

Divorced Women and Retirement: An Uphill Battle

Divorced women face an uphill battle in having a financially comfortable retirement — this was a finding from the 30th annual Retirement Confidence Survey (RCS). Indeed, in the *EBRI Issue Brief* “[Retirement Confidence Survey: Attitudes Toward Retirement by Women of Different Marital Statuses](#),” divorced women particularly stood out as having low levels of assets, retirement preparations, and retirement confidence.

Namely, divorced women workers reported having markedly lower levels of total savings than married women workers.¹ Among divorced women, 72 percent had less than \$25,000 in savings and 38 percent had less than \$1,000, compared with 31 percent of married women having less than \$25,000 in savings and 14 percent with less than \$1,000. Debt was also more likely to be a problem for divorced women workers — 74 percent considered debt a problem compared with 56 percent of married women workers.

Divorced women workers were also less likely to currently have money in an employer-sponsored retirement savings plan — 52 percent vs. 73 percent for married women workers. Furthermore, when divorced women workers were offered a plan, they were less satisfied overall with the plan as well as with the investment options available and the education materials they received from the plan. In fact, nearly one-fifth (18 percent) of divorced women workers were not at all satisfied with the educational materials they receive from the retirement plan, compared with 7 percent of married and 6 percent of never-married women workers.

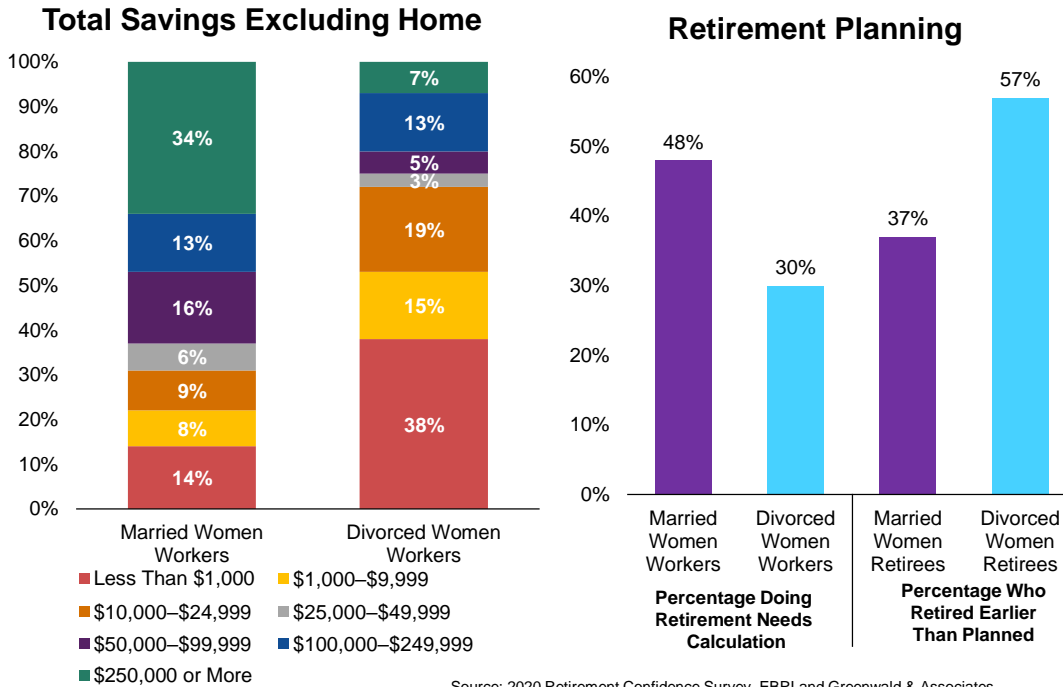
Along with being behind in resources, divorced women workers were also less likely to have tried to figure out how much money they will need to live comfortably throughout retirement: 48 percent of married women vs. 30 percent of divorced women. Yet, divorced women were far less likely to say that various education or financial well-being programs would be very helpful in planning for retirement.

Not surprisingly, divorced women workers expressed considerably lower levels of retirement confidence than their married counterparts: Only 43 percent of divorced women workers expressed being very or somewhat confident they will have enough money to live comfortably throughout their retirement years, compared with 76 percent of married women and 51 percent of never-married women workers. Divorced women workers also had lower confidence in other aspects related to retirement. In particular, 47 percent of divorced women workers were confident in knowing how much money they need to save by retirement to live comfortably in retirement vs. 69 percent of married women workers. Furthermore, only 44 percent of divorced women workers were confident in their ability to choose the right retirement products or investments for their situation, as opposed to 69 percent of married women workers.

The lower retirement confidence of divorced women workers carried over to retirees. Only 58 percent of divorced women retirees were confident that they will have enough money to live comfortably throughout their retirement years, compared with 70 percent of never-married women retirees and 80 percent of married women retirees.

Divorced women workers’ retirement prospects may be even worse than they think. While nearly 50 percent of divorced women workers expected to retire at ages 70 or older or to never retire, only 3 percent of divorced women retirees said they actually retired when they were ages 70 or older. Indeed, 70 percent of the divorced women retirees actually retired at ages 62 or younger. Divorced women retirees, for the most part, expected to retire at older ages, as 57 percent retired earlier than they planned. Thus, divorced women are not only less prepared for retirement, they also have potentially fewer years to prepare than they think and likely more years in retirement to cover than they expect.

Total Savings and Retirement Planning, Divorced vs. Married Women



Divorced women’s uphill battle in having a financially comfortable retirement could be improved by having specialized information and assistance with retirement preparations and everyday financial issues. The approaches currently being used do not appear to be as effective for these women, likely due to the resulting financial and life-circumstance upheaval of a divorce. Employers may want to develop new targeted messages, methods, or materials to better reach these groups, in order to increase the chances of divorced women having a financially successful retirement. Help from the financial sector in general could also be beneficial, as many of the divorced women need help outside of employment, particularly after they retire.

The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which include a broad range of public, private, for-profit and nonprofit organizations. For more information go to www.ebri.org or connect with us on [Twitter](https://twitter.com/EBRI) or [LinkedIn](https://www.linkedin.com/company/ebri).

¹ The question asked about their total savings and investments outside of their primary home and any defined benefit plan assets.

###