



Fourteen Facts About Women's Retirement Outlook

Select Findings from the 14th Annual Transamerica Retirement Survey of Workers

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TRANSAMERICA CENTER
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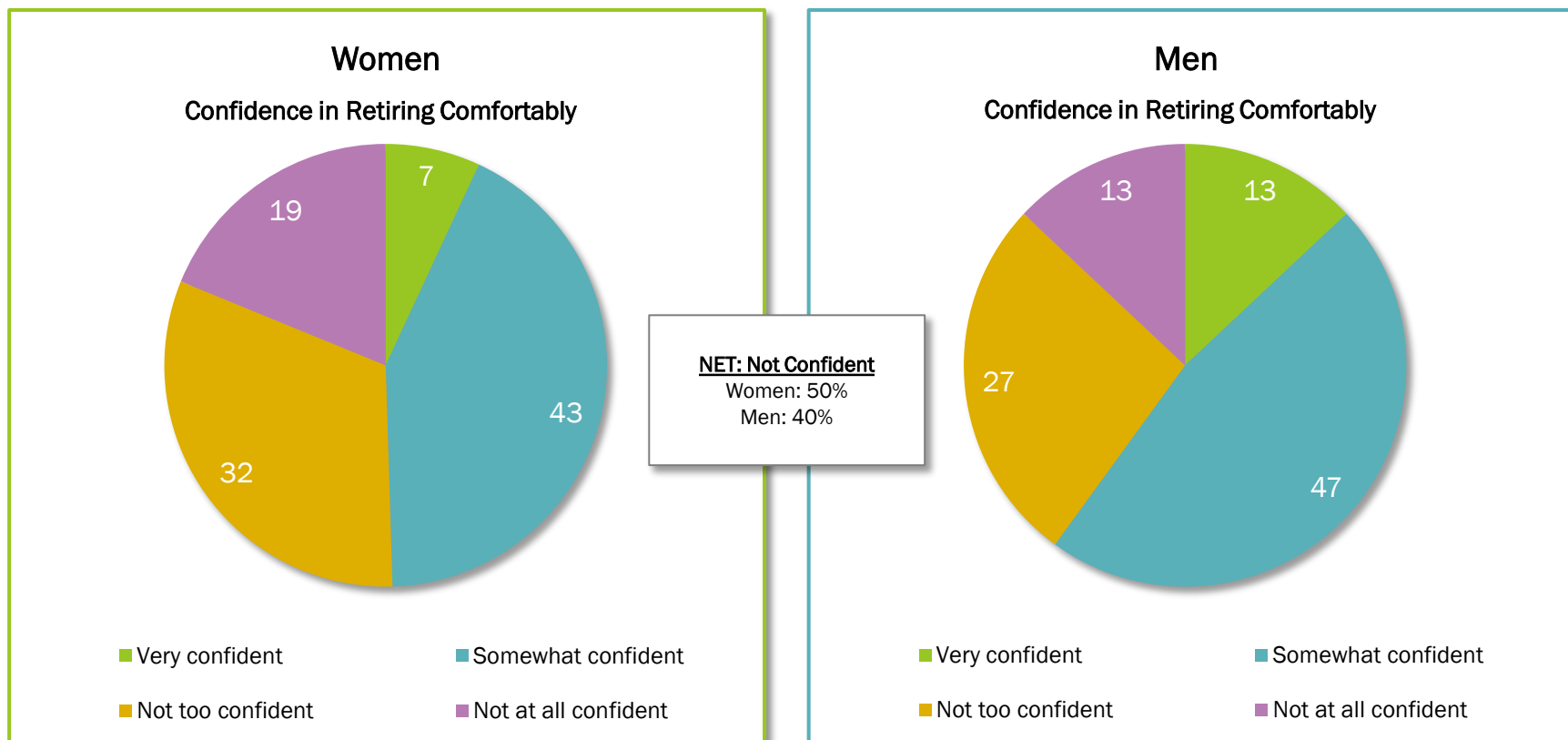
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Foreword

- Eight years ago, the Transamerica Center for Retirement Studies® began publishing research reports and pursuing outreach campaigns regarding women as part of its annual retirement survey, with the goal of raising awareness of retirement risks that women face in order to help affect positive change.
- Women's roles in society continue to evolve at home and in the workforce. In recent decades, women have made great strides in achieving higher levels of education, gaining opportunities in the workforce, and pursuing careers. Women also continue to play a vital role as mothers and caregivers. While strides have been made, women continue to be at greater risk of not achieving a financially secure retirement than men.
- Key contributing factors why women are at greater risk:
 - Women are more likely than men to be single parents
 - Women are also more likely than men to take time out of the workforce to care for children and/or aging parents. Taking time out of the workforce means forgoing income and employee benefits such as health and retirement benefits
 - A high percentage of women work part-time and therefore do not have access to workplace retirement benefits
 - Women's annual income continues to lag behind men's – which leads to lower lifetime earnings, lower lifetime savings, and reduced Social Security benefits
 - Women have longer life expectancies and, therefore, greater savings needs
- The objective of sharing the following 14 facts is to highlight opportunities regarding how women can improve their retirement outlook.

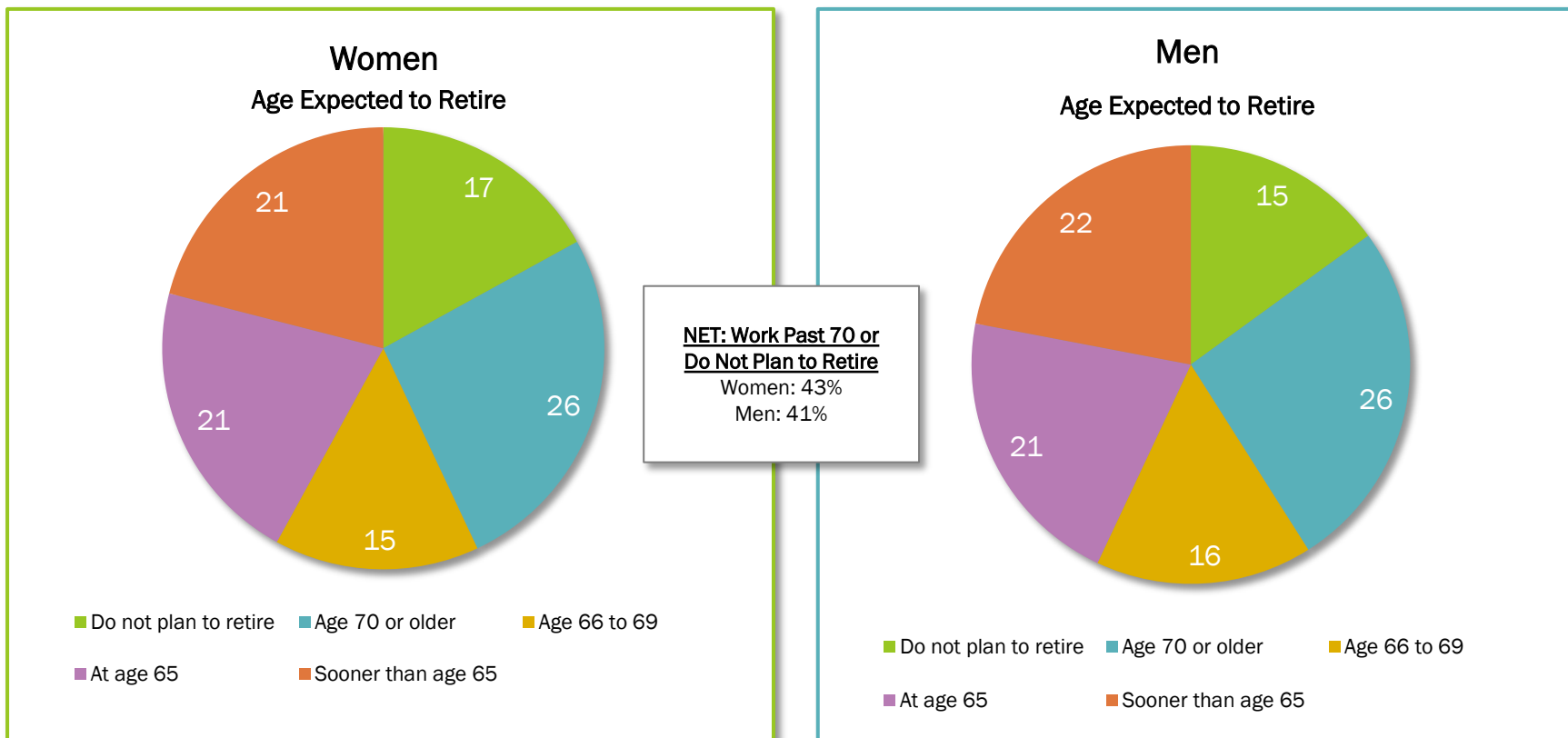
Fact #1. Few Women Are Confident About Retirement

