SPECIAL CONSIDERATIONS WOMEN FACE IN RETIREMENT SECURITY

2019 E BRIEFING SERIES

FEBRUARY 6, 2019
SPECIAL CONSIDERATIONS WOMEN FACE IN RETIREMENT SECURITY

Jack VanDerhei
Research Director, EBRI
The Cost of Living Longer: How Retirement Readiness Varies by Gender and Family Status

Anna M. Rappaport, President, Anna Rappaport Consulting
Women Take the Wheel: Destination Retirement

Moderated by Lori Lucas, CFA, President and CEO, EBRI
RIGHT CLICK on “Ask Questions” then Click on Chat
Chat window will open in the bottom left corner
HOW RETIREMENT READINESS VARIES BY GENDER AND FAMILY STATUS

2019 EBRIefing Series
February 6, 2019

Jack VanDerhei, Director of Research, EBRI
• **Accumulation phase**
  - Simulates retirement income/wealth for households currently ages 35-64 from defined contribution, defined benefit, IRA, Social Security and net housing equity
    - Pension plan parameters coded from a time series of several hundred plans.
    - 401(k) asset allocation and contribution behavior based on individual administrative records
      - Annual linked records dating back to 1996
      - More than 27 million employees in 110,000 plans
      - More than 25 million IRA accounts owned by 20 million unique individuals

• **Retirement phase**
  - Simulates 1,000 alternative life-paths for each household, starting at 65
  - Deterministic modeling of costs for food, apparel and services, transportation, entertainment, reading and education, housing, and basic health expenditures.
  - Stochastic modeling of longevity risk, investment risk, nursing facility care and home based health care.

• **Produces the following output metrics:**
  - Retirement Readiness Rating (RRR) = Percentage of simulated life-paths that do NOT run short of money in retirement
  - Retirement Savings Shortfalls (RSS) = Present value of deficits for those who run short of money in retirement

For a list of approximately 40 studies using RSPM please see: bit.ly/ebri-rspm
MODIFICATIONS FOR TODAY

- Recently we have been asked to look more specifically at the retirement income adequacy for widows
- Recoded the decumulation module for RSPM to change this to:
  - single male
  - single female
  - married
    - married (husband dies first)
    - married (wife dies first)
AVERAGE RETIREMENT DEFICITS BY MARITAL STATUS AND GENDER

Means of Retirement Savings Shortfalls for Gen Xers by marital status and gender (includes bifurcation for sequence of death for married)

Source: EBRI Retirement Security Projection Model, Version 3449

$18,476
$22,783
$72,883
$37,690
AVERAGE RETIREMENT DEFICITS FOR THOSE WITH A DEFICIT

Means of Retirement Savings Shortfalls for Gen Xers by marital status and gender (includes bifurcation for sequence of death for married)

Source: EBRI Retirement Security Projection Model, Version 3449
Means of Retirement Savings Shortfalls for Gen Xers by age-specific pre-retirement income quartile, marital status and gender (includes bifurcation for sequence of death for married)

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Lowest</th>
<th>Second</th>
<th>Third</th>
<th>Highest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married, Female dies</td>
<td>$67,829</td>
<td>$48,105</td>
<td>$27,868</td>
<td>$8,522</td>
</tr>
<tr>
<td>Married, Male dies</td>
<td>$86,479</td>
<td>$55,887</td>
<td>$30,109</td>
<td>$11,354</td>
</tr>
<tr>
<td>Single Female</td>
<td>$110,412</td>
<td>$72,673</td>
<td>$46,208</td>
<td>$28,951</td>
</tr>
<tr>
<td>Single Male</td>
<td>$80,676</td>
<td>$46,615</td>
<td>$31,027</td>
<td>$16,487</td>
</tr>
</tbody>
</table>

Source: EBRI Retirement Security Projection Model, Version 3449
RETIREMENT DEFICITS GREATER THAN $100,000 (PER INDIVIDUAL) BY WAGE

