



# Fifteen Facts About Women's Retirement Outlook...and Seven Steps to Improve It

Select Findings from the 15th Annual Transamerica Retirement Survey of Workers

**TRANSAMERICA CENTER**  
FOR RETIREMENT STUDIES®

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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 include: 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; a higher percentage of women work part-time and 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; and, women have longer life expectancies and, therefore, greater savings needs.

These 15 facts aim to raise awareness of retirement risks that women face and highlight opportunities regarding how women can improve their retirement outlook:

- 1 Only 14 percent of women are “very confident” in their ability to fully retire with a comfortable lifestyle.
- 2 54 percent of women plan to retire after age 65 or not at all.
- 3 Nearly half (49 percent) plan to work after they retire.
- 4 Most (64 percent) Baby Boomer women do not have a backup plan if forced into retirement sooner than expected.
- 5 59 percent expect to self-fund their retirement through 401(k) or other savings and investments.
- 6 Of women who have or plan to take time out of the workforce to be a caregiver, 67 percent believe that it will negatively impact their ability to save for retirement.
- 7 28 percent of women work part-time so are less likely to have workplace retirement benefits.
- 8 66 percent of women are offered a 401(k) or similar plan.
- 9 77 percent of women who are offered an employee-funded plan participate in the plan.
- 10 7 percent is the median contribution of women who participate in their employer's plan.
- 11 55 percent are saving for retirement outside of work in an IRA, mutual fund, bank account, etc.
- 12 Women estimate that they will need to have saved \$800,000 (estimated median) in order to feel financially secure in retirement.
- 13 Among women who estimated their retirement savings needs, the majority (57 percent) say they “guessed.”
- 14 Only 36 percent of women use a professional financial advisor, most (77 percent) doing so for retirement investment recommendations.
- 15 Many (53 percent) women want information that is easier to understand.

# Seven Steps on How Women Can Improve Their Retirement Outlook

The good news for women - and men - is that small steps can lead to a giant leap in retirement preparedness. How each woman ultimately plans on spending her retirement is unique, but the tools to help achieve retirement readiness are common to all. Women have made tremendous strides in recent decades in terms of educational attainment and careers. Now is the time to make even greater strides in achieving a financially secure retirement.

Seven specific steps that women can take to improve their retirement readiness include:

- 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). 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 and income 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.
- 5 Get educated about retirement investing. Seek professional assistance if needed. 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.

Learn more about women's retirement outlook as well as saving and investing for retirement at [www.transamericacenter.org](http://www.transamericacenter.org).

## About the Author



Catherine Collinson serves as President of the Transamerica Center for Retirement Studies<sup>®</sup>, and is a retirement and market trends expert and champion for Americans who are at risk for 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 businesses, highlighting 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, and The Huffington Post. Catherine speaks at major industry conferences each year, having appeared at events hosted by organizations including PSCA, LIMRA, SVIA and PLANSPONSOR. She also authors articles published in leading industry journals, such as ASPPA, SPARK and PSCA.

Catherine also serves as President of the Transamerica Institute<sup>®</sup>. She is currently employed by Transamerica Retirement Solutions and serves 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 Transamerica Center for Retirement Studies<sup>®</sup>

The Transamerica Center for Retirement Studies (TCRS) is a division of the Transamerica Institute, a nonprofit, private foundation. TCRS is dedicated to conducting research and educating the American public on trends, issues, and opportunities related to saving, planning for, and achieving financial security in retirement.

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## About the 15th Annual Retirement Survey

This survey was conducted online within the United States by Harris Poll on behalf of Transamerica Center for Retirement Studies between February 21 - March 17, 2014, among a nationally representative sample of 4,143 workers including 2,172 women and 1,971 men. Potential respondents were targeted based on employment status and company size. Respondents met the following criteria: U.S. residents, age 18 or older, full-time workers or part-time workers in for-profit companies, and employer size of 10 or more. Results were weighted to account for differences between the population available via the Internet versus by telephone, and to ensure that each quota group had a representative sample based on the number of employees at companies in each employee size range.

## About this Fact Sheet

This fact sheet was derived from a report entitled, *Fifteen Facts About Women's Retirement Outlook* which can be found at [www.transamericacenter.org](http://www.transamericacenter.org).

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