Only seven percent of women are “very confident” in their ability to fully retire with a comfortable lifestyle, compared to 13 percent of men. Half of women (50 percent) are “not too confident” or “not at all confident” compared to only 40 percent of men who share that sentiment.



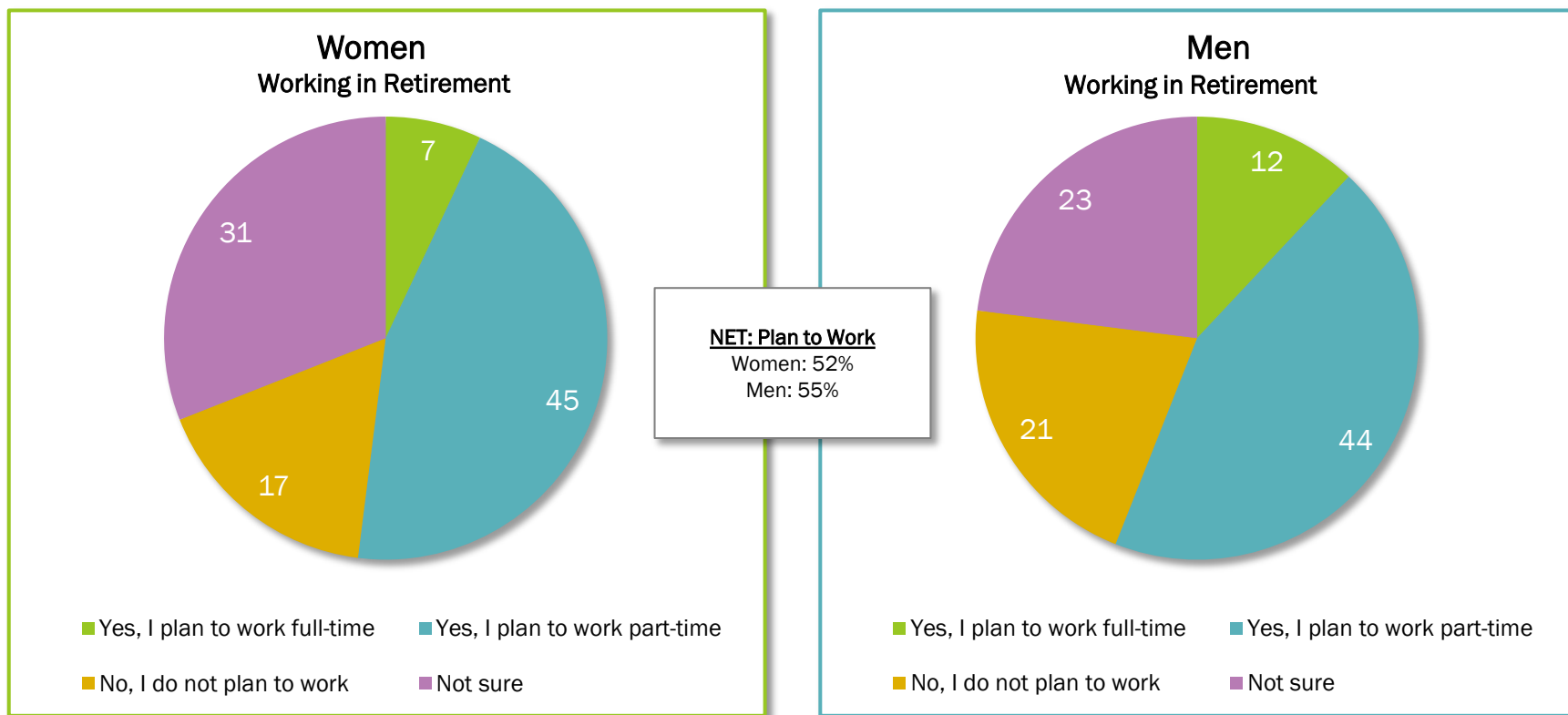
Fact #2. Most Women Plan to Retire After Age 65 or Not at All

More than four in ten women (43 percent) expect to work past age 70 or do not plan to retire, a slightly higher percentage than men (41 percent). One in five women (21 percent) expects to retire at or before age 65.



