



Women's Retirement Security In Jeopardy

**Eighth Annual Transamerica Retirement Survey
Transamerica Center for Retirement Studies**

September 2007

Eighth Annual Transamerica Retirement Survey

Table of Contents

- **Transamerica Center for Retirement Studies** **3**
 - Survey Objectives 4
 - Survey Methodology 5

- **Women's Retirement Security in Jeopardy** **6**

- **About Harris Interactive** **22**

Transamerica Center for Retirement Studies

The Transamerica Center for Retirement Studies (“The Transamerica Center”) is a non-profit corporation dedicated to educating the American public on trends, issues, and opportunities related to saving and planning for retirement and achieving financial security in retirement.

The Transamerica Center’s research focuses on how to educate and effect positive changes among the American public in achieving greater levels of financial security in retirement. Its research emphasizes savings trends among all Americans and segments within the population, trends of employer-sponsored retirement plans and their participating employees, and the implications of legislative and regulatory changes.


The Transamerica Center’s outreach efforts include a comprehensive website, publishing of research findings through media articles and interviews, collaboration with industry groups and other organizations sharing an interest in this cause.

For more information about The Transamerica Center, please see www.transamericacenter.org

Survey Objectives

- For the past seven years, the Transamerica Center for Retirement Studies has conducted a national survey of U.S. business employers and workers regarding their attitudes toward retirement. The research emphasizes employer-sponsored retirement plans, issues faced by small- to mid-sized companies and their employees, and the implications of legislative and regulatory changes.
- To this end, Harris Interactive was commissioned to conduct the Eighth Annual Transamerica Retirement Survey. Where appropriate, questions were tracked and some new questions were added to investigate new topics of interest.

Survey Methodology

- **A telephone study was conducted among 1,402 American workers, using a nationally representative random sample meeting the following criteria:**
 - Work full-time for pay at a company with at least 10 employees
 - 18 or older
 - Excluding government workers and not-for-profit organizations
 - A total of 715 men and 687 women
- **20 minute telephone interview.**
- **Interviews were conducted between July 27 and Oct. 7, 2006.**
- **Data were weighted to ensure that each quota group had a representative sample based on the number of employees at companies in each employee size range.**
- **Margin of error at the 95% confidence level is +/- 2.6%.**
- **A  in the report indicates a number is significantly higher.**
- **The base size is 671 for large companies (500+ workers) and 731 for small companies (10-499 workers). Other reduced bases are noted throughout the report.**



Women's Retirement Security in Jeopardy

Women's Retirement Security in Jeopardy

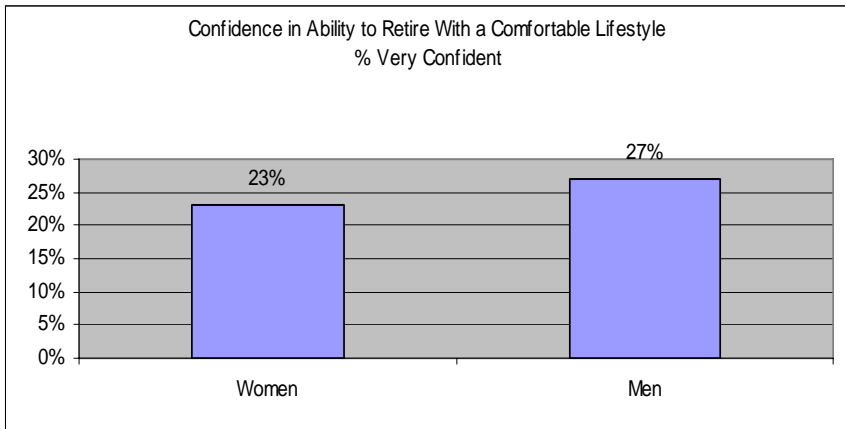
- **Women are at greater risk (than men) as it relates to retirement savings and the ability to retire comfortably for these reasons:**
 - Increased savings needs due to longer life expectancy than men¹
 - Greater likelihood of needing long-term care²
 - Diminished ability to save due to potential gaps in employment and part-time work to attend to families (i.e., caring for children or parent) and lower pay than men³
- **The Eighth Annual Transamerica Retirement Survey explores differences between women and men as it relates to attitudes and behaviors towards retirement savings . . . and it offers insights on how to help women better prepare for retirement.**

¹Social Security Administration, Social Security Online Actuarial Publications, Period Life Table 2002, Updated June 27, 2006.

