



Sixteen Facts About Women's Retirement Outlook

Select Findings from the 16th Annual Transamerica Retirement Survey of American Workers

TRANSAMERICA CENTER
FOR RETIREMENT STUDIES®

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Foreword

Women in the 21st century are better educated and enjoy career opportunities that our grandmothers' generation could only dream about. However, even now, a woman's path to a secure retirement is filled with obstacles, such as lower pay and time out of the workforce for parenting or caregiving, which can negatively impact her own long-term financial prospects.

As women continue to lag behind men in terms of saving and planning for retirement, it is even more concerning that women statistically tend to live longer than men, thereby implying an even greater need for savings and preparations.

This year, 2016, marks the 11th consecutive year that the Transamerica Center for Retirement Studies® has published research showing that women are at a greater risk of not achieving a financially secure retirement compared to men.

The goal of our research and outreach regarding women and retirement is two-fold: 1) to raise awareness of the retirement risks that women are facing, and 2) highlight opportunities where women can take greater control of their long-term financial security.

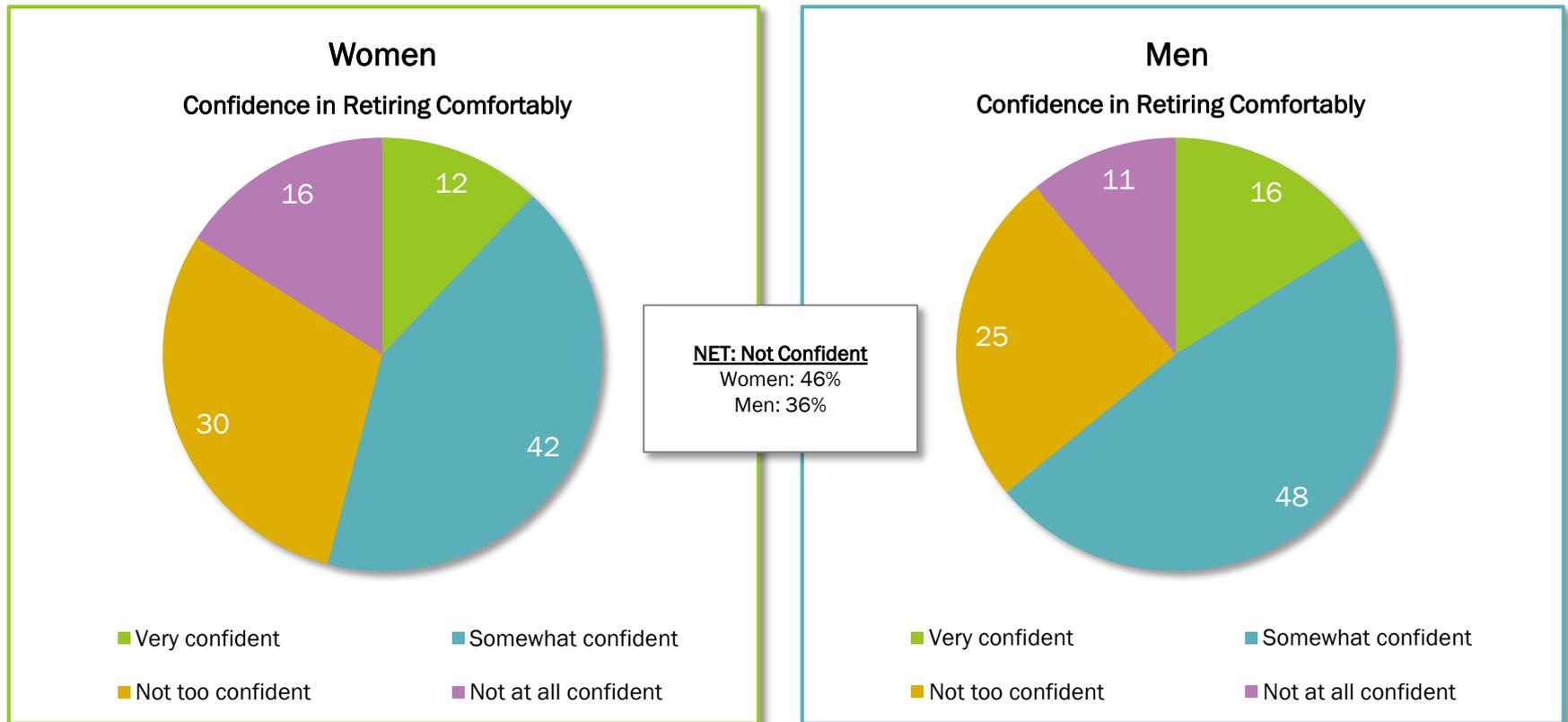
We hope that you will share our research and recommendations, join us in spreading the word, and inspire more Americans to take steps to improve their retirement outlook. Timely actions taken today can ultimately enable women and men to achieve a more comfortable and secure retirement.

Catherine Collinson

President, Transamerica Institute® and Transamerica Center for Retirement Studies®

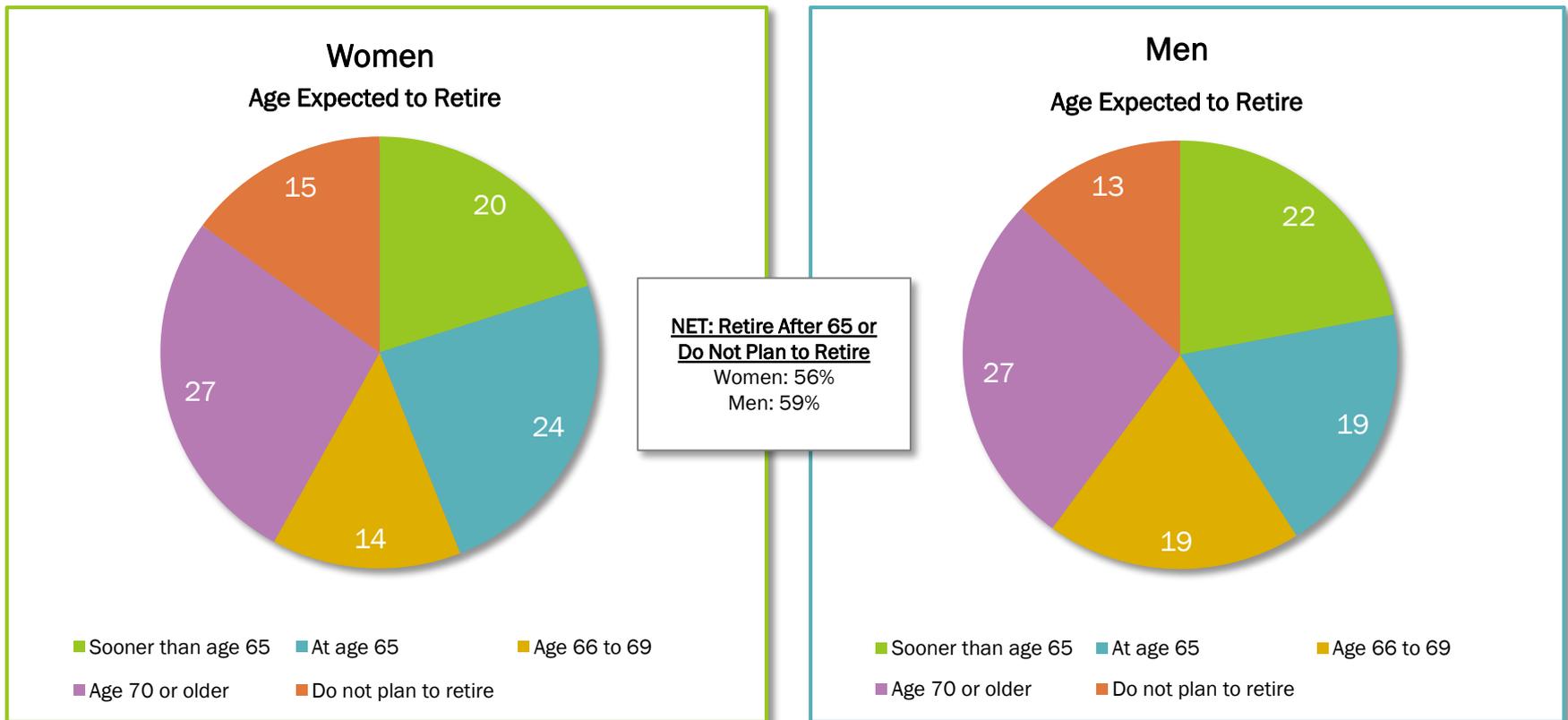
Fact #1. Few Women Are Very Confident About Retirement