Fact #3. Most Women Plan to Continue Working in Retirement

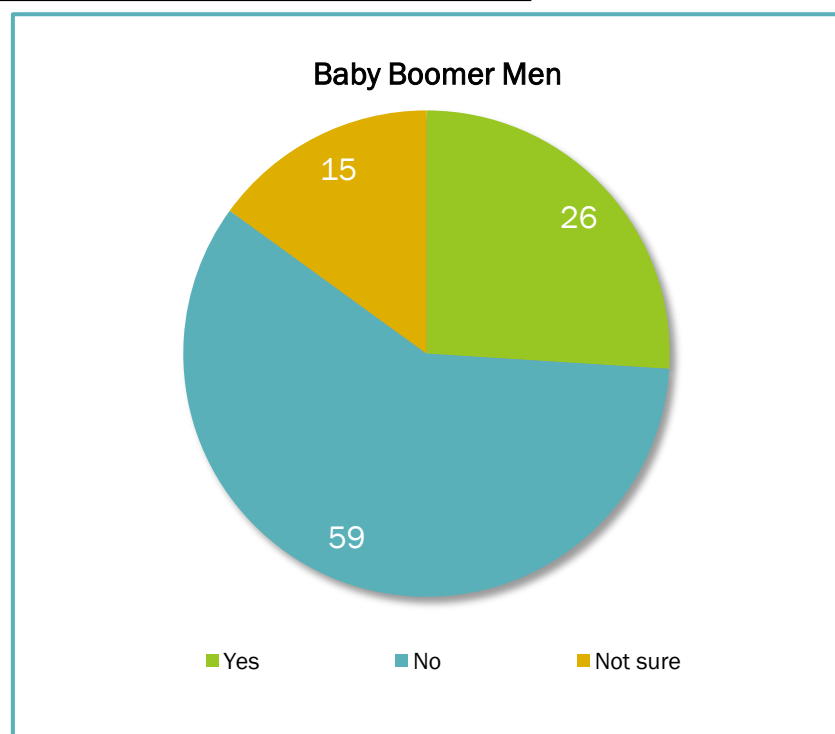
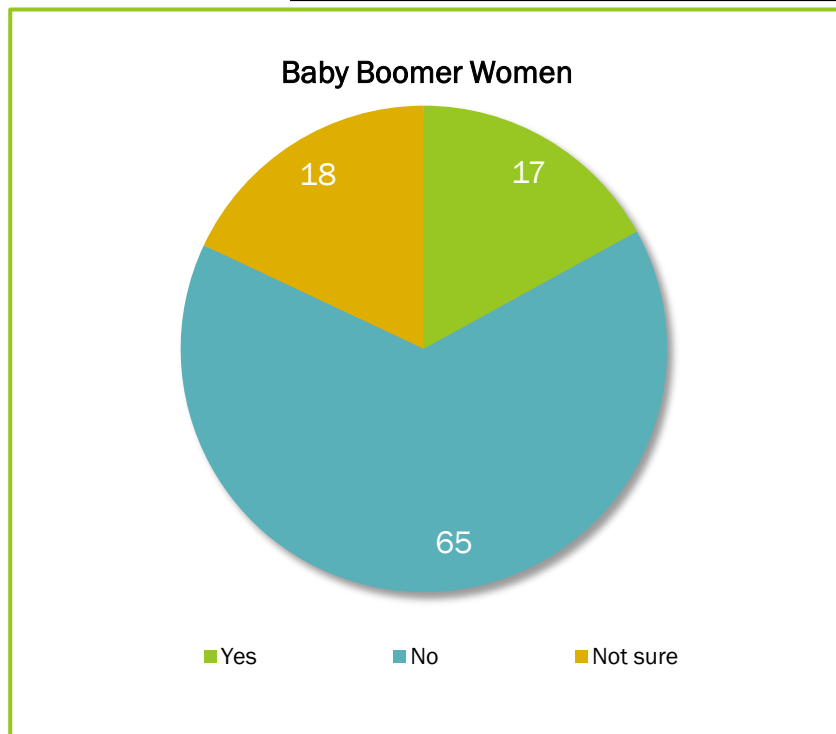
Slightly more than half of women (52 percent) plan to work after they retire, including 45 percent who plan to work part-time and seven percent who plan to work full-time. A slightly higher percentage of men (55 percent) plan to work, including 44 percent who plan to part-time and 12 percent who plan to full-time. Working longer and delaying retirement is an important opportunity to bridge a savings shortfall; however, planning not to retire is a not a viable retirement strategy. It's important to have a backup plan if retirement comes sooner than expected due to life's unforeseen circumstances such as a job loss, health issues, or other family obligations.



Fact #4. Most Baby Boomer Women Don't Have a Backup Plan

Among Baby Boomers, the demographic tidal wave nearing retirement age, an alarmingly low percentage of women (17 percent) and men (26 percent) have a backup plan if forced into retirement sooner than expected. While working longer and delaying retirement can be an effective way to help bridge a retirement savings shortfall, it's vitally important to have a backup plan if forced into retirement sooner than expected (for example, due to a job loss, health issues, family obligations).

Have a backup plan in the event unable to work before planned retirement



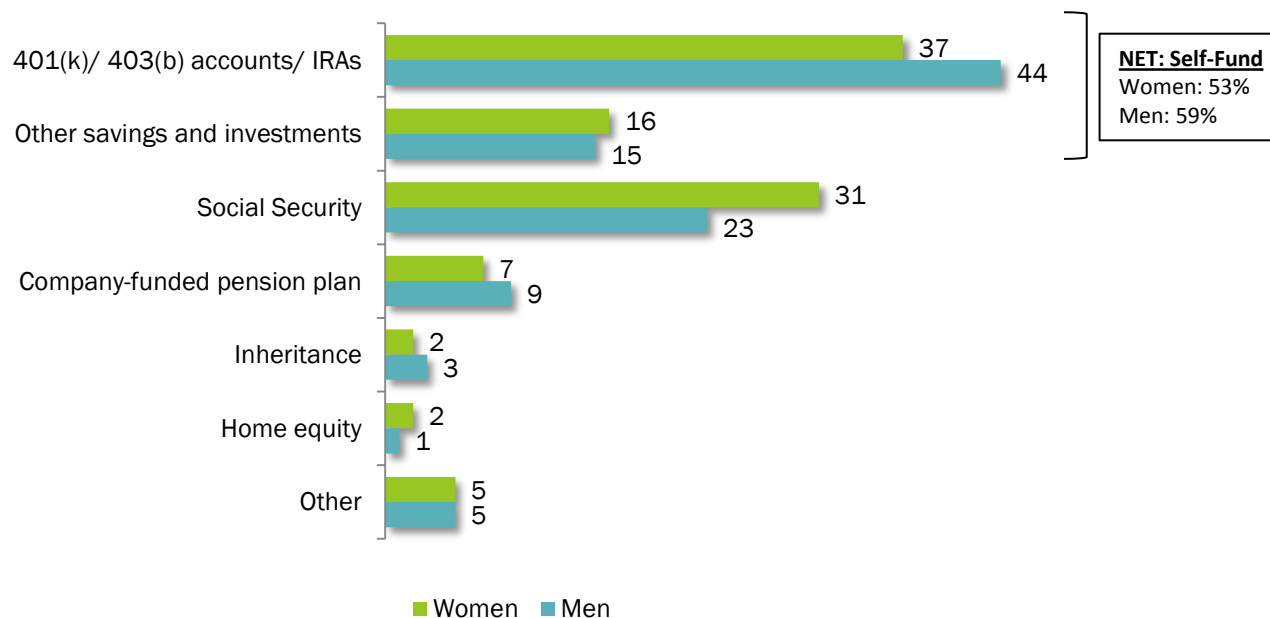
BASE: All Qualified Respondents/Baby Boomers

Q1535. In the event you are unable to work before your planned retirement, do you have a backup plan for retirement income?

Fact #5. Many Women Plan to Self-Fund Their Retirement

The majority of women (53 percent) expect to self-fund their retirement through 401(k) or similar accounts (37 percent) or other savings and investments (16 percent). One in three women (31 percent) expects to rely on Social Security compared to only 23 percent of men. Only seven percent of women expects a company-funded pension plan(s) to be their primary source of income in retirement.

What Do You Expect to be Your Primary Source of Income in Retirement?