Percentage of Gen Xer households with RSS > $100,000 per individual by age-specific pre-retirement income quartile, marital status and gender (includes bifurcation for sequence of death)

<table>
<thead>
<tr>
<th></th>
<th>lowest</th>
<th>second</th>
<th>third</th>
<th>highest</th>
</tr>
</thead>
<tbody>
<tr>
<td>married, female dies first</td>
<td>29%</td>
<td>17%</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>married, male dies first</td>
<td>42%</td>
<td>24%</td>
<td>11%</td>
<td>4%</td>
</tr>
<tr>
<td>single female</td>
<td>48%</td>
<td>32%</td>
<td>21%</td>
<td>13%</td>
</tr>
<tr>
<td>single male</td>
<td>33%</td>
<td>21%</td>
<td>14%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: EBRI Retirement Security Projection Model, Version 3449
### Means of Retirement Savings Shortfalls for Gen Xers by future years of defined contribution eligibility, marital status and gender (includes bifurcation for sequence of death for married)

<table>
<thead>
<tr>
<th>Scenario</th>
<th>$0-10 years</th>
<th>$11-20 years</th>
<th>$21-30 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>married, female dies first</td>
<td>$25,287</td>
<td>$15,324</td>
<td>$11,219</td>
</tr>
<tr>
<td>married, male dies first</td>
<td>$31,815</td>
<td>$18,937</td>
<td>$13,131</td>
</tr>
<tr>
<td>single female</td>
<td>$97,325</td>
<td>$68,891</td>
<td>$48,990</td>
</tr>
<tr>
<td>single male</td>
<td>$58,309</td>
<td>$38,086</td>
<td>$21,632</td>
</tr>
</tbody>
</table>

**Source:** EBRI Retirement Security Projection Model, Version 3449
RETIREMENT DEFICITS GREATER THAN $100,000 (PER INDIVIDUAL) BY DC ELIGIBILITY

Percentage of Gen Xer households with RSS > $100,000 per individual by future years of defined contribution eligibility, marital status and gender (includes bifurcation for sequence of death for married)

Source: EBRI Retirement Security Projection Model, Version 3449
How would various public policy and plan design changes impact these retirement deficits?

- We have previously analyzed the impact of the Automatic Retirement Plan Act of 2017 (ARPA) proposal on retirement deficits (VanDerhei, May 2018)
- Also analyzed the additional decrease in retirement deficits
  - If auto portability were adopted (VanDerhei, July 2018)
  - If auto portability were added to ARPA (VanDerhei, September 2018)
- Currently working on “ARPA II”

Next slide shows the impact of auto portability (in isolation) on retirement deficits for the same four groups
IMPACT OF AUTO PORTABILITY BY DC ELIGIBILITY

Reduction in Retirement Savings Shortfalls from the introduction of Auto Portability for Gen Xers by future years of defined contribution eligibility, marital status and gender (includes bifurcation for sequence of death for married)

Source: EBRI Retirement Security Projection Model, Version 3449
REFERENCES

• VanDerhei, Jack (September 2018), How Much Would Auto-Portability Help Retirement Reform Proposals to Reduce Retirement Deficits? EBRI Fast Facts


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• VanDerhei, Jack (May 2012), Retirement Income Adequacy for Boomers and Gen Xers: Evidence from the 2012 EBRI Retirement Security Projection Model®, EBRI Notes

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• VanDerhei, Jack, A Post-Crisis Assessment of Retirement Income Adequacy for Baby Boomers and Gen Xers, February 2011, EBRI Issue Brief #354

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Decile analysis of Retirement Savings Shortfalls for Gen Xers by marital status and gender
(includes bifurcation for sequence of death for married)