Only 12 percent of women are “very confident” in their ability to fully retire with a comfortable lifestyle, compared to 16 percent of men. Nearly half (46 percent) of women are “not too confident” or “not at all confident” compared to only 36 percent of men who share those sentiments.



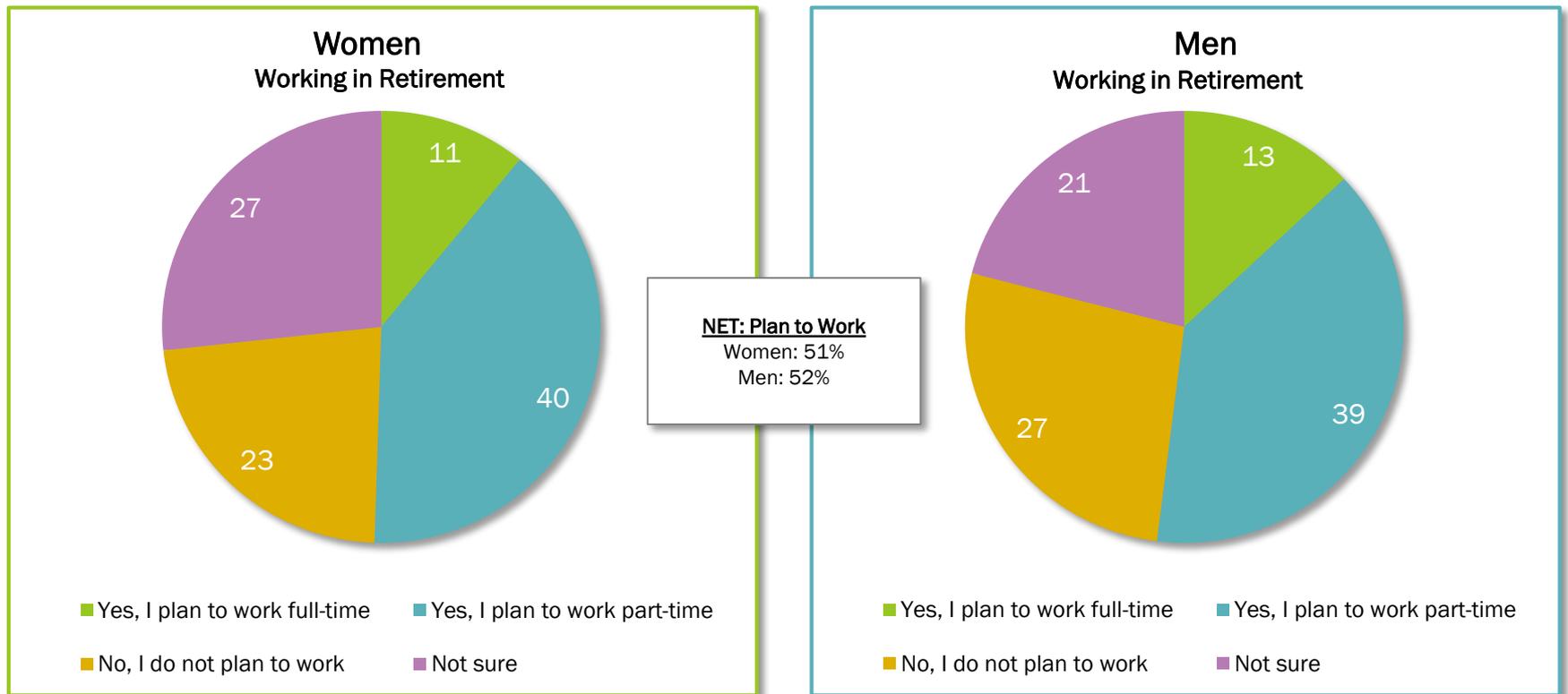
Fact #2. Most Women Plan to Retire After Age 65 or Not at All

Fifty-six percent of women plan to retire after age 65 or do not plan to retire, a slightly lower percentage than men (59 percent). About one in four women expects to retire at 65 (24 percent), and 20 percent expect to do so before age 65.



