

The COMPASS Chronicle

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The Importance of Saving for Women

- ▶ As this article articulates, women tend to save a greater proportion of their income for retirement than men.
- ▶ However, in a traditional family, wives have tended to take the lead from their husbands in financial matters. COMPASS encourages its married female clients to take an active role in financial decision making throughout their lives. Such involvement can be especially helpful later in life should they outlive their partner.

Women face a different set of financial-planning challenges than men because they tend to live longer, earn less, and take more breaks from the work force. Women may also experience more difficulties if they are widowed or divorced. The good news is that women tend to save more. According to Vanguard's "How America Saves 2012" report, women saved at rates about 5% to 10% higher than those of men across every income group. However, even though their savings rates were higher, women's balances in savings accounts tended to be lower than those of men because women, on average, had lower incomes. This illustrates the extreme importance that saving (and starting to do so early) has for women. It's not always easy, but managing debt, controlling expenses, and contributing to a retirement plan can make a world of a difference down the road.

Average Deferral Rates by Income and Gender 2011

Vanguard defined contribution plans permitting employee-elective deferrals			
	Female	Male	All
<\$30,000	5.1%	4.5%	4.8%
\$30,000-\$49,999	5.9	5.6	5.8
\$50,000-\$74,999	7.4	6.9	7.1
\$75,000-\$99,999	8.9	8.0	8.3
\$100,000+	8.8	8.0	8.2

Source: Vanguard, 2012



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More about COMPASS Wealth Management, LLC

COMPASS Wealth Management, LLC is a client-focused wealth management firm dedicated to providing superior advice to individuals, families, and corporate retirement plans. Our wealth management services include investment management, retirement and gift planning, education funding, and other advisory services.

We take pride in offering you expert financial advice along with personalized service. Assisting you in reaching your financial goals is our business and we take that responsibility very seriously. For details on the selection criteria used to determine the recipients of the FIVE STAR Wealth Manager award, please visit our web site.

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