<table>
<thead>
<tr>
<th></th>
<th>median</th>
<th>60th percentile</th>
<th>70th percentile</th>
<th>80th percentile</th>
<th>90th percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>married, female dies first</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$25,160</td>
<td>$80,337</td>
</tr>
<tr>
<td>married, male dies first</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$44,878</td>
<td>$95,650</td>
</tr>
<tr>
<td>single female</td>
<td>$19,900</td>
<td>$57,936</td>
<td>$114,486</td>
<td>$158,130</td>
<td>$222,592</td>
</tr>
<tr>
<td>single male</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$67,871</td>
<td>$156,466</td>
</tr>
</tbody>
</table>

Source: EBRI Retirement Security Projection Model, Version 3449
DECILE ANALYSIS (BY PRE-RETIREMENT INCOME)

Decile analysis of Retirement Savings Shortfalls for Gen Xers by marital status and gender (includes bifurcation for sequence of death for married): lowest age-specific pre-retirement income quartile

<table>
<thead>
<tr>
<th>Quartile</th>
<th>10th Percentile</th>
<th>20th Percentile</th>
<th>30th Percentile</th>
<th>40th Percentile</th>
<th>Median</th>
<th>60th Percentile</th>
<th>70th Percentile</th>
<th>80th Percentile</th>
<th>90th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>married, female dies first</td>
<td>$-</td>
<td>$-</td>
<td>$11,142</td>
<td>$28,780</td>
<td>$54,164</td>
<td>$78,907</td>
<td>$92,858</td>
<td>$127,832</td>
<td>$169,405</td>
</tr>
<tr>
<td>married, male dies first</td>
<td>$-</td>
<td>$14,389</td>
<td>$43,296</td>
<td>$61,423</td>
<td>$83,992</td>
<td>$103,205</td>
<td>$131,347</td>
<td>$147,954</td>
<td>$181,083</td>
</tr>
<tr>
<td>single female</td>
<td>$-</td>
<td>$10,087</td>
<td>$30,070</td>
<td>$50,860</td>
<td>$91,466</td>
<td>$130,089</td>
<td>$156,344</td>
<td>$199,579</td>
<td>$253,982</td>
</tr>
<tr>
<td>single male</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$1,578</td>
<td>$12,426</td>
<td>$60,348</td>
<td>$112,316</td>
<td>$170,106</td>
<td>$236,323</td>
</tr>
</tbody>
</table>

Source: EBRI Retirement Security Projection Model, Version 3449
Decile analysis of Retirement Savings Shortfalls for Gen Xers by marital status and gender (includes bifurcation for sequence of death for married): second age-specific pre-retirement income quartile

Source: EBRI Retirement Security Projection Model, Version 3449
Decile analysis of Retirement Savings Shortfalls for Gen Xers by marital status and gender (includes bifurcation for sequence of death for married): third age-specific pre-retirement income quartile

Source: EBRI Retirement Security Projection Model, Version 3449
Decile analysis of Retirement Savings Shortfalls for Gen Xers by marital status and gender (includes bifurcation for sequence of death for married): highest age-specific pre-retirement income quartile

<table>
<thead>
<tr>
<th>Age-specific Quartile</th>
<th>10th Percentile</th>
<th>20th Percentile</th>
<th>30th Percentile</th>
<th>40th Percentile</th>
<th>Median</th>
<th>60th Percentile</th>
<th>70th Percentile</th>
<th>80th Percentile</th>
<th>90th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married, female dies first</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$183,433</td>
</tr>
<tr>
<td>Married, male dies first</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$45,845</td>
</tr>
<tr>
<td>Single female</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$30,974</td>
<td>$134,037</td>
</tr>
<tr>
<td>Single male</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$62,611</td>
</tr>
</tbody>
</table>

Source: EBRI Retirement Security Projection Model, Version 3449
Decile analysis of Retirement Savings Shortfalls for Gen Xers by marital status and gender (includes bifurcation for sequence of death for married): *zero* future years of defined contribution plan eligibility

