



23 Facts About Women's Retirement Outlook... and 12 Steps to Improve It

Select Findings from the 23rd Annual
Transamerica Retirement Survey

TRANSAMERICA CENTER
FOR RETIREMENT STUDIES®

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23 Facts About Women's Retirement Outlook

Today's women enjoy career opportunities that were unimaginable 50 years ago. Despite this progress, women continue to be at greater risk than men of not achieving a financially secure retirement. A woman's path to retirement is often filled with obstacles, such as lower pay and time out of the workforce for parenting or caregiving, which can negatively impact her long-term earnings and lifetime savings. Moreover, statistically, women tend to live longer than men, which implies an even greater need to save for retirement. Findings from nonprofit Transamerica Center for Retirement Studies' 23rd Annual Retirement Survey illustrate the risks faced by women workers and action steps to address them.

These 23 facts illustrate the risky retirement outlook of women workers:

- 1 More than half of women (57%) feel they don't have enough income to save for retirement.
- 2 Saving for retirement (53%), building emergency savings (44%), paying off credit card debt (43%), and just getting by to cover basic living expenses (37%) are women's most often cited financial priorities.
- 3 Women have only \$2,400 in total household emergency savings (median).
- 4 Only 19% of women are "very confident" that they will be able to fully retire with a comfortable lifestyle.
- 5 Most women (75%) are saving for retirement at work and/or outside the workplace.
- 6 Women who work full-time (79%) are more likely to be offered a 401(k) or similar employee-funded retirement plan than women who work part-time (45%).
- 7 Among women offered a 401(k) or similar plan, 76% participate, contributing 10% (median) of their salary.
- 8 Thirty-six percent of women have taken a loan, early withdrawal, and/or hardship withdrawal from their 401(k) or similar plan or IRA.
- 9 Women estimate they will need to save \$500,000 (median) to feel financially secure in retirement, but more than half (52%) say they "guessed" their savings needs.
- 10 Women have \$44,000 in total household retirement savings (estimated median).
- 11 Twenty-seven percent of women expect Social Security to be their primary source of retirement income.
- 12 Seventy-six percent of women are concerned that Social Security will not be there for them when they are ready to retire.
- 13 Forty-one percent of women are currently or have previously served as caregivers during their working careers. Among them, more than eight in 10 (84%) made work adjustments because of caregiving such as missing days of work (37%).
- 14 Less than one in four women (24%) have a financial strategy for retirement in the form of a written plan.
- 15 Only 32% of women use a professional financial advisor.
- 16 Fewer than half of women (42%) are aware of the Saver's Credit, a tax credit for eligible taxpayers who save for retirement in a qualified workplace retirement plan or IRA.
- 17 Few women (20%) frequently discuss saving, investing, and planning for retirement with family and close friends.
- 18 Women are planning to live to age 89 (median) and 13% plan to live to age 100-plus. Forty percent said they are "not sure" of the age they are planning to live, which is a reasonable answer but not useful for financial planning.
- 19 Women dream of an active retirement including travel (65%), spending more time with family and friends (57%), pursuing hobbies (44%), working (27%), volunteering (22%), and taking care of grandchildren (21%).
- 20 Fifty-five percent of women expect to retire after age 65 or do not plan to retire – and 53% plan to work in retirement.
- 21 Among women who plan to work past age 65 and/or in retirement, more cite financial reasons (84%) than healthy-aging reasons (75%).
- 22 Many women could be more proactive about ensuring they can work as long as they want and need. Just 59% say they are staying healthy, and 50% are keeping their job skills up to date.
- 23 Women could be doing more to protect their long-term health. Given what is at stake, relatively few women are eating healthy (52%), exercising regularly (52%), socializing with family and friends (52%), and getting plenty of rest (49%).

