Women & Retirement

TAKING CHARGE OF YOUR RETIREMENT ROADMAP

LIFEPLAN
Financial Advisors, Inc.
Your Guide for the Journey

> "The average lifespan is about *5 years longer* for women than men in the U.S., and about 7 years longer worldwide."
>
> HARVARD MEDICAL SCHOOL

Why Retirement Can Be Different for Women

One's retirement strategy is an important part of holistic financial wellness, yet it can present a unique set of considerations for women. While the fundamentals of saving, investing, and retirement strategy are universal, women may face distinct factors that can impact their retirement roadmap.

For instance, one of the primary aspects that makes retirement strategy different for women unique is longevity. On average, women live longer than men, which means their retirement savings may need to cover additional years of living expenses, housing, healthcare, and extended care. Women are also more likely to fulfill a caregiver and financial support role, either with their own children or with an aging parent or partner.

Women everywhere are asking questions about their financial future. There's no one-size-fits-all solution, but learning to ask the right questions about finances, values, and goals can help align your individual retirement strategy.

Visualizing Your Retirement

Visualization is a powerful tool for transforming abstract goals into tangible realities. By vividly imagining your future, you can create a blueprint that guides your decisions and actions.

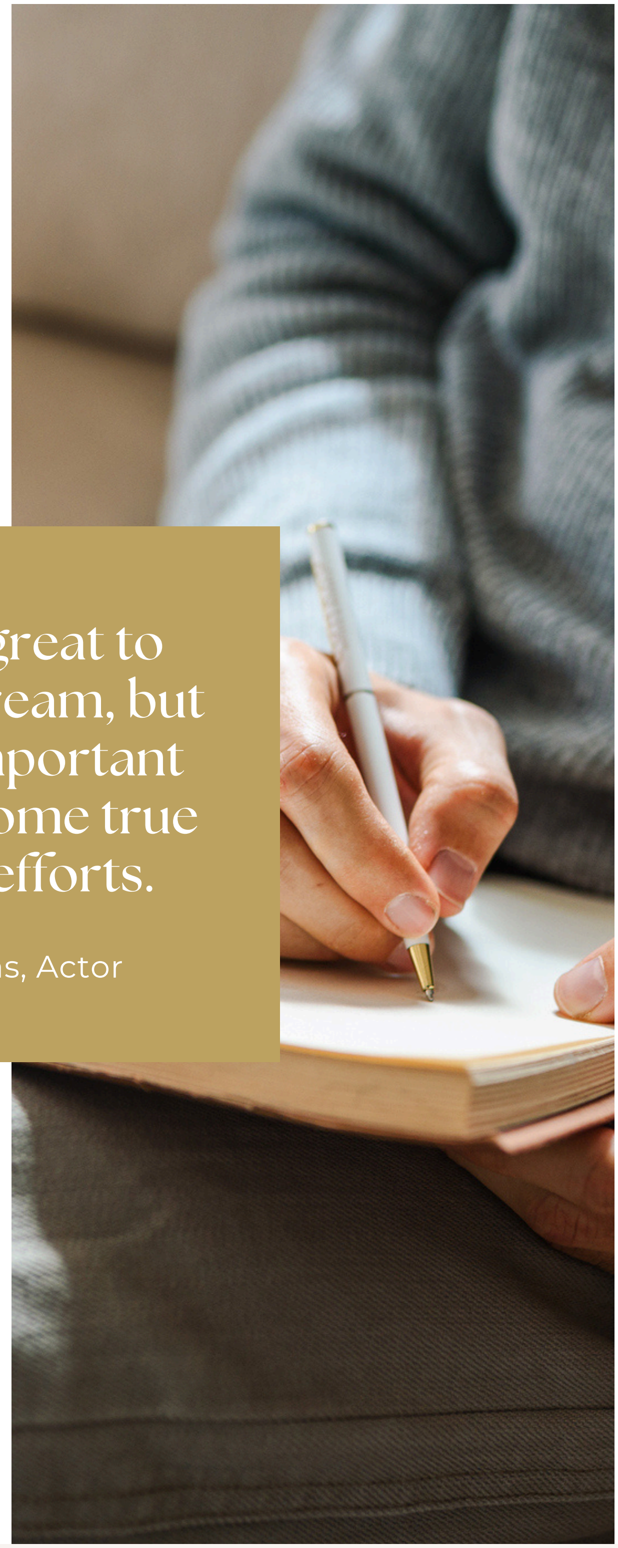
Retirement is more than just a financial milestone; it's a new chapter filled with possibilities, growth, and personal fulfillment. For women, envisioning retirement can be both exciting and uniquely challenging.