<table>
<thead>
<tr>
<th></th>
<th>10th percentile</th>
<th>20th percentile</th>
<th>30th percentile</th>
<th>40th percentile</th>
<th>median</th>
<th>60th percentile</th>
<th>70th percentile</th>
<th>80th percentile</th>
<th>90th percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>married, female dies first</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$5,897</td>
</tr>
<tr>
<td>married, male dies first</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$32,902</td>
</tr>
<tr>
<td>single female</td>
<td>$-</td>
<td>$-</td>
<td>$11,282</td>
<td>$35,367</td>
<td>$64,112</td>
<td>$114,519</td>
<td>$146,305</td>
<td>$185,560</td>
<td>$245,034</td>
</tr>
<tr>
<td>single male</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$4,785</td>
<td>$62,611</td>
<td>$126,193</td>
<td>$193,753</td>
</tr>
</tbody>
</table>

Source: EBRI Retirement Security Projection Model, Version 3449
Decile analysis of Retirement Savings Shortfalls for Gen Xers by marital status and gender (includes bifurcation for sequence of death for married): 1-10 future years of defined contribution plan eligibility

Decile Analysis (by DC Eligibility)

Source: EBRI Retirement Security Projection Model, Version 3449
Decile analysis of Retirement Savings Shortfalls for Gen Xers by marital status and gender (includes bifurcation for sequence of death for married): 11-20 future years of defined contribution plan eligibility

Source: EBRI Retirement Security Projection Model, Version 3449
Decile analysis of Retirement Savings Shortfalls for Gen Xers by marital status and gender (includes bifurcation for sequence of death for married): 21-30 future years of defined contribution plan eligibility

<table>
<thead>
<tr>
<th>Decile</th>
<th>10th Percentile</th>
<th>20th Percentile</th>
<th>30th Percentile</th>
<th>40th Percentile</th>
<th>Median</th>
<th>60th Percentile</th>
<th>70th Percentile</th>
<th>80th Percentile</th>
<th>90th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married, female dies first</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$1,308</td>
</tr>
<tr>
<td>Married, male dies first</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$15,912</td>
</tr>
<tr>
<td>Single female</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$8,624</td>
<td>$126,496</td>
</tr>
<tr>
<td>Single male</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

Source: EBRI Retirement Security Projection Model, Version 3449
Women Take the Wheel – Destination Retirement

Anna Rappaport
February 6, 2019
Agenda

• SOA Research on Post-Retirement Risk
• The Reality for Women
• SOA Research on Individuals Age 85+
• Long-Term Care
• Practical Ideas

Note: More information in Appendix
SOA Research Overview
Committee on Post-Retirement Needs and Risks

- Society of Actuaries post-retirement risk research: nearly 20 years of work
- Overall program goal: Understand and improve post-retirement risk management
  - Focus on middle-income market age 50 and older
  - Housing value is largest asset for many (excluding value of Social Security)
  - Many lack adequate assets to maintain living standard
  - Decisions will require trade-offs on living standards
- Focus on multiple stakeholders
- Started biennial Risk Survey in 2001 and added focus groups in 2005, 2013 and 2015
- Survey, focus groups and interviews with those over 85 added in 2017 and 2018
- Generational survey added in 2018
- Consumer information of several types
- Research on women summarized in Understanding and Managing Post-Retirement Risks: Women and Post-Retirement Risk
Listening to Retirees: Findings from Focus Groups and Interviews

- Women are generally more concerned about risks than men
- Planning horizons are too short
- Dealing with shocks may be difficult
- Retirees are resilient
- Older people need help
- Women are more likely to be caregivers
The Reality for Women: Women and Retirement Risks
Differences by Gender

• Longevity
• Older women are more likely to be alone
• Career differences
• Family responsibility
• Higher long-term care costs
• More focus on others
• Less likely to remarry
## Retirement Concerns by Gender

