

MANAGING YOUR MONEY

Women's Tips To Prepare For Retirement



(NAPSA)—How can you turn \$15,000 into more than \$100,000?

It's not as hard as you might think, and it doesn't require gambling or get-rich-quick schemes. It's especially important for women who may not realize that waiting five years to start contributing to a tax-deferred retirement plan could make a \$100,000 or more difference when they retire.

The Eighth Annual Transamerica Retirement Survey found that only 18 percent of full-time women workers strongly agree that they are building a large enough nest egg, while 28 percent strongly agree that they could work until age 65 and not save enough. Though important for everyone, retirement planning is especially important for women, who often face unique financial challenges such as lower wages, time out from the workforce to raise a family, and longer life expectancy.

According to Catherine Collinson, market and trends expert for the Transamerica Center for Retirement Studies, life offers no guarantees and requires difficult trade-offs, but planning and saving don't have to be overwhelming. Here are four steps for women to take toward a secure retirement.

1. Start Saving Now—You Can't Afford to Wait

On average, women surveyed said they started saving for retirement at age 29. While that may seem relatively young, there's a

huge benefit to starting early—and a high cost for waiting. For instance, a 24-year-old who starts contributing \$3,000 per year to a tax-deferred retirement plan like a 401(k) may save \$510,000 by age 65. By comparison, a person who waits until age 29 to start saving the same amount per year may save only \$368,000 by age 65. That's a difference of over \$100,000, assuming an approximate 6 percent annualized rate of return.

2. Calculate a Retirement Savings Goal

It's tough to chart a course if you don't have a destination in mind. When asked how much they'll need to save for retirement, 42 percent of the women surveyed indicated that they were "not sure"—and those that offered an answer admitted that it was a guess.

There are tools available to help women calculate a more realistic goal, such as Transamerica's investment calculator at www.transamericacenter.org. With a specific target amount, women can harness the power of consistent saving and investment compounding.

3. Learn Some Investment Basics and Solutions

Three-quarters of women surveyed said they don't know as much about retirement investing as they should. A big step in the right direction is to learn enough about the fundamentals of retirement investing in order to make a plan that's right for you, and there

are plenty of people and resources to help. But for those who don't have the time or interest to actively manage their retirement accounts, there are other options to investigate including target maturity funds, strategic allocation funds, and managed accounts.

4. Nurture the Nest Egg

Given the long-term horizon for retirement planning, people's life circumstances will likely change. So it's a good idea to check whether your nest egg will hatch when you need it. Periodically recalculate your savings goal to see whether your current level of savings is adequate to meet your retirement goal. Review your investment results and adjust your investment selections as needed. And don't forget to consider whether you'll still retire at the age that you intended.

Building discipline in retirement planning helps women feel more confident that they'll save what they need. That planning also provides greater perspective for better-informed life decisions related to taking time out of the workforce, pursuing higher-paying jobs and career opportunities, and upholding family commitments.

About Transamerica Center for Retirement Studies

The Transamerica Center for Retirement Studies ("The Transamerica Center") is a non-profit corporation. For more information about The Transamerica Center, please refer to www.transamericacenter.org.

Eighth Annual Transamerica Retirement Survey

Harris Interactive was commissioned to conduct the Eighth Annual Transamerica Retirement Survey. There are two components to the survey: Employer and Worker. The worker survey was conducted via telephone within the U.S. between July 27 and October 7, 2006 among 1,402 workers. Respondents met the following criteria: work full-time for pay at a company with at least 10 employees, are age 18 or older, and do not work for the government or a non-profit organization. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Data were weighted to ensure that each quota group had a representative sample based on the number of employees at companies in each employee size range. With a pure probability sample of 1,402, one could say with a 95 percent probability that the overall results would have a sampling error of +/- 2.6 percentage points. Sampling error for data based on sub-samples would be higher and would vary. However, that does not take other sources of error into account.