reduction in both your retirement savings and your future Social Security benefit (if you lose key earning years that would be factored into your benefit calculation);
- The potential stalling of your career and loss of advancement opportunities; and

- Significant out-of-pocket costs if you opt to hire a caregiver so you can continue working.

Take Control of Your Future

Planning for your financial future will require you to make critical decisions that will affect your life and well-being.

We can help you implement a disciplined retirement savings and income planning process. Not only will this process help you clearly articulate and quantify realistic spending goals, but it will also help to align each of those goals to what you'll need to save to meet those income requirements based on your projected retirement income. Together, we can explore a range of possible solutions, including:

- **Maximizing your tax-deferred savings.** The IRS caps how much you can put into your retirement accounts each year. For your 401(k) retirement plan, the maximum in 2025 is \$23,500, and for IRAs it's \$7,000, with a catchup contribution for those age 50 and over of \$1,000.
- **Addressing future health care costs.** Whether it's putting additional money aside in your employer's health savings account (HSA) to cover future out-of-pocket healthcare expenses, or exploring various long-term care insurance options, it's important to factor in this significant expense into your retirement plan.
- **Boosting your retirement income sources.** Depending on your personal circumstances, you may want to consider working a few years longer (which can benefit you in several ways including saving more, delaying the need to start drawing down your savings, and delaying Social Security). Regardless of when you retire, it will still be important to carefully explore your Social Security claiming options. And you may want to consider purchasing an annuity as an additional source of guaranteed lifetime income.

Working With Janney

Depending on your financial needs and personal preferences, you may opt to engage in a brokerage relationship, an advisory relationship or a combination of both. Each time you open an account, we will make recommendations on which type of relationship is in your best interest based on the information you provide when you complete or update your client profile.

If you engage in a brokerage relationship, you will buy and sell securities on a transaction basis and pay a commission for these services. Our recommendations for the purchase and sale of securities will be based on what is in your best interest and reflect reasonably available alternatives at that time.

If you engage in an advisory relationship, you will pay an asset-based fee, which encompasses, among other things, a defined investment strategy, ongoing monitoring, and performance reporting. Your Financial Advisor will serve in a fiduciary capacity for your advisory relationships.

For more information about Janney, please see Janney's Relationship Summary (Form CRS) on www.janney.com/crs which details all material facts about the scope and terms of our relationship with you and any potential conflicts of interest.

By establishing a relationship with us, we can build a tailored financial plan and make recommendations about solutions that are aligned with your best interest and unique needs, goals, and preferences.

Contact us today to discuss how we can put a plan in place designed to help you reach your financial goals

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1. 2024 Impact of Women-Owned Businesses <https://www.wippeducationinstitute.org/2024-impact-of-women-owned-businesses>
 2. "The Wealth Transfer From Baby Boomers Mostly Benefits Women," The Washington Post, January 2024.
 3. "The 2023 State of Women" survey, HerMoney Media
 4. "23 Facts About Women's Retirement Outlook," Annual Transamerica Retirement Survey of Workers, November 2023
 5. "Why Do Women Live Longer Than Men?," AARP, July 2024
 6. "Here's How Much Retirees May Need for Healthcare Costs," National Association of Plan Advisors, July 25, 2024.

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