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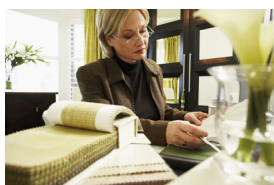


Women and Retirement Planning

Women face special challenges when planning for retirement. Because their careers are often interrupted to care for children or elderly parents, women may spend less time in the workforce and earn less money than men in the same age group. As a result, their retirement plan balances, Social Security benefits, and pension benefits are often lower. In addition to earning less, women generally live longer than men, and they face having to stretch limited retirement savings and benefits over many years.

To meet these financial challenges, you'll need to make retirement planning a priority.

Begin saving now



To maximize your chances of achieving a financially secure retirement, start with a realistic assessment of how much you'll need to save. If the figure is substantial, don't be discouraged--the most important thing is to begin saving now. Although it's never too late to

save for retirement, the sooner you start, the more time your investments have to grow.

The chart below shows how just \$2,000 invested annually at a 6% rate of return might grow over time:

Age you begin saving for retirement:	Amount you'll have saved by age 65:
20	\$451,016
30	\$236,242
40	\$116,313
50	\$49,345
60	\$11,951

This is a hypothetical example, and does not reflect the performance of any specific investment. Results assume reinvestment of all earnings and no tax.



Save as much as you can--you have many options

If your employer offers a retirement savings plan, such as a 401(k) or a 403(b), join it as soon as possible and contribute as much as you can. It's easy to save because your contributions are deducted directly from your pay, and some employers will even match a portion of what you contribute. If your employer offers a pension plan, find out how many years you'll need to work for the company before you're vested in, or own, your pension benefits. Women struggling to balance work and family

sometimes shortchange their retirement savings by leaving their jobs before they become vested in their pension benefits. Keep in mind, too, that because your pension benefits will be based on your earnings and on your years of service, the longer you stay with one employer, the higher your pension is likely to be.

Most employer-sponsored plans allow you to choose from several investment options (typically mutual funds). If you have many years to invest or you're trying to make up for lost time, give special consideration to growth-oriented investments such as stocks and stock funds. Historically, stocks have outperformed bonds and short-term instruments over time, although past performance is no guarantee of future results. However, along with potentially higher returns, stocks carry more risk than less volatile investments. A good way to get detailed information about a mutual fund you're considering is to read the fund's prospectus. It includes information about the fund's objectives, expenses, risks, and past returns. A financial professional can also help you evaluate your retirement plan options.

Save for retirement--no matter what

Even if you're staying at home to raise your family, you can--and should--continue to save for retirement. If you're married and file your income taxes jointly, and otherwise qualify, you may open and contribute to a traditional or Roth IRA as long as your spouse has enough earned income to

According to the U.S. Census Bureau, women own almost 30% of nonfarm businesses. If you're self-employed or own a small business, look into retirement savings options tailored to your needs, including individual 401(k) plans, Keogh plans, SEP plans, and SIMPLE IRAs and 401(k)s.



cover the contributions. Both types of IRAs allow you to make contributions of up to \$4,000 annually for 2006 and 2007 (if you're age 50 or older, you're allowed to contribute even more--up to \$5,000 annually for 2006 and 2007).

Plan for income in retirement



Do you worry about outliving your retirement income? Unfortunately, that's a realistic concern for many women. At age 65, women can expect to live, on average, an additional 19.8 years.* In addition, many women will live into their 90s. This means that women should generally plan for a long retirement that will last at least 20 to 30 years. Women should also consider the possibility of spending some of those years alone. According to

recent statistics, 43% of older women are widowed, 11% are divorced, and approximately half of all women age 75 and older live alone.* For married women, the loss of a spouse can mean a significant decrease in retirement income from Social Security or pensions.

So what can you do to ensure you'll have enough income to last throughout retirement? Here are some tips:

- Estimate how much income you'll need. Use your current expenses as a starting point, but note that your expenses may change dramatically by the time you retire.
- Find out how much you can expect to receive from Social Security, pension plans, and other sources. What benefits will you receive should you become widowed or divorced?
- Set a retirement savings goal that you can work toward, and keep track of your progress.
- Save regularly, save as much as you can, and then look for ways to save more--dedicate a portion of every raise, bonus, cash gift, or tax refund to your retirement savings.
- Consider purchasing long-term care insurance to help protect your retirement savings and income from the high cost of nursing home care.

**U.S. Department of Health and Human Services Administration on Aging, A Profile of Older Americans: 2005*

Disclosure Information -- Important -- Please Review

This information is not intended to be tax or legal advice. It is provided for your education only by Pennytree Advisers, LLC. Individual circumstances may vary.

What's your excuse for not planning for retirement?

I'm too busy to plan

Perhaps you're so wrapped up in balancing your responsibilities that you haven't given retirement planning much thought. That's understandable, but if you don't put retirement planning at the top of your to-do list, you risk shortchanging yourself later on. Staying focused on your goal of saving for a comfortable retirement is difficult, but if you put yourself first it will really pay off in the end.

My husband takes care of our finances

Married or not, it's critical for women to take an active role in planning for retirement. Otherwise, you may be forced to make important financial decisions quickly during a period of crisis. Unfortunately, decisions that are not well thought through often prove costly later. Preparing for retirement with your spouse will help ensure that you're both provided for, and pave the way to a worry-free retirement.

I'll save more once my children are through college

Many well-intentioned parents put their own retirement savings on hold while they save for their children's college education. But if you do so, you're potentially sacrificing your own financial security. Your children have many options when it comes to financing college--loans, grants, and scholarships, for example--but there's no such thing as a retirement loan! Why not set a good example for your children by getting your own finances in order before contributing to their college fund?

I don't know enough about investing



Commit to spending just a few minutes a day learning the basics of investing, and you'll become knowledgeable in no time. And remember, you don't have to do it by yourself--a financial professional will be happy to work with you to set retirement goals and help you choose appropriate investments.