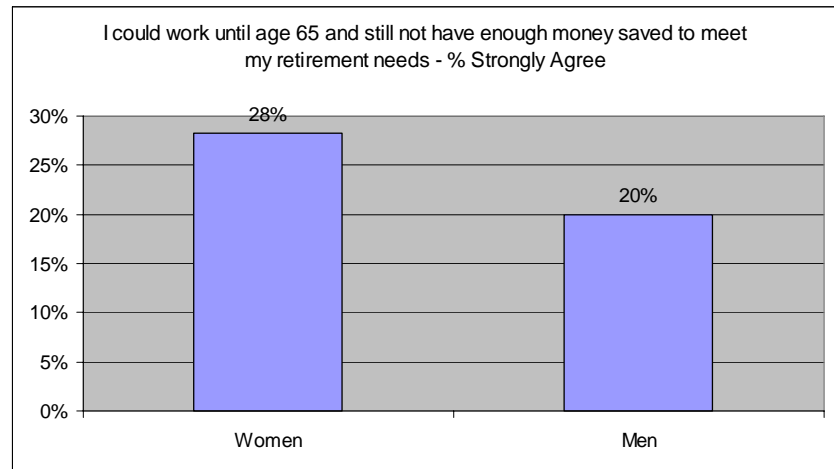
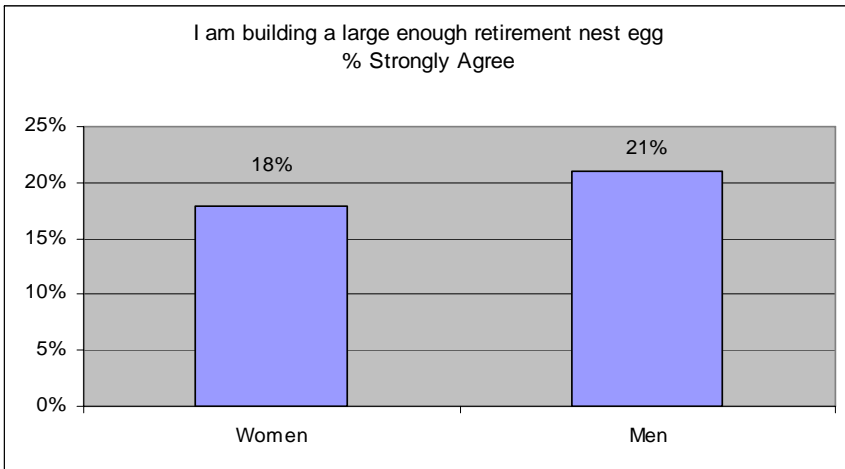
²Center for Disease Control/National Center for Health Statistics. 1999 National Nursing Home Survey.

³United States Census Bureau, "Evidence From Census 2000 About Earnings by Detailed Occupation for Men and Women," Census 2000 Special Reports, May 2004.