Start by imagining a typical day in your ideal retirement. Picture where you are, what you're doing, and who you're with. Are you waking up to the sound of waves on a beachside retreat, or are you nestled in a cozy mountain cabin? Are you spending time with family, volunteering, or pursuing a longtime personal passion? Write down the details of your perfect day, capturing the emotions and experiences that most resonate with you.

Understanding these core values and priorities is essential in shaping your retirement vision. Ask yourself what truly matters to you. Is it financial security, adventure, family, personal growth, or giving back to the community? Aligning your retirement strategy with your values can help foster a future that is both enjoyable and meaningful.

Retirement can also be a time to explore new interests and opportunities. Consider what activities or hobbies you've always wanted to try but never had the time for. Whether learning a new language, traveling the world, or starting a small business, retirement offers the freedom to pursue passions without the constraints of a traditional work schedule.

> I think it's great to visualize a dream, but it's more important to make it come true with your efforts.
>
> Ana de Armas, Actor



Do you have a vision in mind? Good! Now, let's discuss how to turn that vision into specific goals.

Setting SMART Retirement Goals

While it's important to dream big, setting realistic and pursuable financial goals is crucial. One way to do this is by breaking down your retirement vision into specific, measurable, attainable, relevant, and time-bound (SMART) goals. Whether you want to save a certain amount by a specific age or make a home or similarly large purchase sometime in the future, having clear goals helps you stay focused and motivated.

"I don't focus on what I'm up against. I focus on my goals, and I try to ignore the rest."

VENUS WILLIAMS

Here's how SMART goals can be a powerful tool in your retirement strategy toolkit. They are:

Specific: Clearly define what you want to achieve. Instead of vague goals like "save money," specify an amount, such as "save $2,250,000 by age 65."

Measurable: Establish criteria to track your progress. This could involve monitoring your quarterly savings or the impact of your budgeting efforts.

Attainable: Ensure your goals are realistic, given your current resources and constraints. Consider your income, expenses, and lifestyle to set achievable targets.

Relevant: Align your goals with your broader retirement vision and personal values. For instance, if travel is a priority, focus on saving for that dream vacation rather than unnecessary luxuries.

Time-bound: Set deadlines to create a sense of urgency and motivation. Whether it's reaching a savings target by a certain age or outlining a trip within the next year, timelines keep you on track.Virtually any goal can be strategized within the SMART framework, but setting SMART goals is only the beginning! Maintaining focus and motivation is crucial to achieving them.

To keep on track, regularly review your progress and celebrate the small victories along the way. Adjust your goals as needed to accommodate life changes or unexpected challenges. Flexibility is key, and your goals should evolve with you. Stay committed, embrace the process, and let your goals guide you to a future filled with purpose and fulfillment.

Budgeting, Saving, and Investing

Entering retirement is a mindset shift. For most of us, you'll move from a job with an income to creating your own income out of a variety of different sources. That typically includes Social Security and any income you draw from investment accounts or other assets.

Preparing for this shift is an important step, especially for those who find it difficult to set aside money to invest during their working lives. Wise money management can help along the way, including keeping expenses down, being careful about debt, and living below your means.