Fact #3. Half of Women Plan to Continue Working in Retirement

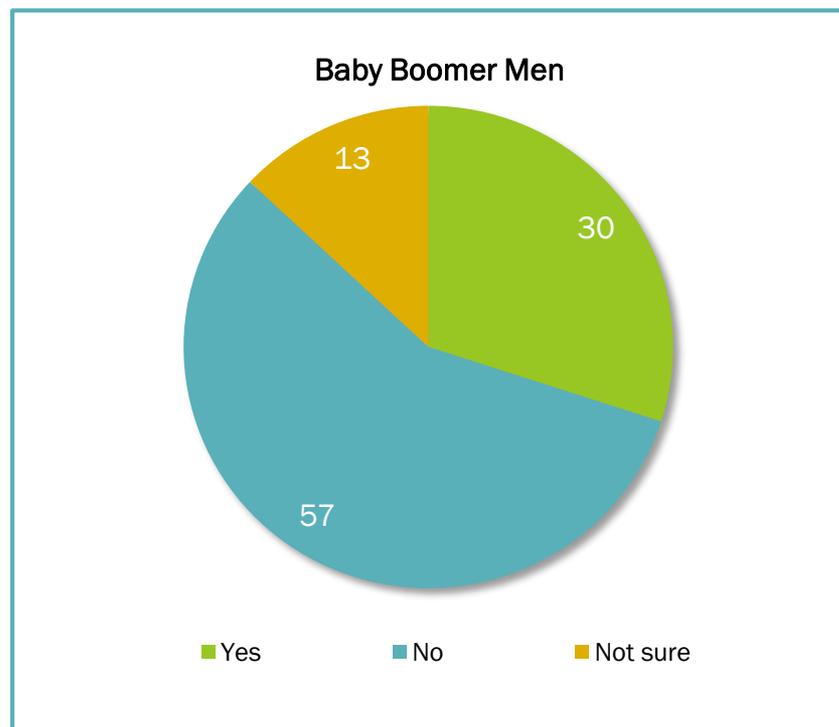
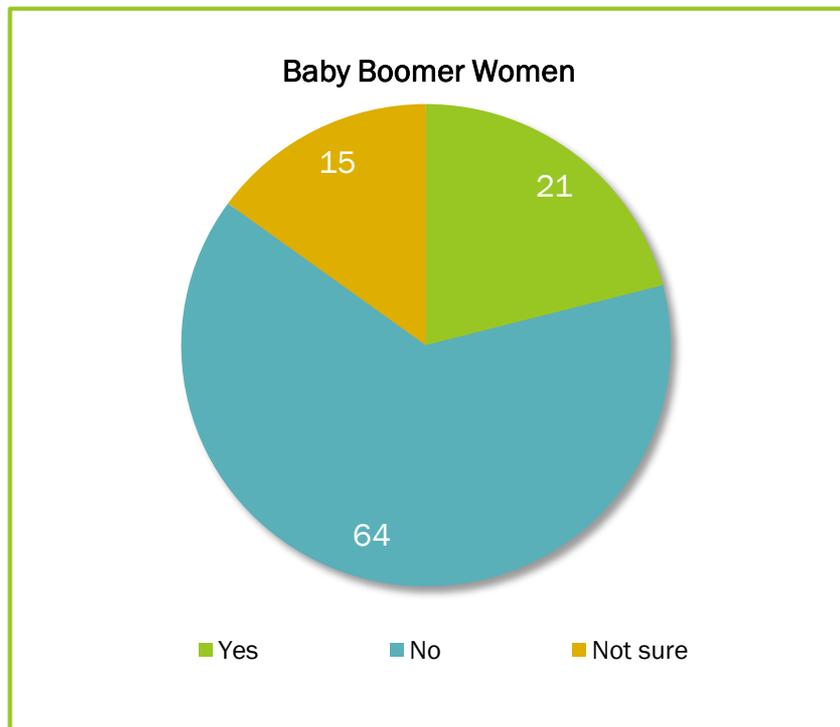
Fifty-one percent of women plan to work after they retire, including 40 percent who plan to work part-time and 11 percent who plan to work full-time. Similarly, 52 percent of men plan to work after they retire, including 39 percent part-time and 13 percent full-time. Continuing to work in retirement can help bridge a savings shortfall; however, it may not be a viable option. It's important to have a backup plan in case retirement comes sooner than expected.



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

Among Baby Boomers (born 1946 to 1964), an alarmingly low percentage of women (21 percent) and men (30 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: Baby Boomer Workers – All Qualified Respondents

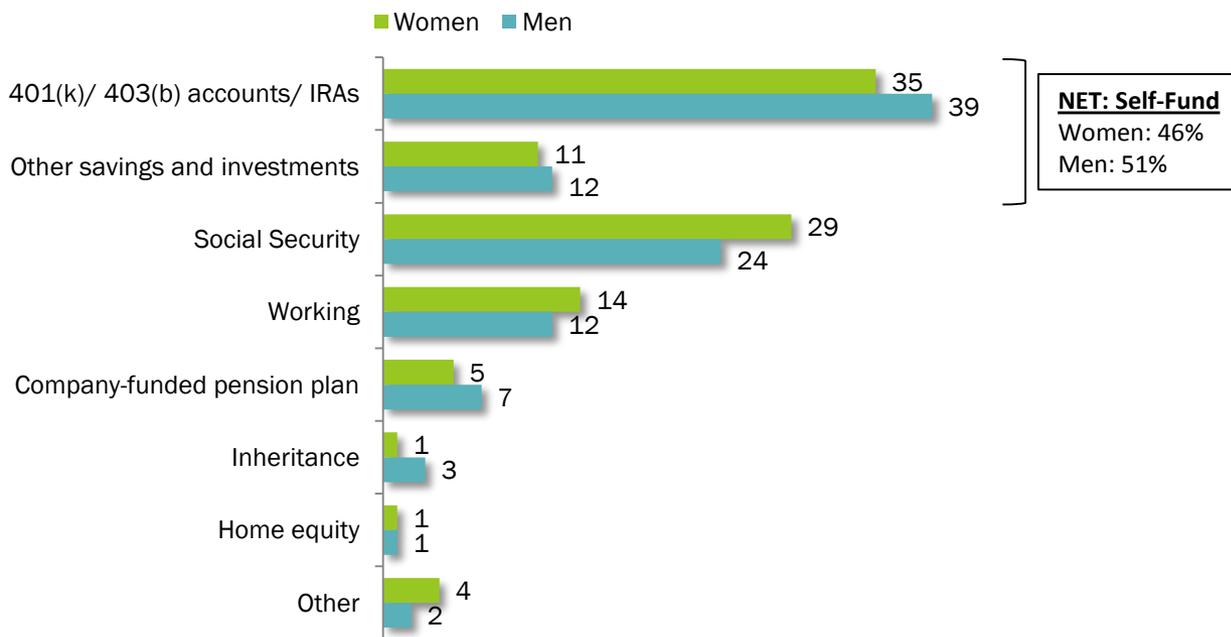
Baby Boomer women: (N=965); Baby Boomer Men: (N=1061)

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

Nearly half of women (46 percent) expect to self-fund their retirement through 401(k) or similar retirement accounts (35 percent) or other savings and investments (11 percent). Twenty-nine percent of women expect to rely on Social Security compared to 24 percent of men. Only five percent of women expect a company-funded pension plan to be their primary source of income in retirement.

