



# WHY WOMEN NEED A UNIQUE RETIREMENT STRATEGY

**TINA DI VITO OFFERS ADVICE ON STRATEGIES FOR SUCCESS.**

When preparing for retirement, women have unique circumstances. Unlike men, women are more likely to live alone in old age, work fewer years and earn less. They also tend to be more conservative in their investments.

## **GROW YOUR NEST EGG**

According to Statistics Canada (2010), women still earn less than men, and are more likely to have part-time jobs, which often have limited pension benefits. As the primary family caregiver, women may interrupt

employment, take more leaves of absence or quit their jobs altogether.

To grow your retirement savings and ensure your security, I suggest joining your employer retirement plan to take advantage of matching contribution programs offered by your company.

## **PLAN FOR A LONGER LIFESPAN**

Since women tend to live longer than men, their smaller savings must stretch further. A longer lifespan places a higher demand on living expenses, as well as on any required extended health care

and long-term care. Since the male spouse, usually older, has a shorter life expectancy, his care can mean a couple's retirement funds are depleted sooner. These costs, along with a reduced pension income, leave even less for his survivor.

To reduce the risk of outliving their assets, I advise women to become experts on their financial circumstances, be fully engaged in their own retirement planning, and consider investment products that provide income for life.

## **BUILD YOUR INVESTING CONFIDENCE**

According to a BMO RRSP Survey, men are twice as likely as women to describe their RRSP investment style as "aggressive," while women describe theirs as "conservative." Men are more likely to hold mutual funds and stocks in their portfolios, whereas women are more likely to hold GICs. Men's willingness to assume risk allows them to achieve relatively higher growth in their RRSPs.

Even in retirement, I advise planning for investment growth to offset the impact of inflation. Plan ahead how much cash flow you will need.

## **STRATEGIZE NOW**

While women may face more challenges in meeting their income needs, they adapt more easily to retirement than men. Because they enjoy relationships with family and friends, they describe their retirements as 'very successful,' according to BMO Retirement Institute research.

To make your retirement even more enjoyable, fine-tune your plans now to ensure more options later. A financial advisor can help you successfully map out your retirement. ■

**TINA DI VITO** IS HEAD OF BMO RETIREMENT INSTITUTE.

The BMO Retirement Institute is a premier Canadian think tank on retirement issues and strategies. To learn more or for the full report visit [bmo.com/retirementinstitute](http://bmo.com/retirementinstitute)

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