

## **4 Things Women Fear Most in Retirement**     **By Richard Rosso**

**I asked women through various social media channels and those in attendance at the 29th annual Women’s Conference in Long Beach, Calif., about what keeps them awake at night about retirement.**

The responses were overwhelming: I lost count after 20, sleep-depriving confessions. I was overcome by the concerns shared.

It was enough to make me toss and turn, too.

Retirement planning is a major source of anxiety; from primary-wage earners to stay-at-home moms, the overarching concerns narrow down to reducing stress and increasing security when it comes to exploring, funding and living through retirement.

### **1) I will be left alone**

The majority of women are convinced they will be living, at the least, the last decade of retirement alone as spouses pass on and children are occupied with their own lives. The thought of handling financial obstacles alone, especially around long-term care expenses is a source of angst. Respondents fear being a burden to their families, becoming isolated and facing solo the overwhelming vulnerabilities that could come with aging.

A majority of the women never voiced this sentiment in their current financial relationships. Surprisingly, a few are reluctant to discuss this issue with spouses or partners; they don’t want to appear “silly” or “dramatic.”

Since women tend to outlive their partners, there is nothing silly about this point: U.S. census data outlines how roughly 50% of women age 65 or older are indeed on their own, whether divorced, widowed or never married.

I encouraged them to explore this issue further. Get deep thoughts down on paper even if they’re painful. Actually, better if they’re painful. At least I know passion will be strong. Writing is a powerful self-awareness exercise.

I asked them to visualize and outline what gives this fear traction—financial and otherwise. Everything goes. No judgment. Nothing is off limits. Whatever is contributing to this concern should be documented.

From there, they must take the leap, possess the resolve to communicate. Writings and thoughts need to be shared with loved ones, significant others and finally, a financial planning-based adviser willing to listen and eventually form personalized goal-based strategies and hold them accountable.

Financial professionals may be effective at facilitating discussions; they can help women feel more confident to share as long as they're empathetic and receptive to being in the middle as nonjudgmental sounding boards.

Without communication and conversation as first steps, financial engagement and empowerment will not spark.

## **2) Social Security is confusing**

All of the women believe they need to take retirement benefits as early as age 62, not realizing what they are giving up in the form of future benefits if they wait until full retirement age or later. Also, spousal, survivor benefits and taxation obstacles were greatly intimidating and rarely surfaced.

There needs to be serious, ongoing discussion about Social Security maximization strategies with women. Several of them were told by their financial advisers that they were correct to begin Social Security at an early age yet couldn't tell me why this was a viable option. Big mistake.

Social Security is an important topic for women and their partners to discuss together, as both may be affected by the final decision.

One of the more impressive Social Security calculators is available at [AARP.org](https://www.aarp.org). It's a start: An easy-to-use method to get your feet wet with the topic. From there, I would seek a financial professional not afraid to tackle this issue and with a passion to get to the best bottom-line benefits for your situation. Many financial advisers are now furthering their education about Social Security or employing technology to help you plan to get the most out of available benefits.

## **3) I'm afraid I'll outlive my savings and investments**

A majority of the women shared how sensitive they were regarding longevity risk. Many had parents who were thriving at age 80 and older. As women tend to be conservative investors, the concern over outliving retirement assets is valid.

Frankly, the financial profession is inundated with studies and theories about the appropriate asset allocations for retirement and the withdrawal rates required to ensure that investments, adjusted for inflation, last as long as you do.

Perspective is crucial: You need to maintain a flexible mind-set when designing a saving, investment and withdrawal strategy customized for future cash needs. It's part science, sure. However, markets, spending habits and retirement cycles twist and turn—you know, like life.

And please don't rule out annuities.

The integration of longevity protection into retirement planning through the use of deferred-income annuities can generate lifetime income for you or you and a spouse 10 years or later down the road. They're lower cost and simpler to understand when compared with variable annuities.

Variable annuities are too, well, variable. With deferred-income annuities you know specifically the lifetime dollar benefits you'll receive. Partner with a licensed insurance specialist or planner to calculate how much to direct to an annuity option, especially to cover future non-discretionary expenses like mortgage, rent, food and utilities.

One of the best research pieces on deferred-income annuities is by [Wade D. Pfau, Ph.D., CFA and professor of retirement income at The American College.](#)

#### **4) I'm not confident about my investment decisions**

Cash appears to be a Snuggie for women. A majority of them, regardless of age, maintain greater than 50% of their retirement assets in cash investments like money markets, which is not efficient. However, the logic that leads them to accumulate a healthy cash stash appears sound.

As opposed to doing it themselves or creating a collection of stocks and mutual funds, without understanding the risks, many of the women confided in me how they would rather just stick it out in cash until the "time was right," whatever that meant.

At least "stupid" decisions leading to loss of capital are avoided.

Hey, not my words!

Frankly, I thought it was a good enough reason to remain in cash. Why invest without a buy/sell strategy and a complete understanding of how investments work together from a risk-return perspective?

What surprised me was how educated women lacked confidence in their abilities to embrace the investment process and how difficult it was for them to find an adviser who listened to their opinions. Five women confided they were too busy juggling career and family to find an adviser.

Later, I discovered "time was right" meant finding the "right" person or financial firm to trust. All sought a jointly agreed-upon investment process along with a strategy to implement and monitor. Many were doing homework by asking friends and family.

Four out of 10 felt they were being talked down to, not listened to or were being sold something by prospective financial partners and gave up. Disappointing.

I was shocked by how an overwhelming number of women had spouses with financial advisers they never met; investment accounts weren't examined in a holistic manner, as a household. Husbands did their financial thing, they did theirs.

It's time for women to be bolder when it comes to money. The largest wealth transfer will occur when baby boomers inherit from their parents, and since generally women outlive men, assets will ultimately be in their hands to manage.

The process begins with finding a planner and then asking tough questions. Here are a couple of resources to help.

Both articles are from DailyWorth.com, a hub of objective financial education designed for women, founded by my dear friend Amanda Steinberg.

Women need to be more present in their own financial decisions.

It goes way beyond bank statements. It always has.

The wisdom and perspective women can provide to the overall planning process is invaluable to bolstering family finances.

It's time to embrace their contributions. Ask for their input.

Listen.

Most important, women just need to speak up and truly understand what they bring to the retirement planning and investment process.

And when they finally do, step back.

*About the author: By Richard Rosso, MS, CFP®, CIMA® is a senior financial adviser with Clarity Financial, in Houston.*



**T. Michael Martin** CRPC®  
Principal, Financial Adviser

**Marius Wealth Management, LLC**  
200 Park Avenue, Suite 1700  
New York, NY 10166  
T: 646.454.9159  
mmartin@mariuswealth.com  
www.mariuswealth.com

**A Registered Investment Adviser**

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