

A Working Woman's Most Important Job

Everyone needs to address the reality of living longer (and spending more years in retirement), but females, on average, live longer than their male counterparts. This makes it even more crucial for you to make saving for retirement a high priority, and to make sure that you have enough money to last your entire life. The statistics speak for themselves. According to October 2008 Report from the Center of American Progress, elderly women (over 75 years old) are far more likely to be poor than elderly men (13% of women vs. 6% of men).¹ This is why it's important to start planning for the future today.

Working Women

According to the *2009 The Shriver Report: A Woman's Nation Changes Everything*², for the first time half of the all U.S. workers are women. And nearly 4 in 10 mothers (39.3 percent) are primary breadwinners, bringing home the majority of the family's earnings, and nearly two-thirds (62.8 percent) are breadwinners or co-breadwinners, bringing home at least a quarter of the family's earnings. Also according to the Report, women are more likely to graduate from college, yet they earn less than men.

The Complications of Caregiving

Unfortunately, many women may not feel properly prepared for the future, financially. Some are employed in settings that don't offer retirement plans to employees. Additionally, women are more likely than men to care for children and elderly or disabled family members. One study found that 69 percent of unpaid caregivers to older adults in the home are women.¹ Because combining unpaid caregiving with paid work can be challenging, women are more likely to work part time or take time out of the workforce to care for family.¹ Twenty-three percent of mothers are out of the workforce compared to just 1 percent of fathers.¹ Those career "gaps" can make a big difference in the amount of retirement funds that accumulate over time. The bottom line is that, although raising children and caring for a family is a tough job, you may end up working even harder later in life to make up for that time.

Let Time Work for You

If you're currently working for a living, it's important to prepare now for the future by taking action yourself. Even if you're married, it's important to proactively think about your own retirement plan — rather than postponing or leaving it solely up to your spouse. One way to get started is through a tax-deferred retirement savings plan at work, such as a 401(k) or 403(b) account. Such plans offer tax advantages and can help accumulate funds over time.

Other financial vehicles and products can also help women address their concerns and be prepared for the future. One such product is a fixed annuity. Fixed annuities can be a flexible, tax-deferred way to help you achieve long-term financial goals, and provide a source of retirement income. And fixed annuities can be used to fund other tax-deferred retirement vehicles, such as IRAs.

Tax qualified retirement plans (like IRAs, TSAs, and SEPs) already provide tax deferral under the Internal Revenue Code, so the tax deferral of an annuity does not provide any additional benefits.

The Fixed Annuity Advantage

Even if not part of an IRA plan, fixed annuities can offer several distinct advantages. For example, with a fixed deferred annuity, the money you put in accumulates tax-deferred. This means that taxes are not paid on your earnings while your money's growing, but rather, only as it's withdrawn. (However, any withdrawals made prior to age 59½ may be subject to a 10% IRS penalty tax. Surrender charges may also apply.) This may allow your money to accumulate faster than it might in a comparable, currently taxable investment. Lastly, many fixed annuities offer a guaranteed death benefit feature³ that may allow the fixed annuity proceeds to be passed on to your loved ones free of probate. For all those reasons, a fixed annuity can help provide the peace of mind and security you need for the future — so you can concentrate on today.

An IRA: A Tool that Can Provide Tax Savings

An IRA is a personal, tax-deferred retirement funding vehicle: You could pay into it every year, and don't pay taxes on your accumulation until it's withdrawn⁴ — or in the case of a Roth IRA, if you qualify, you never pay federal income taxes on the earnings (provided that the Roth IRA is at least five years old and you have reached age 59½ state taxes may apply). (This is because Roth IRAs are funded by after-tax contributions.) And since the earnings you accumulate in an IRA remain in the account, your earnings can accumulate more quickly. This is called compounding. By beginning to save early, you gain an enormous increased advantage over time — the years of compounding from earlier years may result in significant cash accumulation. Please consult your tax advisor to see which IRA is right for you.

The Role of Life Insurance in Your Retirement Plan

A permanent life insurance policy, such as whole life, is a feature-rich, customizable policy that can be tailored to suit you and your family's needs. Besides protecting your family's financial future should the insured die, permanent life insurance builds guaranteed cash value as you pay your premiums when due. These values accumulate on a tax-deferred basis. This cash value can also be accessed through a valuable loan provision.⁵ In addition, depending on the type of permanent policy purchased, the policy may be eligible for dividends, as declared by the issuing company.⁶

Consider All Your Financial Choices

It's important to carefully evaluate all your financial options. There are a variety of products available that can suit any number of goals. If you are self-employed, you may be eligible for a Keogh plan — a tax-deferred savings plan. Contributions are tax-deductible and accumulate tax-deferred. By exploring your choices today, you can establish a sound financial strategy for your retirement years. It's important to factor in all your present and future needs, both financial and personal. This way you may help ensure that your "golden years" will be more carefree.

As you seek security for yourself and your loved ones, you want the best: a company with financial strength, with people committed to serving your needs, and with products that will help serve you well today — and tomorrow.

New York Life: The Company You Keep®

Since 1845, New York Life Insurance Company has been providing quality insurance products to individuals, families, and businesses. For 160 years, we have conducted our business around the central values of financial strength, integrity, and humanity — and have remained committed to being a mutual company, owned solely by our policyholders. This means that, regardless of the economy, our focus is fixed on just one objective: meeting the needs of our customers, now and far into the future. Talk to your New York Life agent today and find out why we are The Company You Keep®.

¹ The Straight Facts on Women in Poverty, Center for American Progress, October 2008.

² The Shriver Report: A Woman's Nation Changes Everything, Study by Maria Shriver and Center for American Progress, October 2009.

³ Death benefit payments are dependent upon the claims-paying ability of the issuing company.

⁴ Withdrawals made prior to age 59½ may be subject to a 10% IRS penalty tax.

⁵ Loans against the cash value in your policy accrue interest at the current rate and decrease the death benefit and cash value by the amount of the outstanding loan and interest.

⁶ Dividends are not guaranteed.