

Shortchanged in Retirement:

Continuing Challenges to Women's Financial Future

**NIRS Seventh Annual
Policy Conference
March 1, 2016**

**Diane Oakley,
Executive Director**



**NATIONAL INSTITUTE ON
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Key Findings on Women in the Workplace Covered by Retirement Plans

- » Women are working longer as they approach retirement. The percentage of women age 55-64 in the workforce increased by 12% between 2000 and 2015.
- » An eligibility gap for employer-sponsored retirement plans between men and women lowered the participation rate among the 63% of women who worked for employers that offered any type of retirement plan.
- » The percent of women that were offered only DC plans has shrank from 49% in 2009 to 46% in 2012.



Key Findings on Household Income for Women Age 65 and over

- » Older women have 26% less income than men.
- » Social Security is an important source of household income for women 65 and older.
- » Overall, women are 80% more likely to be impoverished than men. Women's poverty rate increases with age, change in marital status, and across ethnic backgrounds.
- » Women who work in healthcare, education, and public administration have higher household incomes and lower poverty rates, due to their participation in DB pension plans.

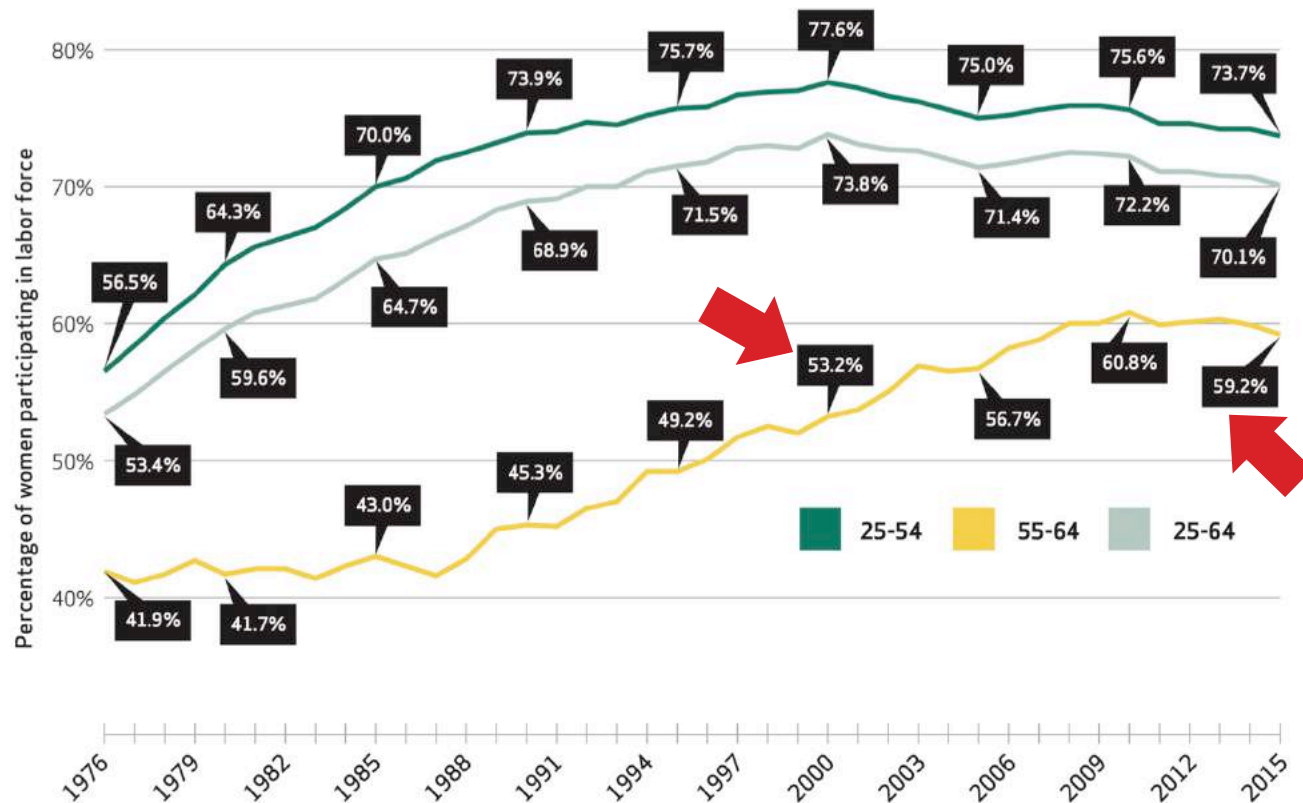


More Women Are Working as They Approach Retirement

Labor force participation among women aged 55 to 64 climbed from 53% in 2000, to 59% in 2015.