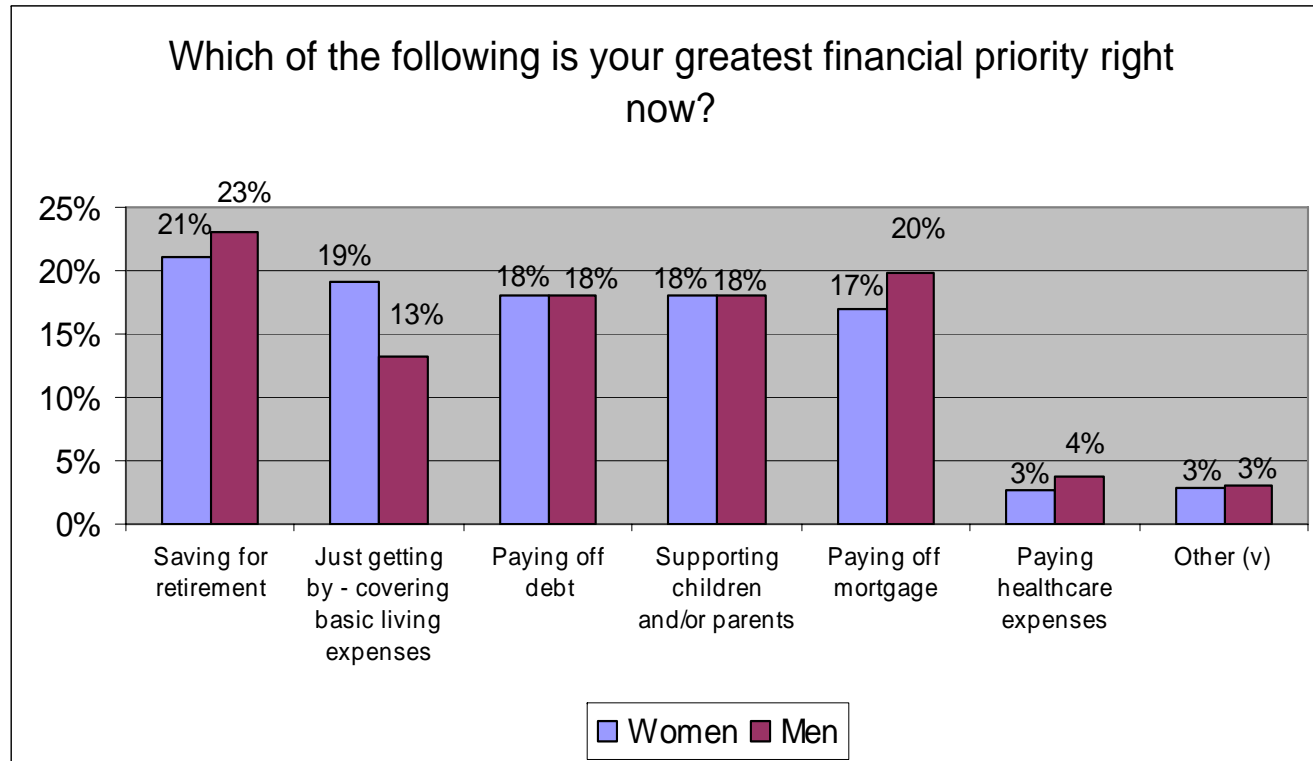
Women's Retirement Confidence



The Eighth Annual Transamerica Retirement Survey found that women's retirement confidence is lagging compared to that of men.