### Table 2
Examples of Concerns in Retirement by Gender

**Question:** How concerned are you about each of the following (during retirement)?

<table>
<thead>
<tr>
<th>Concern</th>
<th>Pre-retirees</th>
<th>Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male (n = 511)</td>
<td>Female (n = 519)</td>
</tr>
<tr>
<td>The value of your savings and investments might not keep up with inflation.</td>
<td>71%</td>
<td>83%^</td>
</tr>
<tr>
<td>You might not have enough money to pay for a long stay in a nursing home or a long period of nursing care at home.</td>
<td>68</td>
<td>78%^</td>
</tr>
<tr>
<td>You might not have enough money to pay for adequate health care.</td>
<td>72</td>
<td>77</td>
</tr>
<tr>
<td>You might deplete all your savings.</td>
<td>63</td>
<td>75%^</td>
</tr>
<tr>
<td>You may not be able to stay in your home as you age.</td>
<td>47</td>
<td>57%^</td>
</tr>
</tbody>
</table>

* Asked among homeowners  
Note: "A" designates a significant difference from the prior column.
Where to Live in Retirement

Table 3
Important Attributes in Deciding Where to Live in Retirement by Gender

*Question: Thinking about where you plan to live throughout your retirement, how important is it that the home and/or location you choose offer the following?

<table>
<thead>
<tr>
<th>Examples: Large difference by gender</th>
<th>Pre-retirees</th>
<th>Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male (n = 511)</td>
<td>Female (n = 515)</td>
</tr>
<tr>
<td>Located near family</td>
<td>64%</td>
<td>83%⁴</td>
</tr>
<tr>
<td>Located near friends</td>
<td>57</td>
<td>74⁴</td>
</tr>
<tr>
<td>A culture of mutual support: neighbors or friends who help each other when they need it</td>
<td>62</td>
<td>71⁴</td>
</tr>
<tr>
<td>Gives you a sense of belonging to a community</td>
<td>48</td>
<td>65⁴</td>
</tr>
<tr>
<td>The ability to receive help with chores, like cleaning or laundry</td>
<td>50</td>
<td>62⁴</td>
</tr>
<tr>
<td>Public services for seniors, such as library courses or senior centers</td>
<td>46</td>
<td>57⁴</td>
</tr>
<tr>
<td>Opportunities for social engagements, such as shared meals, bridge clubs or holiday parties</td>
<td>36</td>
<td>48⁴</td>
</tr>
</tbody>
</table>

Examples: Moderate differences by gender

<table>
<thead>
<tr>
<th></th>
<th>Pre-retirees</th>
<th>Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male (n = 511)</td>
<td>Female (n = 515)</td>
</tr>
<tr>
<td>Near quality health care and/or hospitals</td>
<td>84%</td>
<td>88%</td>
</tr>
<tr>
<td>Low or no home maintenance required</td>
<td>80</td>
<td>89⁴</td>
</tr>
<tr>
<td>Access to needed transportation</td>
<td>68</td>
<td>74</td>
</tr>
</tbody>
</table>

Note: “*” designates a significant difference from the prior column.
Risks with Direct Greater Impact on Women

- Loss of spouse
- Decline in functional status
- Lower lifetime earnings and wealth
Longevity Risk

Age Wise is a series of infographics to help individuals understand how life expectancy and the decisions they make impact their plans for a happy, healthy and well-funded retirement.

You may live much longer than you think. Many people base their planning on what their grandparents or parents experienced, but individual life expectancies have improved dramatically over the past century. Current trends suggest that...

1 out of 3 males
1 out of 2 females

90

WHO are in their mid 50s today will live to be 90 Will your retirement income plan be enough?

It’s not just luck or genes. Some factors that influence how long you live may be beyond your control. Others depend upon the choices you make every day. A successful retirement plan will address both.

Couples should consider their combined planning timeline. For a couple who are 65 today...

Odds a wife outlives her husband by...

5+ years: 49%
10+ years: 33%
15+ years: 20%

Odds a husband outlives his wife by...