Figure 1:

Labor Force Participation Rates for Women, Ages 25 to 64



Source: Authors' calculations using SIPP data.

63% of Women Work for Employers that Offer Retirement Plans

In 2012, only 85% of women were eligible for the retirement plans offered by their employers.

Table 1: **Percent of working men and women that participate in any employer-sponsored retirement plan, historically**

	Offered a Plan	Eligible for a Plan	Employee Take-Up Rate	Participates in a Plan*	Offered a Plan	Eligible for a Plan	Employee Take-Up Rate	Participates in a Plan*
Year	Men				Women			
1998	60%	85%	91%	46%	60%	78%	87%	41%
2003	61%	88%	90%	48%	64%	82%	88%	46%
2006	57%	86%	88%	43%	61%	83%	85%	43%
2009	58%	90%	87%	45%	61%	86%	86%	45%
2012	60%	89%	86%	46%	63%	85%	86%	46%

Source: Authors' calculations using SIPP data.

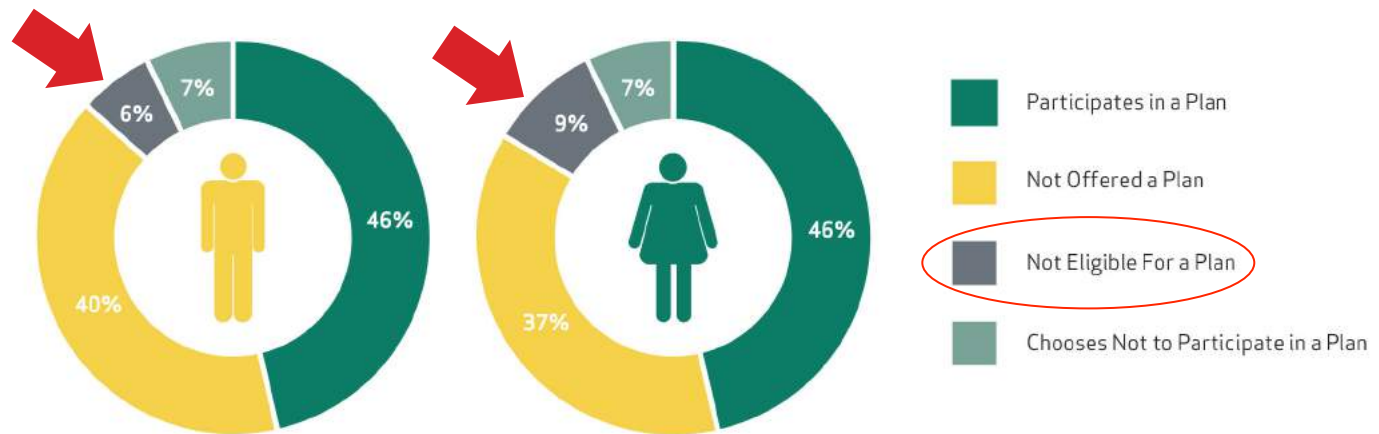
*Authors' calculation of participates in plan was calculated by multiplying the percentage of employees offered a plan, by the percentage eligible for a plan, by the employee take-up rate.



There is a 3% Eligibility Gap Between Men and Women that Lowered Women's Retirement Participation

In 2012, 9% of women were not eligible for their employers' retirement plans, while just 6% of men were not eligible.

Figure 2: **Access to, eligibility for, and participation in, an employer-sponsored retirement plan, by gender, in 2012**





Source: Authors' calculations using SIPP data.



The Number of Employers Offering Women Defined Contribution Only Plans Fell to 46%

Table 2: **Proportion of working women and men with employers that offered a DC-only plan and the percentage of women and men that chose to participate in a DC-only plan**

