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Woman & money: Facts and 'feel'

The stark statistics indicate that older women today have less income than older men in retirement. What are you doing about your tomorrows? asks KELLEY KEEHN

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Forever Young

Is there, or should there be, financial planning geared specifically to women?

Certainly, the fundamentals of retirement planning are universal and independent of gender, but there is a good argument to be made that there are special elements that women need to be aware of.

Although each woman is unique, I found during my 12 years in the financial industry that many "feel" more about their money than men, especially during the years leading up to and during retirement. I learned that investment returns and asset protection were obvious issues to address, but the emotional impact of this major life change was often overlooked or ignored.

For many women, as well as men, worry and fear that they won't have enough can cause great stress during these "care free" years. But the facts are that women live longer than men on average, so their fear is not unfounded. Consider that the recent Statistics Canada report titled A Portrait of Seniors indicated that in 2005, women accounted for almost 75 per cent of Canadians aged 90 or older.



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Many women have taken time out of the work force, hindering their earning (and thus saving) power while working and resulting in a smaller retirement nest egg -- not to mention smaller Canada Pension Plan/QPP contributions and thus benefits. In 2003, Statistics Canada reported, only 85.8 per cent of women over 65 received benefits from CPP/QPP, while 95.8 per cent of senior men did.

It all adds up to a simple fact: single senior women are poorer than comparable men. That same Stats Canada report indicated that in 2003, single women over 65 had a median after-tax income of \$18,200, while for single men it was \$20,200.

Consider also that many women have left financial-planning matters to their husbands, only to have to embark on a crash course after a divorce or when widowed.

So how does a woman empower herself, enjoy retirement and not run out of money before the end of her life? The first step is awareness. Many individuals, not just women, don't really know if they have enough to retire comfortably or what economic factors (such as future interest rate returns or changes to our taxation) might affect their investments. If you don't have a financial planner or a clear retirement plan, now is the time to assemble your team.

The following is a checklist of questions to ask your financial planner and yourself:

- How much do I need to retire? Would you like to travel or will your hobbies result in considerable expenditures? Is your mortgage paid off? Will you downscale your home as the children move out or do you wish to purchase a vacation home?

Spend some time determining your wants and dreams before you seek financial counsel. That way, your planner can match your plan to your lifestyle goals.

- What's your husband's role? Have you and your spouse dialogued recently about his assets, pension and life insurance?

If you aren't clear what the financial picture of your husband is and how that will play into your retirement or in the case of their death, use a financial advisor to spark this delicate conversation. Once you know what resources exist between you and your spouse, you might be pleasantly surprised that your financial picture is more secure than you thought.

- Assemble your team and documents. Is your will current? Do you have a power of attorney? Do your life-insurance beneficiaries match up with those named in your will?

Consider devising a central binder with photocopies of all your major documents and list all of the professionals and their contact names (lawyer, accountant, banker) at the front of the binder. If you and your spouse keep your finances separate, create two binders. If you're missing any significant professionals, use the ones you know for referrals to help create and strengthen your team.

The first steps in building the retirement you have always dreamed of is knowing your total financial picture and also knowing who in the professional world can help you build or refine your plan. Once you're aware of the total picture, you'll find the fear of retirement will dissipate.

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