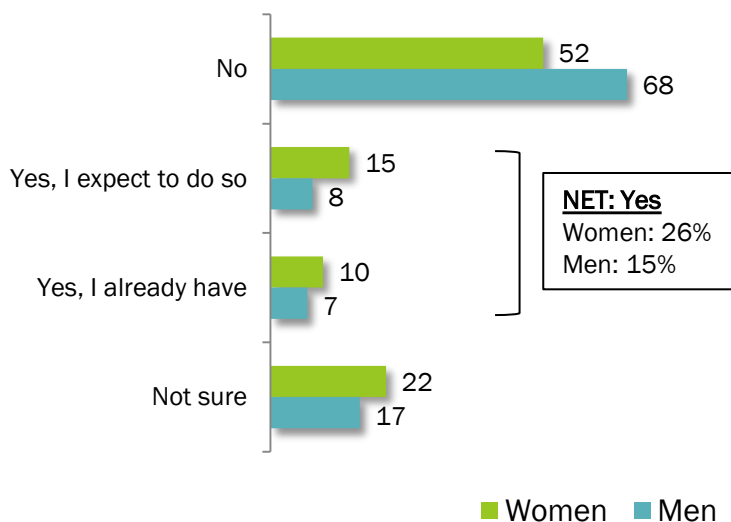
BASE: All Qualified Respondents

Q1150. Which one of the following do you expect to be your primary source of income to cover your living expenses after you retire?

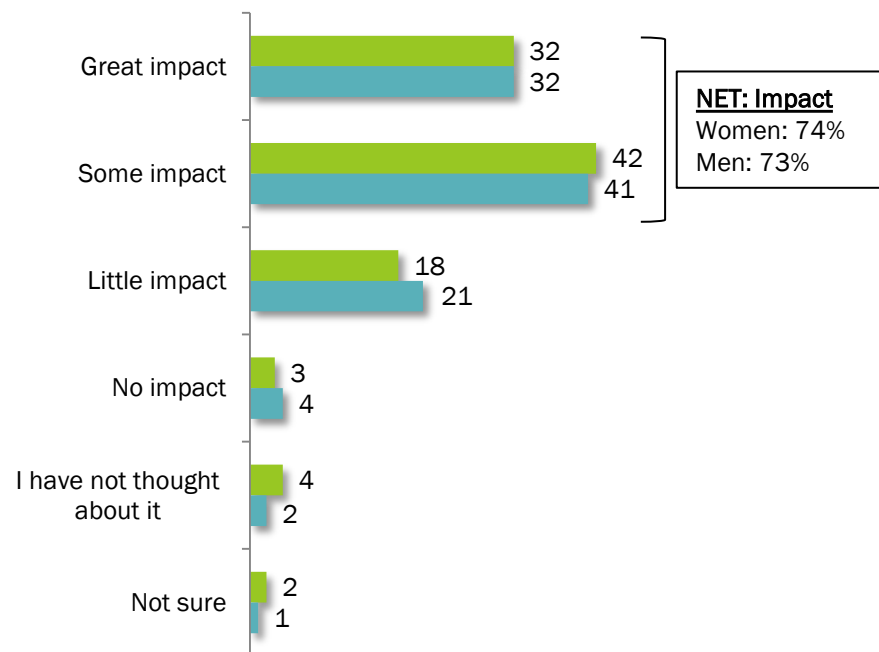
Fact #6. Time Off For Caregiving Negatively Impacts Retirement

About one in four women (26 percent) has or expects to take time out of the workforce to act as a caregiver for a child or aging parent – and another 22 percent are “not sure.” About half of women (52 percent) do not plan to do so, a much lower percentage than men (68 percent). Of the women who have or plan to take time out of the workforce, 74 percent believe that it will negatively impact their ability to save for retirement and, ultimately, the size of their retirement nest egg.

Taking Time Out of the Workforce to Act as a Caregiver



Impact of Time Out on Retirement Nest Egg



BASE: All Qualified Respondents

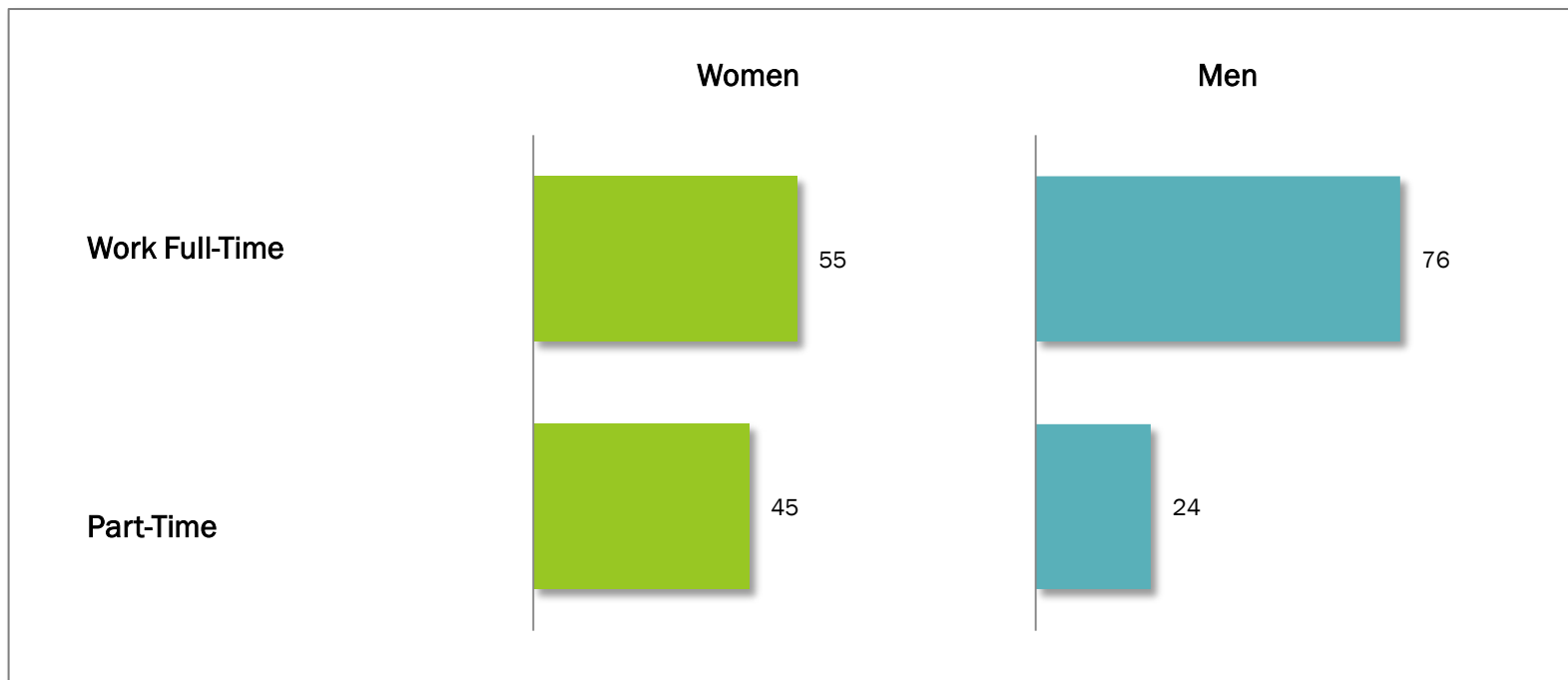
Q2500. Have you or do you expect to take time out of the workforce to act as a caregiver, e.g., for a child or an aging parent?

BASE: Expect To Or Have Taken Time Out Of Workforce As Caregiver

Q2505. When deciding to take time out of the workforce, how much do you think it may have on your ability to save for retirement and size of your nest egg at retirement age?