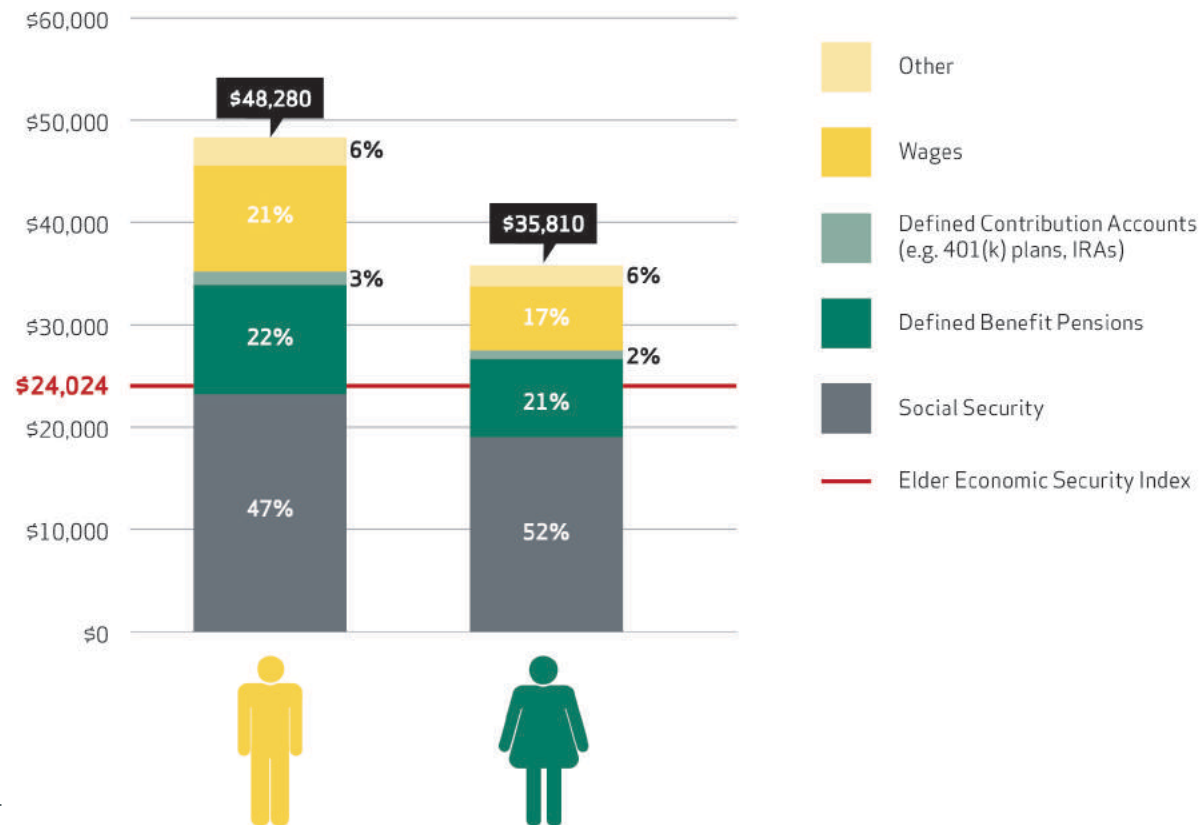
	Offered a Plan	Eligible Employee Take-Up Rate	Offered a Plan	Eligible Employee Take-Up Rate
Year	Men		Women	
1998	41%	82%	41%	78%
2003	42%	84%	43%	79%
2006	41%	82%	45%	78%
2009	46%	80%	49%	79%
2012	45% 	81%	46% 	81%

Source: Authors' calculations using SIPP data.



Women Have 26% Less Household Income than Men 65 and Over

Figure 5: The composition of median household income in relation to the Elder index, for men and women, age 65 and over, in 2013



Typical household income for men age 65 and over was \$48,280 and for women age 65 and over it was \$35,810.

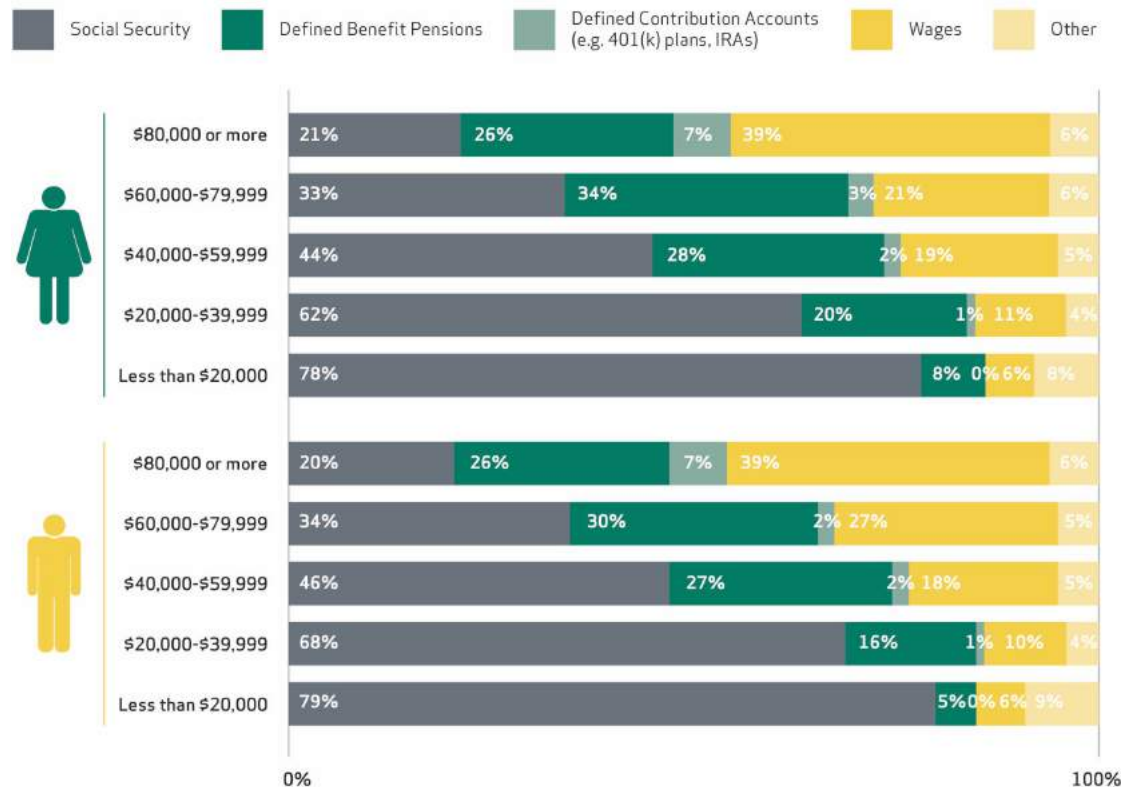
Sources of Household Income For Women and Men, by Income Level