Another concept that can help is **paying yourself first**. That means setting aside funds for investment first and not just investing your "leftovers." Those who "pay themselves first" may find it easier to become consistent savers and investors during their working years.

SMART Ways to "Pay Yourself First"

Automate Your Savings
Set up automatic transfers from your checking or savings accounts to your retirement account.

Take Advantage of Employer Matching Programs.
Check if your employer offers a retirement savings account with matching contributions.

Increase Contributions Gradually.
Each time you receive a raise or bonus, increase your retirement contributions. Over time, these incremental increases can have a substantial impact on your savings.

Take a look at the benefits and drawbacks of a tax-advantaged account.
If you have questions, consider asking a financial professional for guidance.

Social Security Claiming

One of the most critical decisions you can make regarding retirement is when to claim Social Security. Deciding when to claim Social Security can make a difference to your monthly bottom line.

Your monthly Social Security benefit amount is calculated based on the years you have worked and the taxes you have paid into the Social Security benefits program. Social Security counts the years you have paid taxes as "credits" for years you have worked. For example, if you were born in 1929 or afterward, you must have 40 credits to receive Social Security benefits when you retire. This is equal to about ten years of work.

Your benefit amount is also calculated by the number of credits you have earned during your working years. Fortunately, the Social Security Administration has made verifying your expected benefits easier by setting up an online account. It is worth double-checking your earnings to catch errors and factor in your expected benefits as you strategize for retirement. There are several ages that should be considered when deciding when to claim Social Security.

According to the Social Security Administration,

more than 55% of Social Security beneficiaries are women.

Early Retirement Age: The earliest age to claim Social Security benefits is 62. However, if you claim Social Security early, you will be penalized for not waiting until the full retirement age.

Full Retirement Age: This is when you are eligible to receive the full amount of your Social Security benefits. The full retirement age is calculated based on the year you were born. For example, for those born between 1943 and 1954, the full retirement age was 66. If you were born between 1955 and 1960, the full retirement age goes up to 67.

Delayed Retirement Age: You can also delay the claim of your retirement benefits until age 70. If you wait until then, you will continue earning benefits. However, benefits stop accruing at age 70, so there may not be any reason to delay the claim of benefits past age 70.

Suppose you aren't eligible for Social Security based on your own earnings history (or anticipate a small benefit). In that case, you may still qualify for benefits based on your spouse's earnings history, even if you're now divorced, or your spouse has passed. You may qualify for the Social Security spousal benefit if you:

- You have been legally married for at least one year (or divorced from a marriage that lasted at least 10 years).
- You are at least 62 years old or caring for a child under 16 experiencing disabilities. (The amount you claim may be permanently reduced if you don't wait until full retirement age.)
- Your spouse is receiving their benefits.

You may not know that you cannot claim both a spousal benefit *and* your own! Social Security Administration will calculate both amounts but only pay the higher one. Similarly, your maximum benefit amount will be half their full retirement age benefit, even if they've delayed taking it and earned delayed retirement credits.

If you find these calculations and decisions a little overwhelming at first, you're not alone. Social Security claiming strategy can be confusing, especially once you take into account the complexity of families, marriages, and earnings histories. Even if you have a relatively straightforward Social Security claiming strategy, the Social Security Administration has professionals who can answer your specific questions. We can also help you understand questions you may want to ask and some of the factors to take into consideration as part of your overall retirement strategy.

Healthcare & Extended Care in Retirement

As you approach retirement, one critical aspect of your life may catch even the most financially savvy individuals off guard: healthcare costs. For years, you might have maintained employer-sponsored health insurance. Healthcare in retirement is an entirely different landscape, and for many, navigating the Medicare coverage most seniors rely upon is vastly different and unfamiliar from what they've known throughout their lives and careers.

Many successful professionals are often surprised by the complexities and costs associated with healthcare in retirement. The ease of having your employer assist with insurance decisions and subsidize a significant portion of your premiums typically ends when you retire. In this new phase of life, you will be responsible for managing your healthcare options, which involves evaluating various medical insurance options and understanding potential changes in out-of-pocket costs.

