

Still Shortchanged:

An Update on Women's Retirement Preparedness

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NATIONAL INSTITUTE ON
Retirement Security

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Why This Research?

- Updates prior NIRS research, *Shortchanged in Retirement: Continuing Challenges to Women's Financial Future*.
- Women tend to live longer than men, so they have more years of retirement to finance.
- This research explores how retirement outcomes vary for different types of women.
- Divorce and caregiving both have complex and meaningful implications for women's retirement security.



Key Findings

- In 2016, women age 65 and older had a median household retirement income of \$47,244 or 83 percent of median household income for men (\$57,144).
- Women earn less than men over the course of their career. Men with savings in a defined contribution plan far surpass the earnings trajectory of women with savings in a DC plan, and earn significantly more than women without DC savings.
- Women experience a steep decline in income past age 80. Women age 80 and older are much more likely to be widows and widowhood presents challenges on both the income and cost side of retirement.



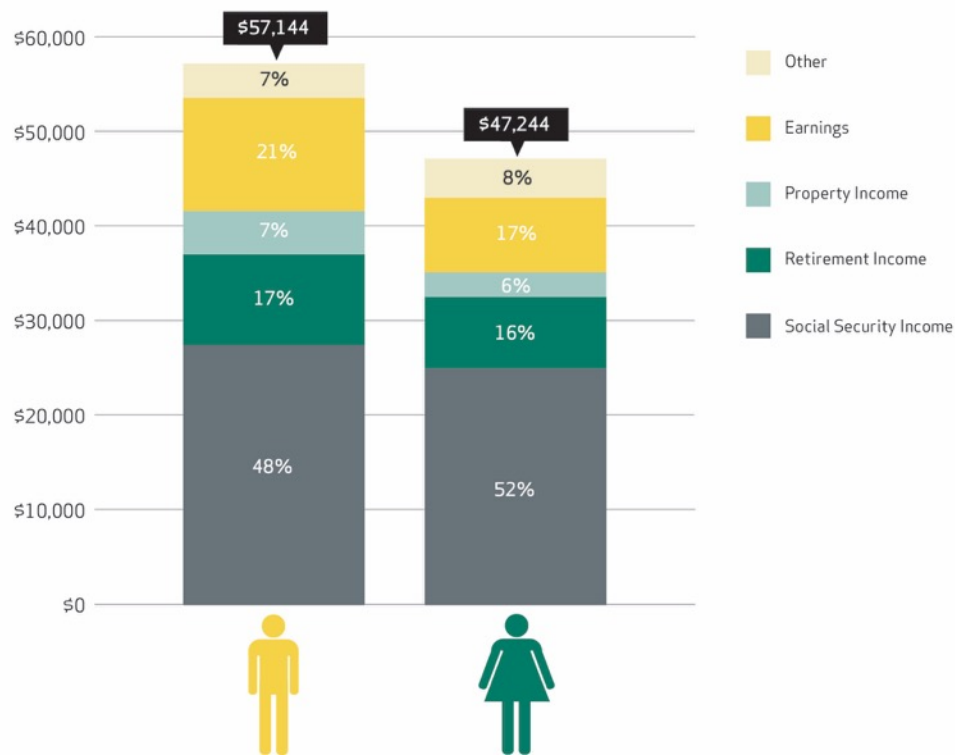
Key Findings (cont.)

- There are stark differences in the sources of income for women in the top & bottom income quintiles. Women with less than \$20,000 of income in retirement are much more dependent on Social Security income and women with income above \$80,000 receive much more from earnings and property income.
- Divorce presents complex retirement issues. Both the timing of divorce and division of assets following a divorce matter.
- Caregiving, especially spousal caregiving, has a strong effect on retirement preparedness and women as they are more likely to provide caregiving than men.



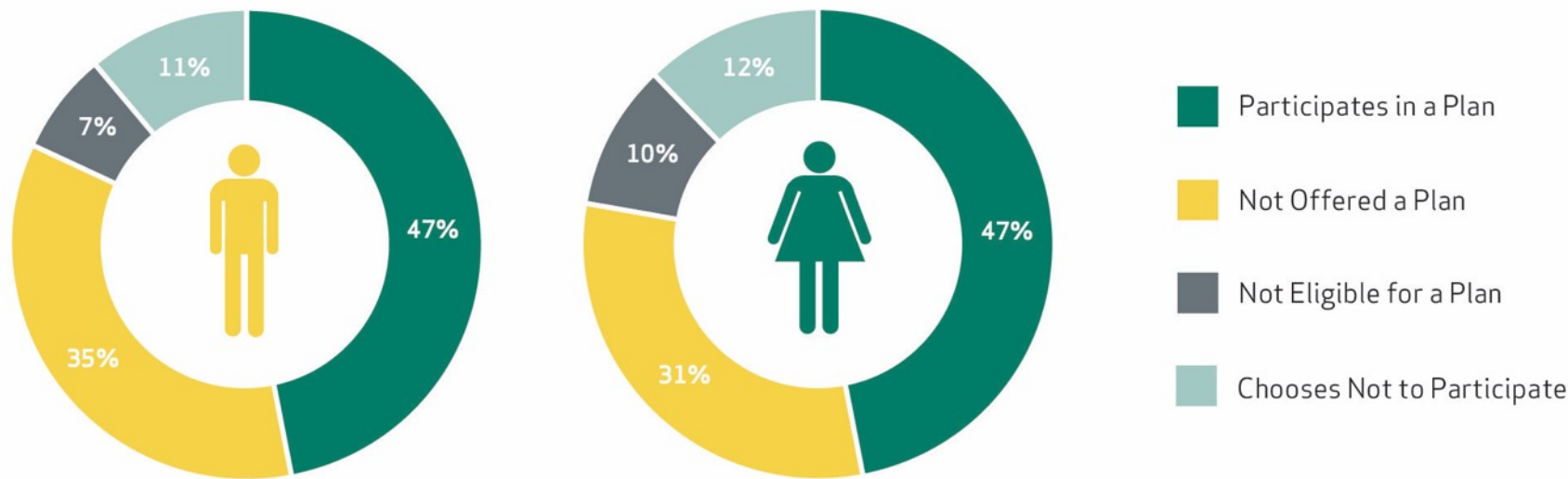
Older Women's Income in Retirement is 80% of Older Men's