Wages supply the largest share of income for those households with \$80,000 or more of household income.

Social Security Income is the most important source of income for households with \$60,000 or less of household income.

DB pension income plays an important role for older middle income households.

Figure 6: The composition of household income for women and men, age 65 and over, by total household income, in 2013



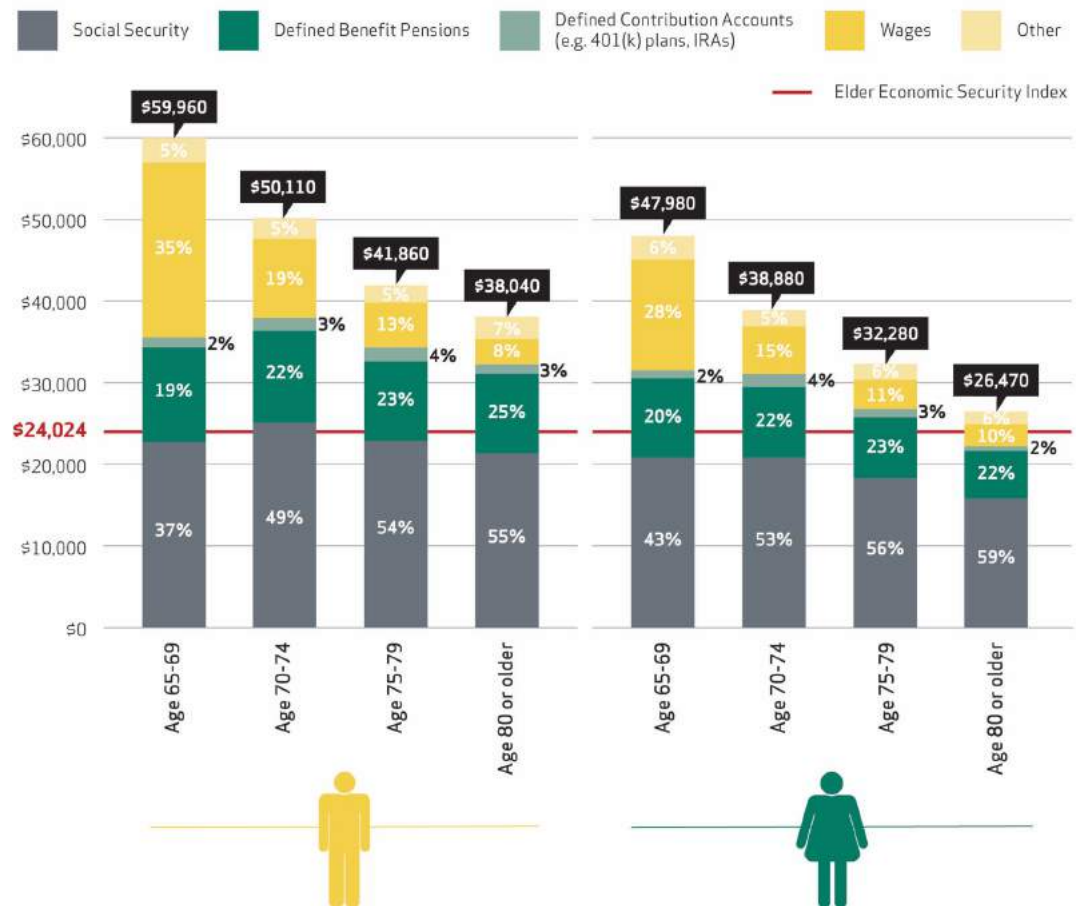
Sources of Household Income For Women and Men Shifts as they Age

Men's 25% higher income advantage widens to a 44% income advantage for men 80 and older.