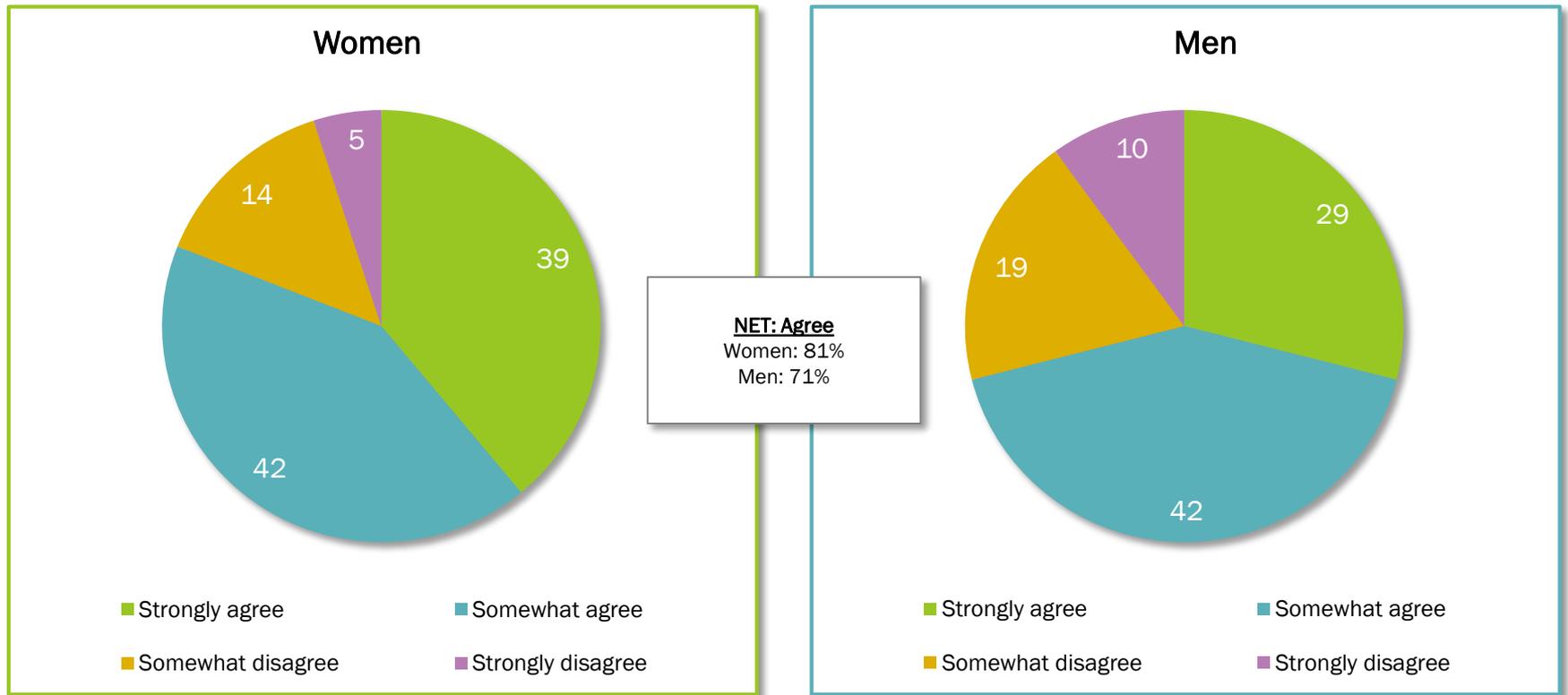
What Do You Expect to be Your Primary Source of Income in Retirement?



Fact #6. Concerns About the Future of Social Security

Women (81 percent) are more likely to be concerned that Social Security will not be there for them when they are ready to retire, compared to men (71 percent).

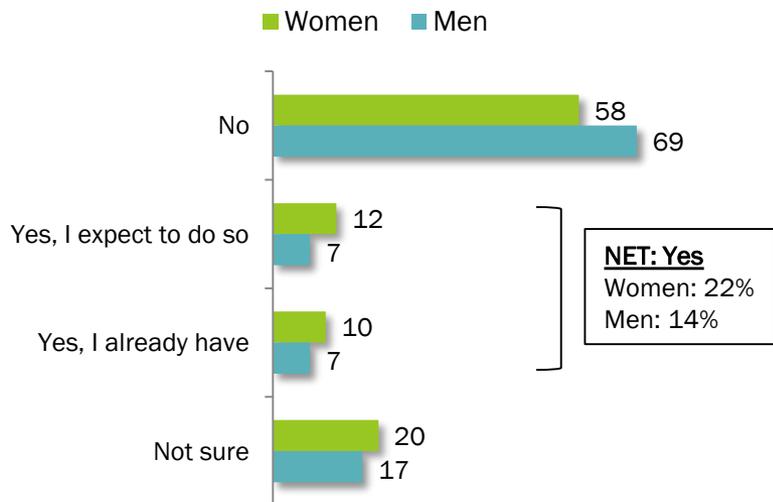
“I am concerned that when I am ready to retire, Social Security will not be there for me”



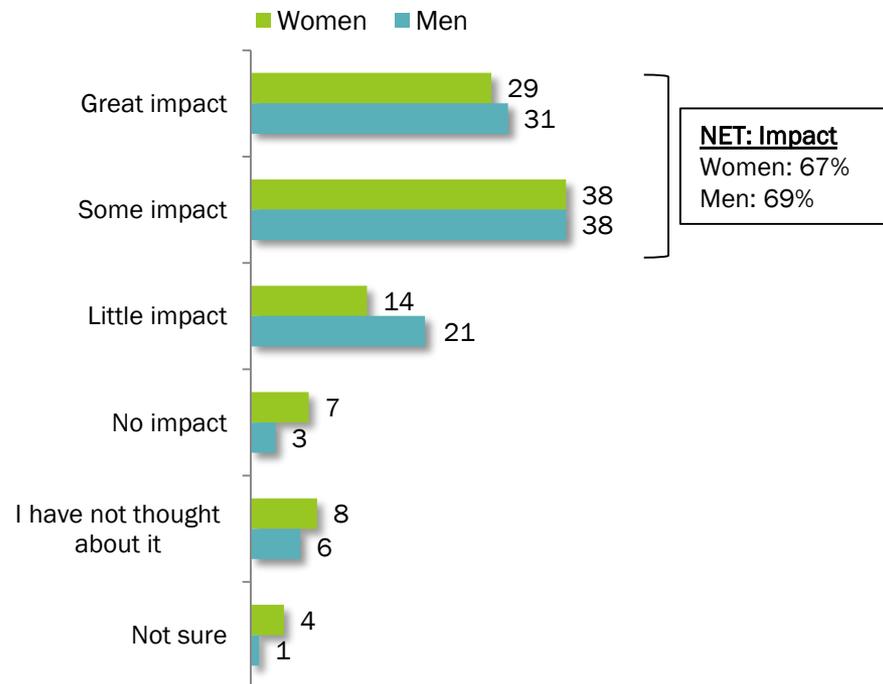
Fact #7. Time Off for Caregiving and Its Impacts on Retirement

About one in five working women (22 percent) has or expects to take time out of the workforce to act as a caregiver for a child or aging parent, compared to 14 percent of men. About six in 10 women (58 percent) do not plan to do so, a much lower percentage than men (69 percent). Of the women who have or plan to take time out of the workforce, 67 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: Workers – All Qualified Respondents

