

AO50
ActiveOver50®

Inside:

**Will Your Money
Last a Lifetime?**

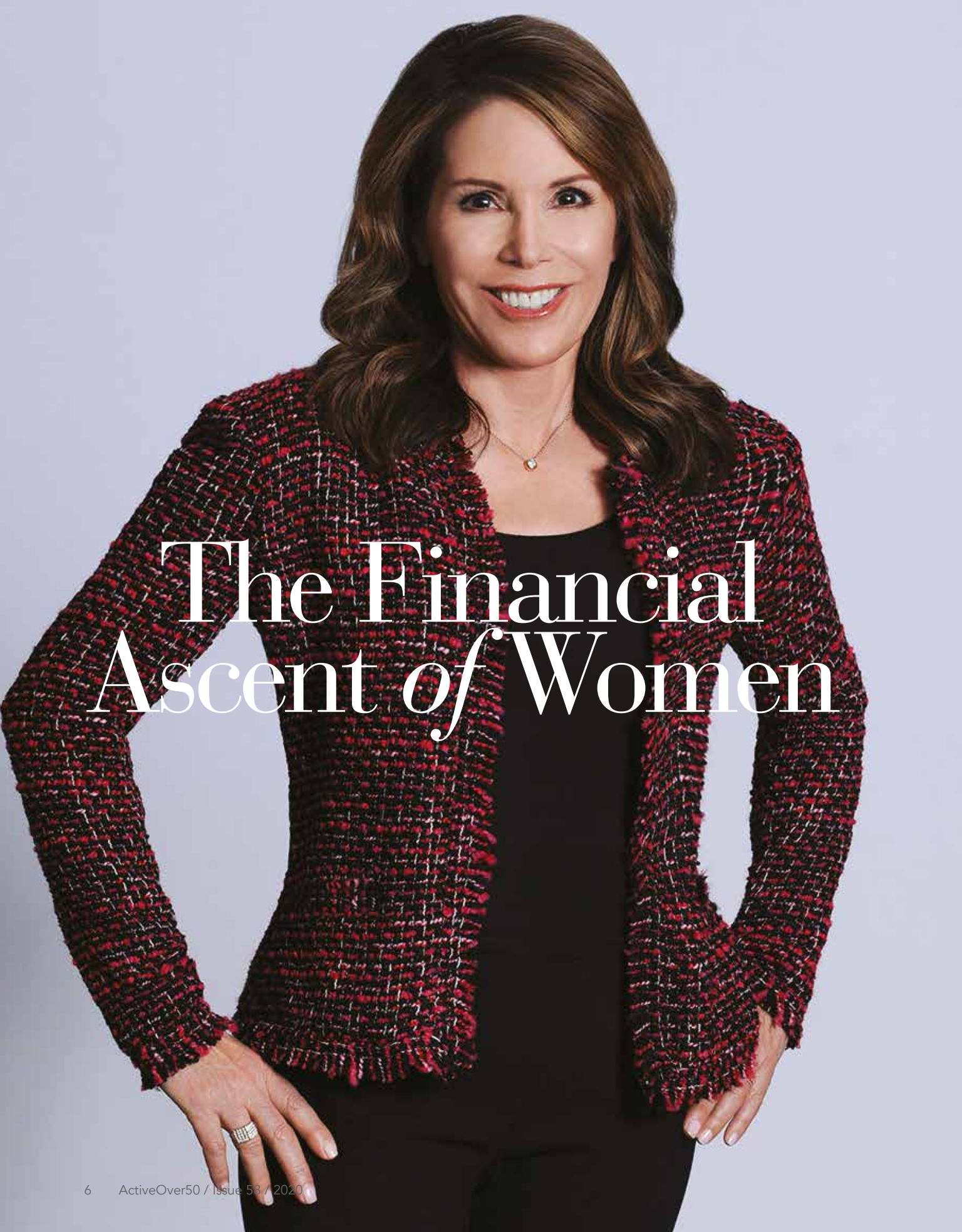
**Guaranteed Income
In Retirement**

**How To Avoid
Financial Mistakes**

Beware The Black Swan

**Maddy
Dychtwald**

Empowering Women



The Financial Ascent *of* Women

Profile: Maddy Dychtwald

Age: 70

Address: San Francisco Bay Area

Family: Husband: Ken,

Daughter: Casey, Son: Zak

Occupations: Author, Speaker,
Expert on Aging and the Financial
Ascent of Women

Why are women so uncomfortable talking about money?

Women, unlike men, don't like to talk about money. We're willing to talk about sex. We're willing to talk about what's wrong with our kids, what's wrong with our career and problems at home...we even talk about our latest purchases but when it comes to our salary or our money, suddenly we get very quiet.

What's more, many women avoid talking about or even thinking about their own personal finance and investing. In fact, in a study *Age Wave* conducted, *Women & Financial Wellness: Beyond the Bottom Line*, 60% of women we surveyed said they would rather talk about their own death than talk about money. It's a hurdle that affects our lifelong well-being, especially in light of the fact that women live longer than men.