Social Security provides a greater share of income with age, while wage income declines with age.

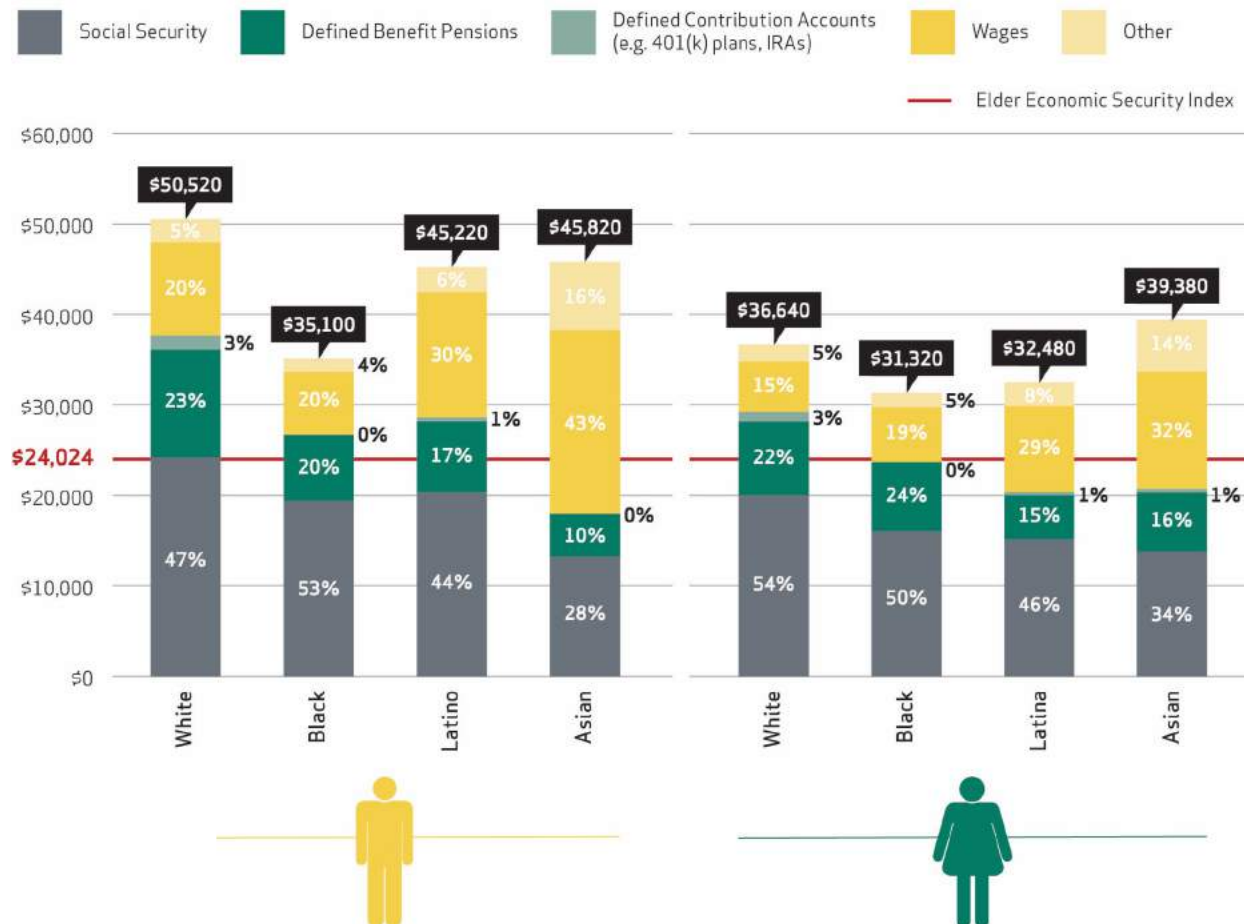
DB pension income accounts for about 1/5 of income for most men and women across the age groups.

