

From the Executive Director: 3 Tips for Living Right As Women Living Longer

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New data shows that women are living longer.

Women now live up to 88.8 years on average, up from 86.4 in 2000, for the average 65-year-old today, according to the Society of Actuaries.

The gap between men and women widened just a bit, with women living about two years longer than men on average — 86.6 years for the typical man, up from 84.6 in 2000.

What does this mean for women?

If you're not in control of your finances, you need to be. Women who are abdicating the finances to their husbands or partners – or find themselves “too busy” to pay attention — should take a step back and ask: What would I do if something happened? Can I support myself? Can I keep the household running?

My own mother, who became a widow about five years ago, finally had the light bulb go off after the death of Dad: “Look around, in the care facilities or any place, and it's all women who continue to outlive their husbands,” she said.

About 80% of women will be solely in control of their finances at some point, either because they marry later, divorce, or end up widowed.

Fidelity's Kathy Murphy, president of Personal Investing at the giant mutual fund company, will be talking about financial engagement and readiness at an upcoming event for members of the Financial Women's Association ([register here](#)).

She says that women should not wait for a major life event to take them by surprise.

“Taking control of your finances isn't just a choice today; it's a necessity,” she says. Whether it's you, your mother, your wife, sister or daughter – all women will have to make important financial decisions in their life, and the sooner they engage, the better off they'll be.”

So what can women do to live well while they're living longer?

- **Max-Out** – As you age, the power of your money lessens. In fact, just a three percent annual inflation rate cuts your buying power in half over 25 years, says Fidelity. A loaf of bread, for example, cost about 70 cents in 1990 and today runs about \$2.00 (or more).

Your 401(k) is perhaps your best bet for making your money grow because you contribute a portion of your wages before you pay taxes. If you save 10 percent of a \$30,000 salary in a 401(k), for example, that's \$3,000. But if you didn't contribute that to your 401(k), you'd only be

pocketing about \$2,200 after paying regular taxes. The government taxes neither your 401(k) contributions nor the investment returns on those contributions until they are withdrawn as benefits at retirement.

By tucking aside that \$3,000 over 25 years, you will grow to about \$200,000 and about \$255,000 if your employer offers a match of 50 cents for every dollar you save (up to 6 percent). In 2015, you can contribute up to \$18,000 and, if you are age 50 or over, you can contribute an additional \$6,000 or \$24,000 in total.

- **Flex-It** – Health care expenses – including co-pays, over-the-counter drugs, and even laser eye surgery – can really add up. But a flexible spending account allows you to set aside money on a pre-tax basis – meaning, it goes from your paycheck into an account, bypassing the taxes that would normally reduce your take home pay. Your flexible spending account, then, allows you to pay for a host of medical expenses that might otherwise come out of your pocket, making a \$300 expense really about \$200 because of the tax savings, depending on your tax bracket.
- **Ask for It** – How can you get a raise if you don't ask? Women still earn less than men on average and the pay gap grows as women age. The problem can begin with the first paycheck: While men tend to see a job offer as a starting point for negotiations, women are less likely to counter. Remember, the best time to negotiate is usually walking into a new job – or your first job – since that typically becomes the foundation for future pay raises.

If you're considering asking for a raise in a current role, be ready to point to the impact you've made, whether it's taking on the additional responsibilities of a co-worker or bringing in business that has clearly exceeded your own "cost." Finally, remember that practice helps. Just as you would practice for an audition or job interview, practice the "ask." While some research says it may hurt women to ask for a pay raise because they might appear greedy or demanding, other research suggests using charm can help. Asking is never easy, but with a little practice and a lot of confidence, you'll be far more likely to get what you deserve.