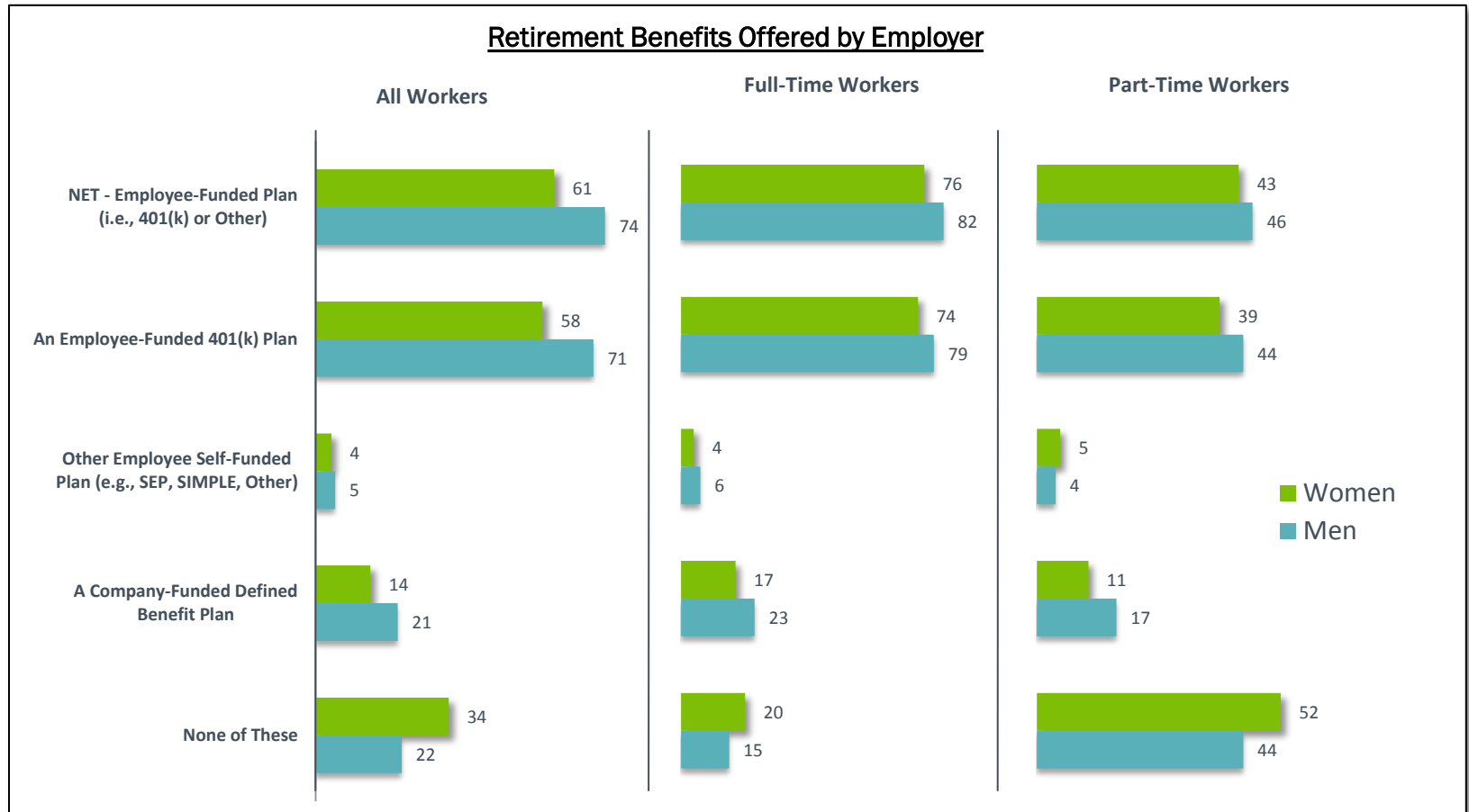
Fact #7. Many Women Work Part-Time

It is widely documented that women are more likely to work part-time than men – often because of parental and/or caregiver responsibilities. The 14th Annual Transamerica Retirement Survey found that 45 percent of women work part-time compared to only 24 percent of men. The greater prevalence of women part-time workers translates to a lower wage base for them and, moreover, a lesser likelihood of access to important employee benefits such as health care and retirement plans.



Fact #8. Women Less Likely to Be Offered Retirement Benefits

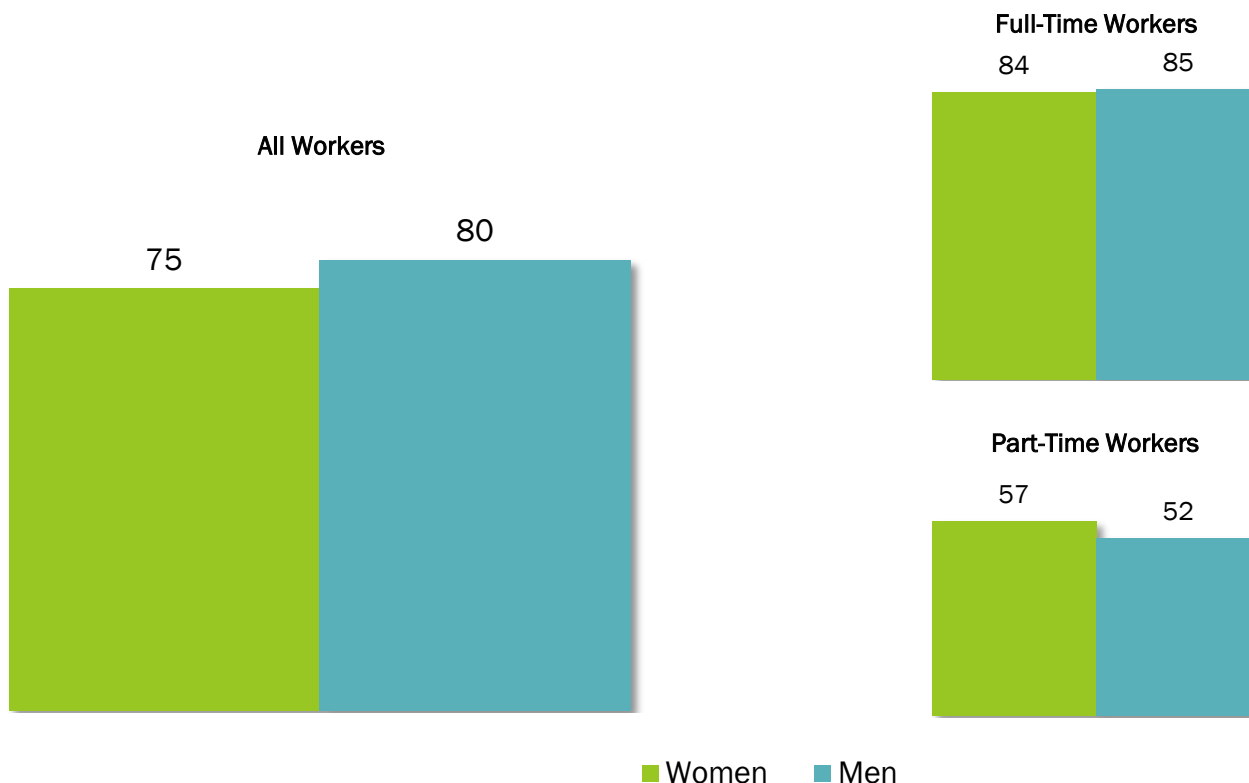
Women are less likely than men to be offered retirement benefits in the workplace. This is strongly influenced by the high percentage of women who work part-time because part-time workers overall are less likely to be offered a plan.