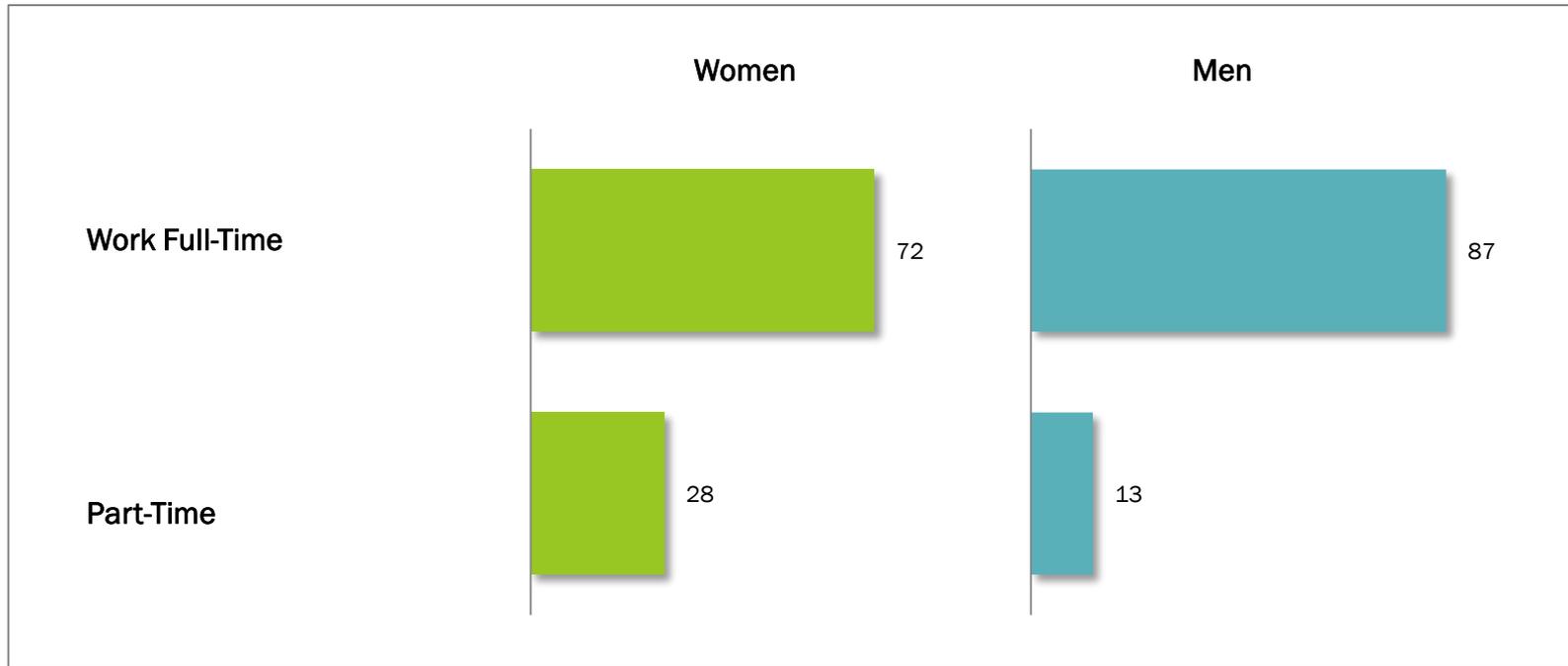
Q2500. Have you or do you expect to take time out of the workforce to act as a caregiver, e.g., for child or an aging parent?

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

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

Fact #8. 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 16th Annual Transamerica Retirement Survey found that 28 percent of women work part-time compared to only 13 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 insurance and retirement plans.



Fact #9. Women Less Likely to Be Offered Retirement Benefits

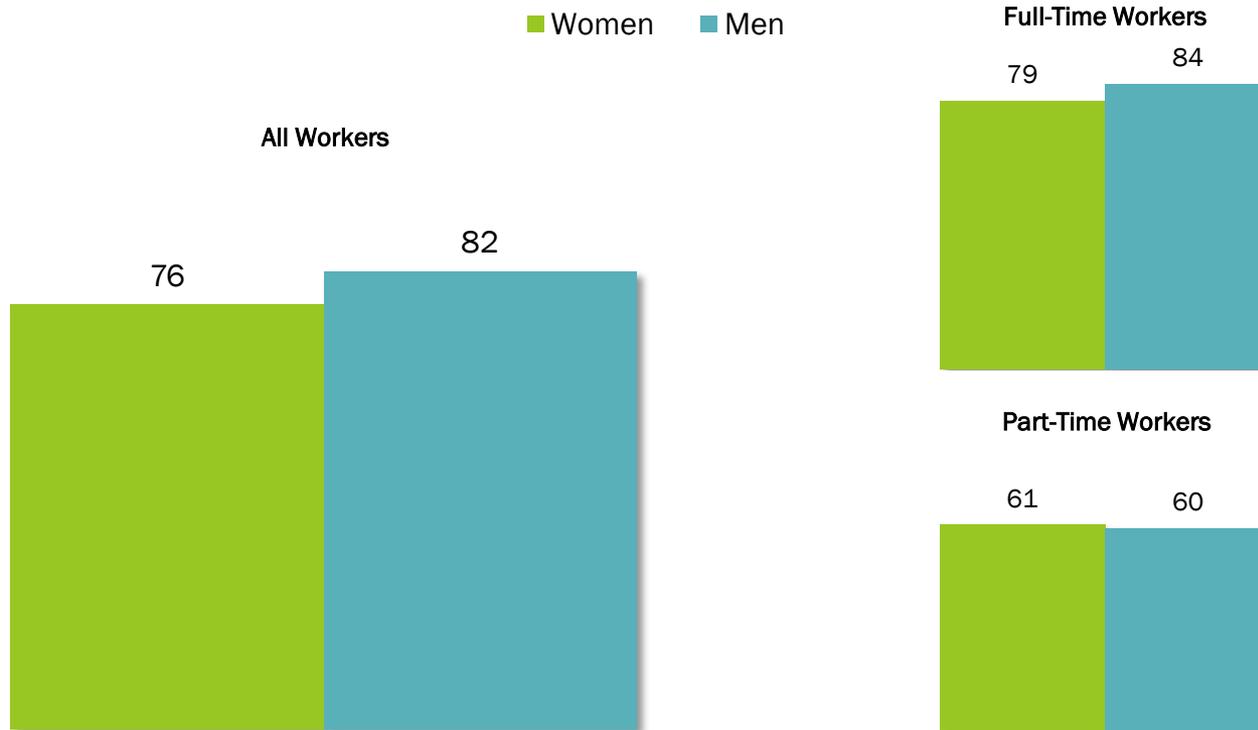
Women are less likely than men to be offered retirement benefits in the workplace. This is strongly influenced by the higher percentage of women who work part-time because part-time workers overall are less likely to be offered a plan.