Figure 1: The composition of median household income for men and women, age 65 and over, in 2016



Men & Women Had Same Retirement Plan Participation Rate in 2014

Figure 2: Access to, eligibility for, and participation in, an employer-sponsored retirement plan, by gender, in 2014



Access to Different Types of Retirement Plans Varies by Industry

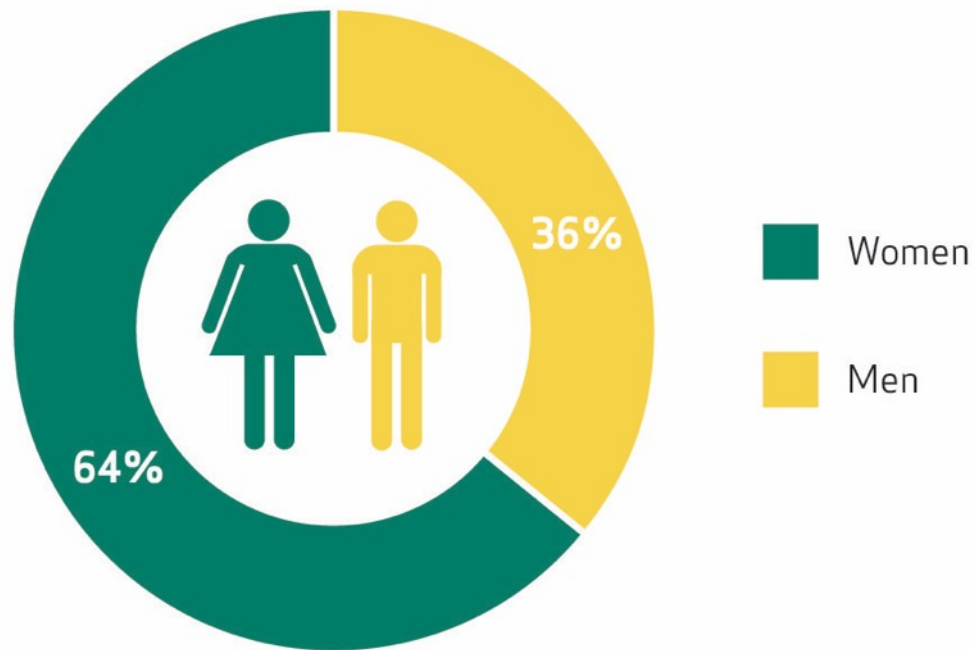
Table 2: Women's retirement coverage by industry in 2014

Industry	Both DB and DC Coverage	DB Only Coverage	DC Only Coverage	No Coverage
Health Services	17%	17%	45%	21%
Educational Services	17%	27%	42%	14%
Retail Trade	9%	12%	49%	29%
Public Administration	28%	33%	30%	9%
Professional, Scientific, Management and Administration	12%	12%	41%	35%
Accommodation and Food Services	2%	8%	37%	53%
Manufacturing	16%	14%	46%	23%
Finance and Insurance	24%	17%	51%	8%
Social Services	7%	16%	38%	39%



