Financial Wellness
& Education

Breaking the glass ceiling

After decades of striving, more women than ever before are breaking through the "glass ceiling." Women are earning significant salaries, holding top management positions and achieving financial independence. For women to reach financial goals such as buying a home, financing a child's education or building a retirement nest egg, a financial game plan is required. Of course, every woman's personal situation is unique. That's why it's essential to sit down and discuss the specifics with your Representative. In this article, we will discuss some general issues that affect all women and present some tips that can help you put your own investment strategy into action.

Take charge by putting your own investment strategy into action.

The realities

As women prepare for the future, it's necessary for them to take several factors into consideration that may be particularly relevant:

Living longer—American women are living longer than ever before. According to current Actuarial Tables, the average woman aged 65 today can expect to live to age 85. A 65-year-old man, on the other hand, can expect to live to age 82.

Earning lower salaries—Although women have made progress, they generally continue to earn less than men holding similar jobs. Lower salaries can mean a lower standard of living during working years, as well as lower Social Security benefits in retirement.

Frequent job changes—While job hopping usually brings salary increases, it can also have a significant impact on retirement benefits. Traditional pension plans offer limited benefits to short-term workers, making it important for women to participate in 401(k) plans so they can hold on to their retirement savings when they change jobs.

Leaving the workforce—Women frequently take a break from their careers to raise children or care for elderly parents. As a result of taking on this role, many women struggle to remain in the workforce, replace income lost to time off, regain pension coverage and make up for lost promotions.

Taking charge

With these financial issues in mind, here is some guidance to help you get your finances in order:

Get professional advice—It always pays to get good advice from an experienced professional. With literally thousands of mutual fund, annuity and life insurance products available in the market, a trained professional can help you understand what's available and help you build a portfolio that's right for you.

Take advantage of employer-provided retirement plans—If your employer offers a retirement program such as a 401(k) or 403(b), you should seriously consider participating in the plan. These plans are a convenient, tax-advantaged way to accumulate money for retirement. Since each plan's specific provisions vary, check with you employer's human resources department for details.

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Open an IRA—Contributing to an Individual Retirement Account (IRA) can be an excellent way to accumulate assets for retirement. Each type of IRA has distinct tax advantages and contribution limits, so consult your tax adviser and Representative for details.

Consider annuities—An annuity offers tax-deferred growth and a stream of income that's guaranteed for as long as you live. Some annuities offer death benefits. Lifetime payments are available under either a fixed or variable annuity income option. This provision is especially important for women, who generally tend to live longer than men.*

Pay yourself first—At Foresters Financial, we believe in the concept of "paying yourself first." That means you should make it a priority to invest on a regular basis. For example, invest a set amount in a mutual fund on a monthly basis. To make this convenient and virtually painless, regular investment contributions can be deducted electronically from your paycheck or bank account. Systematic investing cannot, however, assure a profit or protect you against a loss in declining markets. Since this strategy depends on continuing to make investments regardless of fluctuating market prices, you should consider your ability to continue making investments when markets decline.

Don't be too conservative—Some people invest their money solely in "risk-free" vehicles, such as FDIC-insured bank accounts. However, the returns on these investments can vary significantly over time. While these accounts offer security, over the long haul they may not offer sufficient protection against the harmful effects of taxation and inflation. It generally makes sense to allocate funds across a broad array of investments, including some that offer safety and others that offer growth potential. Of course, investments with the potential for higher growth also involve a higher level of risk and are subject to greater fluctuation in value based onmarket conditions. Diversification is among the many investment options that may help you to minimize risk by reducing the impact of a decline in any one security or segment of the market. However, diversification does not eliminate the risk associated with overall market trends.

Remember life insurance—Life insurance has long been viewed as an effective way to protect family members from the financial consequences of a wage earner's death. However, even stay-at-home parents, who don't have any income, should consider life insurance as a way to cover the costs of child care and other services. Speak with your Representative to find out how life insurance can help safeguard your family's financial future. the potential to erode your financial legacy. Add in potential state taxes and probate costs and your heirs may

Draft an estate plan- Estate taxes have the potential to erode your financial legacy. Add in potential state taxes and probate costs and your heirs may receive less than you intended. That's why in addition to speaking to your Representative you should also talk to your attorney and/or accountant and get their help putting together an estate plan to help you minimize the impact taxes have on your estate.

** There are risks associated with investing in annuities. There are fees and surrender charges associated with annuities as well as early withdrawal penalties. Withdrawals before age 59 1/2 may be subject to a 10 percent federal tax penalty. Annuities are suitable for long-term investing, particularly retirement savings.*

Benefit from our experience

Foresters Financial Services, Inc. provides everyday families and individuals with financial solutions, guidance and tools, to meet their needs across all life stages. Our Financial Representatives offer personalized service combined with a solid, long-term approach and fresh thinking to help you:

- Save and invest for retirement, education and other life events
- Create retirement income strategies
- Protect the ones you love
- Plan your legacy

Together, we can help you achieve financial and family well-being—now and tomorrow, this generation and the next.

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