Fact #10. Women's Participation Lags in 401(k) or Similar Plans

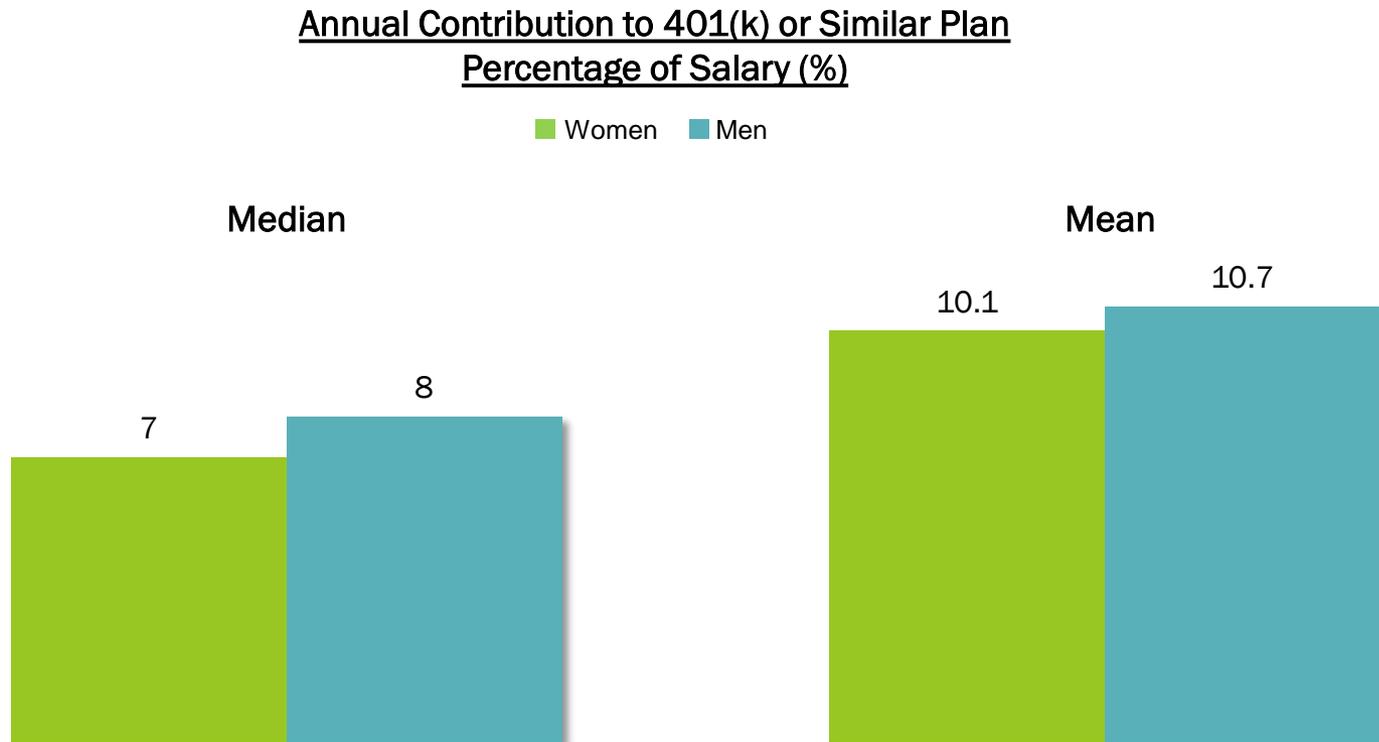
Of the women who are offered a 401(k) or similar plan, 76 percent participate in the plan, a rate which lags that of men (82 percent). For both women and men, full-time workers have significantly higher participation rates than those of part-time workers.

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



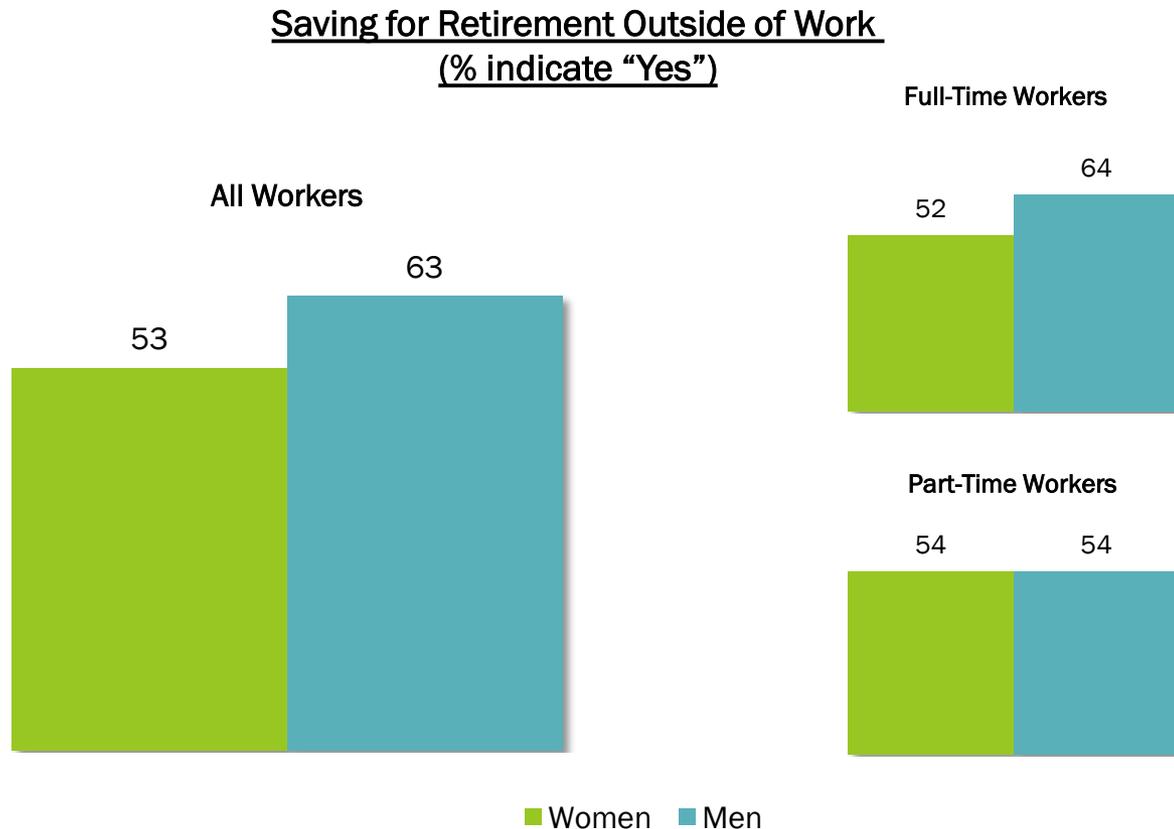
Fact #11. Women's Annual Contributions Lag in 401(k) or Similar Plans

Of those currently participating in their employers' plans, women contribute 7 percent (median) of their annual salary, which is lower than men at 8 percent (median). Looking at the average, women contribute 10.1 percent which is less than men at 10.7 percent.



Fact #12. Most Women Are Saving Outside of Work

More than half of women (53 percent) are saving for retirement outside of work, a lower percentage than that of men (63 percent). The proportion who save is similar for women who work full-time (52 percent) or part-time (54 percent). However, it is different for men who work full-time (64 percent) or part-time (54 percent).