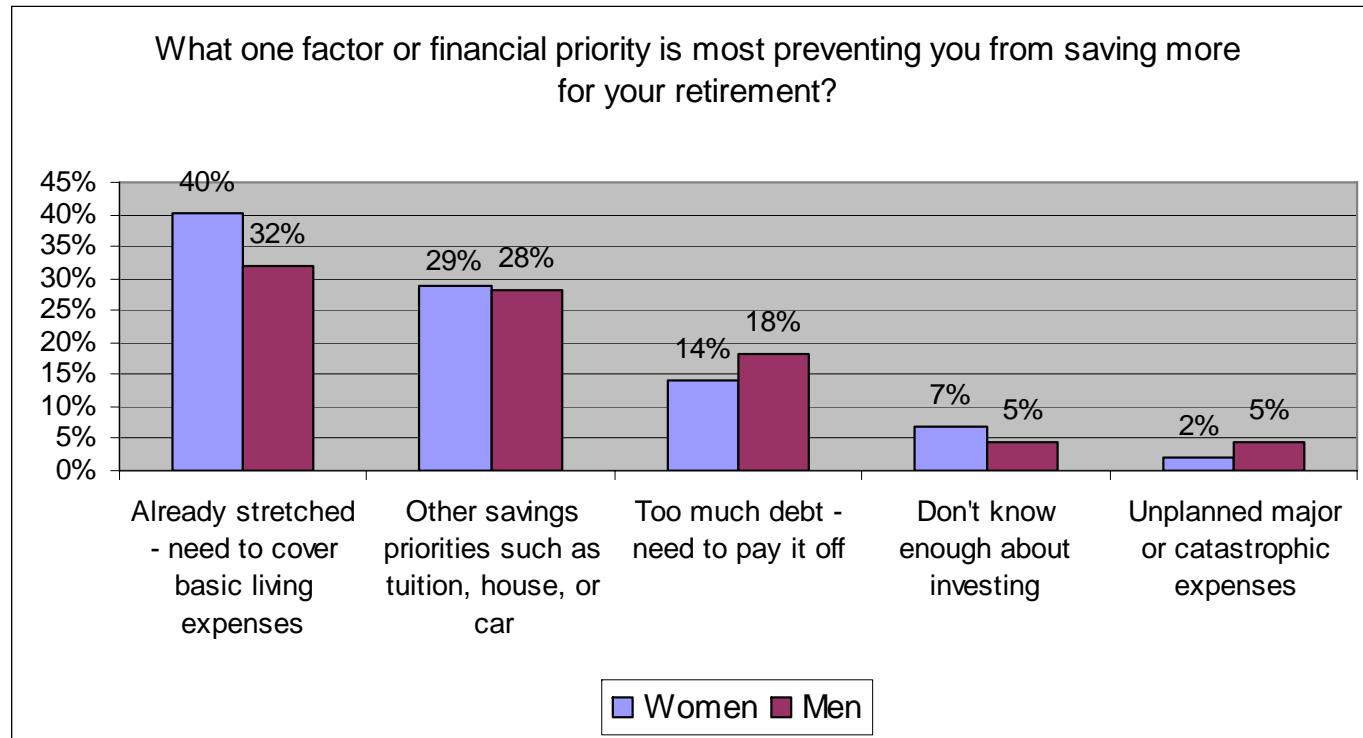


Greatest Financial Priority



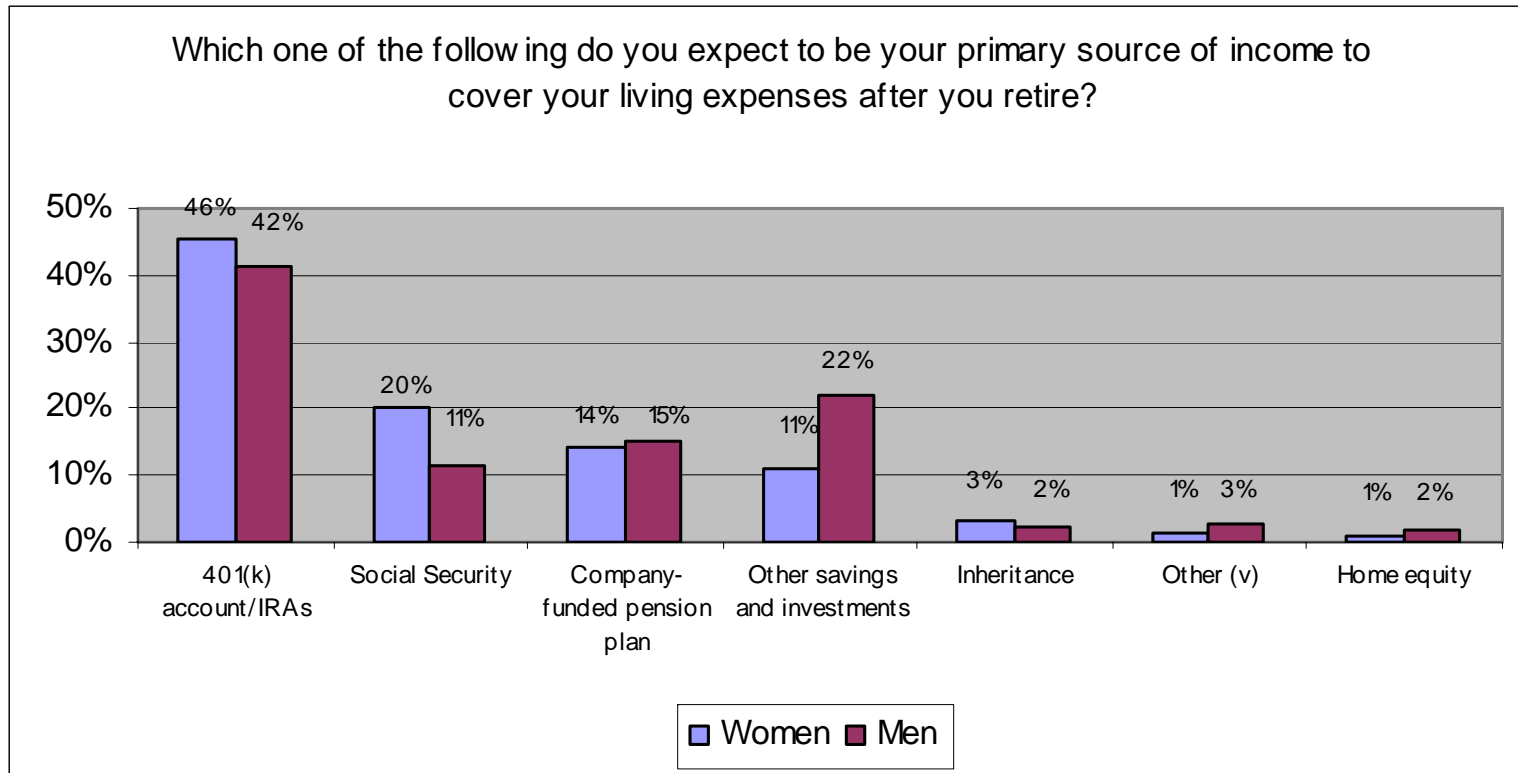
While the most commonly cited financial priority among women is saving for retirement, women are significantly more likely than men to indicate that they are just getting by to cover basic living expenses.

