

ASK THE MONEY LADY: NAVIGATING RETIREMENT AS A SINGLE WOMAN

THERE IS MORE RISK IN DOING NOTHING THAN FOR THOSE TRYING TO IMPROVE THEIR SITUATION, WRITES CHRISTINE IBBOTSON



CHRISTINE IBBOTSON
Column

Dear Money Lady,

Going into retirement as an older single woman is more daunting than I thought it would be when I got divorced five years ago. I haven't even updated my will yet, and I don't know what to do about my current mortgage. It's just so much to think about all by myself!

Any tips for us older single ladies?

Single in my Sixties (Bernice)

Dear Bernice,

In 2001, there were more than 1,500,000 single women in retirement; today, there are over 2,600,000 Canadian women living alone. Women tend to live longer than men and many divorced or widows are simply choosing to remain single in retirement. This has created unique challenges for women today.

Many retired women receive much less than their male counterparts. Often women have not worked the same amount of years as men or have earned less income during their working careers and therefore do not receive the same pension benefits. They are also much more conservative when investing than most men. A recent study

done by Bank of Montreal showed that men were more likely to hold stocks and mutual funds in their investments, whereas women were more likely to hold GICs. So, what are our single ladies to do?

We as women need to support one another and become more knowledgeable about our future opportunities. We need to expect more from ourselves and definitely more from the people we interact with. Start by educating yourself. When we know more, we make better decisions and feel more empowered to improve our situation. Start to know what your true financial picture looks like. Buy a notebook and create a budget — your new financial plan. Review all your investments, insurance and taxes. Do you have a good financial adviser? Do you have a good

accountant?

It is important for you to have a well thought out strategy that provides for the unexpected. You should have an easily accessible emergency fund, like a line of credit or savings account. This will help pay for unexpected costs that are not built into a budget. For your investments, we must ensure your portfolio grows with products that offset inflation and taxes. Remember that risk is a relative term and as a single woman in retirement, there is more risk to doing nothing than for those who try to improve their situation. Review your investment portfolio with your adviser, get involved and ensure you have the correct asset allocation to provide compounded growth year over year.

If money is tight in retirement, then maybe it is

time to review your overall situation. Can you downsize (or rightsize) to something less expensive. Can you continue to work part-time or is there something that you may be uniquely qualified to do that will provide a little extra income? In establishing your financial plan, assess your basic needs and ensure they are covered by an income source that is guaranteed for life. It also goes without saying that every good financial plan should have an up-to-date will and power of attorney.

Start taking control of your life, your future and your finances — for those of you who already have, then bravo! You go girls! Bernice, don't be less than you can be. You will sometimes feel self-doubt, and that's OK; just don't allow yourself to stay there. Reach further to all your

future possibilities no matter what age you are. You have the power as a single woman — so make it happen!

Good Luck and Best Wishes,

Money Lady

Christine Ibbotson is the author of the bestselling book "How to Retire Debt Free & Wealthy" and a new book "Don't Panic — How to Manage your Finances and Financial Anxieties During and After the Coronavirus," available at all bookstores across Canada. If you have a money question, please email on website: www.askthemoneylady.ca. Follow her on Facebook and Instagram.

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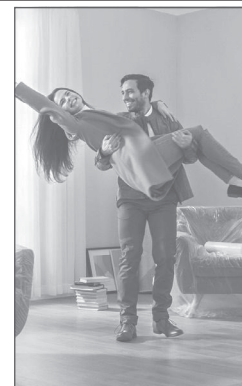
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