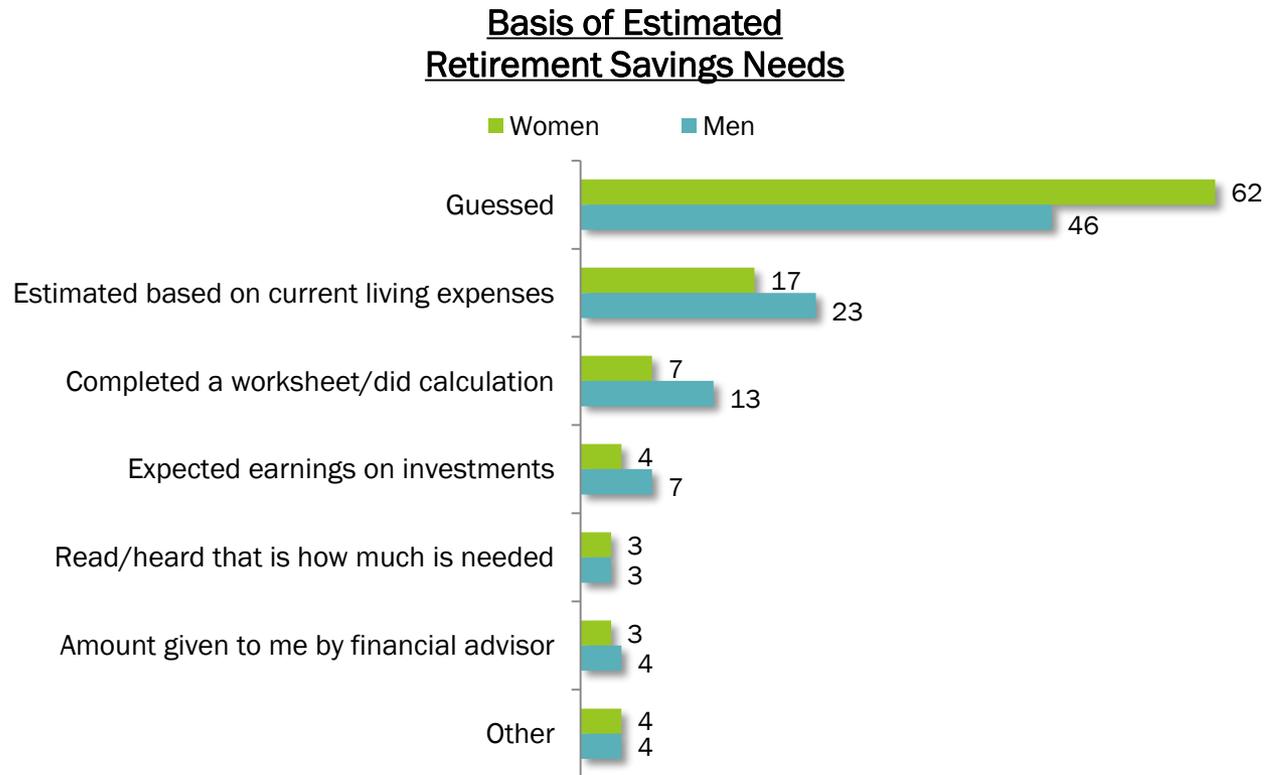
Fact #13. Women Estimate They Will Need \$1 Million

Statistically speaking, women live longer than men and, therefore, need to save more to support their extended post-work, retirement years. The survey found that women estimate they will need to have saved \$1 million (median) to feel financially secure when they retire. Women (32 percent) are slightly more likely than men (29 percent) to believe they will need to have saved \$2 million or more.

Amount Need to Save to Feel Financially Secure in Retirement	Women	Men
Less than \$100k	11%	7%
\$100k to \$499k	19%	16%
\$500k to \$999k	18%	19%
\$1m to \$1.99m	20%	29%
\$2m or more	32%	29%
Median	\$1,000,000	\$1,000,000

Fact #14. Women Are Guessing Their Retirement Savings Needs

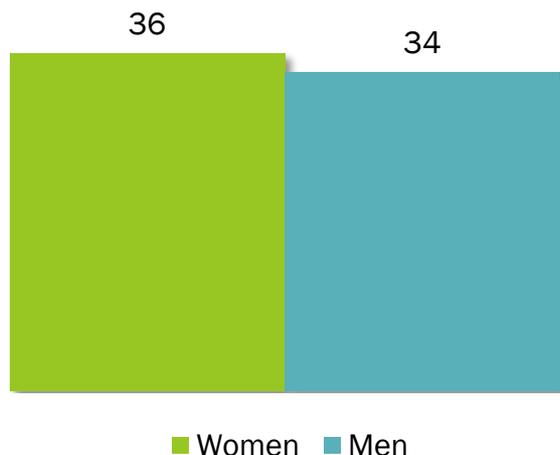
Among women who estimated their retirement savings needs, the majority (62 percent) say they “guessed.” Only seven percent said they had completed a worksheet/done a calculation. And only three percent had the amount provided by a financial advisor.



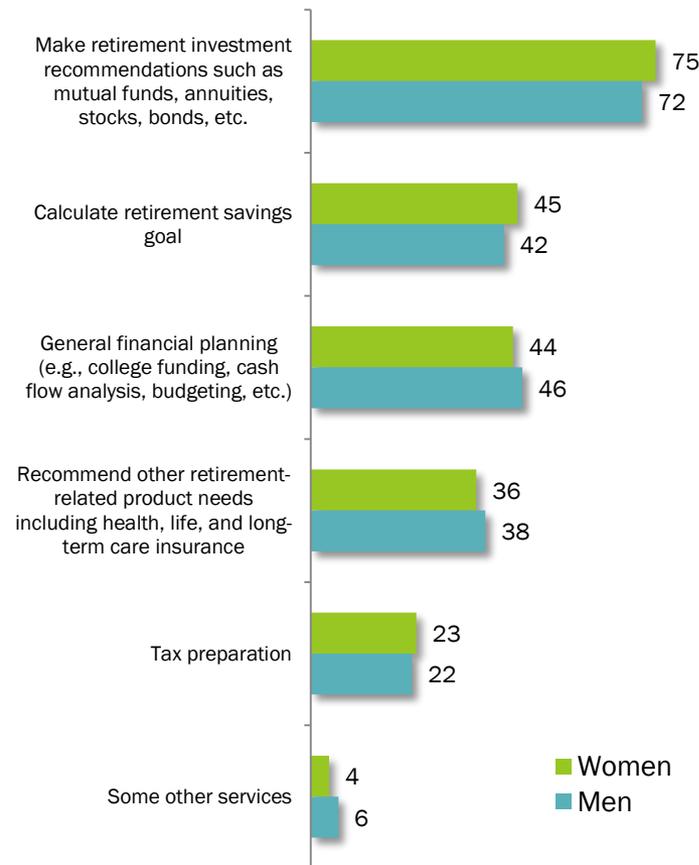
Fact #15. Some Women Use Professional Advisors

Only 36 percent of women report using a professional financial advisor. Of those who do, most use a financial advisor to make retirement investment recommendations (75 percent) and nearly half (45 percent) to calculate retirement savings goal.