What is the "pay gap" for women over a lifetime?

We usually think about the pay gap as a moment in time: women earn 82 cents for every dollar a man earns. But, that's not the whole story. What does it mean over the life of a person?

If a man and a woman both enter the workforce at the same age, and they both continuously stay in the workforce earning average income, with the pay gap in place, by the time they reach retirement age, the woman will have earned \$400,000 less than the man. That's real money. The pay gap compounds over a lifetime, and we need to be aware of that.

But there's still more to the pay gap issue. That \$400,000 figure is just part of the story. Because women, in general, are more likely to have career interruptions than men. Now not all women do take time off temporarily or permanently to care for family, but when they do, the impact can be dramatic.

Let's imagine a woman and a man enter the workforce at the same time. She's earning 82 cents for every dollar that he earns. She has a baby, let's say in her late 20s or early 30s, and takes off time to care for her child or children. (The average woman has two children.) She might take off eight years.

Then, she reenters the workforce. In her late 40s or early 50s, she gets a call from her mom or her dad, or maybe it's from her in-laws, saying that they really need help. So, she takes off time from work to care for her parents or her in-laws — maybe four years.



And then, because a woman, on average, marries a man a couple years older than she is, she might retire earlier than she planned to in order to care for her partner. If she retires in her early 60s, what we would see is that a woman who takes off those three moments in time — those career interruptions — on average earns \$1,055,000 less than a man. That's huge financially.



The Dychtwald Family – Ken, Maddy, Casey and Zak

Any tips on how to become financially secure?

In the study I referred to above, women told us their biggest financial regret was not investing more of their money. So I would suggest to all women, no matter how old they might be, to get started now. No matter how old you might be, it's never too late to invest financially in your own future self.

Even small amounts are better than not investing at all. As Marina Adshade, PhD, Author/Professor of Economics at University of British Columbia told me, "We need to instill a new set of life expectations for women: your only sure investment is an investment in yourself."

Biggest challenges facing women today?

When it comes to finances, there are still many challenges women face, including the lifetime pay gap which I already talked about. However, the one I'd like to hone in on that might be relevant to your readers is that extended longevity needs to be a factor in everyone's financial planning. And it's even more important for women, who, on average, live five years longer than men.

In fact, 77% of widows are women. By age 85, women outnumber men two to one and the majority (81%) of centenarians are women. This means that women are more likely to be alone and will need to be financially self-reliant and independent in their later years. It's also possible that some of those widows have already spent some of their nest egg on a partner's health or end-of-life care costs.

Overall, according to the study I referenced above, the majority of women (64%) say they'd like to live to 100 yet most (60%) fear they will run out of money if they do live that long. In fact, 42% of women are afraid they will run out of money by age 80.

These fears are not unwarranted. The typical retirement costs \$738,000 yet only 9% of American women have \$300,000 or more saved. Despite the fact that longevity is a critical women's issue, and that women tell us they want to live long lives, when asked, "How far into the future have you planned for financially?" the findings are astonishing.

One in four women ages 18 or older, and as many as 30% of women ages 30 to 44—critical years for retirement savings—say they have not planned at all for their future. This is a challenge that we need to solve.

What is the best financial advice you ever received?

Even though my work has always been laser focused on long life and how retirement is being reinvented, the need to plan for it financially wasn't really on my own—or my husband's—radar screen. (We both surely recognized the irony of that.)

Not only weren't we saving for retirement but, like many, we didn't even have a clue how much we would need or how to determine it. And then, we had a serious sit-down with our accountant who scared us into saving specifically for our retirement.

The good news was he gave us a simple formula to follow; the bad news was it seemed like an overwhelming task that could never be achieved. He said, "Figure out how much you think you'll be spending annually and multiply that by 35." (He was assuming we could live 35 years after we retired.)

We immediately made some serious and somewhat painful changes in our lifestyle and moved saving for retirement up our priority list. Little by little, we have been able to chip away at our goal. But having a simple formula to follow was the key that unlocked our ability to plan for a financially secure retirement. Knowing that we are on the right path has given us financial peace-of-mind.

What is Age Wave?

Age Wave is a research consulting firm considered by many to be the nation's foremost thought leader on issues relating to an aging population, with emphasis on the profound business, social, healthcare, financial, workforce and cultural implications. Over the last 35 years, Age Wave has developed a unique understanding of the body, mind, hopes and demands of new generations of maturing consumers and workers and their expectations, attitudes, hopes, and fears regarding retirement.

We bring this knowledge to research studies, keynote presentations, books and educational programs. You can learn more by visiting www.agewave.com.

How do you stay active?

I try to stay very active. The primary motivator for me is keeping my moods positive and my energy level high. I find that staying active gets my endorphins going, which keeps me positive and it helps me feel energized. It's a big motivator. I do yoga, Pilates, and cardio, including the elliptical, stair master, and the treadmill. My biggest asset is being consistent. No matter where I am and whom I'm with, I try to get in some movement.