Several factors drive the rising cost of healthcare for retirees:

- **Healthcare Inflation:** Medical costs consistently outpace general inflation.
- **Longevity:** As life expectancy increases, healthcare expenses accumulate over more years.
- **Advanced Treatments:** Cutting-edge medical technologies and procedures often have higher price tags.
- **Increased Demand:** The aging population may strain healthcare resources.

These cost increases are particularly challenging for women, who generally face higher lifetime care costs due to their longer life expectancy than men.

Medicare is the federal government program providing primary healthcare coverage to seniors. Most workers contribute to Medicare throughout their careers, and like Social Security, it is likely to be a foundational element of your retirement needs. The Social Security Administration is responsible for enrolling individuals in Medicare Part A and Part B.

Part A generally covers inpatient hospital care, skilled nursing facility costs, hospice, lab tests, surgery, and some home healthcare services. One thing to remember is that very few beneficiaries must pay Part A premiums out of pocket, and annually adjusted standard deductibles still apply.

Part B covers physicians' fees, outpatient hospital care, certain home health services, durable medical equipment, and other offerings not covered by Medicare Part A.

According to the Centers for Medicare and Medicaid Services,

Nearly 60 million Americans receive age-based Medicare healthcare coverage.

Expect to get a Medicare enrollment package from the Social Security Administration about three months before your 65th birthday. You'll have seven months to sign up. Medicare encourages first-time filers not to miss this critical deadline; they may face late fees if not enrolled on time!

Once you've begun taking Social Security benefits, Medicare Part B premiums can be deducted directly from your benefits. Most individuals won't need to pay a Medicare Part A premium.

Not every retiree will require extended care services, but many will. Paying for these services often involves a combination of funding sources, as Medicare typically does not cover them. The costs can be daunting. Genworth Financial commissioned a study in 2024 estimating the median cost of extended care as $5,511 per month for assisted living and $10,025 per month for a private room in a nursing home. Consider speaking with us to better understand your extended care options.

According to Caring.com,

only 32% of Americans have an estate plan.

Estate Strategy

Do you need an estate strategy? While the answer is ultimately up to you, if you don't have the essential documents, the courts will decide what happens to your estate according to the laws of your state of residence. Failing to set up an estate strategy may leave behind a legacy of legal headaches for your loved ones.

Creating an estate strategy may give you the comfort of knowing that your wishes will be honored when the time comes. A simple estate package may include several key documents, including a basic will, power of attorney, and healthcare powers.

While you can draft a will on your own, you may want to consider getting some help. Keep in mind that estate considerations are often more complicated than just listing your directives. Having a will in place helps designate beneficiaries and determines who receives what. Wills can help manage a probate court's costly and time-consuming nature, although it may not prevent it entirely.

Not having a valid will can make the estate process more challenging. If you're not sure exactly what's included in an estate, it could take quite a long time to track down all assets and liabilities. Even if all interested parties agree on how the estate should be settled, the process can often take an emotional toll.

Living trusts may help you better manage the probate process. If you are worried about your assets, a revocable living trust is one choice to consider. A living trust is created while you are alive and funded with the assets you choose to transfer into it. The trustee (typically, you) has full power to manage these assets.

A living trust will also designate a beneficiary, or beneficiaries, much like a will, to whom the assets are structured to automatically pass upon your death. It is often a simple matter for a qualified lawyer to create a living trust tailored to your specific objectives. If you create a revocable living trust, you may change the terms of the trust, the trustee, and the beneficiaries at any time. You can also terminate the trust altogether.