Competing Priorities



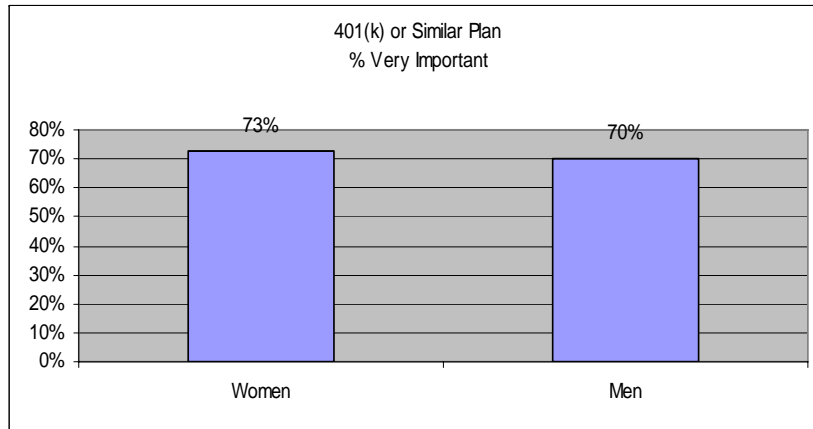
... And women are significantly more likely than men to cite that they are already stretched with current living expenses as their main reason for not saving more for retirement.

Primary Source of Income at Retirement

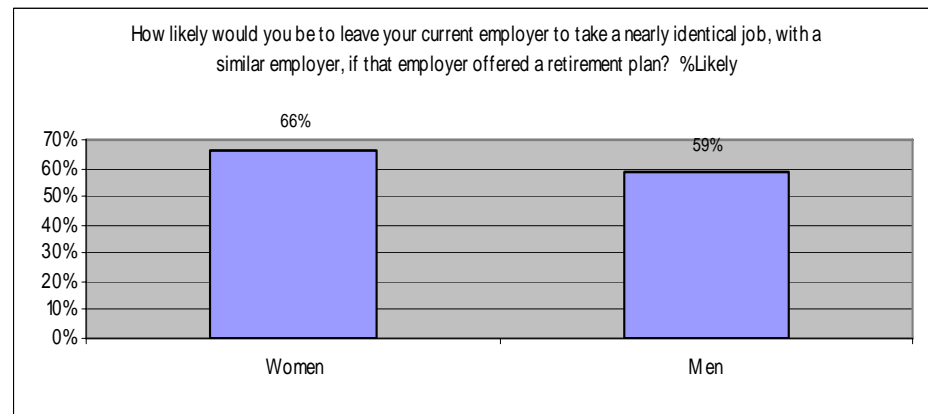
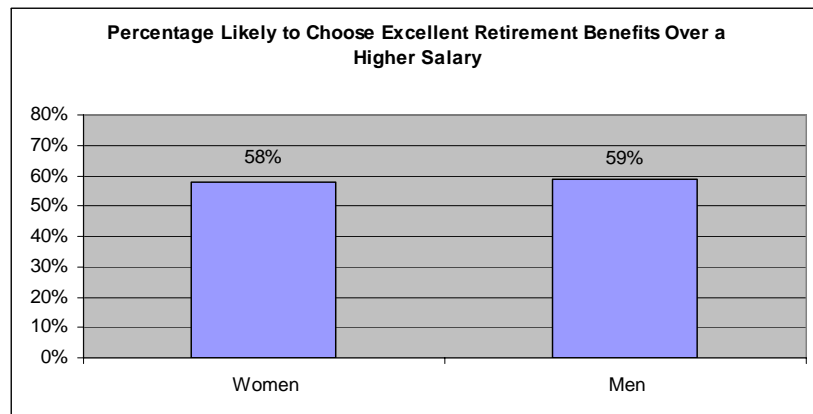


Women are more likely than men to cite their 401(k)/IRA accounts and Social Security as their expected primary source of income at retirement.

Retirement Plans are Important to Women



Women place a high value of importance on a company-sponsored retirement plan and are more likely than men to change employers to one that offers a retirement plan if their current employer doesn't offer one.



A Slow Start and Lagging Participation Rates

Women have started saving for retirement at an older age than men.

