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To RRSP or Not To RRSP **The questions women need to be asking**

By Kelley Keehn

The financial industry has done an excellent job educating the public about RRSPs and saving for one's retirement. But are RRSPs right for everyone? Does gender matter when saving for retirement and should women ask different questions of their financial advisors than men?

With divorce rates hovering around the 50 percent mark, there's a good chance that women may find themselves dipping into their retirement savings when facing an unexpected single income. Saving for one's retirement can also involve non-registered savings – those funds held outside of a tax shelter. What some women may not realize is that if they need to dip into their sheltered savings in a time of need, the income is fully taxable and they lose the contribution room forever more.

Christine Davidson, former Investment Manager for one of Canada's largest banks insists that women must first have an emergency account. "Women should setup a non-registered savings plan for times of need" Davidson sites, "before they ever consider saving for their retirement in a formal plan such as a RRSP". She also notes that women tend to invest for emotional reasons and having a secure retirement was always important to her and her female clients. Davidson recalls a time during her lean commissioned sales years when she barely had enough money for groceries so she could still make her RRSP contribution that month.

When asked if women dip into their retirement savings more than men, Chris Fox, Branch Manager of Partners In Planning, admits that unfortunately, both sexes in his practice have been guilty of using their retirement funds as emergency savings.

The average investor needs to be aware that they are allowed to carry their unused contribution room forward indefinitely. One can save outside of a tax shelter and should it be in a person's best interest to roll it into a RRSP, they may do so at any point. Davidson also points out that it always depends on an individual's tax bracket as to whether or not an RRSP makes sense that year. Investors should speak with their accountant or financial advisor to determine what's best for them.

Kelley Keehn, author of *The Prosperity Factor*, says that "the first step is awareness. Once an individual realizes there's a potential problem with their money, they're more open to searching for a solution." In her book and courses, Keehn teaches individuals and financial professionals how to solve money problems with a two-part system. First, an introspective look at how a person views money and their emotional attitudes towards it. Second, she takes readers and course participants through a series of fun and effective money and banking games that can be played for a lifetime of financial ease.

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