

2008 RCS FACT SHEET

GENDER COMPARISONS AMONG WORKERS

Are men and women equally likely to plan and save for retirement? Do they have similar expectations about their needs in retirement? The 18th annual Retirement Confidence Survey® (RCS) provides some answers.

Saving for Retirement

- Men are more likely than women to say they (and/or their spouse) have saved for retirement and to say they are currently saving for retirement (Figure 1). These differences appear to result from differences in income. When men and women with similar levels of household income are compared, both genders are equally likely to report saving for retirement.
- Employed women (58 percent) are as statistically likely as employed men (64 percent) to contribute to a work-place retirement savings plan (Figure 1).
- Men and women are equally likely to say they (and/or their spouse) have an individual retirement account (IRA) opened with money saved outside of an employer's retirement plan (not money rolled over from an employer's plan) (Figure 1).

Figure 1

Selected Retirement Savings Indicators

	All Workers	Men	Women
Saved for retirement	72%	76%	68%
Currently saving for retirement	64	70	59
Contribute to a work-place retirement savings plan (among those employed full or part time)	61	64	58
Have an IRA that includes money saved outside of an employer's retirement plan	40	43	38

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2008 Retirement Confidence Survey.®

- Women are more likely than men to have no savings at all. Twenty-five percent of women have neither retirement savings nor other savings, compared with 18 percent of men. However, women and men are equally likely to report having no savings when household income is controlled.
- When told about a Roth 401(k) savings plan, women are more likely to be interested in this type of retirement savings plan (66 percent *very* or *somewhat* interested) than men (59 percent).

Calculating Retirement Accumulation Needs

- Women (45 percent) are statistically just as likely as men (50 percent) to indicate they have tried to calculate how much they will need to have saved by the time they retire so that they can live comfortably in retirement.
- Men are more likely than women to think that they need to accumulate \$1 million or more for retirement. Women more often say they do not know (Figure 2).

Figure 2

Amount of Savings Needed for Retirement

	All Workers	Men	Women
Under \$250,000	25%	22%	28%
\$250,000–\$499,999	16	17	16
\$500,000–\$999,999	23	25	21
\$1 million–\$1.49 million	9	11	7
\$1.5 million or more	9	13	6
Don't know/Don't remember	12	6	18
Refused	2	1	3

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2008 Retirement Confidence Survey.®

- When planning for retirement needs, men and women have the same preferences for planning tool features. Both prefer a tool that asks for seven to 10 pieces of detailed information and gives an answer to fit their personal situation (56 percent each for men and women), as compared with a tool that requires only three to four pieces of information and provides a generalized answer. Both men and women also prefer a tool that gives a range of answers based on different scenarios (70 percent of men and 74 percent of women) to a tool that offers a single answer.

Retirement Expectations

Expected Age at Retirement:

- Men (5 percent) are more likely than women (1 percent) to plan to retire before age 55, but both men and women typically expect to retire at age 65 (Figure 3).

Figure 3
Expected Age at Retirement

	All Workers	Men	Women
Less than 55	3%	5%	1%
Ages 55–59	7	9	6
Ages 60–64	21	23	19
Age 65	24	22	26
Ages 66–69	9	9	9
Age 70 or older	20	19	22
Never retire	6	6	7
Don't know/Refused	7	5	8

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2008 Retirement Confidence Survey.[®]

- Men and women provide similar estimates of the length of time they will spend in retirement. The median (midpoint) for both groups is 20 years.
- Men are more likely to agree that they (and their spouse) will not live long enough to use up all of their savings (53 percent of men versus 38 percent of women).
- Men and women are equally likely to expect to work for pay in retirement (62 percent of men versus 63 percent of women).

Reasons for Working in Retirement:

- Among those planning to work in retirement, women are more likely to cite keeping health insurance or other benefits (64 percent of women versus 50 percent of men) and wanting money to make ends meet (56 percent of women versus 38 percent of men) as major reasons for continuing to work (Figure 4).

Figure 4
Major Reasons for Working in Retirement

	All Workers	Men	Women
Wanting to stay active and involved	64%	62%	67%
Keeping health insurance or other benefits	57	50	64
Enjoying working	49	48	49
Wanting money to make ends meet	47	38	56
Wanting money to buy extras	38	34	42
Trying a different career	16	18	13

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2008 Retirement Confidence Survey.[®]

Expected Money from Work-place Retirement Plan:

- Statistically, men and women equally tend to expect that they (and their spouse) will receive money in retirement from a work-place retirement savings plan and from a defined benefit plan. They are also equally likely to indicate they will receive retiree health insurance through an employer (Figure 5).

Figure 5

Workers Expecting to Receive Employer-Provided Retirement Benefits

	All Workers	Men	Women
Money from a work-place retirement savings plan	74%	75%	72%
Money from a defined benefit plan	59	60	58
Retiree health insurance	34	34	33

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2008 Retirement Confidence Survey.[®]

Retirement Confidence

- Overall, men are more likely than women to say they are *very* confident about the various financial aspects of retirement (Figure 6).
- Men are more apt to be *very* confident about having enough money to live comfortably throughout retirement; about having enough money to take care of basic expenses, medical expenses, and long-term care; that they are doing a good job of preparing financially for retirement; and that the Social Security system will continue to provide benefits equal to those received by retirees today (Figure 6).

Figure 6

Percentage of Workers Very Confident about Financial Aspects of Retirement

	All Workers	Men	Women
You will have enough money to live comfortably throughout your retirement years	18%	23%	14%
You will have enough money to take care of basic expenses during retirement	34	40	28
You are doing a good job of preparing financially for retirement	23	28	19
You will have enough money to take care of medical expenses during retirement	18	22	14
You will have enough money to pay for long-term care during retirement	13	16	11
The Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today	5	7	3
The Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today	4	6	3

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2008 Retirement Confidence Survey.[®]

- Women are more likely than men to predict that spending during their first five years of retirement will be lower than spending during the five years prior to retirement (62 percent of women vs. 54 percent of men).