Wi$eUp Teleconference Call
Tips for Starting and Staying on the Road to Retirement
September 30, 2009
Speaker 2: Cindy Hounsell

Jane Walstedt: And, Natalie, operator, I believe our…the person who was going to be our initial speaker has called in but her line is not open.

Coordinator: Okay.

Cindy Hounsell: Well, I think my line is open.

Jane Walstedt: It is? Okay, Cindy.

Cindy Hounsell: Well, I’ve been on since 1:45.

Jane Walstedt: Okay. Well then we’re going to have Rose introduce you...

Cindy Hounsell: Great.

Jane Walstedt: And then we’ll turn it to you.. Rose?

Cindy Hounsell: Good.

Rose Holandez: Sure. Yes. Thank you. Cindy Hounsell is the president of WISER, which stands for the Women’s Institute for a Secure Retirement. WISER is a non-profit that seeks to improve opportunities for women to secure retirement income and to educate the public about the inequities that disadvantage women in retirement. Among her accomplishments, Ms. Hounsell has testified before Congress; served as a delegate for a number of White House summits and conferences,
including the last two White House Conferences on Aging, the White House Social Security conference, and each of the National Retirement Saver Summits.

She has written several chapters, columns, articles, op eds, papers and booklets on women and retirement, two of which include what…a booklet called, entitled What Every WOMAN Needs to Know About MONEY and RETIREMENT: A Simple Guide and What Everyone Needs to Know About Money and Retirement.

These have appeared [as inserts] in Good Housekeeping magazine to readership of over 26 million people. Also, as the Director of the National Education and Resource Center on Women and Retirement Planning, Ms. Hounsell provides technical assistance to several national organizations and training to leaders and grassroots advocates around the country.

Ms. Hounsell was recently appointed to the Advisory Panel on Medicare Education, representing the field of retirement and financial planning. She is also a member of the National Academy of Social Insurance. And in 2006, Women’s eNews named Ms. Hounsell one of 21 leaders for the 21st century.

Cindy...
So it really is a woman’s issue. And the other things that women really need to pay attention to are that they really need much more money than men do, because they live longer. And throughout their lifetime, they earn less. And they’re also more likely to be single and not remarry and they’re more likely to need long-term care services.

And along with living longer are a number of risks, risks such as inflation, outliving assets, the death of a spouse, unexpected health care needs and costs, and loss of ability to live independently.

So for the first time in their lives, many women end up in poverty for the first time. Now I was thinking - I was listening to Pat and I was thinking--you know, a lot of times what happens with saving for retirement, it’s the same as losing weight. And you can look in every magazine on the stand, and it will tell you, you know, all the things you can do. But there are really just a couple of things you can do that work. And that is eat less and exercise.

So there are just a couple of things, and I think every program will tell you that that’s something that works. And for retirement, the really important things are the basics: knowing what you have and making sure that you keep up with what you have and paying attention.

I was listening to Jane talk about all the statistics and how many people have never made a retirement plan or have never figured out how much they need. And that really is the first step that everyone needs to do. And sometimes I think there’s almost too much information around. And so what needs to happen is you need to do the very basic. And Pat gave a number of resources that the Department of Labor has--the calculators and things.
And we also have one calculator on our Web site at www.wiserwomen.org which helps you realize how much you have and then gives you ways to look and see how you can close the gap.

One of our favorite booklets, which actually Pat worked on a long time ago in another career, is *Seven Life-Defining Financial Decisions*. And what you do is all along your life, you have to begin every decision you make to think long-term. From the time you choose a career, you’re thinking, how is this going to impact me later on in life.

And so you think about the benefits you’ll get or the salary that you’ll get when you’re choosing a career. When you’re changing a job, what’s this going to have as an impact on my long-term saving and financial plan? When you get married and you have children or you’re buying a home, how can you make the financial plan smoother and more secure so that at the end of your life you’re having a number of sources of retirement income?

Many workers misunderstand their primary sources of income. And as Pat also mentioned - and I think Ted will be talking more about Social Security - Social Security is really the foundation of your retirement. And every year, Social Security sends out a statement which provides a way to plan and see how much you’ll be getting and then how much else you’re going to need.

Pat also talked a little bit about pensions. So I’ll just say that along with pensions and 401(k)s and retirement plans, a lot of times people just forget that they’re also going to need to supplement that with other ways to save, such as individual retirement accounts and certificates of deposit and savings bonds.

So one of the most important things is to know what you have at your job and learn about those sources of retirement income and pay attention to the rules.
The day to learn about your retirement plan isn’t the day before retirement. You really need to become educated about those plans and then try to save more. And I think Pat gave a lot of great suggestions about how to do that.

And the other things that seem to trip people up are those lifetime decisions such as, you know, caring for parents, marriage, leaving the job. When you care for an elderly parent, you know, that can begin to really complicate your financial plans. We hear a lot from women who end up leaving their jobs and moving back to take care of parents and that, you know, that can cause a lot of complications down the road.

So talk to your parents ahead of time and try to find out what their wishes and plans are. And also, what their finances are. Sit down and really try to find out what their resources are. And we have a great fact sheet on our Web site and we have a caregiving section. And it tells you how to begin to ask the questions of your parents.

And then another important thing is to talk to your siblings and see if they will help your parents as well, and learn about the insurance coverage. One of the worst stories I’ve ever heard is of two sisters who spent a lot of money caring for their mother and after she died, found out that she had a long-term care policy that they never knew about. And she tried to tell them about it, and they just didn’t want to listen, and they didn’t think she really knew what she was talking about. So preparation in that area is really important.

And if you need help, there’s also a great resource from the Administration on Aging called the Elder Care locator. And you can find that through the local area agency on aging. And I also prepared a PowerPoint for this presentation, and we’re going to put them up on our Web site and maybe the Wis$eUp program will also include them.
And then if you’re married…a lot of times what women end up doing when they marry is changing their financial plan and not really thinking about saving the same way they did before. But a retirement plan needs to work for you as a couple, as well as for each person separately.

And the decisions that often are made during the marriage are what affect women at the end of their lives and can really affect your security. So you need to stay aware of what’s happening within your marriage and consider the different types of insurances that each of you have, where your retirement accounts are. And both spouses should really share the responsibility for major financial decisions. A lot of times women pay the bills, but they don’t pay any attention to the…to where the investments are or where their spouse’s investments are.

And a lot of times too, women are very quick to give up survivor benefits to a spouse’s retirement plan, and that isn’t a good idea either. And then for those who end up in a situation such as divorce, it’s important to understand all the valuable assets that might be there, including the retirement benefits. And think about the fact that you need to have a Qualified Domestic Relations Order at the time of your divorce. Otherwise, you’ll never be able to get a part of the retirement plan.

So with all of that, I’d like to conclude by saying the important thing is to make sure that you have enough income saved for the future. And there are studies that say women need 130% of your current income in retirement. That may be a little bit steep for a lot of people, but just to think about that as a ballpark number. At WISER we say you need at least 100% of your current income, not 60% or 80%, because of the longevity.

And then, you know, begin to think about saving more. And I know that’s difficult for a lot of people, but if you think about it every time you do your
taxes--how can I save more next year--it’s a great time to really go over what you’ve paid out in taxes during the year, what you’ve saved, and [to] reassess your financial plan.

So I think I’ll end there, Jane. Thank you.

Jane Walstedt: Thank you, Cindy. That was great.