Potential Benefits of a Living Trust

- **Avoid Probate.** Transfer assets outside the probate process, providing a seamless, private transfer of assets.
- **Manage Your Affairs.** Provide care for you and your property in the event of a physical or mental disability, provided that you have adequately funded it and named a trustworthy trustee or alternative trustee.
- **Avoid Will Contests.** Assets passing via a living trust may be less susceptible to certain challenges you might see with a will transfer.

Living trusts are not an estate panacea. They won't accomplish some potentially important objectives, including protecting assets from creditors. It is also considered a "countable resource" when determining your Medicaid eligibility.

Placing assets in a trust involves a complex set of tax rules and regulations. There is a cost associated with setting up a revocable living trust, and not all assets are easily transferred to a trust. A living trust is not a mechanism to save on taxes, now or at your death. Before moving forward with a trust, consider working with a professional who is familiar with the rules and regulations.

"The secret of getting ahead is getting started."

SALLY BERGER

What's Next?

Retirement strategy is more than a financial exercise; it is a deeply personal process that can empower women to take control of their futures. Women face unique challenges in creating a retirement strategy, but they also have powerful strategies and tools available to overcome these obstacles.

Remember, a retirement strategy is not a one-size-fits-all process. It requires a tailored approach that considers your individual circumstances, goals, and aspirations, as well as your risk tolerance and time horizon.

As you embark on this journey, keep in mind that financial empowerment is a continuous process. Stay informed, seek out financial professionals when needed, and remain adaptable to changes in your personal and financial circumstances. We hope you embrace this opportunity to create a future where you can enjoy the fruits of your labor, pursue your passions, and leave a lasting legacy for generations to come.

You Might Want to Involve a Professional in Your Retirement Strategy If

You've Experienced a Significant Change in Your Personal Life. This can include divorce, widowhood, marriage, or remarriage. Each of these situations might benefit from a thoughtful look by a financial professional.

You Are in the Middle of a Career Transition. Whether starting a new job, gaining a promotion, facing a layoff, or considering early retirement, your financial situation might need fresh (professional) eyes.

You Anticipate an Inheritance or Windfall. Receiving a large sum of money all at once can be overwhelming. We may be able to help you sort things out and develop a long-term strategy.

You Want to Save for Retirement and Help Pay for College. Finding a balance between investment goals is an important challenge for many women preparing for retirement.

You or a Family Member Has Experienced a Change in Health. Caregiving responsibilities and healthcare expenses are a top factor in retirement strategy, and knowing your options is essential.

You Intend to Start or Sell a Business. Business owners have a unique path to retirement, and you could benefit from keeping a financial professional informed about your goals and dreams.

You Haven't Decided When to Take Social Security. Timing when to take Social Security can be one of the more impactful retirement decisions you'll make.

You Don't Have an Updated Estate Strategy. Even if you've developed an estate strategy in the past, strategies should be regularly reviewed and updated as your life changes.

Gwen B Garrison
President/Financial Advisor
LifePlan Financial Advisors, Inc
678-364-9677
www.LifePlanFin.com

Disclosures

The content in this material is derived from sources believed to provide accurate information. However, it should not be considered tax or legal advice and cannot be used to avoid any federal tax penalties. For specific information related to your individual situation, please consult legal or tax professionals. This material is created and produced by FMG Suite to provide information on a relevant topic. FMG Suite is not affiliated with the named broker-dealer or state-registered, or SEC-registered investment advisory firm. The opinions expressed and material provided here are for general information purposes only and should not be construed as a solicitation for any security purchase or sale.

Securities and investment advisory services offered through Osaic Wealth, Inc. member FINRA/SIPC. Osaic Wealth is separately owned and other entities and/or marketing names, products or services referenced here are independent of Osaic Wealth.

This message and any attachments contain information which may be confidential and/or privileged and is intended for use only by the intended recipient; any review, copying, distribution or use of this transmission is strictly prohibited. If you have received this transmission in error, please (i) notify the sender immediately and (ii) destroy all copies of this message. If you do not wish to receive marketing emails from this sender, please reply to this email with the word REMOVE in the subject line.