

Retirement is Next Financial Frontier for Women, Wells Fargo Survey Finds

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Wells Fargo Launches Beyond Today, a New Retirement Website For Women

CHARLOTTE, N.C.--(BUSINESS WIRE)-- Pundits have coined the term “she-economy” to describe the economic gains U.S. women have made in recent years, but they still lag in saving for retirement, according to the sixth annual Retirement Survey from Wells Fargo & Company (NYSE:WFC).

The survey queried middle-class women across five decades, from those in their mid-20s to those who are already retired and in their 60s.

Regardless of marital status, women expressed less confidence in their outlook for retirement and had saved less than men. A majority of women are unsure or unrealistic about what their annual withdrawals should be in retirement and are wary of the stock market as a place for investment gains. The survey found:

- Just 54% of women said they are “confident” they will have enough saved to “live the life they want” in retirement, compared to 62% of men. Women respondents indicate they are less likely to have a pension (40% vs. 48% of men) or a 401(k) available to them through their employer among those employed (71% vs. 76% of men). Women are also less likely to believe that Social Security will be available to them (38% vs. 42% of men) when they retire.
- Although both men and women are underfunded for retirement, women have saved less than men – a median of \$20,000, compared to \$25,000 for men. Women also set their sights lower than men: Whether married or single, when asked how much they thought they would need to support them during retirement, women said they are aiming for a median of \$200,000, whereas men predict they will need retirement savings of \$400,000.
- Almost 30% of women between the ages of 40 and 69 are “not sure or can’t estimate” how much they will need to withdraw from their retirement savings annually while in retirement, and about 32% of women in their 40s and 50s estimate they will withdraw 11% to 30% or greater each year.
- Across all age groups, women are much less likely to characterize themselves as the “primary” financial decision maker than are men (35% vs. 55% of men). Among married women, 83% say they are the joint financial decision maker whereas 58% of married men say they are a joint decision maker.
- Just 27% of women have confidence in the stock market as a place for investment gains for their savings, compared to 40% of men. If given \$5,000 with the instruction that it be “put away for your retirement,” 40% of all women say they would purchase bank CDs instead of putting the money in the market, compared to 30% percent of men.

“Women hold more than half of high-paying management and professional positions in the U.S. and three women are in college now for every two men. But when it comes to retirement, they lag in their confidence about how to prepare for this phase in life, and they are less likely to see themselves in the driver’s seat,” explained Karen Wimbish, head of Retail Retirement for Wells Fargo. “We’d like to see women make the same kind of progress in planning and saving for retirement that they’ve made in so many other spheres of life. It’s encouraging that retirement is the No. 1 financial topic women want to learn about, based on additional research we’ve conducted.”

To address the knowledge gap identified in the survey, Wells Fargo has launched [Beyond Today](#), a

new retirement site for women featuring information categorized by age and common concerns. Women can search by decade, like "[In your 40s](#)," or goals, such as "[I want to retire at a certain age](#)." In addition to blogs by senior Wells Fargo women leaders, the site will offer a weekly blog authored by popular financial columnist Jean Chatzky starting Feb. 2.

On behalf of Wells Fargo, Harris Interactive Inc. conducted 1,756 telephone interviews of middle-income U.S. residents in their 20s, 30s, 40s, 50s and 60s, surveying attitudes and behaviors about planning, saving and investing for retirement. The interviews were conducted between Sept. 9 and Oct. 7, 2010. Wells Fargo's initial analysis of the survey data, released Dec. 8, identified trends that apply to all respondents, regardless of gender, including the expectation of 72% of those in the middle class and between the ages of 25 and 69 to work through their retirement years. Today's release analyzes the data to determine how gender, age and marital status affect attitudes and behaviors about savings and retirement planning.

Findings by Decade and Gender

- 20-something women have the least confidence of any age group in the role of Social Security for their retirement. Just 18% say it will be available to them in their retirement vs. 23% of men in their 20s. Almost three-fourths of men and women in their 60s believe Social Security will be available for their retirement.
- Just under half (46%) of 20-something women said that if given \$5,000 to put away for retirement, they would put it in the market versus 66% of 20-something males. In the "stressed" 40s, 72% of men say they'd put money in the stock market, vs. 57% of women in that age group. Interestingly, the 30s are the only decade where men and women seem to view the stock market similarly as a place to put \$5,000 for retirement – 61% of 30-something men and 62% of 30-something women would put money in the market.
- Women in their 40s are the most likely of all respondents to have cut their spending on both discretionary items and basic necessities (42% vs. 29% overall) and reduced their retirement savings since the recession started (25% vs. 20% overall) and the most likely to say they cannot save more because of other financial priorities (69% vs. 55% overall). They are most worried about health care (59% vs. 47% overall), inflation (58% vs. 37% overall), meeting day-to-day expenses (30% vs. 17% overall), and the potential to outlive their money (30% vs. 17% overall).
- Two-thirds of women respondents in their 40s say tension has increased in their households since the recession began, compared to 50% of Americans overall.
- Men and women both rated the cost of health care as having the biggest potential impact on their ability to retire the way they hope to, but there were significant differences by age group. Just 35% of men in their 20s rated health care as having a major impact, compared to 52% of women in their 20s. That is reversed among 30-somethings, with 50% of men rating health care as high impact vs. 38% of women.

Women from the 20s to the 60s voiced stronger support than men for several proposals that could encourage retirement savings, and they were much more likely to say an in-person financial advisor was important to them:

- 83% of women agree that employers should provide personal advice to help employees manage retirement savings (76% of men agreed). Single women were most enthusiastic that employers should do more to encourage retirement planning (89%). Among the age groups, women in their 20s and 30s were most enthusiastic that employers should encourage retirement planning, with 86% and 88% in agreement, respectively.
- 70% of women agreed the government should provide a universal savings vehicle for those without a 401(k) (vs. 60% of men). Single women were most supportive (77%); married men, least supportive (58%).

- 72% of women ranked an in-person financial advisor as important, compared to 63% of men, and 52% cited a human resources professional at their workplace as an important source of advice, compared to 42% of men.

Additional Findings by Marital Status

- Single Americans are more likely to have a written retirement plan than those who are married – 38% of single women and single men have one, compared to 32% of married men and 29% of married women.
- Single women are more optimistic than married women that Social Security will be available to them – 48% expect to receive Social Security vs. 35% of married women.
- Single women were most concerned about inflation. 48% said it would have a high impact on their retirement plans vs. 29% of single men; 40% of married women said it would have a high impact on their retirement plans versus 33% of married men.
- Married women (20%) are more likely than single women (12%) to say they don't know or can't estimate how much they've saved for retirement.

Members of the media can obtain a copy of the retirement study as they relate to women by contacting Amy Hyland Jones, (704) 383-4995.