Women Account For Nearly 2/3 Part-Time Workers

Figure 3: Percentage of part-time employees, by gender, in 2016



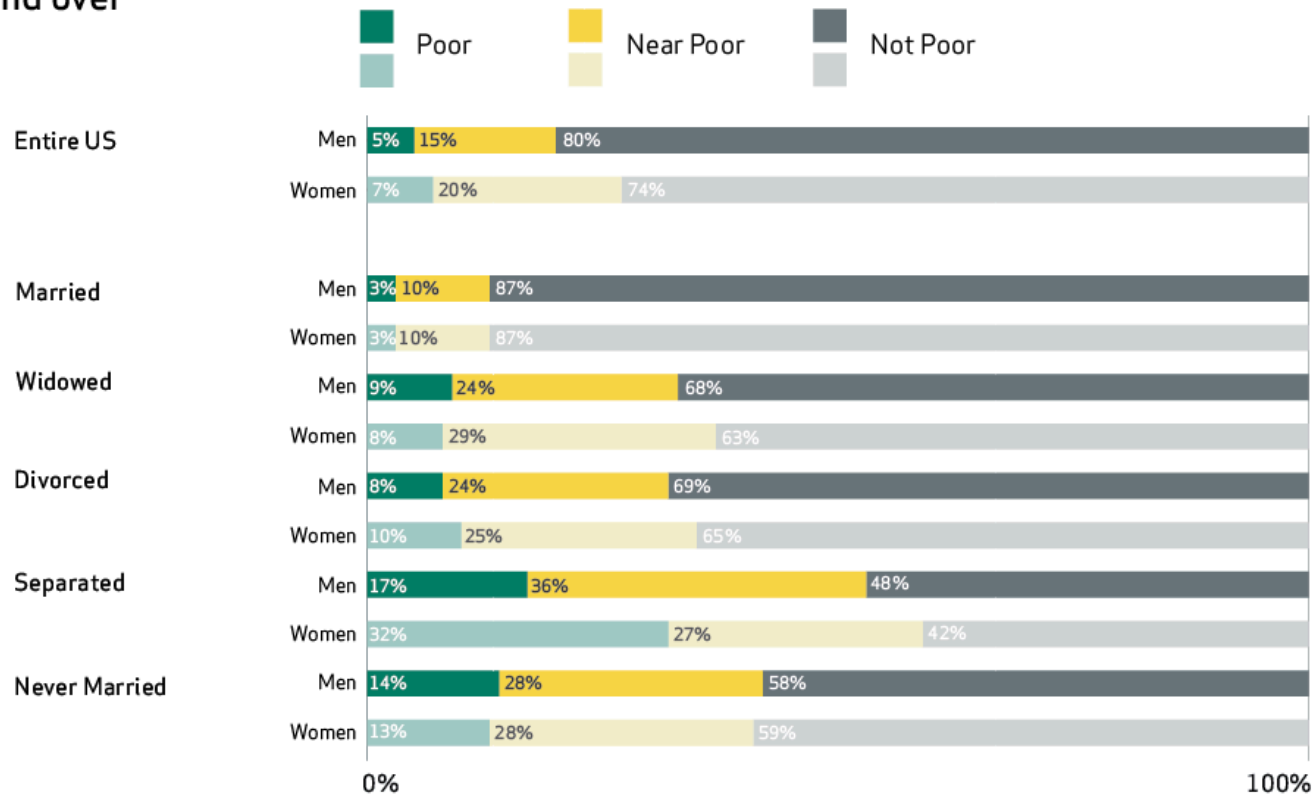
Men With DC Savings Earn Far More Than Women With DC Savings

Figure 4: Age earnings profiles by gender and DC savings



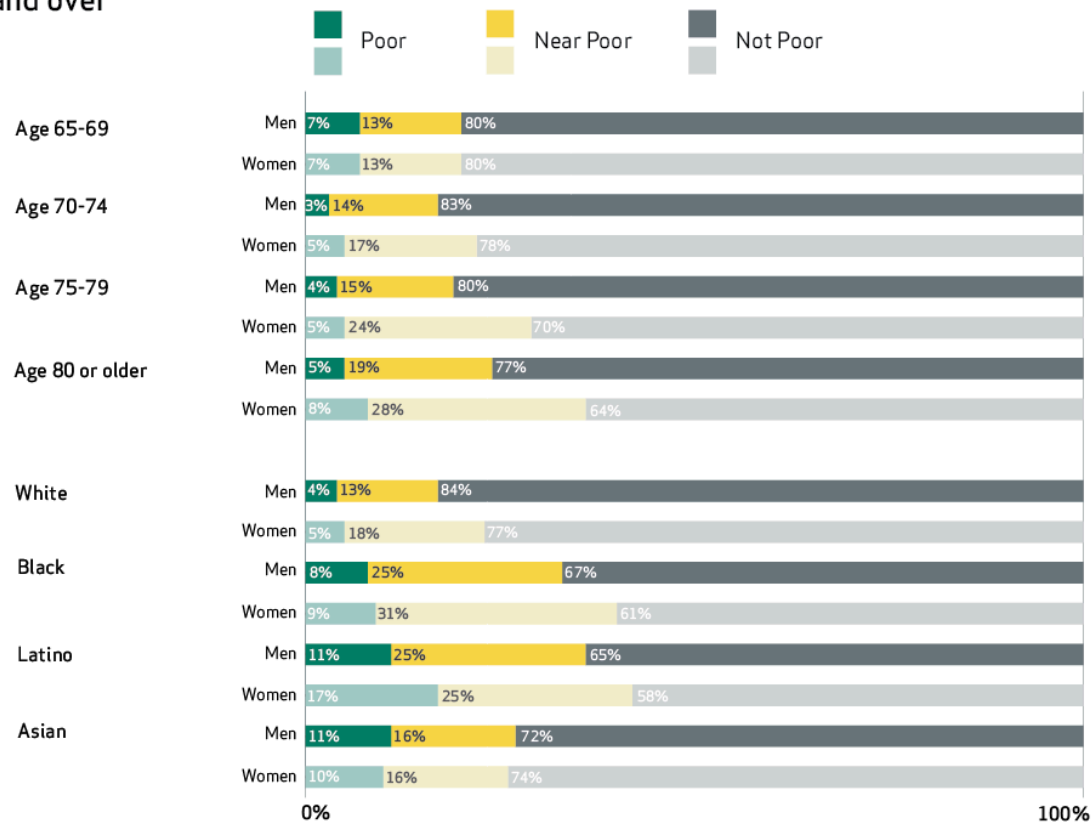
Men & Women in Similar Situations Have Similar Poverty Rates

Figure 6: Poverty rates by demographic category, in 2016, for women and men, age 65 and over



Men & Women in Similar Situations Have Similar Poverty Rates (cont.)