Fact #9. Women's Participation Lags in 401(k) or Similar Plan

Of the women who are offered a 401(k) or similar plan, three in four participate (75 percent) in the plan, a rate which lags behind that of men (80 percent). For both women and men, full-time workers have significantly higher participation rates than those of part-time workers.

Participate in Company's Employee-Funded Retirement Savings Plan
(% indicate "Yes")

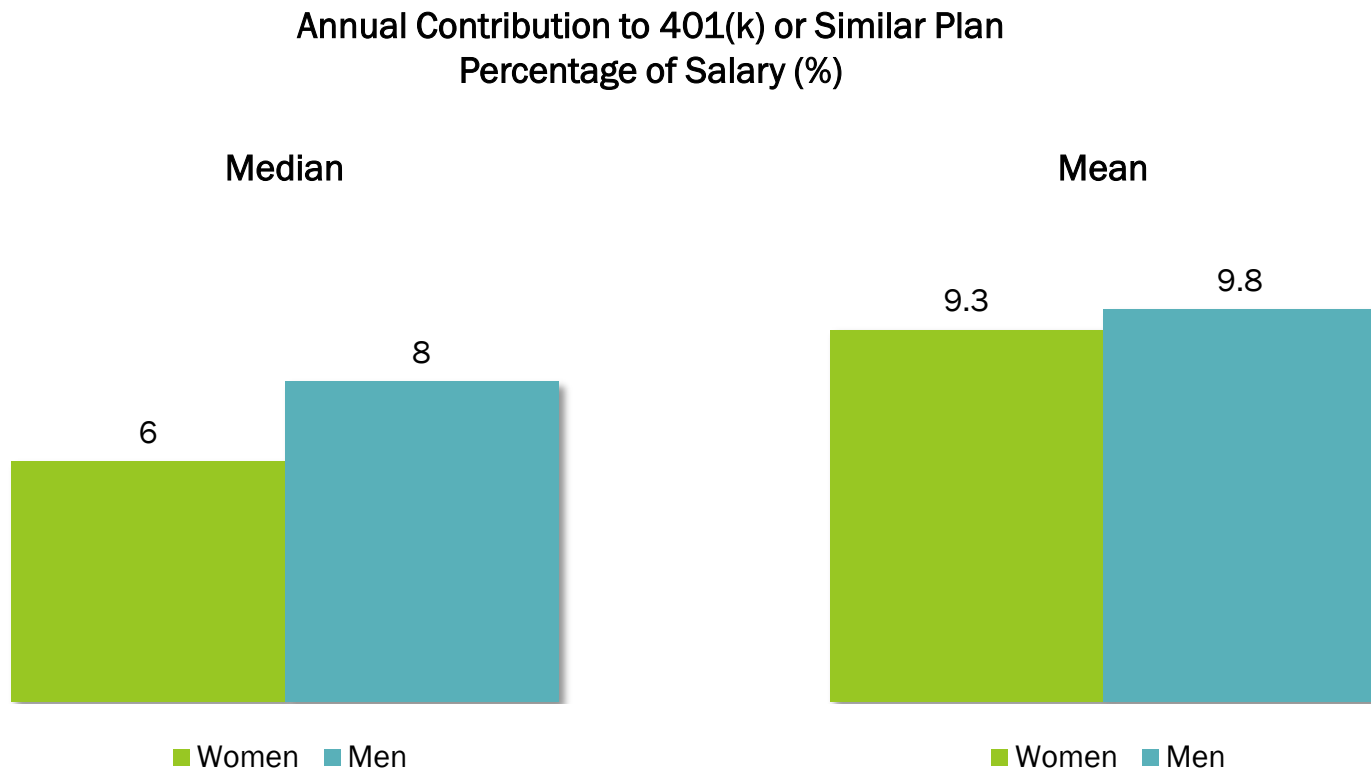


BASE: Those With Qualified Plans Currently Offered To Them

Q1190. Do you currently participate in, or have money invested in your company's employee-funded retirement savings plan?

Fact #10. Women's Annual Contributions Lag in 401(k) or Similar Plan

Of those currently participating in their employers' plans, women contribute 6 percent (median) of annual salary, which is lower than men at 8 percent (median). Looking at the average, women contribute 9.3 percent which is less than men at 9.8 percent.

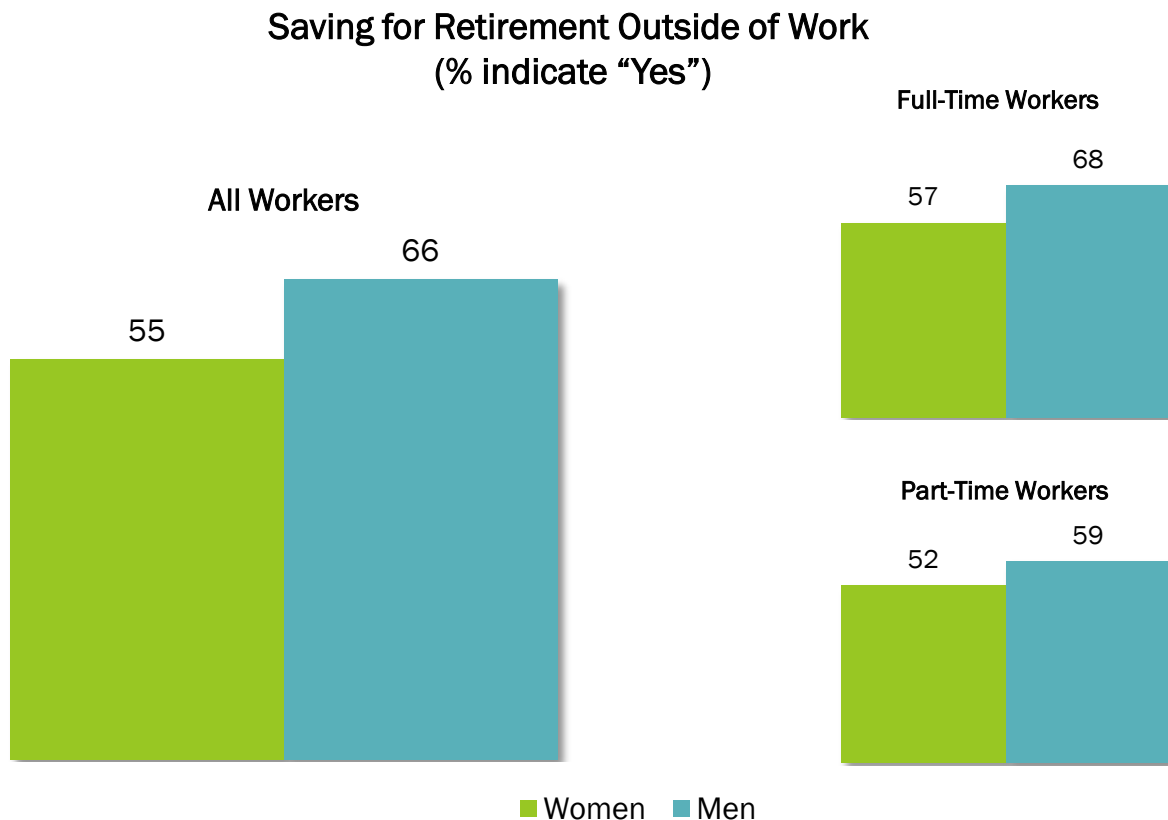


BASE: Those Currently Participating In Their Qualified Plan

Q601. What percentage of your salary are you saving for retirement through your company-sponsored plan this year?