Mean Age

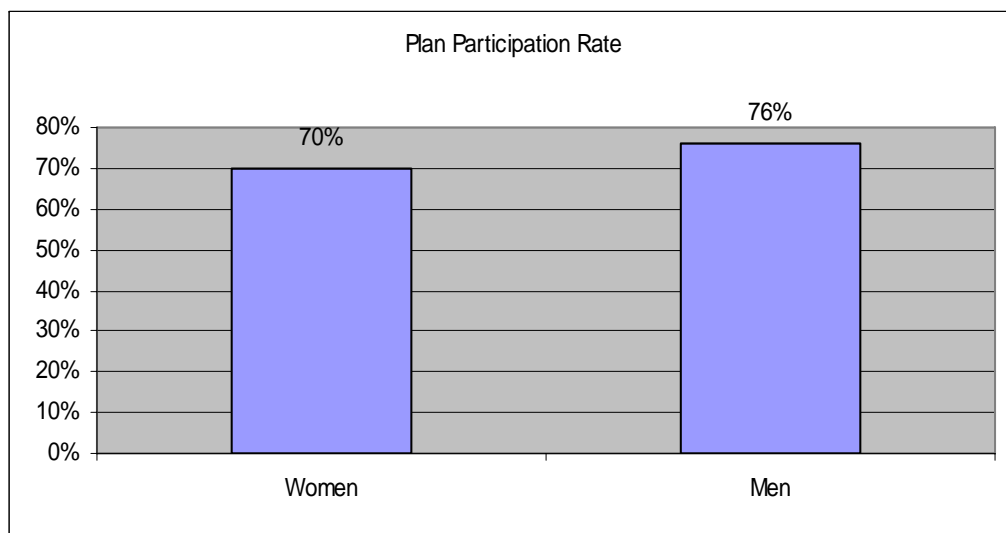
Women – 29

Men – 27

Median Age

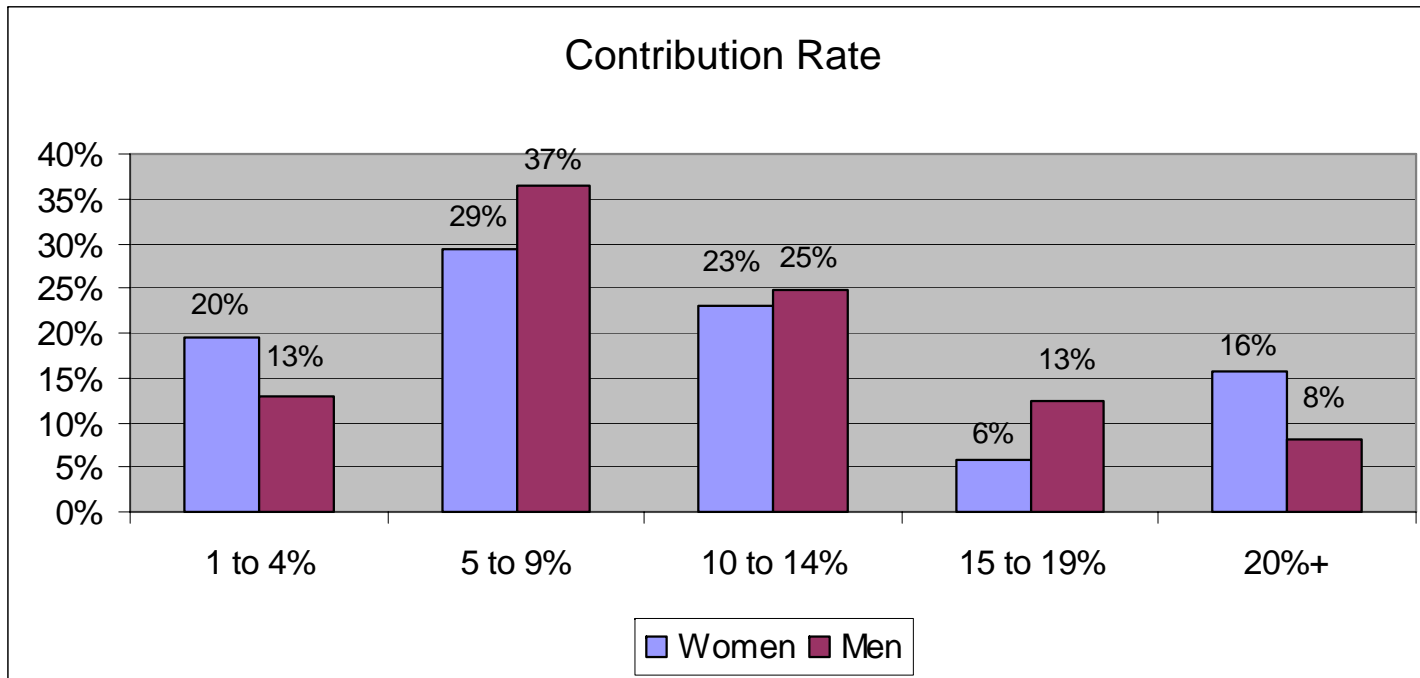
Women – 26

Men – 25



Women's 401(k) or similar plan participation rates lag behind men.