Figure 6: Poverty rates by demographic category, in 2016, for women and men, age 65 and over



The Elderly Poor Look Different Than All Seniors

Table 3: Demographic profiles of the poor and of all elderly, ages 65 and over, in 2016

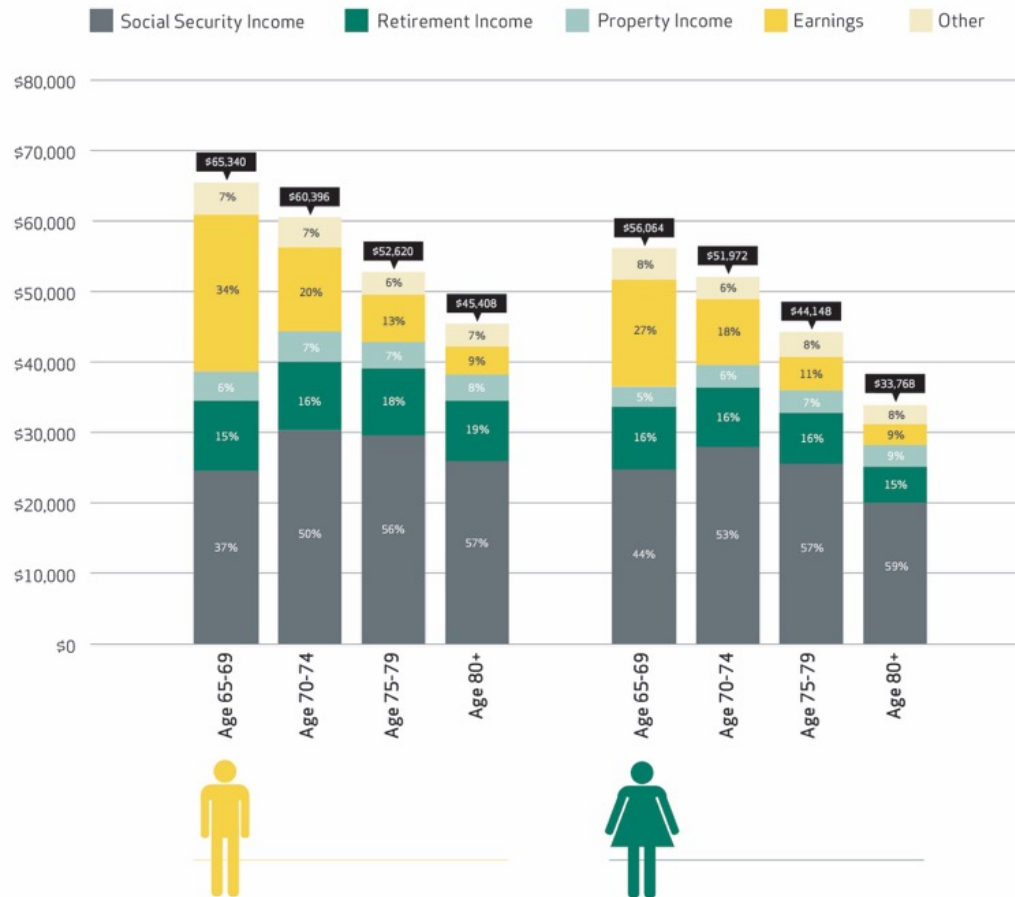
	Poor	All Seniors
Married	29%	56%
Widowed	33%	23%
Divorced	22%	14%
Separated	4%	1%
Never Married	12%	5%

Age 65-69	41%	33%
Age 70-74	18%	25%
Age 75-79	15%	18%
Age 80 or older	26%	24%
White	58%	78%
Black	13%	9%
Latino	21%	9%
Asian	8%	4%