Figure 8: The composition of median household income in relation to the Elder Index, for men and women, age 65 and over, by age, in 2013



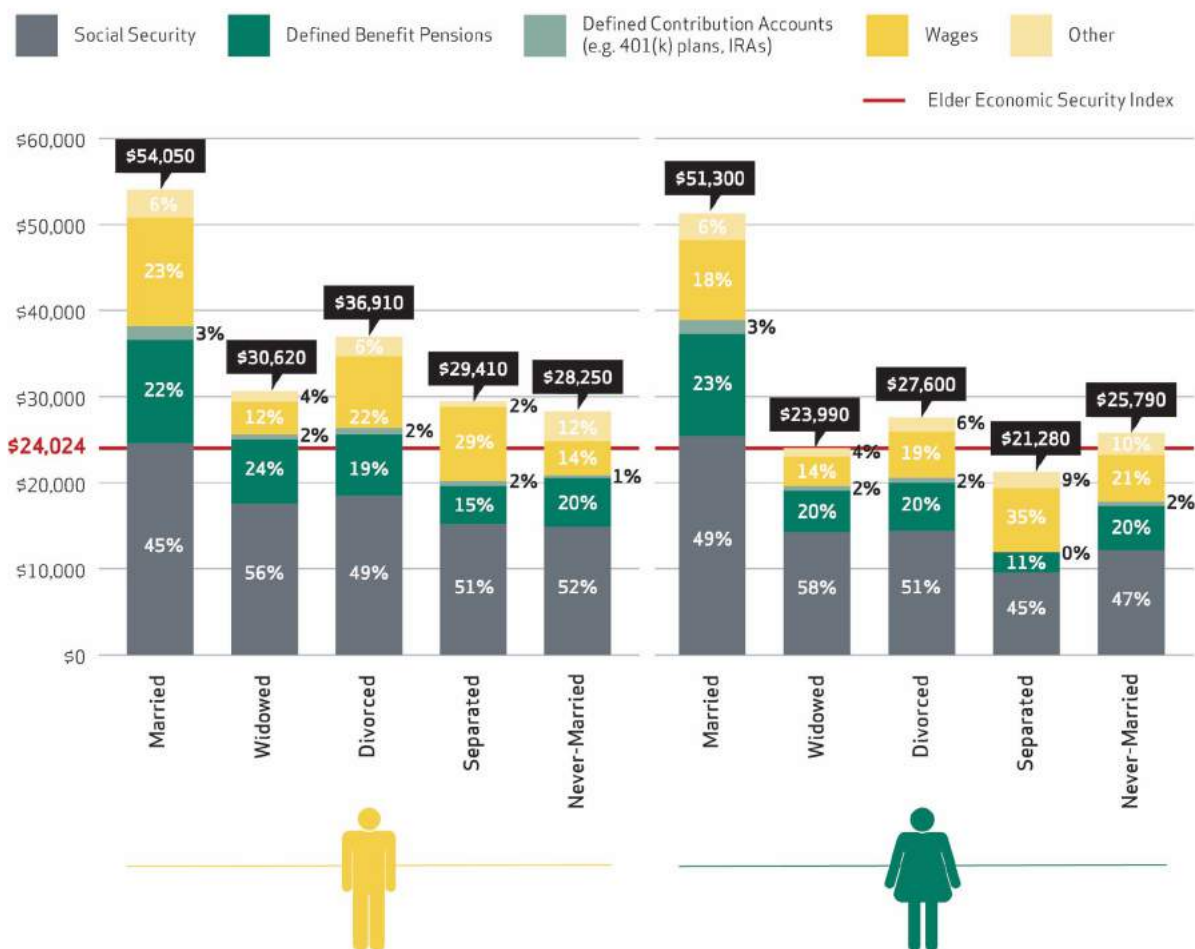
Sources of Income By Ethnicity: Latina Women Face Largest Gap

Figure 9: The composition of median household income in relation to the Elder Index, for men and women, age 65 and over, by ethnicity, in 2013



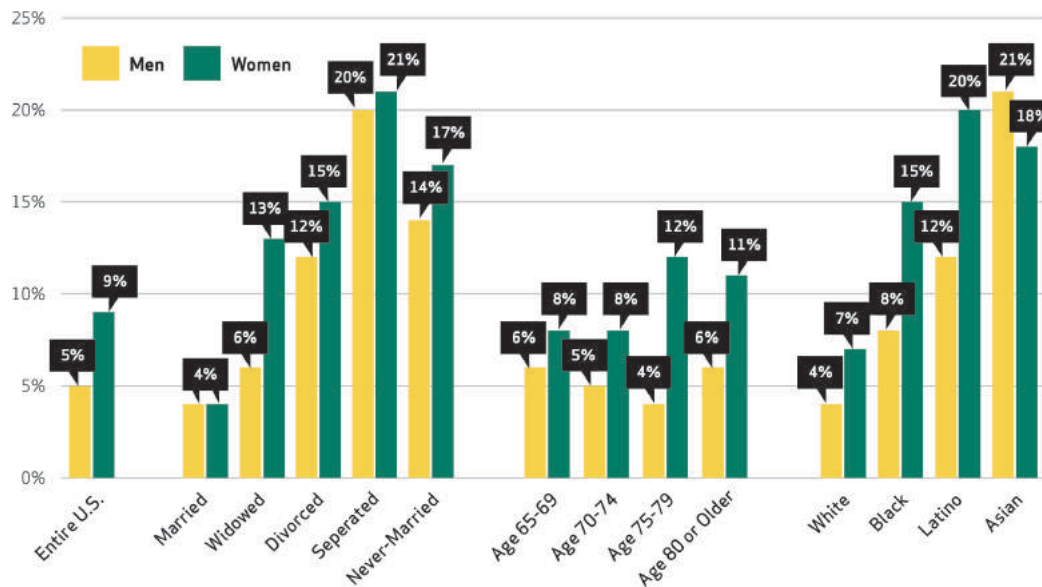
All Women Have Lower Incomes than Men; Most Women are Challenged to Meet Basic Expenses

