

News

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Women's Retirement Outlook Is Becoming Even Riskier Amid COVID-19

New study outlines women's financial vulnerabilities before and during the pandemic

LOS ANGELES – September 17, 2020 – One in four women workers (24 percent) who are employed or recently unemployed say their confidence in their ability to retire comfortably has declined amid the coronavirus pandemic, according to [Women and Retirement: Risks and Realities Amid COVID-19](#), a study released today by nonprofit [Transamerica Center for Retirement Studies®](#) (TCRS). However, only 17 percent of women say they are “very” confident they will be able to fully retire with a comfortable lifestyle.

“2020 marks the one-hundredth anniversary of women’s right to vote in the U.S. Since then, women have made great strides in educational achievement and career opportunities. Despite this progress, they continue to be at greater risk than men of not achieving a financially secure retirement,” said [Catherine Collinson](#), CEO and president of Transamerica Institute® and TCRS.

[Women and Retirement: Risks and Realities Amid COVID-19](#) examines women’s finances before and during the pandemic, and their expectations about retirement. It is based on findings from [TCRS’ 20th Annual Retirement Survey](#), which comprises a supplemental survey conducted in June 2020 and a broader survey completed in late 2019.

Amid COVID-19: Work, Finances, and Retirement

“A woman’s path to a secure retirement is filled with obstacles, such as lower pay and time out of the workforce for parenting or caregiving, which can negatively impact her long-term financial situation,” said Collinson. “Amid the pandemic, these challenges have intensified with layoffs, furloughs, and extended periods of time working from home.” As of June 2020, the survey finds:

- **Fifty-two percent of women workers have experienced one or more impacts to their employment situation as a result of the pandemic**, including reduced work hours (24 percent), layoffs (16 percent), reduced salaries (13 percent), furloughs (13 percent), and/or early retirement (four percent).
- **Women face competing financial priorities.** Almost six in 10 women cite paying off some form of debt as a financial priority (59 percent). Other financial priorities include saving for retirement (50 percent), building emergency savings (44 percent), and just getting by to cover basic living expenses (33 percent).
- **Seven in 10 women are saving for retirement (70 percent)**, including those saving in a current employer’s 401(k) or similar plan (49 percent), outside of work (31 percent), and/or a former employer’s plan (nine percent).
- **Despite the challenges amid COVID-19, women, for the most part, are staying positive.** More than four in five women have close relationships with family and/or friends (86 percent), consider themselves to be a generally happy person (85 percent), and are enjoying life (84 percent). However, 44 percent often feel anxious and depressed, while 35 percent are having trouble making ends meet.

“During the pandemic, women are being stretched to their limits, in some instances balancing their job responsibilities with home schooling children and, possibly, caregiving for an aging parent or loved one. Right now, it is especially important for women to take care of themselves and their own well-being,” Collinson said.

Amid the Pandemic: How Women Can Improve Their Retirement Outlook

“Many women are confronting pressing short-term priorities that may take precedence over saving for retirement. However, it is imperative that women safeguard their financial futures,” Collinson said. Specific, actionable steps, illuminated by the June 2020 survey, include:

- **Engage in financial planning.** Creating a budget, prioritizing expenses, setting short- and long-term goals, and developing a retirement strategy are important steps in improving fiscal health. According to the June 2020 survey, fewer than one in five women (19 percent) have a written financial strategy for retirement.
- **Be proactive about remaining employable.** When asked if they have taken any steps to ensure they will be able to continue working past 65 or in retirement, only 46 percent of women say they are focused on performing well at their current job. Even fewer indicate they are keeping their job skills up to date (41 percent), networking and meeting new people (20 percent), and scoping out the employment market and opportunities available (18 percent).
- **Safeguard health.** Now more than ever, it is important to safeguard one’s health to be able to continue working and to enjoy retirement. When asked about which health-related activities they do on a consistent basis, a small majority of women say they are eating healthfully (58 percent), seeking medical attention when needed (55 percent), exercising regularly (54 percent), and getting plenty of rest (53 percent).
- **Start the conversation.** Only 22 percent of women frequently discuss saving, investing, and planning for retirement with family and close friends.

