A Complimentary Financial Guide

The Women's Guide to Retirement Planning

All too often, women's concerns and perspectives can be left out of the financial planning process. This guide highlights the unique aspects of retirement planning that deserve your attention — so your needs are never forgotten.

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DON'T LET YOUR NEEDS GET FORGOTTEN

What makes retirement planning different for women?

In a world where women often share — or own — the responsibilities of household finances and can be the family breadwinner, your unique situation should be adequately addressed. There are surely many similarities between men and women, but that doesn't mean there aren't differences as well.

WOMEN MAY HAVE DIFFERENT FINANCIAL NEEDS

- Women tend to **outlive men**, with average life expectancies roughly 5 years longer.[1]
- This means women may need **long-term care for more years** than men, and may need a budget that can accommodate that extra time with care.
- Women still tend to pay the figurative **"motherhood tax"** — taking lower-paying jobs with greater flexibility to care for children, which can hurt financial independence and the ability to grow retirement savings.[2]
- **Divorce** can have a disproportionate effect on women and their standard of living.[3]

A heightened awareness of risk

Studies have found that women take a **less aggressive investment approach** than men.[4] There's no value judgment on whether that's good or bad, but it is a distinct tendency that financial professionals could overlook if they're not careful.

Still, a woman's heightened risk awareness may be quite valuable when it comes to financial planning. In fact, industry studies have found that **female investors have historically outperformed** their male counterparts on average.[5]

AN EXAMPLE WORTH NOTING

If a financial professional is used to reining in clients on risky maneuvers, they may inadvertently apply that same mentality to someone who isn't taking as much risk — without noticing when a client is making **overly conservative** decisions. In terms of investments, this could mean letting one's nest egg erode in value over time due to inflation.

Don't be afraid to take the front seat

Why take a back seat when it comes to retirement planning? If you're married, it can be simpler to split tasks between you and your spouse — but when it comes to your finances, you shouldn't completely opt out. This may present challenges if you become widowed or divorced. So whether you're married, single, or divorced, make sure you understand your financial picture.

THE FIRST STEP

01 Education is key

Sometimes, one of the biggest challenges in making sure your finances are structured to meet your needs is a **lack of confidence** when discussing the subject. One of the best ways to gain confidence is to learn more about retirement financial planning — or take your knowledge to a deeper level.

While there is so much out there to read about retirement planning, most of it isn't about the unique challenges facing women. We'll cover the following retirement-related topics in this guide, with a focus on your needs:

- **Retirement income** sources and strategy.
- **Healthcare**, including Medicare planning for couples and long-term care planning.
- **Estate planning** for married, remarried, and single women.
- **Lifestyle** questions to consider.

INCOME STRATEGY

02 Social Security & the spousal benefit

There are many options for couples when it comes to claiming Social Security — more than for people who were never married.[6] You may have taken time off when the kids were young, or to care for a parent. As a result, your benefit might be less than your spouse's. Or, if you worked for less than 10 years of paid work outside the home, you are not entitled to a benefit of your own.

But this doesn't mean your contribution goes unrewarded. If you've reached your **Full Retirement Age (FRA)** and have been married for at least one year, you can claim a Social Security spousal benefit worth up to **50% of your spouse's benefit**. In addition, if you were the primary earner, your spouse can claim a spousal benefit.

"WHAT IF I'M DIVORCED?"

If you were married for at least **10 consecutive years**, have been divorced for at least two years, and are not remarried, you can still claim a spousal benefit worth half of your ex-spouse's benefit after you reach your FRA. If your ex-spouse is remarried, it will not affect the spousal benefit you are entitled to.

If you're single

The question of when to claim Social Security is just as important if you are single. As mentioned, women tend to live longer than men on average, and Social Security may help mitigate the risk of outliving your savings. However, because women may have a more difficult time saving and may take time off from the workforce, their benefit may not be as large. There are ways to be strategic with how you structure your income plan to help maximize your benefit.

When should you claim Social Security?

Under most circumstances, you must be at least **62** to claim Social Security. If you claim your own benefit before your FRA, you will receive a reduced benefit for the rest of your life. And if you wait to collect after your FRA, your benefit will be greater.

Your spouse's age at the time he starts benefits affects your spousal benefit — and your age affects it too. You will receive less than 50% of your spouse's benefit if you claim spousal benefits before your FRA, or 50% if you claim at your FRA. You will **not** receive an increased benefit by waiting past your FRA to claim a spousal benefit.

Once you understand how your benefit is calculated, you can make an informed decision about when to claim and how it fits into the rest of your retirement income plan.

Retirement income

40%

Social Security is only designed to cover roughly **40% of someone's income needs** in retirement.[7] This means you may need to evaluate other income sources to address the gap.

Step 1

Figure out your **average regular expenses** in retirement. Start with basic living costs like housing, food, and medical care. Then add expenses like travel, dining out, and activities you enjoy — golf, biking, tennis. Finally, remember an **emergency fund** is just as important in retirement as before.

Step 2

Decide **where to draw income from**. Consider all potential sources: Social Security, a pension if you have one, traditional and Roth accounts such as 401(k)s and IRAs, and investment income. To create a regular stream much like a paycheck, you may opt to purchase an **annuity**, whose monthly payments become another income source.