5+ years: 30%
10+ years: 19%
15+ years: 11%

25% will die within 5 years of each other, and there is a 50% chance that one person in the couple will be alive at 92.

For a personalized look at longevity, see www.longevityillustrator.org

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Women Take the Wheel: Destination Retirement
Risks with Greater Impact due to Longevity

• Outliving assets
• Health care risks
• Inflation
Inflation Over Time

Impact of Inflation

Year
Value

2%
3%
SOA Research on Individuals Age 85 and Over
Highlights

• Marital demographics
• Financial security
• Spending and debt
• Importance of family
• Living arrangements
• Advice
## Marital Status

**Table 1**  
Marital Status by Age and Gender Among Older Americans

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Men</th>
<th></th>
<th>Women</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65–84</td>
<td>85+</td>
<td>65–84</td>
<td>85+</td>
</tr>
<tr>
<td>Age Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>72%</td>
<td>51%</td>
<td>48%</td>
<td>13%</td>
</tr>
<tr>
<td>Divorced and Separated</td>
<td>13</td>
<td>7</td>
<td>17</td>
<td>7</td>
</tr>
<tr>
<td>Widowed</td>
<td>10</td>
<td>38</td>
<td>30</td>
<td>75</td>
</tr>
<tr>
<td>Never Married</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Stepler, Renee, *Smaller Share of Women Ages 65 and Older Are Living Alone, More Are Living with Spouse or Children*, Pew Foundation, 2016; data is based on tabulation of 2014 American Community Survey and adjusted for rounding.
## Living Arrangements

Table 4
Living Arrangements for Older Men and Women—2014

<table>
<thead>
<tr>
<th>Type of Arrangement</th>
<th>Women Age 65–84</th>
<th>Men Age 65–84</th>
<th>Women Age 85 and Up</th>
<th>Men Age 85 and Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing home or other group quarters</td>
<td>2%</td>
<td>2%</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td>Unmarried, living with other family or nonfamily</td>
<td>8</td>
<td>7</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Unmarried, living with own children</td>
<td>13</td>
<td>4</td>
<td>23</td>
<td>10</td>
</tr>
<tr>
<td>Living with spouse</td>
<td>46</td>
<td>69</td>
<td>12</td>
<td>49</td>
</tr>
<tr>
<td>Living alone</td>
<td>30</td>
<td>17</td>
<td>46</td>
<td>27</td>
</tr>
</tbody>
</table>

Notes: Numbers may not add to 100 percent due to rounding. Older adults who are living with a spouse may also be living with children or other relatives or nonrelatives.

Long-Term Care
Key Observations

• Women are more likely than men to need long-term care
• Very few people plan for it or think they will need it
• Family can be important source of help
• Husbands are more likely than wives to expect to have family caregivers
• Women generally live longer and are more likely to need caregivers
## Life Expectancy by Health Status

Table 5
Division of Total Life Expectancy into Three Periods Based on Health Status (Expected Number of Years of Life Expectancy in Various Health States)

<table>
<thead>
<tr>
<th>Age</th>
<th>Non-disabled</th>
<th>Mild or Moderate Disability</th>
<th>More Severely Disabled*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>65</td>
<td>13.65</td>
<td>12.34</td>
<td>2.97</td>
</tr>
<tr>
<td>75</td>
<td>6.99</td>
<td>6.77</td>
<td>2.55</td>
</tr>
<tr>
<td>85</td>
<td>2.47</td>
<td>2.89</td>
<td>1.74</td>
</tr>
<tr>
<td>95</td>
<td>0.52</td>
<td>0.81</td>
<td>0.78</td>
</tr>
</tbody>
</table>

* More severely disabled includes those with activities of daily living (ADL) and cognitive impairments that would make them claim eligibility under HIPAA-qualified long-term care policies.