Paradoxical Contribution Rates



Mean

Women – 9.7%

Men – 8.9%

Median

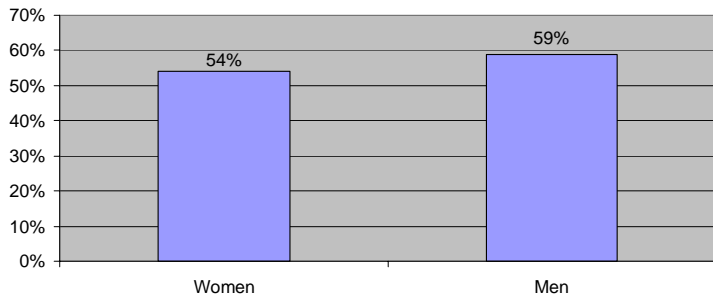
Women – 6%

Men – 8%

Looking at the mean, women's contribution rates are slightly higher than men's. However, the median reveals a much lower contribution rate for women at 6%. An encouraging point of interest is that women are more likely to save more than 20% of their salary than men.

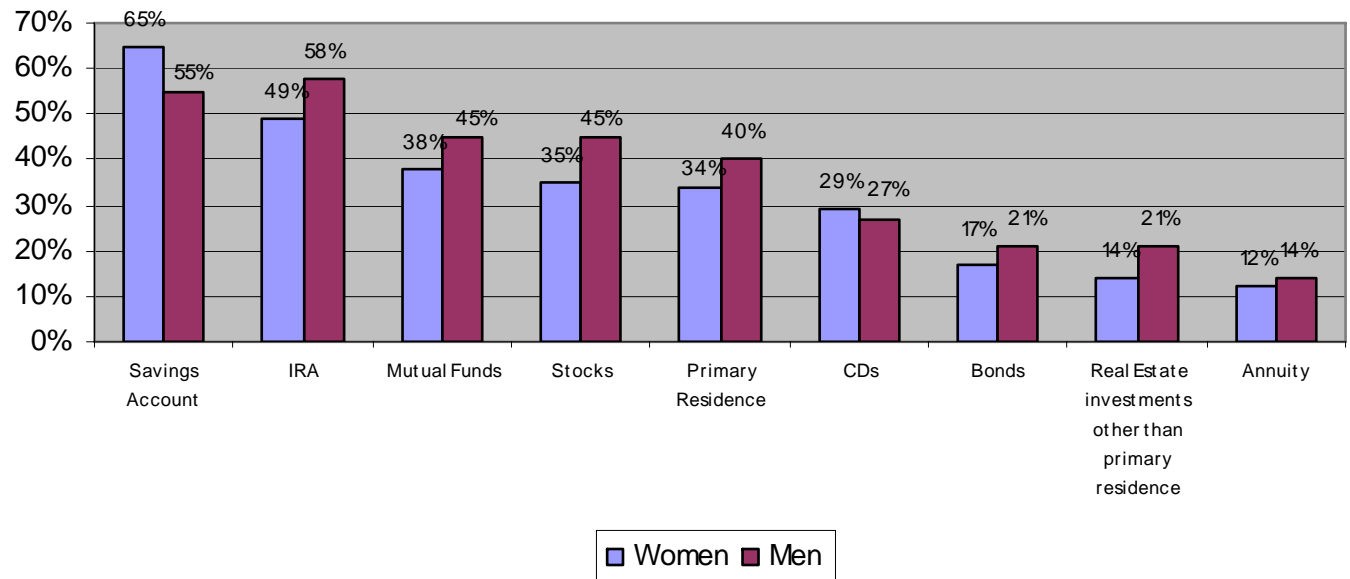
Saving for Retirement Outside of Work

Are you currently saving for retirement outside work, such as in an IRA, mutual funds, bank account, etc.? (% Answering Yes)