Figure 7: The composition of median household income in relation to the Elder Index, for men and women, age 65 and over, by marital status, in 2013



Women Are 80% More Likely To Live in Poverty Than Men at Age 65 and Over

Figure 10: Poverty rates by demographic category, in 2013, for women and men, age 65 and over



Women aged 75-79 are three times as likely to live in poverty, compared to men.

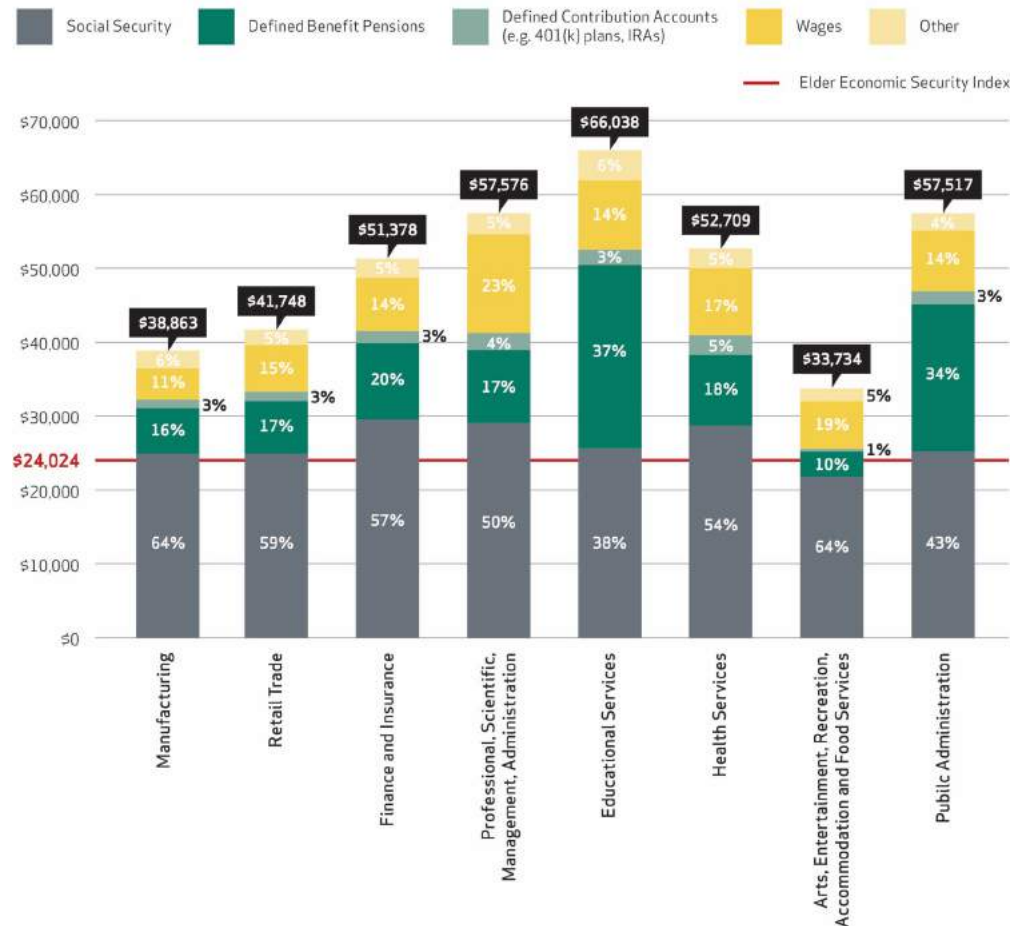
Women who are widowed have a poverty rate more than twice that widowers.

Rates of poverty among Black and Latina women greatly exceed those of Black and Latino men.