Potential income sources

Joint & survivor annuities[8]

For couples with a primary income-earner, it's important to account for the possibility that the secondary earner may outlive the primary. It's common that women are the secondary income-earners and outlive their spouse, so this could apply to you. **Joint and survivor annuities** can be for more than one individual and are designed to continue providing a steady stream of income to a second beneficiary after the first passes away. Keep in mind that payments to the second beneficiary may be reduced.

Spousal IRAs[9]

For standard IRAs, you must earn income in order to contribute. This means that if you don't earn income, you'd normally be barred from contributing — but there's a solution. Spouses who don't work for pay can contribute to a **spousal IRA** if they file taxes jointly with a spouse. The 2026 IRA contribution limit is **$7,500** per year for people under 50 and **$8,600** for those 50 and older. Note: the spousal IRA is your own IRA and is not co-owned by your spouse.

COVERAGE

03 Healthcare & Medicare

Medicare is a federal health insurance option for American citizens over the age of 65. If you're married, you may be covered under **Medicare Part A based on your spouse's work history**, even if you are not eligible to receive Medicare benefits on your own. Under most circumstances, you must be at least 65 and either currently married for at least one year, have been married for at least 10 years, or widowed after having been married for at least nine months.[10]

But what if you're not 65 yet? If your spouse is older and you're covered under their employer plan, you'll need to decide what to do when they turn 65 and enroll in Medicare. Discussing this with your spouse is difficult but highly important — it's not impossible to develop a healthcare timeline that works for both of you.

If your spouse continues to work, they can likely still cover you, as both Medicare and employer-sponsored insurance cover many people who work past 65. Some employers also provide **retiree health benefits** that act as supplemental coverage to Medicare. If you work, you may be able to switch to insurance provided by your own employer.[11]

Long-term care

Long-term care refers to a type of care needed when one is unable to complete daily tasks on their own — such as bathing, dressing, and eating.[12] If you're married, you not only have to prepare for the possibility that you could outlive your spouse, but that one of you might require help with basic activities. While it's easy to assume one of you will care for the other, that may not be realistic — some people end up needing around-the-clock care a spouse simply cannot provide.

If you're single, it's important to consider your potential needs no matter whether you have children. Adult children may be willing to care for you but unable to due to distance, work, or other responsibilities. Fortunately, there are several options for protecting yourself against high long-term care costs — it just takes a comprehensive, informed strategy.

70%

An estimated **70% of Americans aged 65 and older** will need long-term care at some point in their lives.[13]

The cost of care

Accommodating long-term care often comes at a major monetary cost. A study by Genworth showed the national average cost of a private nursing room was around **$10,000 per month** — and accounting for recent inflation, that number could be much higher. When considering that women tend to spend roughly **double the amount of time** requiring long-term care than men, there can be a relatively greater effect on your finances.[13] It's all the more important to consider how to effectively account for these expenses in retirement.

A NOTE ON DIVORCE

Divorce can be particularly hard on women financially. One study found that women who divorce see their income **drop 23 to 40%** in the year after divorce.[14] Fortunately, there are steps women can take during or after a divorce to help ensure their future financial well-being. An advisor can look not only at the numbers but at your unique situation to help create a solid plan with you.

YOUR LEGACY

04 Estate planning

Whether built, protected, or inherited, you may hold considerable wealth you want to protect for future generations — for children, family, a charity, or something else entirely.[15] The first step is understanding the function of the following documents and designations.

Will	A document that states how you wish your property to be distributed.
Durable Power of Attorney	A person of your choosing who can make — or appoint someone to make — legal, financial, and medical decisions on your behalf if you are unable to. A regular power of attorney only has that power while you are **not** incapacitated.
Healthcare Power of Attorney	Designates an individual to make important healthcare decisions on your behalf if you are unable to do so.
Guardianship Designations	If you have minor children, you can formally designate a guardian and a backup guardian for them.
Trust	An arrangement that designates a third party to hold your assets on behalf of beneficiaries.

A NEW CHAPTER

05 Lifestyle

Your 50s and 60s can be the beginning of a new life — new jobs, a rediscovered hobby, volunteering, a revived social life, grandchildren, travel, or all of the above. Here are some questions to ask yourself:

- Do I want to go back to work?
- Do I want to travel, and how does that fit into my retirement budget?
- Do I want to be a mentor before or after I retire?
- What volunteer opportunities around me am I interested in?
- How will my social life change in retirement, and how can I keep it vibrant?

IN CONCLUSION

We like to say that you're not just retiring *from* something — you're retiring *to* something, and we're here to help you figure out what that is. This process begins with you: with your financial education and active participation in every decision that will affect you down the road. If you're looking for a partner in your financial life, reach out to us today.

YOUR NEXT STEP

Request your complimentary financial review

Learn More →

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IMPORTANT DISCLOSURES

Disclosure

An annuity is intended to be a long-term, tax-deferred retirement vehicle. Earnings are taxable as ordinary income when distributed, and if withdrawn before age 59½, may be subject to a 10% federal tax penalty. If the annuity will fund an IRA or other tax-qualified plan, the tax-deferral feature offers no additional value. Qualified distributions from a Roth IRA are generally excluded from gross income, but taxes and penalties may apply to non-qualified distributions. Consult a tax advisor for specific information.

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