Seventeen Facts About Women’s Retirement Outlook…and Eight Steps to Improve It

Select Findings from the 17th Annual Transamerica Retirement Survey of American Workers
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Women have made tremendous progress in achieving higher levels of education, gaining opportunities in the workforce, and pursuing careers, while also continuing to play a vital role as mothers and caregivers. Despite this progress, women continue to be at greater risk of not achieving a financially secure retirement than men.

Factors contributing to women’s risky retirement outlook include: 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 are also more likely than men to take time out of the workforce to care for children and/or aging parents; a high percentage of women work part-time and do not have access to workplace retirement benefits; and, women have longer life expectancies and, therefore, greater savings needs.

These 17 facts aim to raise awareness of retirement risks that women face and highlight opportunities regarding how they can improve their retirement outlook:

1. Only 10 percent of women are “very confident” in their ability to fully retire with a comfortable lifestyle.
2. 53 percent of women plan to retire after age 65 (40 percent) or not at all (13 percent).
3. Half (50 percent) plan to work after they retire.
4. Are women being proactive enough to continue working past age 65? While 62 percent say they are staying healthy, only 54 percent are focused on performing well at their current job and 42 percent are keeping their job skills up to date.
5. Most women (64 percent) do not have a backup plan if forced into retirement sooner than expected.
6. 72 percent are saving for retirement through a workplace plan and/or outside of work in an IRA, mutual fund, bank account, etc. Women started saving for retirement at age 28 (median).
7. 47 percent expect their primary source of retirement income will be 401(k)/403(b) accounts/IRAs, and/or other savings and investments, while 27 percent expect to rely on Social Security.
8. 68 percent of women are offered a 401(k) or similar employee-funded retirement plan. However, 26 percent work part-time and are therefore less likely to have workplace retirement benefits.
9. 75 percent of women who are offered an employee-funded plan participate in the plan and they contribute 6 percent (median) of their salary to the plan.
10. Women believe that they will need to save $500,000 (median) in order to feel financially secure in retirement; among those who estimated their savings needs, 56 percent say they “guessed.”
11. Women’s total household retirement savings is $34,000 (estimated median).
12. Women’s emergency savings is just $2,000 (estimated median).
13. 57 percent of women say information that is easier to understand would motivate them to learn more about retirement.
14. Only a quarter of women (25 percent) are aware of the Saver’s Credit tax credit.
15. 38 percent of Baby Boomer women say they know a great deal or quite a bit about Social Security.
16. 82 percent of women are concerned that Social Security won’t be there for them when they are ready to retire.
17. Women’s number one retirement priority for the new President and Congress is fully funding Social Security so that it can continue to pay future generations (59 percent).
Eight Steps on How Women Can Improve Their Retirement Outlook

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 a financially secure retirement.

Eight Steps for Women to Improve their Retirement Outlook

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. 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.

3. 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.

4. 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.

5. Maintain your ability to continue working past age 65. Keep your job skills up to date or learn new ones. Many employers, community colleges and nonprofits offer classes in the latest technologies and careers. Networking groups offer opportunities to meet more people in particular professions.

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 possible 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.

Learn more about women’s retirement outlook as well as saving and investing for retirement at [www.transamericacenter.org](http://www.transamericacenter.org).
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® and 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 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. She was a 2016 WISER Hero Award recipient in recognition of her contributions to helping improve retirement security for women.

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.

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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This survey was conducted online within the U.S. by Harris Poll on behalf of TCRS between April 11 and May 12, 2016, among a nationally representative sample of 4,161 workers including 2,315 women and 1,827 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- 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.

This fact sheet was derived from a report entitled, Seventeen Facts About Women’s Retirement Outlook, which can be found at www.transamericacenter.org.