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## How young women can bridge retirement savings gap

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It's important for single women to get a jumpstart on saving for retirement. (Tempura, Getty Images)

**S**aving enough money for retirement can be daunting for anyone. But a growing body of research shows that women in particular lack the confidence to plan for old age.

According to the latest annual retirement survey by financial services firm Transamerica, only 14 percent of women say they are "very confident" about their ability to retire and live comfortably. Another study this year by Fidelity Investments found that 60 percent of women worry about having enough savings to last through retirement and that the anxiety was most prevalent among women ages 19 to 50, compared with women who are closer to retirement age.

And here's the rub: Women are actually pretty good at managing money ... more so than they think.

In the Fidelity study, which surveyed 1,542 women 18 and older who had an employer-provided retirement plan, 74 percent were saving for retirement. And many women were investing their portfolio in a mix of stock and bond funds appropriate for their age.

Of course, retirement planning is important for everyone, regardless of gender. The Employee Benefit Research Institute calculates that the gap between what U.S. households have saved for retirement and what they'll actually need is \$4.1 trillion.

But retirement planning is especially important for women because they tend to live longer than men and need to save for an extended old age. On top of that, women also generally have lower lifetime earnings than men and, as result, receive smaller benefits from Social Security.

"They earn less, but they need more," said Cindy Hounsell, president of the Women's Institute for a Secure Retirement.

The good news is that young women have time on their side to begin preparing for retirement. Here are some suggestions on what to do.

**Start early.** You don't have to be a pro at managing money to get going.

"A lot of people get wrapped up in picking the investments," said John Gajkowski, a financial planner in Oak Brook, Ill. "What's really important is to first develop an overall picture of what's going to happen. Here you are at age 30, and here's where you want to end up at 65."

To get an estimate of what you'll need to save for retirement, use one of the many calculators available online, such as the Ballpark Estimate tool at [choosetosave.org](http://choosetosave.org).

Don't forget about Social Security benefits, either. To see how big your Social Security check might be in retirement,

use the Retirement Estimator tool at [ssa.gov](http://ssa.gov). The earlier you start to save, the easier it will be to build the nest egg you need. Single women especially should get a jump-start, but even if you plan to get married it's wise not to delay.

"You are ultimately responsible for how comfortable you'll be in retirement, whether you're married or not." Gajkowski said. "If you start early, time becomes an asset rather than a liability."

**Maximize every dollar.** Because women earn less than men, it's important to make the most of the dollars that you earn.

So if you qualify to participate in a workplace retirement program make sure to contribute enough money to receive the full company match. If your job doesn't have a

retirement plan, use other tax-advantaged accounts to put money aside, such as an individual retirement account.

**Learn as you go.** Once you're saving regularly and maximizing the employer match, you can start to fine-tune the plan.

If you're not comfortable with choosing investments on your own, pick an all-in-one product that makes the decisions for you. Target-date mutual funds, for example, which are widely available in company retirement plans, will own a mix of stock and bond funds appropriate for your age and adjust the mix over time as you age.

"Start with something easy," Gajkowski said. "Investing is a learning process. It's something you grow into."

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