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



Advisor Services



BASE: Workers – Investing For Retirement

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

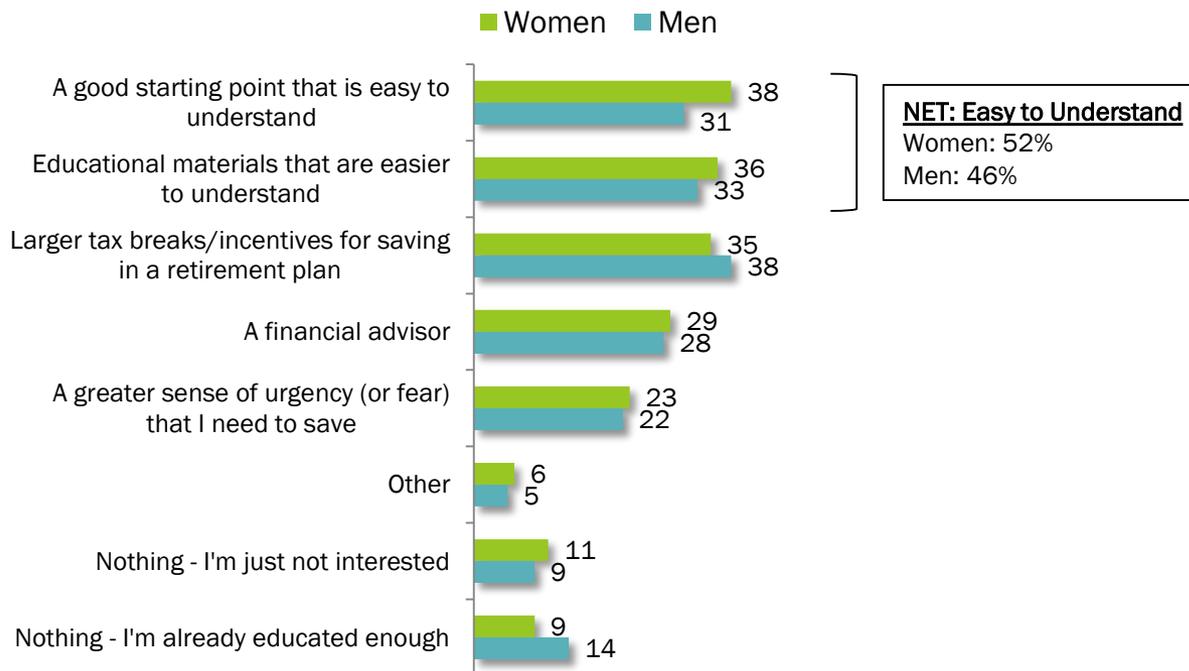
BASE: Workers – Use a Financial Advisor

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

Fact #16. Women Want Information That Is Easier to Understand

The greatest motivator for women to learn more about saving and investing for retirement is to make it easier to understand. Half of women (52 percent) would like educational materials that are easier to understand and/or a good starting point that is easy to understand. This motivational factor for saving highlights an important opportunity for organizations providing educational materials to assess their effectiveness and, moreover, for women to continue to speak out so their needs are heard.

Motivations to Learn More about Retirement Savings



Eight Tips for Women to Take Charge of Their Retirement

The good news is that small steps, when taken together, can add up to great strides in retirement preparedness. Retirement will be unique for each woman, but the tools to help achieve retirement readiness are common to all. Now is the time for every woman to focus on achieving financially a secure retirement:

1. Start saving for retirement and get into the habit of saving on a regular, consistent basis. Save as much as you can, knowing that both small and large amounts add up over time.
2. Consider retirement benefits as part of your total compensation. If your employer doesn't offer you a retirement plan, ask for one.
3. If your employer offers a retirement plan, participate. Be sure that your contribution rate takes full advantage of employer matching contributions, if available. Take advantage of the IRS Saver's Credit if eligible. Consider taking advantage of catch-up contributions if you are age 50 or older.
4. Develop a retirement strategy and write it down. Envision your future retirement and use an online calculator to estimate your long-term savings needs. Then 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 hold yourself accountable for saving.
5. 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 – such as shifting to part-time work – to help mitigate the impact on long-term financial security.
6. Become personally involved in your family finances ranging from daily budgeting to long-term planning. Discuss retirement saving and planning with family and close friends. An open dialogue with family members about expectations of either needing to provide or receive financial support should be part of every woman's retirement strategy.
7. Get educated about retirement investing. Learn about possible ways to help make savings last longer including when to take withdrawals from retirement accounts to minimize taxes and penalties, and the best time to start Social Security to maximize benefits. Seek professional assistance if needed.
8. Have a backup plan in the event of unforeseen circumstances such as separation, divorce, loss of a partner, or being unable to work before your planned retirement. Consider emergency savings; insurance products such as disability insurance and life insurance; and possibly ways to cut costs if needed, such as moving to a smaller home, taking on a roommate(s) or scaling back transportation costs. Keep job skills up-to-date.

Appendix

About the Author

[Catherine Collinson](#) is a champion of everyday people including those who are at risk of not achieving a financially secure retirement. She currently serves as president of nonprofit [Transamerica Institute](#)[®] and [Transamerica Center for Retirement Studies](#)[®]. In May 2015, she was also named executive director of [Aegon Center for Longevity and Retirement](#).

With two decades of experience, Catherine has become a nationally recognized voice on retirement-related trends. She has testified before Congress on matters related to employer-sponsored retirement plans among small business, which have featured the need to raise awareness of the Saver's Credit.

Catherine oversees research, publications, and outreach initiatives including the Annual Transamerica Retirement Survey. She is regularly quoted in top media outlets on retirement-related topics, including: Time, Forbes, CNBC, and Yahoo! Finance. She co-hosts [ClearPath: Your Roadmap to Health & Wealth](#) on WYPR, Baltimore's NPR news station. In 2015, Catherine was named an advisory board member of the Milken Institute's Center for the Future of Aging.

Catherine is currently employed by Transamerica. Since joining the organization in 1995, she has held a number of positions with responsibilities including the incorporation of Transamerica Center for Retirement Studies as a nonprofit private foundation in 2007 and its expansion into Transamerica Institute in 2013.

About the Transamerica Center for Retirement Studies®

- The Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica Institute® (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, 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.
- TCRS and its representatives cannot give ERISA, tax, investment or legal advice. This material is provided for informational purposes only and should not be construed as ERISA, tax, investment or legal advice. Interested parties must consult and rely solely upon their own independent advisors regarding their particular situation and the concepts presented here.
- 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 and Methodology

- Since 1998, the Transamerica Center for Retirement Studies® has conducted national surveys 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 16th Annual Retirement Survey for Transamerica Center for Retirement Studies. Transamerica Center for Retirement Studies is not affiliated with Harris Poll.
- A 25-minute, online survey was conducted between February 18 – March 17, 2015 among a nationally representative sample of 4,550 workers including 2,421 women and 2,129 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.

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