

Retirement Savings Challenges for Women – Video Script

What do you imagine when you think about retirement?

More time with family and friends, traveling, spending time on personal interests? We all hope to have a healthy and comfortable retirement doing the things we love, and that takes planning.

For women, there might be even more to consider. That's because women often face unique financial challenges that can affect their retirement.

For example, women statistically live longer than men. That's not a bad thing, of course, but it means that women are likely to spend more years in retirement and may need to stretch their retirement dollars further. A longer life expectancy also means that women might face more health-care costs in their later years.

The good news is that women as a group are diligent savers.

Even so, some women may face a gender pay gap that could affect the amount they're able to earn—and save. And women are still much more likely than men to interrupt their careers to raise children and care for aging parents, which can also affect their retirement savings and the Social Security benefits they'll receive.

Of course, you're an individual, not a statistic.

And while there's no one-size-fits-all when it comes to where life takes you, there are three steps everyone should take when planning for retirement.

First, estimate the monthly income you think you'll need. Consider the lifestyle you envision and your potential retirement expenses, which may include higher health-care costs.

Next, consider how much monthly income you can expect from Social Security and/or an employer pension. You can view your personal Social Security Statement online at the Social Security website to see what your estimated monthly benefit will be at different retirement ages.

Your monthly Social Security benefit is based on the number of years you've worked and your earnings over those years. To qualify for retirement benefits based on your earnings record, you must have worked at least 10 years in Social Security covered employment. Your benefit is calculated using your highest 35 years of earnings. You may also qualify for benefits based on your spouse's or ex-spouse's earnings record.

Finally, is there a gap between your estimated retirement income needs and what you can expect from Social Security or a pension? If so, you'll need to fund it with your personal savings and investments.

To help you get there, consider taking full advantage of retirement savings vehicles like 401(k)s and IRAs. Regular contributions over a long period of time coupled with the tax advantages offered by these accounts can create a strong foundation, and your future self will thank you.

As you save, keep your eye on the reward: a financially comfortable retirement. While there might be a few bumps along the way, having a strategy in place and saving as much as you can now will help make your retirement years the best they can be.

All investing involves risk, including the possible loss of principal, and there can be no guarantee that any strategy will be successful.