21 Facts About Women’s Retirement Outlook… and 11 Steps to Improve It

Select Findings from the 21st Annual Transamerica Retirement Survey of Workers

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Today’s women are better educated and enjoy career opportunities that were unimaginable 50 years ago. Despite this progress, women are at greater risk than men of not achieving a financially secure retirement. A woman’s path to a retirement is filled with obstacles, such as lower pay and time out of the workforce for parenting or caregiving, which can negatively impact her long-term finances. Statistically, women tend to live longer than men, which implies an even greater need to save. Findings from nonprofit Transamerica Center for Retirement Studies’ 21st Annual Retirement Survey of Workers illustrate the risks women face and action steps they can take to address them.

1. Only 18 percent of working women are “very confident” that they will be able to fully retire with a comfortable lifestyle.

2. Women’s retirement dreams include traveling (66 percent), spending more time with family and friends (60 percent), pursuing hobbies (46 percent), working (32 percent), and volunteering (28 percent).

3. More than half of women expect to retire after age 65 or do not plan to retire (55 percent), and plan to work after they retire (53 percent), either full-time (17 percent) or part-time (36 percent).

4. Among women who plan to work past age 65 and/or in retirement, more cite doing so for financial reasons (83 percent) than healthy-aging related reasons (77 percent).

5. Only 29 percent of women have a backup plan for retirement income in the event they are unable to work before their planned retirement.

6. Some women are not being proactive enough to work past age 65. Only 61 percent say they are staying healthy, and 48 percent are keeping their job skills up to date. Far fewer are taking classes to learn new skills (22 percent).

7. Key steps women are taking to protect their long-term health include eating healthy (57 percent), exercising regularly (53 percent), getting plenty of rest (49 percent), and maintaining a positive outlook (48 percent).

8. Most women (77 percent) are saving for retirement at work and/or outside the workplace.

9. 75% of women who work full-time are offered a 401(k) or similar retirement plan by their employer, compared with 45 percent of women who work part-time.

10. Among women who are offered a 401(k) or similar plan, 83 percent participate in the plan, contributing 10 percent (median) of their salary to it.

11. Women have $57,000 in total household retirement savings (estimated median).

12. Women estimate they will need to save $500,000 (median) to feel financially secure in retirement; many (52 percent) say they “guessed” their savings needs.

13. Few women (24 percent) have a written retirement strategy, but more (43 percent) have an unwritten strategy.

14. 27 percent of women expect Social Security to be their primary source of retirement income.

15. 42 percent of women fear that Social Security will be reduced or cease to exist in the future.

16. Paying off debt is the most often cited financial priority for women (62 percent), while 56 percent cite saving for retirement, and 46 percent cite building emergency savings as priorities.

17. Women have only $4,000 in total household emergency savings (median).

18. Few women (17 percent) frequently discuss saving, investing, and planning for retirement with family and friends.

19. Only a third of women (34 percent) use a professional financial advisor.

20. 27 percent of women have taken a loan, early withdrawal, and/or hardship withdrawal from their 401(k) or similar plan or IRA.

21. 35 percent of women are or have been caregivers during their working careers, and most caregivers (83 percent) made work adjustments because of caregiving, such as missing work (36 percent).
11 Steps for Women to Improve Their Retirement Outlook

Women face greater retirement-related risks than men with the pandemic intensifying that vulnerability. Many have experienced employment-related impact such as leaving the workforce for parenting or caregiving responsibilities, being laid off, or having work hours reduced. Although short-term priorities may need to take precedence, women are encouraged to keep the future retirement in mind. These steps may help women improve their outlook.

1. **Assess your current financial situation and create a budget** that includes income, living expenses, paying off debt, and financial goals such as building emergency savings and long-term retirement savings.

2. **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.

3. **Develop a retirement strategy and write it down.** Use online tools and calculators to estimate your retirement income and long-term savings needs. Formulate a savings plan to meet these needs and hold yourself accountable to it.

4. **Avoid taking loans and early withdrawals from retirement accounts.** Both can severely inhibit their long-term growth. Before tapping into retirement savings, explore all possible alternatives to determine the best option.

5. **If faced with parenting or caregiving responsibilities, carefully consider possible impacts to changes in your employment.** Explore options such as shifting to part-time work.

6. **Be proactive to help ensure continued employment now and in retirement.** As the economy reopens, engage in the altered landscape of work by honing current skills, learning new ones, following employment trends, and networking with others.

7. **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.

8. **Learn about retirement investing and strategies for drawing down savings in retirement,** including the best time to start receiving Social Security. Explore resources and classes offered in your community.

9. **Create a backup plan that considers unforeseen events such as separation, divorce, loss of a partner, or loss of work before your planned retirement.** Build up emergency savings and consider appropriate insurance products.

10. **Take care of yourself and safeguard your physical and mental health.** Consider health implications when making lifestyle decisions, and explore online wellness resources and classes. Continue to take precautions to mitigate the risk and spread of COVID-19.

11. **Beware of scams.** Be hypervigilant about suspicious text messages, email, or calls, which are on the rise due to COVID-19.

Learn more about women’s retirement outlook as well as saving and investing for retirement at www.transamericainstitute.org.
Catherine Collinson serves as 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℠ 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.

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This Fact Sheet was derived from the report, Life in the COVID-19 Pandemic: Women’s Health, Finances, and Retirement Outlook, which can be found at www.transamericacenter.org.

The analysis contained in Life in the COVID-19 Pandemic: Women’s Health, Finances, and Retirement Outlook was prepared internally by the research team at TCRS based on results from the 21st Annual Transamerica Retirement Survey of Workers. This survey was conducted online within the U.S. by The Harris Poll on behalf of Transamerica Institute and TCRS between November 17 and December 29, 2020 among a nationally representative sample of 10,192 respondents. The data in this Fact Sheet are shown for a subsample of 3,109 workers in for-profit companies, including 1,352 women.

Results were weighted where necessary to bring them into line with the population of U.S. residents age 18+, and to adjust for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who respond to surveys versus those who do not.