Fact #11. Most Women Are Saving Outside of Work

More than half of women (55 percent) are saving for retirement outside of work, a lower percentage than that of men (66 percent). The proportion who save is similar for women who work full-time (57 percent) or part-time (52 percent), however, are different for men who work full-time (68 percent) or part-time (59 percent).

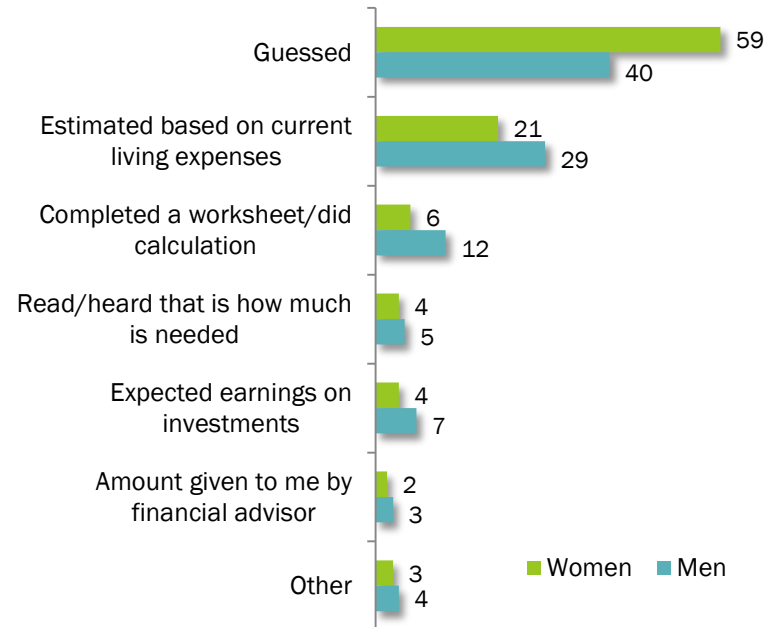


Fact #12. Women Are Guessing Their Retirement Savings Needs

Statistically speaking, women live longer than men and, therefore, they need to save more to support their extended post-work, retirement years. However, the survey found that women’s estimated retirement savings needs (\$500,000 median) are less than men’s (\$700,000 median). Moreover, the majority, 59 percent, of women answered they had “guessed” when asked about how they arrived at their savings needs. Only six percent said they had completed a worksheet/done a calculation. And only two percent had the amount provided by a financial advisor.

Amount Need to Save to Feel Financially Secure in Retirement	Women	Men
Less than \$100k	18%	10%
\$100k to \$499k	29%	23%
\$500k to \$999k	21%	24%
\$1m to \$1.99m	19%	22%
\$2m or more	12%	20%
Median	\$500,000	\$700,000

Basis of Estimated Retirement Savings Needs



BASE: All Qualified Respondents

Q890. Thinking in terms of what money can buy today, how much money do you believe you will need to save by the time you retire in order to feel financially secure?

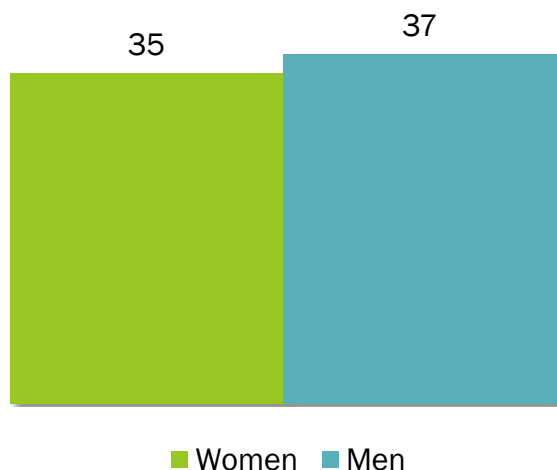
BASE: Provided Estimate Of Money Needed

Q900. How did you arrive at that number?

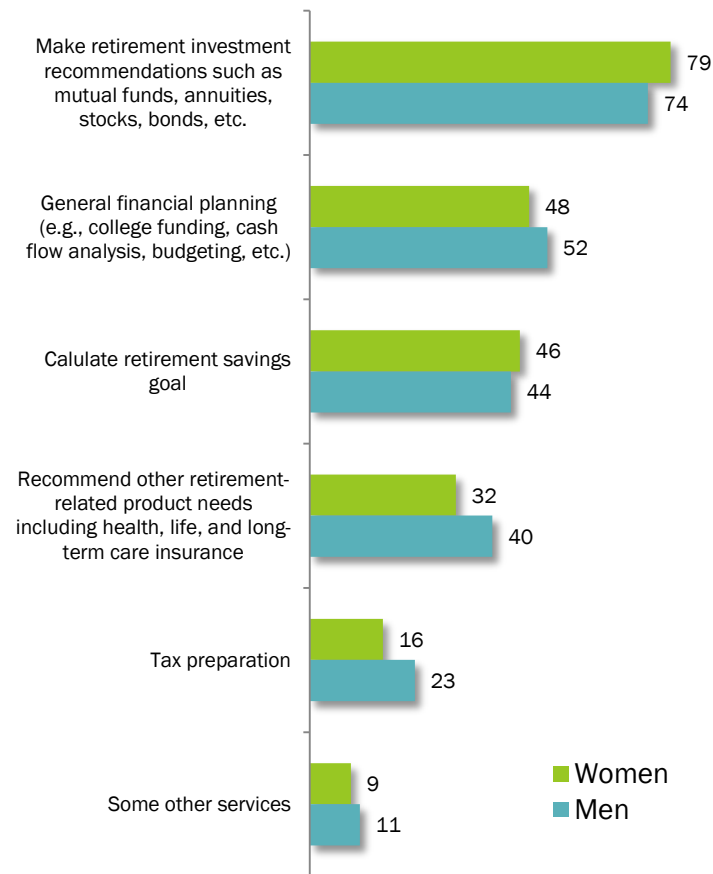
Fact #13. Some Women Use Professional Advisors

Only 35 percent of women report using a professional financial advisor. Of those who do, most use a financial advisor to make retirement investment recommendations (79 percent) and nearly half (46 percent) to calculate retirement savings goal.

Use a Professional Financial Advisor
(% Indicate "Yes")



Advisor Services



BASE: Investing For Retirement

Q860. Do you use a professional financial advisor to help manage your retirement savings or investments?

