

Three unexpected reasons your retirement plan could fail

We all aspire to have a secure retirement when we can focus on our passions and family without having to worry about money.

But according to the Employee Benefits Research Institute, only 22 percent of



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Americans are confident that they will have enough resources for a comfortable retirement. The statistics are even more alarming for women, with only 10 percent very confident about their long-term financial situation.

Why is the retirement outlook for women so dire, especially since many women these days are better educated and have more career opportunities? It's often because we face so many obstacles on our journey to financial freedom, such as lower pay and less time in the workforce because of raising children or caring for other family members.

Look at these three common yet unexpected reasons your retirement plan could fail and take proactive steps to protect



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Women spend a third more on health care than men do over their lifetimes.

your future.

(1) FORCED EARLY RETIREMENT

As you accumulate wealth and build retirement savings, there is always a risk that your career could end prematurely because of poor health, disability, job loss or the responsibility of caring for a fam-

ily member. Early retirement can destroy even the most well-structured retirement plans.

According to the Transamerica Center for Retirement Studies, 40 percent of women plan to retire after 65 and half of women plan to work in some way, shape

or form after officially retiring.

Considering that 47 percent of retirees stopped working sooner than they had planned, these numbers show that many women may have to adjust their plans.

Unfortunately, the data gathered show that only 19 percent of women have created a backup plan if forced to retire early.

DISABILITY INSURANCE

Working fewer years than expected also can decrease Social Security benefits during retirement.

To protect yourself from this risk, plan for the unexpected. Make sure you have adequate disability insurance to safeguard income in the event of an illness or disability.

You also can work with an adviser to project what your savings and income would look like if forced to retire early.

(2) PREMATURE LOSS OF A SPOUSE

Losing a spouse is devastating, whether or not the spouse is near his or her life expectancy.

But losing a spouse during the final years of his or her career can be dangerous for the survivor's financial plan.

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