12 Steps for Women to Improve Their Retirement Outlook

Retirement will be unique for each woman, yet the tools to help achieve a financially secure retirement are common to all. The encouraging news is that small steps, when taken together, can add up to great strides in retirement preparedness. No matter your age, now is the time for every woman to focus on the future. Recommendations for women to improve their retirement outlook include:

- 1 Assess your current financial situation and create a budget** that includes income, living expenses, paying off debt, potential impacts of inflation and higher interest rates, and financial goals such as building emergency savings and long-term retirement savings. If needed, seek assistance from a professional financial advisor.
- 2 Factor employee benefit offerings when considering employment opportunities.** Learn about the retirement and other health and welfare benefits offered by prospective employers. Consider these benefits as part of a total compensation package. Beware that many employers limit such offerings to full-time employees.
- 3 If possible, save for retirement.** By starting early and saving consistently, even small amounts can add up over a decades-long working life. If your employer offers a retirement plan, participate and take advantage of any matching contributions. Learn if you are eligible for the Saver's Credit, an IRS tax credit for saving for retirement.
- 4 Develop a retirement strategy and write it down.** Utilize online tools and calculators offered by your employer's retirement plan provider or a financial services institution to estimate your retirement income and long-term savings needs. Formulate a savings plan to meet these needs and hold yourself accountable to it.
- 5 Avoid taking loans and early withdrawals from retirement accounts.** which can severely inhibit their long-term growth. Before tapping into retirement savings explore all possible alternatives to determine the best option.
- 6 If faced with parenting or caregiving responsibilities, carefully consider any changes to your employment.** To help mitigate the impact on your long-term financial security, explore options such as shifting to part-time work or taking a leave.
- 7 Be proactive to help ensure continued employment now and in retirement.** Engage in the evolving workforce by keeping job skills up to date, learning new ones, following employment trends, and networking.
- 8 Become personally involved in your family finances and investments, including retirement accounts held by you and your spouse.** Discuss retirement planning with family and close friends.
- 9 Learn about retirement investing and strategies for drawing down savings in retirement, and the optimal time to start receiving Social Security benefits.** Explore resources and classes offered in your community.
- 10 Have a backup plan in the event of unforeseen events such as separation, divorce, loss of a partner, or being unable to work before your planned retirement.** Build emergency savings and consider appropriate insurance products.
- 11 Take care of yourself and safeguard your physical and mental health.** Eat healthy, exercise regularly, get plenty of sleep, manage stress, and keep up with routine physicals and health screenings. Explore online wellness resources and classes. Consider health implications when making lifestyle decisions.
- 12 Beware of scams.** Be hypervigilant about suspicious text messages, email, or calls, which are on the rise due to artificial intelligence.

Learn more about women's retirement outlook as well as saving and investing for retirement at www.transamericainstitute.org.

About the Author



Catherine Collinson is the founding CEO and president of **Transamerica Institute**, a nonprofit, private foundation, and its operating division, **Transamerica Center for Retirement Studies**[®]. She is a champion for Americans who are at risk of not achieving a financially secure retirement. Catherine oversees all research, publications, and outreach initiatives, including the Annual Transamerica Retirement Survey.

With more than two decades of experience, Catherine is 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.

In 2018, Catherine was named an **Influencer in Aging** by PBS' **Next Avenue**. In 2016, she was honored with a Hero Award from the **Women's Institute for a Secure Retirement** (WISER) for her tireless efforts in helping improve retirement security among women. Catherine serves on the Advisory Board of the **Milken Institute's Center for the Future of Aging**. She co-hosts the **ClearPath-Your Roadmap to Health & Wealth**SM podcast on Baltimore's WYPR, an NPR news station.

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

About Transamerica Center for Retirement Studies[®]

Transamerica Center for Retirement Studies[®] (TCRS) is an operating division of **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 and planning for retirement and achieving financial security in retirement. Transamerica Institute is funded by contributions from Transamerica Life Insurance Company and its affiliates. 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.

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About This Fact Sheet and the 23rd Annual Transamerica Retirement Survey

This Fact Sheet was derived from the report, **23 Facts About Woman's Retirement Outlook**, which can be found at www.transamericainstitute.org.

The analysis contained in **23 Facts About Women's Retirement Outlook** was prepared internally by the research team at Transamerica Institute and TCRS. A 22-minute online survey was conducted within the U.S. by The Harris Poll on behalf of Transamerica Institute and TCRS between November 8 and December 13, 2022 among a nationally representative sample of 5,725 U.S. adults age 18+, who work full- or part-time in a for-profit company employing one or more employees ("workers") including 2,907 women and 2,766 men. Data was weighted where necessary for age by gender, race/ethnicity, region, education, marital status, household size, household income and propensity to be online to being them in line with their actual proportions in the population. Respondents were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured by using a Bayesian credible interval and the worker sample data is accurate to within +1.7 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest. Percentages are rounded to the nearest whole percent.