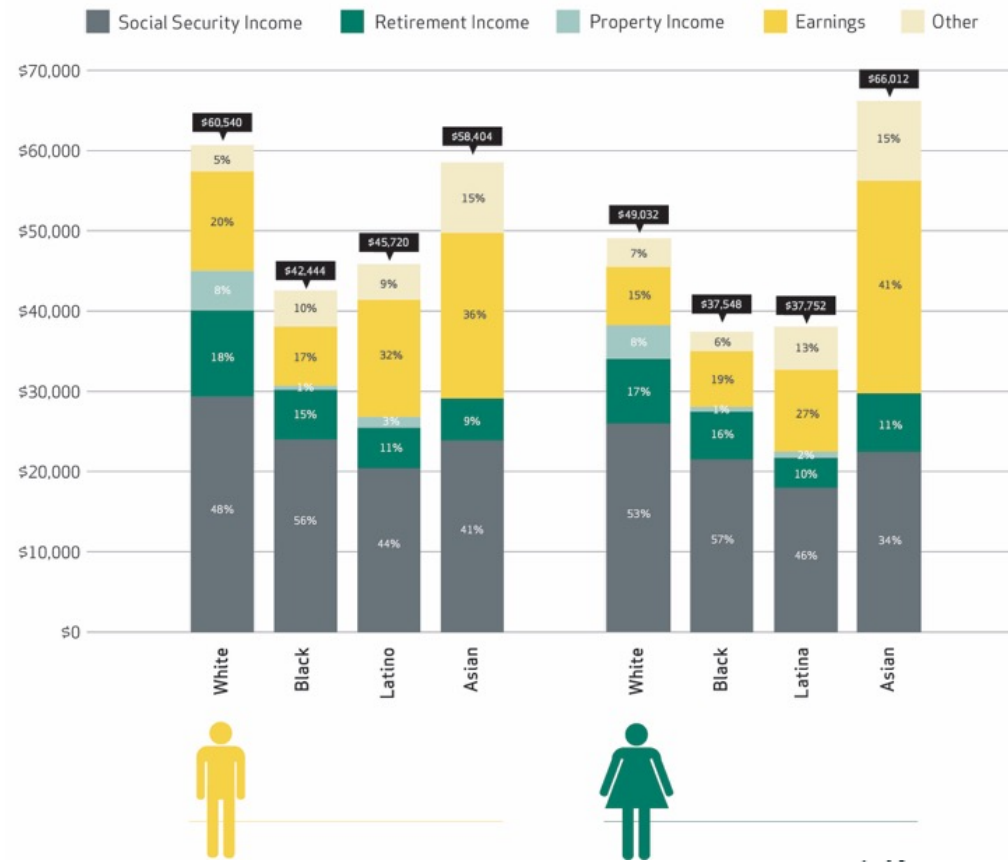
Income Declines With Age, Especially For Women

Figure 7: The composition of median household income for men and women, age 65 and over, by age, in 2016



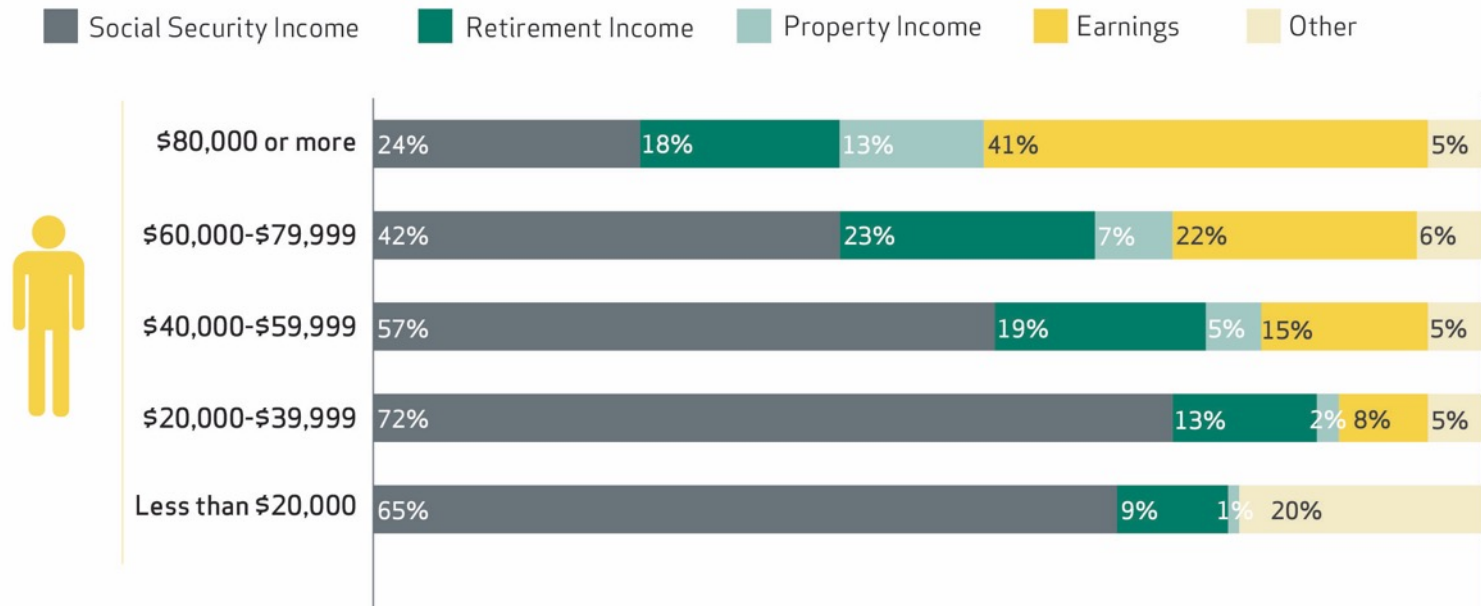
Black & Latina Women Have Lower Incomes Than Other Groups

Figure 8: The composition of median household income for men and women, age 65 and over, by ethnicity, in 2016