“Preparing for retirement involves careful budgeting, saving, planning, and goal-setting. However, success also depends on protecting one’s health and employability, which women should embrace in both prosperous and challenging times.” Collinson said.

Before the Pandemic: Women’s Retirement Expectations and Financial Realities

“Before the pandemic, women were already financially vulnerable and their ability to achieve a secure retirement was uncertain. The pandemic has exacerbated their risks,” Collinson said. As of late 2019, the survey outlines these financial risks and realities:

- **Fifty-four percent of women expect to work past age 65 or do not plan to retire** – and 56 percent plan to continue working at least part-time in retirement. Eighty-one percent of these women cite financial reasons, while almost as many (76 percent) cite healthy aging-related reasons. Amid widespread unemployment, the question looms whether there will be opportunities available to do so.
- **Household retirement savings are low.** Women have saved only \$28,000 (estimated median) in all household retirement accounts. Retirement savings increase with age: Millennial women have saved \$11,000, Generation X has saved \$46,000, and Baby Boomers have saved \$84,000 (estimated medians).
- **Emergency savings are low.** Women have only \$5,000 (median) in emergency savings. Emergency savings increase with age: Millennial women have saved \$2,000, Generation X has saved \$5,000, and Baby Boomers have saved \$10,000 (medians).
- **Almost four in 10 have served as a caregiver during the course of their working career (38 percent).** Among them, nine in 10 made some sort of adjustment to their work situation (91 percent), such as using vacation days, missing days of work, reducing hours, reducing job responsibilities, and/or taking a leave of absence, among other work-related adjustments.

“Timely actions taken today can lead to better retirement outcomes tomorrow – even small steps on a consistent basis can have a major cumulative effect over time,” said Collinson. “Policymakers, industry, and employers also play important roles in supporting women by bridging inequalities, offering products and services tailored to women’s unique needs, and ensuring women in the workforce have equal pay and benefits.”

[Women and Retirement: Risks and Realities Amid COVID-19](#) includes a [survey report](#) with detailed survey findings and comparisons with men, as well as a shorter fact sheet. Visit TCRS at www.transamericacenter.org to view the survey report, fact sheet, and other research reports and materials. Follow TCRS on Twitter [@TCRStudies](#).

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About the 20th Annual Transamerica Retirement Survey and June 2020 Supplemental Survey

The analysis contained in [Women and Retirement: Risks and Realities Amid COVID-19](#) was prepared internally by the research team at TCRS based on results from the 20th Annual Transamerica Retirement Survey and a supplemental survey conducted in June 2020.

The 20th Annual Transamerica Retirement Survey of Workers was conducted online within the U.S. by The Harris Poll on behalf of TCRS from November 6 to December 27, 2019 among a nationally representative sample of 5,277 full- or part-time workers in a for-profit company employing one or more employees, including 2,816 women workers and 2,418 men workers. Results were weighted where necessary to bring them into line with the population of U.S. residents age 18+, employed full- or part-time in a for-profit company with one or more employees, and to adjust for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who respond to surveys versus those who do not. No estimates of theoretical sampling error can be calculated.

The June 2020 Supplemental Survey was conducted online within the U.S. by The Harris Poll on behalf of TCRS from June 18 to 22, 2020 among a nationally representative sample of 2,001 U.S. adults. The data in this report are shown for 1,260 U.S. adults who work full- or part-time and/or who were laid off or furloughed as a result of the coronavirus pandemic, including 618 women and 642 men. Results were weighted where necessary to bring them into line with the population of U.S. residents age 18+, and to adjust for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who respond to surveys versus those who do not. No estimates of theoretical sampling error can be calculated.

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