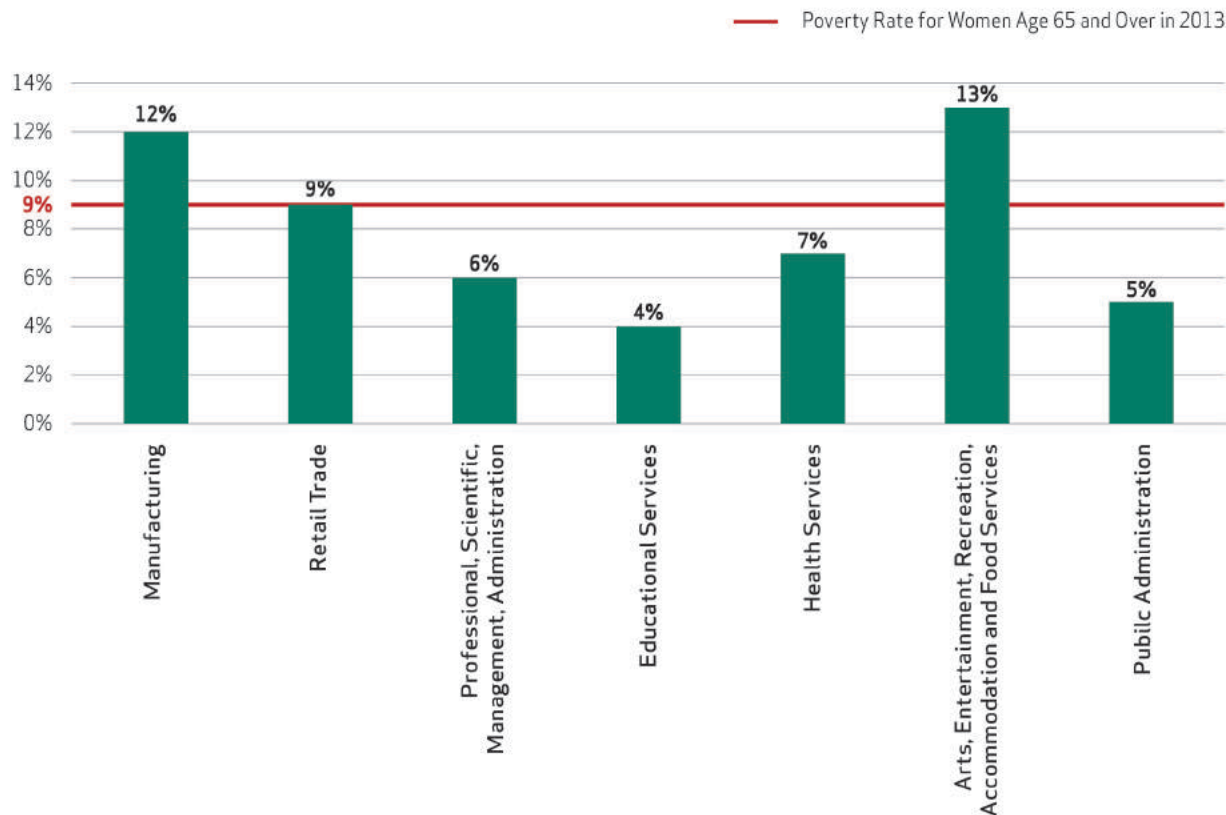
Health, Education, Public Admin. and Professional Women Have Higher Incomes in Retirement

Figure 12: Composition of average household income for women aged 65 and over, by industry, in 2013



Women 65 and Older Have Lower Rates of Poverty in the Health, Education, Public Administration and Professional Fields

Figure 13: Poverty rate of women, age 65 and over, by industry, for 2013



The poverty rates in the education and public administration industries are 4% and 5%.

Women in health services and professional/administration have poverty rates of 7% and 6%.

Women's Views on Retirement in 2000

EBRI Retirement Confidence Survey

- » Among women in 2000, 87% believed that people do not save enough money to live comfortably in retirement.
- » Nearly 2/3 expected to work in retirement.
- » Only 25% of women expected Social Security to be a major source of income, while 44% felt that money from their retirement plan at work would be a major source of income, and 41% felt that employer-provided money would be major sources of income.



Women's Responses to NIRS in Pension and Retirement Security 2015

- » Nearly 9 out of 10 women, agreed that America faces a retirement crisis, with 8 out of 10 women also agreeing that the average worker cannot save enough on their own to guarantee a secure retirement.
- » More than half of women plan to seek full or part-time work in retirement. Roughly 2/3rds of women feel that they could cut spending now and a similar amount could save up to 4% more.
- » Social Security is a major source of income for most women 65 and over, except at the highest income levels.



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