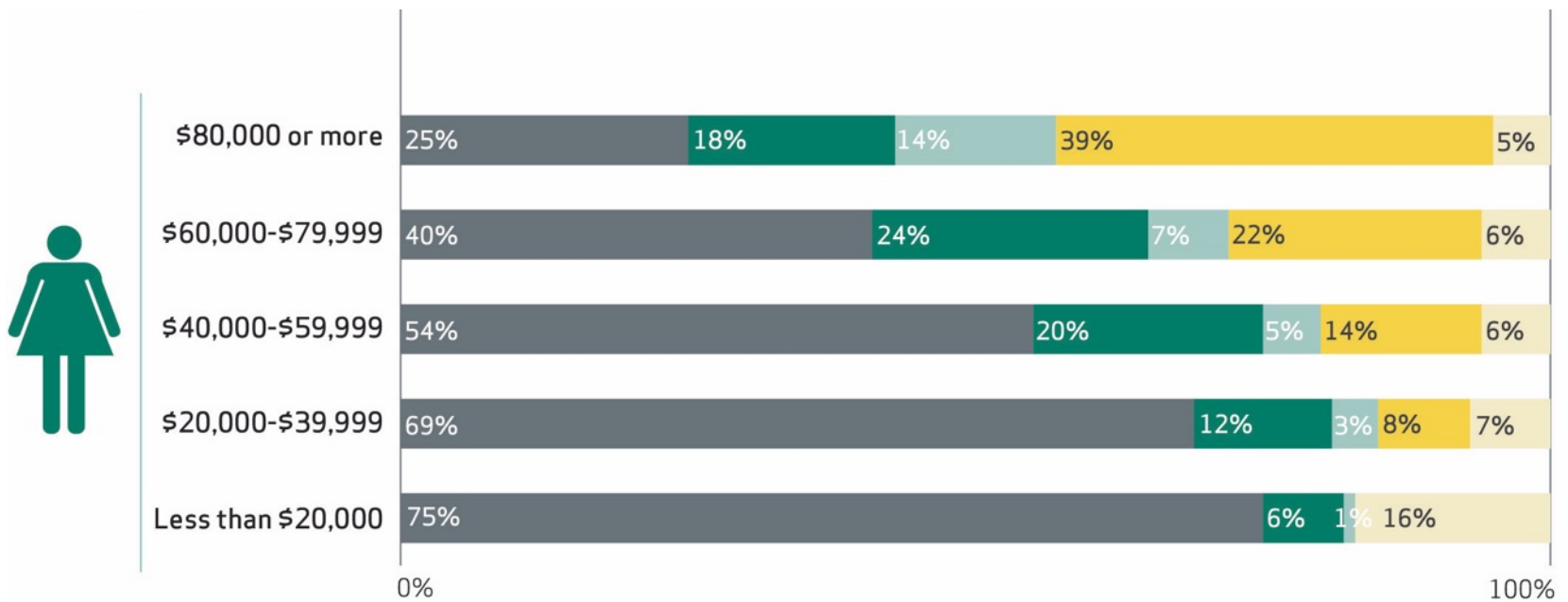
High & Low Income Women Receive Income From Different Sources

Figure 9: The composition of median household income for men and women, age 65 and over, by total household income, in 2016



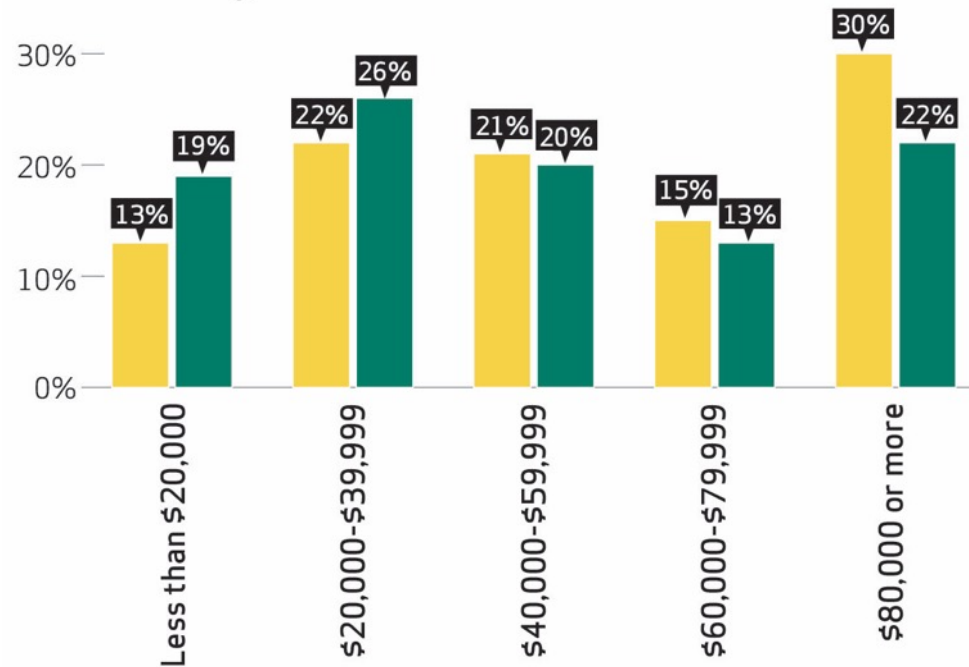
High & Low Income Women Receive Income From Different Sources (cont.)