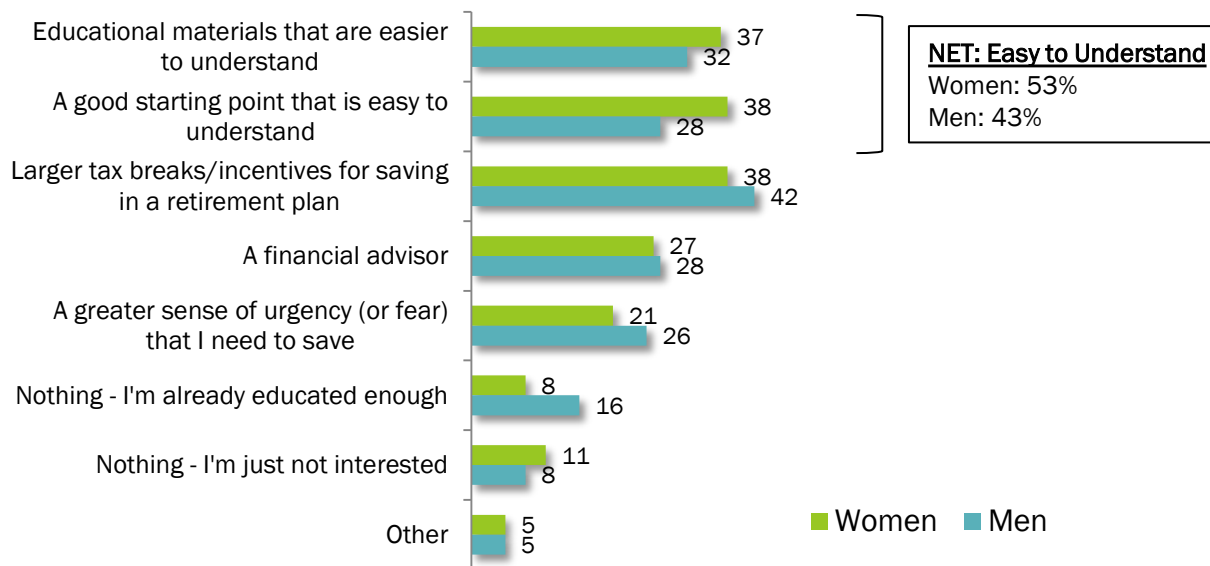
BASE: Use Financial Advisor

Q870. What types of services do you use your professional financial advisor to perform?

Fact #14. Women Want Information That is Easier to Understand

The greatest motivator for women to learn more about saving and investing for retirement: make it easier to understand. The majority of women (53 percent) would like educational materials that are easier to understand and/or a good starting point that is easy to understand. While the underlying reasons are unclear why women want educational materials to be easier to understand (compared to men), it highlights a strong need for organizations providing educational materials to assess their effectiveness and, moreover, it identifies an opportunity for women to continue to speak out so their needs are heard.

Motivations to Learn More about Retirement Savings



Seven Tips for Women to Take Charge of Their Retirement

How each woman ultimately plans on spending her retirement is unique, but the tools to help attain retirement readiness are common to all. Seven tips for women to create a retirement strategy:

1. Develop a retirement strategy and write it down. Envision your future retirement, formulate a goal for how much you will need to save each year (be sure to include employer-sponsored retirement plans and outside savings), and factor in living expenses, health care needs, long-term care, and government benefits. When facing life's important decisions about whether to reduce work hours or take time out of the workforce to be a parent or caregiver, carefully consider the financial trade-offs and options to help mitigate the impact on long-term security.
2. Calculate your retirement savings needs – and save at a level to achieve those needs.
3. Consider retirement benefits as part of your total compensation. If your employer doesn't offer you a retirement plan, ask for one.
4. If your employer offers a retirement plan, participate. Be sure that your annual salary deferral takes full advantage of employer matching contributions, if available. Contribute as much as you can. If you decide against maximizing annual salary deferrals in the plan, be sure to save for retirement outside of work. If age 50 or older, consider making Catch-Up Contributions.
5. Get educated about retirement investing. Seek professional assistance if needed. Learn about Social Security and Medicare. Learn about possible ways to help make savings last longer including when to take withdrawals from retirement accounts to minimize taxes and penalties. Take advantage of the Saver's Credit if eligible.
6. Have a backup plan in the event you are unable to work before your planned retirement. Identify potential cost-cutting lifestyle changes such as moving to a smaller home or taking on a roommate(s) and consider insurance products such as disability insurance and life insurance.
7. Importantly, talk about retirement with family and close friends. An open dialogue with trusted loved ones about expectations of either needing to provide or receive financial support should be part of every woman's retirement strategy.

Appendix

About the Author

Catherine Collinson serves as President of the Transamerica InstituteSM and Transamerica Center for Retirement Studies[®], and is a retirement and market trends expert and champion for Americans who are at risk of not achieving a financially secure retirement. Catherine oversees all research and outreach initiatives, including the Annual Transamerica Retirement Survey.

With over 15 years of retirement services experience, Catherine has become a nationally recognized voice on retirement trends for the industry. She has testified before Congress on matters related to employer-sponsored retirement plans among small business, which featured the need to raise awareness of the Saver's Credit among those who would benefit most from the important tax credit. Catherine is regularly cited by top media outlets on retirement-related topics. Her expert commentary has appeared in major publications, including: The Wall Street Journal, U.S. News & World Report, USA Today, Money, The New York Times, The Huffington Post, Kiplinger's, CBS MoneyWatch, Los Angeles Times, Chicago Tribune, Employee Benefits News and HR Magazine. She has also appeared on PBS' "Nightly Business Report," NPR's "Marketplace" and CBS affiliates throughout the country. Catherine speaks at major industry conferences each year, having appeared at events hosted by organizations including PSCA, LIMRA and PLANSPONSOR. She also authors articles published in leading industry journals, such as ASPPA, SPARK and PSCA.

She is currently employed by Transamerica Retirement Solutions Corporation and as Senior Vice President of Strategic Planning. Since joining the organization in 1995, she has been instrumental in identifying and evaluating short- and long-term strategic growth initiatives, developing business plans and building infrastructure to support the company's high-growth strategy.

About the Transamerica Center for Retirement Studies®

- The Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica InstituteSM (The Institute), a nonprofit, private foundation. TCRS is dedicated to educating the public on emerging trends surrounding retirement security in the United States. Its research emphasizes employer-sponsored retirement plans, including companies and their employees, unemployed and underemployed workers, and the implications of legislative and regulatory changes. For more information about TCRS, please refer to www.transamericacenter.org.
- The Institute is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third parties.
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- Although care has been taken in preparing this material and presenting it accurately, TCRS disclaims any express or implied warranty as to the accuracy of any material contained herein and any liability with respect to it.

About the Survey

- Since 1998, the Transamerica Center for Retirement Studies® has conducted a national survey of U.S. business employers and workers regarding their attitudes toward retirement. The overall goals for the study are to illuminate emerging trends, promote awareness, and help educate the public.
- Harris Poll was commissioned to conduct the 14th Annual Retirement Survey for Transamerica Center for Retirement Studies. Transamerica Center for Retirement Studies is not affiliated with Harris Poll.
- A 22-minute, online survey was conducted between January 21–February 21, 2013 among a nationally representative sample of 3,651 workers including 1,902 women and 1,749 men using the Harris online panel. Respondents met the following criteria:
 - U.S. residents, age 18 or older.
 - Full-time or part-time workers in a for-profit company employing 10 or more people.
- Data were weighted as follows:
 - To account for differences between the population available via the Internet versus by telephone.
 - To ensure that each quota group had a representative sample based on the number of employees at companies in each employee size range.
- Percentages are rounded to the nearest whole percent. Differences in the sums of combined categories/answers are due to rounding.