Source: Eric Stallard, “Estimates of the Incidence, Prevalence, Duration, Intensity and Cost of Chronic Disability Among the U.S. Elderly,” paper presented at SOA Living to 100, 2006, and published in SOA Monograph., Table 4. Table notes that author’s calculations are based on the 1994-94 NLTC.
Long-Term Care Premiums

• Average annual premium for a 55-year-old couple - $3,050.
• Average annual premium for age 55 single male - $2,050.
• Average annual premium for age 55 single female - $2,700.
• Single female premium is 31.7% higher than single male premium
• Married couples benefit from significant spousal discount

Practical Ideas
First Things First

• Get legal matters and papers in order
• Figure out how much retirement will cost
• Review the retirement plan
• Review divorce and family issues
• Assess long-term care needs
• Examine social security options
Social Security

Benefit Entitlement Paths

How women can become eligible for Social Security:

1. As a retired worker: This woman has accumulated sufficient credits to collect Social Security based on her own work record;
2. As a spouse or survivor of an eligible worker. A married or divorced woman ineligible for benefits in her own right can receive up to 50 percent of her husband’s benefit if he is alive or 100 percent if he has died.
3. As a dually-entitled beneficiary: A woman who is entitled to her own benefit and one based on the work record of her higher-earning husband will receive the higher of the two benefits. This is essentially her benefit topped up by the difference between her benefit and her spouse/survivor benefit.
Traps to Avoid

• Having too much debt
• Giving too much money to children
• Quitting job for caregiving
• Spending too much on housing
• Not understanding family finances
• Not having an emergency fund
Personal Tips

• Be knowledgeable about household finances, including passwords
• Check beneficiary designations on employer plans and life insurance
• Evaluate long-term care and Social Security claiming options
• Make sure credit cards and bank accounts are set up with access for both members of couple
• Check credit card rating agencies
• Update wills, advance directives and powers of attorney
• Put together list of financial information and contacts
Essential Papers

- Birth certificate
- Marriage certificate
- Will
- Living will
- Durable power of attorney
- Health care power of attorney
- Health insurance cards, records
- Other insurance policies
- Pension, 401(k) plan documents
- Deed to the house
- Titles to cars, boats
- List of contacts—family, friends, doctors, etc.—and how to reach them
- Medical profile listing conditions, Rx.
Questions?
Appendix: More on SOA Research
Risk Surveys

• Survey of Individuals Over Age 85, Society of Actuaries, 2017
Focus Groups and In-Depth Interviews

• Post-Retirement Experiences of Individuals 85+ Years Old (2017)
• Post-Retirement Experiences of Individuals Retired for 15 Years or More (2015)
Consumer Information

- Managing Post-Retirement Risks (a guide to the risks)
Essays and Papers


• Managing the Impact of Long-Term Care Needs and Expense on Retirement Security monograph - “Improving Retirement by Integrating Family, Friends, Housing and Support: Lessons Learned from Personal Experience” and “The 65-Plus Age Wave and the Caregiving Conundrum: The Often Forgotten Piece of the Long-Term Care Puzzle”
Infographics and Tools

• Age Wise series of 5 infographics – life expectancy, unexpected expenses, inflation, housing and long-term care
  https://www.soa.org/research/age-wise/

• Actuaries Longevity Illustrator
  http://www.longevityillustrator.org/
Example of data from the Longevity Illustrator: Probability of Living to a Certain Age: 35 year old female
Probability of Living for a Specified Number of Years - Couple age 65
Q&A
ENGAGE WITH EBRI

Here are some ways:

Check out our new website – www.ebri.org

Attend our free Policy Forum on May 9th in Washington, D.C. After our December event, 100% of our surveyed attendees would recommend it to a friend and everyone found the networking opportunities valuable.

Participate in the April 30th American Savings Education Council Partners Meeting on the Retirement Confidence Survey

Support our Research Centers

Sponsor our events and webinars

Sign up for EBRI Insights

Join EBRI as a Member
NEXT WEBINAR MARCH 1 — CADILLAC TAX