Figure 9: The composition of median household income for men and women, age 65 and over, by total household income, in 2016



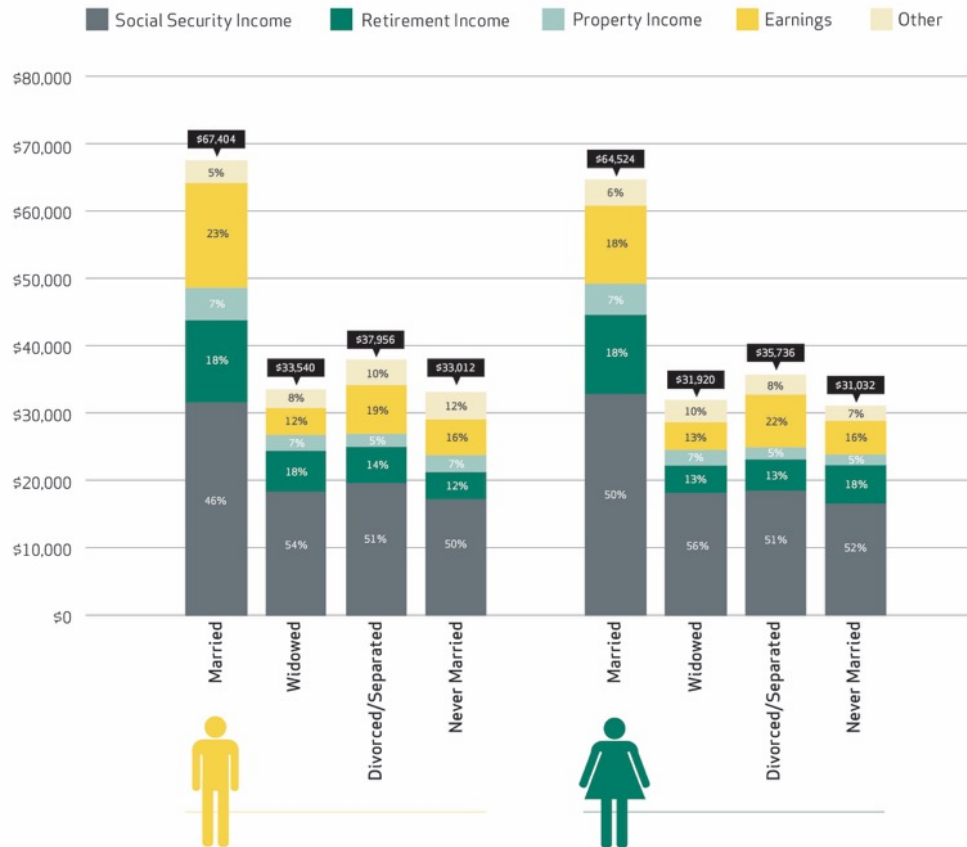
Women Tend to Have Lower Incomes Than Men

Figure 9.2: Percentage of men and women in income range



Married Women Have Higher Incomes Than Other Women

Figure 10: The composition of median household income for men and women, age 65 and over, by marital status, in 2016



Most Married Women Live With Someone & Not Married Women Live Alone

Table 9: The composition of median household income for men and women, age 65 and over, by marital status and living arrangement, in 2016

Women								
	Married		Widowed		Divorced/Separated		Never Married	
	Living with Someone	Living Alone	Living with Someone	Living Alone	Living with Someone	Living Alone	Living with Someone	Living Alone
Median Household Income	\$65,292	\$31,164	\$90,420	\$29,688	\$77,964	\$33,252	\$80,808	\$29,280
Social Security Income	50%	50%	26%	59%	32%	53%	28%	54%
Earnings	18%	24%	56%	10%	40%	20%	52%	12%
Retirement Income	19%	11%	7%	14%	16%	13%	10%	19%
Property Income	7%	2%	4%	7%	4%	5%	5%	5%
Other Income	5%	13%	6%	11%	7%	9%	5%	7%
% of the Group	97%	3%	8%	92%	8%	92%	8%	92%



Married Women Have More Retirement Savings During Working Years

Table 4: Individual retirement preparedness, those ages 18-64, in 2016

		Value of Independently Owned DC Accounts		Value of Household DC Accounts		Participation in DB Account	
		Mean Values	Median Values	Mean Values	Median Values	Mean Values	Median Values
Women	Total	\$35,702	\$0	\$99,434	\$7,000	7%	0%
	Married	\$50,126	\$0	\$139,313	\$27,000	9%	0%
	Widowed	\$49,624	\$0	\$60,868	\$0	6%	0%
	Divorced	\$38,613	\$0	\$54,632	\$1,000	7%	0%
	Separated	\$10,478	\$0	\$22,259	\$0	4%	0%
	Never Married	\$13,099	\$0	\$61,214	\$0	3%	0%



Divorced Women Surpass Married Women in Individual Savings at Retirement Age

Table 5: Individual retirement preparedness, those ages 65 and over, in 2016

		Value of Independently Owned DC Accounts		Value of Household DC Accounts		Participation in DB Account	
		Mean Values	Median Values	Mean Values	Median Values	Mean Values	Median Values
Women	Total	\$49,272	\$0	\$109,645	\$0	5%	0%
	Married	\$56,798	\$0	\$170,589	\$13,400	6%	0%
	Widowed	\$29,060	\$0	\$41,766	\$0	4%	0%
	Divorced	\$66,965	\$0	\$83,580	\$0	5%	0%
	Separated	-	-	-	-	-	-
	Never Married	\$57,092	\$0	\$85,053	\$0	9%	0%



Most Types of Caregiving Lead to Less Retirement Wealth

Table 6: Median retirement wealth by caregiving risk, gender and age, 2010 to 2016

Type of Caregiving	Caregiving Status	Younger Than 50 Years		50 Years and Older	
		Women	Men	Women	Men
All Caregiving Risk	Non-caregivers	\$30,933	\$53,056	\$103,111	\$229,613
	Caregivers	\$23,715	\$46,400	\$65,278	\$154,666
	% Difference	30%	14%	58%	48%
Parental Care Risk	Non-caregivers	\$24,747	\$50,000	\$93,006	\$240,000
	Caregivers	\$23,000	\$35,000	\$97,955	\$208,283
	% Difference	8%	43%	-5%	15%

Most Types of Caregiving Lead to Less Retirement Wealth (cont.)

