

Opening New Windows Of Opportunity

Savings And Retirement Advice For Women



(NAPSA)—Women are making tremendous strides in their financial lives. Female homeownership is at an all-time high, with one-fifth of residential real estate now being held by single females. Women are now the primary breadwinners in roughly one-third of U.S. households. Still, women are more likely to face shortfalls in retirement than their male counterparts.

“Today’s women often try to do it all: running a household, caring for a family, and working full- or part-time jobs—with precious little time to think about the present, much less the future,” said Donna DeMaio, president of MetLife Bank, N.A. “However, women owe it to themselves to plan for the future.”

DeMaio recommends trying to set aside just one hour a month to plan for the future. “Even if you think you don’t have time, you need to make planning a priority,” said DeMaio. “By considering the options that are available, you can gain greater peace of mind and leave yourself in a better position to meet your goals.”

When assessing your options, DeMaio suggests the following:

Saving Advice:

- First, pay off debt. For those who have incurred a significant debt burden, it may be wisest to pay off credit cards first. The high interest rates that most cards carry can eat up your extra cash.

- Make homeownership work

for you. Homeownership gives a person access to home equity loans, or lines of credit.

- Establish a savings plan. Even if you need to start small by saving just 10 or 20 dollars a month, the key is getting started. Many financial institutions will automatically transfer a certain amount to your savings each month.

- Consider Money Market Accounts and CDs. Choose a Money Market Account to set aside funds for a rainy day or to wait until a better savings or investment opportunity comes along. Shop around for the best rate from a company you know and trust. CDs are a good option, too, as they usually earn a higher interest rate than savings accounts. CDs, like Money Market Accounts, are considered conservative investments. Look for banks that offer consistently high rates—some institutions offer short-term promotional rates that may drop significantly after a few months. Also, consider direct banks, which typically offer better rates than local banks.

Retirement Advice:

- Make retirement savings a priority. Although there are fewer women in the workforce (60 percent of women versus 73 percent of men), women, on average, live longer lives. To help jump-start your retirement savings, consider the following options:

- If your employer has a 401k,

be sure to invest in it. This is smart money, because it reduces taxable income and funds growth tax deferred until money is withdrawn. Plus, many companies will match your contributions up to a certain percentage.

- Think about IRAs. In an IRA, funds and their earnings grow tax deferred until you begin withdrawals. Your annual contribution may also be fully or partially deductible, depending on your income level and whether you are covered by another retirement plan. For added savings, look for a no-fee IRA. Before contributing to an IRA, consider consulting with a tax advisor regarding eligibility to contribute, as well as contribution limits.

- Look for “guaranteed income” in preparation for retirement. According to the U.S. Department of Labor, only 32 percent of women get pension benefits, compared with 55 percent of men. To ensure a steady stream of income in retirement, women may need to purchase guaranteed products such as annuities.

MetLife offers several free brochures to help people better prepare for the future and understand the intricacies of investing, including “Building Financial Freedom” and “Investing Basics.” Both are available for free by calling (800) MET-LIFE (1-800-638-5433) or by visiting www.metlifebank.com.