

Our Business

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Women, plan ahead for retirement with IRA, 401(k)

If you are like many Fox Valley women, your retirement dream includes having enough money so you can live comfortably and enjoy the finer things in life. Today you may find yourself home with a young family, unexpectedly back in the workforce, or recently divorced and wondering how to better adjust your current retirement planning to reach that dream.

Women are more likely to be non-paid caregivers for their children or parents, or have part-time jobs that do not qualify for a retirement plan. Those who are working still often earn less than men. Lower income and fewer years in the work force means a smaller pension and less Social Security income.

Even if you are at home with a



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young family you should save for retirement. Saving as little as \$20 a week can add up with time and compounding. Start saving in a traditional IRA or a Roth IRA and remain committed — a small amount today will pay off in your retirement years. In addition, consider saving your tax refunds, birthday gifts and any other extra money you receive.

Working women should take advantage of employer-offered savings plans such as 401(k)s. Many employers offer some type of contribution match — this is free money for you. Also consider your employer's retirement benefits before changing jobs for a larger paycheck. Women change jobs on average once every 4.8 years, but most pension plans will only vest after five years of employment. Before you take that new job, consider the possible pension income you will be losing in your retirement years.

Retirement savings can be one of the largest assets in a marriage. If you are going through a divorce, make sure your spouse's accounts are reviewed. You can help insulate your finances from divorce by fund-

ing your own retirement accounts from the start, whether you are working or not. An important thing to remember is if you have been married at least 10 years, you can claim part of your former spouse's Social Security income.

There are many different financial vehicles available for your retirement planning. Traditional IRAs, Roth IRAs and 401(k)s are examples of accounts that provide you with some tax advantages. You may consider investing your money in the stock market where you can create a diversified portfolio of stocks, bonds, and mutual funds or putting your money aside in a bank CD or money market account. Consider the factors that can affect the success of the plan: your tolerance

for risk, your time frame and your unique situation.

When planning for your retirement, ask questions. Financial services professionals can provide you with a savings plan that will help you have the retirement you dream about. Prepare for your future now and you will be able to enjoy leisurely strolls along the Fox River, dinner at one of the area's fine restaurants and shows at the Paramount Theatre without financial worry during your retirement.

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