Table 6: Median retirement wealth by caregiving risk, gender and age, 2010 to 2016

Type of Caregiving	Caregiving Status	Younger Than 50 Years		50 Years and Older	
		Women	Men	Women	Men
Parents as Financial Dependents	No Dependents	\$24,980	\$50,000	\$93,953	\$237,154
	Dependents	\$16,000	\$26,702	\$68,467	\$243,000
	% Difference	56%	87%	37%	-2%
Spousal Care Risk	Healthy Spouse	\$31,634	\$56,000	\$104,547	\$242,531
	Sick/Disabled Spouse	\$25,000	\$40,000	\$60,835	\$100,000
	% Difference	27%	40%	72%	143%
Child Care Risk	No Children	\$23,765	\$32,420	\$114,000	\$216,853
	Younger Children	\$24,317	\$45,369	\$61,866	\$135,741
	Older Children	\$36,000	\$89,636	\$87,100	\$240,000



Caregivers Tend To Have Lower DC Account Balances Than Non-Caregivers

Table 7: Conditional median DC account balances by caregiving risk, gender and age, 2010 to 2016

Type of Caregiving	Caregiving Status	Younger Than 50 Years		50 Years and Older	
		Women	Men	Women	Men
All Caregiving Risk	Non-caregivers	\$17,370	\$30,933	\$41,927	\$117,546
	Caregivers	\$12,159	\$27,840	\$33,541	\$67,000
	% Difference	43%	11%	25%	75%
Parental Care Risk	Non-caregivers	\$14,927	\$30,000	\$43,306	\$111,086
	Caregivers	\$14,000	\$15,467	\$35,610	\$97,955
	% Difference	7%	94%	22%	13%

Caregivers Tend To Have Lower DC Account Balances Than Non-Caregivers (cont.)

Table 7: Conditional median DC account balances by caregiving risk, gender and age, 2010 to 2016

Type of Caregiving	Caregiving Status	Younger Than 50 Years		50 Years and Older	
		Women	Men	Women	Men
Parents as Financial Dependents	No Dependents	\$14,927	\$30,000	\$43,355	\$111,086
	Dependents	\$14,927	\$15,467	\$32,424	\$109,297
	% Difference	0%	94%	34%	2%
Spousal Care Risk	Healthy Spouse	\$15,000	\$33,160	\$41,244	\$123,733
	Sick/Disabled Spouse	\$8,249	\$20,622	\$28,739	\$30,000
	% Difference	82%	61%	44%	312%
Child Care Risk	No Children	\$14,369	\$21,001	\$44,213	\$114,000
	Younger Children	\$12,194	\$28,000	\$35,226	\$66,320
	Older Children	\$20,000	\$50,000	\$37,581	\$113,422



Caregivers Tend To Have Lower Retirement Savings

Table 8: Caregiving and retirement savings, from 2008 to 2014

	Women				Men			
	No Caregiving	Past Caregivers	Potential Caregivers	Current Caregivers	No Caregiving	Past Caregivers	Potential Caregivers	Current Caregivers
Parental Caregivers								
Share with 401(k) plan	30.9%	25.0%	38.0%	29.8%	38.1%	33.3%	37.3%	35.6%
Median 401(k) contributions	5.0%	4.0%	5.3%	4.4%	6.0%	5.4%	6.2%	7.3%
Mean 401(k) balance (unconditional)	\$34,382	\$28,620	\$38,270	\$30,573	\$70,369	\$83,522	\$89,671	\$66,285
Median wealth	\$200,745	\$193,353	\$268,028	\$187,489	\$201,177	\$165,412	\$269,187	\$239,177
Mean wealth	\$380,339	\$499,406	\$408,173	\$331,666	\$475,193	\$432,920	\$769,143	\$327,635

Caregivers Tend To Have Lower Retirement Savings (cont.)

Table 8: Caregiving and retirement savings, from 2008 to 2014

	Women				Men			
	No Caregiving	Past Caregivers	Potential Caregivers	Current Caregivers	No Caregiving	Past Caregivers	Potential Caregivers	Current Caregivers
Spousal caregiving								
Share with 401(k) plan	32.0%	-	25.5%	26.2%	38.0%	-	32.1%	25.2%
Median 401(k) contributions	5.5%	-	3.8%	3.6%	6.0%	-	3.0%	3.6%
Mean 401(k) balance (unconditional)	\$37,579	-	\$8,937	\$27,637	\$78,267	-	\$32,512	\$21,710
Median wealth	\$276,519	-	\$101,600	\$117,353	\$280,709	-	\$134,948	\$68,937
Mean wealth	\$415,145	-	\$179,921	\$350,240	\$510,943	-	\$208,212	\$193,530

