

tips for women...

In your 20s

Write your financial plan, including establishing a budget. ■ Reduce your debt. ■ Invest in your company's 401K and/or ROTH and traditional IRA accounts. Michael Oana says that women typically spend fewer years in the workforce, often due to caring for young children or elderly parents. "Some surveys have shown that, on average, women spend more than a decade out of the workforce," he says. "The implications for women are clear: women have less time than their male counterparts to contribute to their retirement. So every minute and every dollar counts." ■ Start building cash reserves of three to six months of living expenses. ■ Start a separate savings fund for a down payment on a home and automobile purchase. ■ Purchase renter's insurance (if you rent), and make sure you have adequate health insurance.

In your 30s

Maximize your investments in 401Ks and IRAs. ■ Take an investment class. ■ Purchase a home, but watch your debt levels. "Your total debt should not exceed one-third of your gross salary. That includes your mortgage, car loans and credit card debt," says Scharr-Bykowsky. ■ Save at least 10 percent of your gross salary. Maintain cash reserves of six months' living expenses. "If you experience a layoff or major illness, this will help you avoid living on credit cards until you are back on your feet," says Scharr-Bykowsky. ■ Continue to maintain an additional reserve fund for major purchases (auto, home improvements). ■ Start a college fund for your children when they are born. ■ Invest in your own career skills/education. ■ Purchase life and disability insurance if you have a large mortgage obligation and/or dependents. ■ Update your legal affairs. Write a will, and establish trusts if you have children.

In your 40s

Maximize savings in 401Ks, IRAs and taxable accounts. Protecting your investments starts with asset allocation. "It's the equivalent of the old adage 'don't put all your eggs in one basket,'" says Alex Chastain. "Diversifying your investment portfolio minimizes the bumps in the road." ■ Continue to save for kids' education. ■ Maintain skills and education for your current career. Stay-at-home moms should consider training for a new career or your return to work. ■ Periodically review wills and estate plans with your estate attorney. Also, review your insurance coverage to ensure it still provides adequate protection. ■ Review your Social Security statement. ■ Confirm your employer's retirement plan and policies. ■ Start dreaming about retirement, and adjust your plan to accommodate those dreams.

In your 50s

When kids leave home, divert more money to your retirement. ■ Confirm that you are out of debt. ■ Put together an accurate budget for retirement. ■ Purchase long-term care insurance or determine how it will be financed. ■ Review and update your insurance beneficiaries. "You don't want to just buy [insurance] and forget about it," Oana says. "Check it periodically to confirm that the coverage is still sufficient, and be sure to update your beneficiaries as necessary." ■ Develop a vision for your transition to retirement for you and/or your spouse. ■ Consider investing time in a new hobby or part-time career that you can pursue during retirement.

In your 60s and beyond

Finalize a retirement budget. ■ Once in retirement, maintain a withdrawal rate of approximately four percent of your investment portfolio to reduce the possibility of outliving your assets. ■ Maintain a healthy lifestyle. ■ Consider gifting to minimize estate taxes. ■ Periodically review your estate plan and wills with your estate planner. ■ Enjoy your retirement; you've earned it!



Here's \$1,000.

What are you going to do with it?

Shop, invest or pay off debt? It all depends on what kind of relationship you have with your money. For many women (and men), it's a love/hate affair. Planning for the future, investing, spending and staying out of debt can be a complicated balancing act. The key to having a happy and healthy relationship with money is knowing how to properly manage it.

According to a recent Harris poll, only 53 percent of women have confidence in their own ability to invest their money, compared to 82 percent of men who are confident investors. Laura Scharr-Bykowsky of Ascend Financial Planning believes avoidance is a common error women make when it comes to finances.

"The absolute biggest mistake that a woman can make is to leave the finances completely to her spouse," she says. Whether due to divorce, outliving a spouse or simply remaining single, 80 percent of women will become solely responsible for their finances during their lifetime. Scharr-Bykowsky says the best way for a woman to be prepared for her financial future is to become educated in the basics of finance and to work as a team with her spouse in family financial decisions.

We talked to three top financial advisors in the Midlands for some advice on how women can make their money work for them, at any age.

our team of financial gurus:

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