

**Women and men need to follow similar routes on the road to retirement—plan and save for their future.** However, many women's life patterns contain several factors that require them to think differently about planning for retirement in order to insure their security. That's why it's so important for women to be aware of special issues they may face, and to plan for them as they age.

### Financial Planning

If you are married, it is important not only that you keep good financial records as a couple but also that you stay informed about the status of the household finances. One way to keep track of current bills and spending is to set up a joint bank account and pay all the regular bills—such as the mortgage and utilities—from that account.

If one of you should die or become disabled, or if there should be a divorce, the other will need to know how to access all of the bank accounts, investment accounts, retirement savings, pension records, insurance policies and information on other assets such as real estate. In addition, if you are married, it's a good idea to establish credit in your own name by having a separate bank account and/or credit card to use for your personal expenses.

Financial information should be updated at least once a year. It is a good idea for couples to talk periodically about their joint retirement goals. Review your plans for how to meet these goals and adjust them to deal with any unexpected expenses or changes (such as illness, disability or job changes) that may have occurred.

If you are single, identify a relative, trusted friend or legal representative who can manage your finances if you should become ill or unable to do so for other reasons. The financial representative should always know where to find current information on your financial resources and how to access them.

### Women's Lives and Financial Security

These statistics illustrate some of the key issues that affect women's financial security.

- Three out of five working women earn less than \$30,000 per year.
- At age 65, women have an average life expectancy of 20 years, compared to 17 for men.
- Nearly half of women over 45 are unmarried.
- From age 65 on, women are more than twice as likely as men to be widowed, divorced, separated or never married.
- At age 65 and older, 40% of women live alone, compared to 19% of men.
- In 2006, women's salaries averaged 77 cents on the dollar, compared to men's salaries.
- Social Security represents 53% of total income for unmarried women over 65.
- 39.5% of women are kept out of poverty by receiving Social Security; 12.5% are poor despite receiving Social Security.

### Social Security

Social Security retirement benefits are based on your work history. Generally, women tend to receive lower Social Security benefits because they work fewer years than men do, at lower salaries. To qualify for a benefit based on your work history, you must work for at least 10 years

One way to raise the benefit is to work as long as you possibly can. You become eligible for Social Security at age 62. But you can only receive the full retire-

ment benefit when you reach your “full retirement” age—which ranges between 65 and 67 and depends on your birth date. To find the exact date when you’ll qualify for full retirement benefits, review the chart at [www.ssa.gov/retirechartred.htm](http://www.ssa.gov/retirechartred.htm) on the Social Security website. These are the broad age categories:

Birth year	Full retirement age
Before 1938	65
1938-1942	65
1943-1959	66
1960 or later	67

The longer you delay your retirement benefit, up to age 70, the higher the amount will be when you start receiving it. Each year you should receive a Social Security Statement that estimates the amount your retirement benefit will be at different ages. If you don’t have a current statement, contact the Social Security Administration at 1-800-772-1213 or visit their website, [www.ssa.gov](http://www.ssa.gov) to get it.

If you’re married, you may qualify for a higher benefit based on your spouse’s work record. Basically, a spouse may receive up to 50 percent of the benefit of the eligible spouse. You may also qualify if you have become widowed, divorced or disabled.

## Retirement Savings and Pension Issues

Throughout your life, whether you are working all the time or not, you should save as much as you can

### How to Qualify for the Social Security Spousal Benefit

These examples show two ways you can qualify for this additional retirement income:

- You never worked in a job with Social Security—or you worked in a covered job less than 10 years, so you’re not eligible for a benefit. Your spouse receives \$1,200 per month in Social Security. You are eligible half of that amount, which is \$600. So you and your spouse will receive a total of \$1,800 per month from Social Security.
- You worked enough to qualify for \$300 a month from Social Security. Your spouse gets \$1,200 per month. Half of that is \$600, so you’re eligible to receive \$600, instead of the \$300 based on your own record. So instead of \$1,500 a month, the two of you will receive \$1,800.

for your future. Here are some tips on how to handle some of the special retirement savings issues that women need to do to protect their financial security.

- Designate a beneficiary for your 401(k) or similar retirement savings account, and for your IRA.
- If you’re married, ask your spouse to name you as the beneficiary of his retirement accounts.
- Learn about the survivor benefits you would receive if your spouse has a traditional pension.
- If you are married and are not working, set up a Spousal IRA with funds from your spouse’s earnings.

### Your To-Do List:

- Estimate your Social Security benefits under different scenarios** by using the agency’s calculators at [www.ssa.gov/planners/calculators.htm](http://www.ssa.gov/planners/calculators.htm).
- For more information on how you may qualify for Social Security if you are divorced, widowed or disabled**, see AARP’s Money Matters Tip Sheet, “Social Security.”
- If you were or are a caregiver for a child or adult, learn how to protect yourself financially** by going to the website of the Women’s Institute for a Secure Retirement, [www.wiser-women.org](http://www.wiser-women.org) and clicking on “Caregiving” in the left-hand column.

This and other tip sheets provide general financial information; it is not meant to substitute for, or to supersede, professional or legal advice.

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