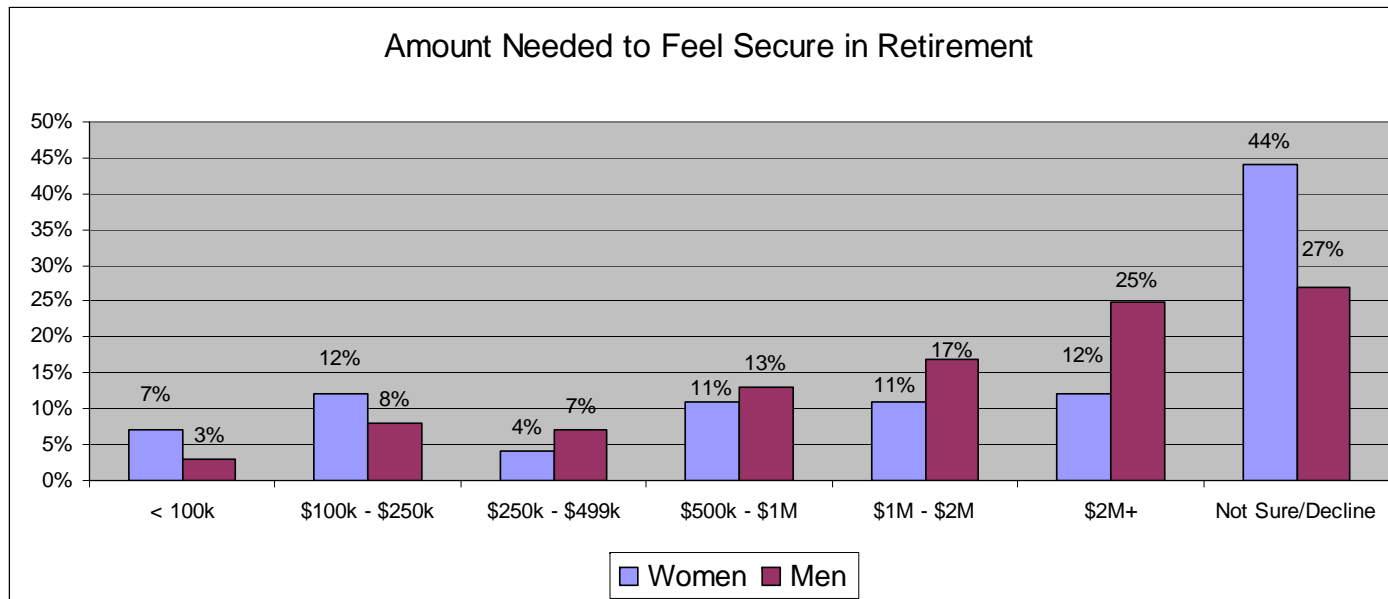


Women are less likely than men to be saving for retirement outside of work and those who do are more inclined to save in savings accounts rather than more appropriate retirement savings vehicles.

What types of retirement investments are you currently saving in outside of work?



Amount Needed to Save to Feel Secure



Mean

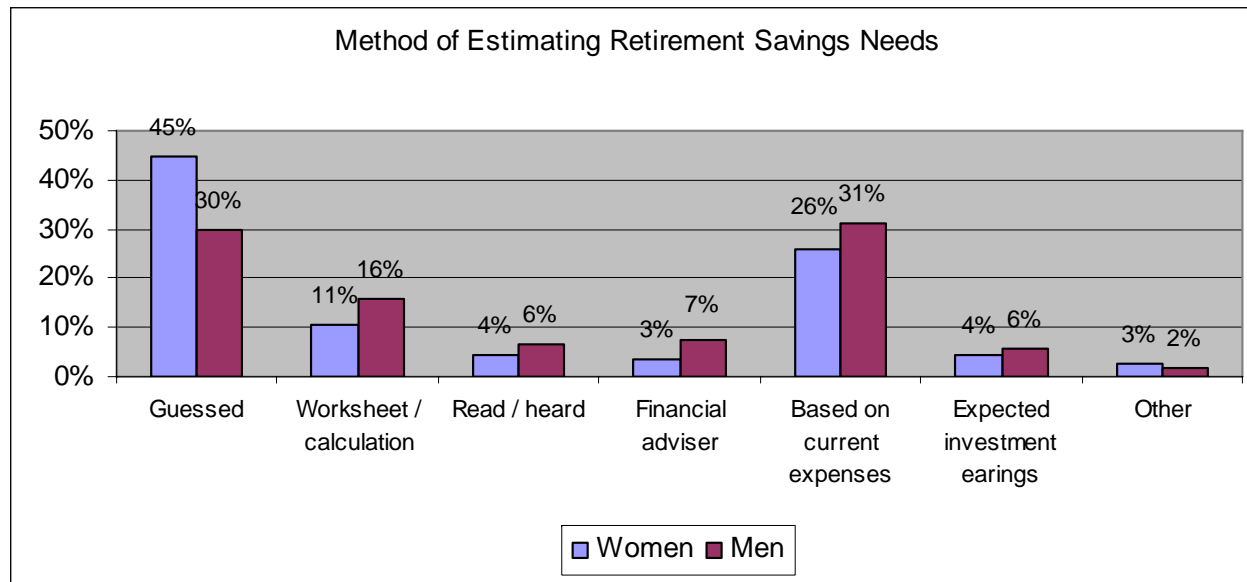
Women – \$1.96M
Men – \$2.14M

Median

Women – \$500k
Men – \$1M

Despite the fact that women are statistically likely to live longer than men, women indicated significantly lower estimates than men when asked how much they need to save to feel secure in retirement.

Amount Needed to Save to Feel Secure - Basis



Gussed

Women – 45%

Men – 30%

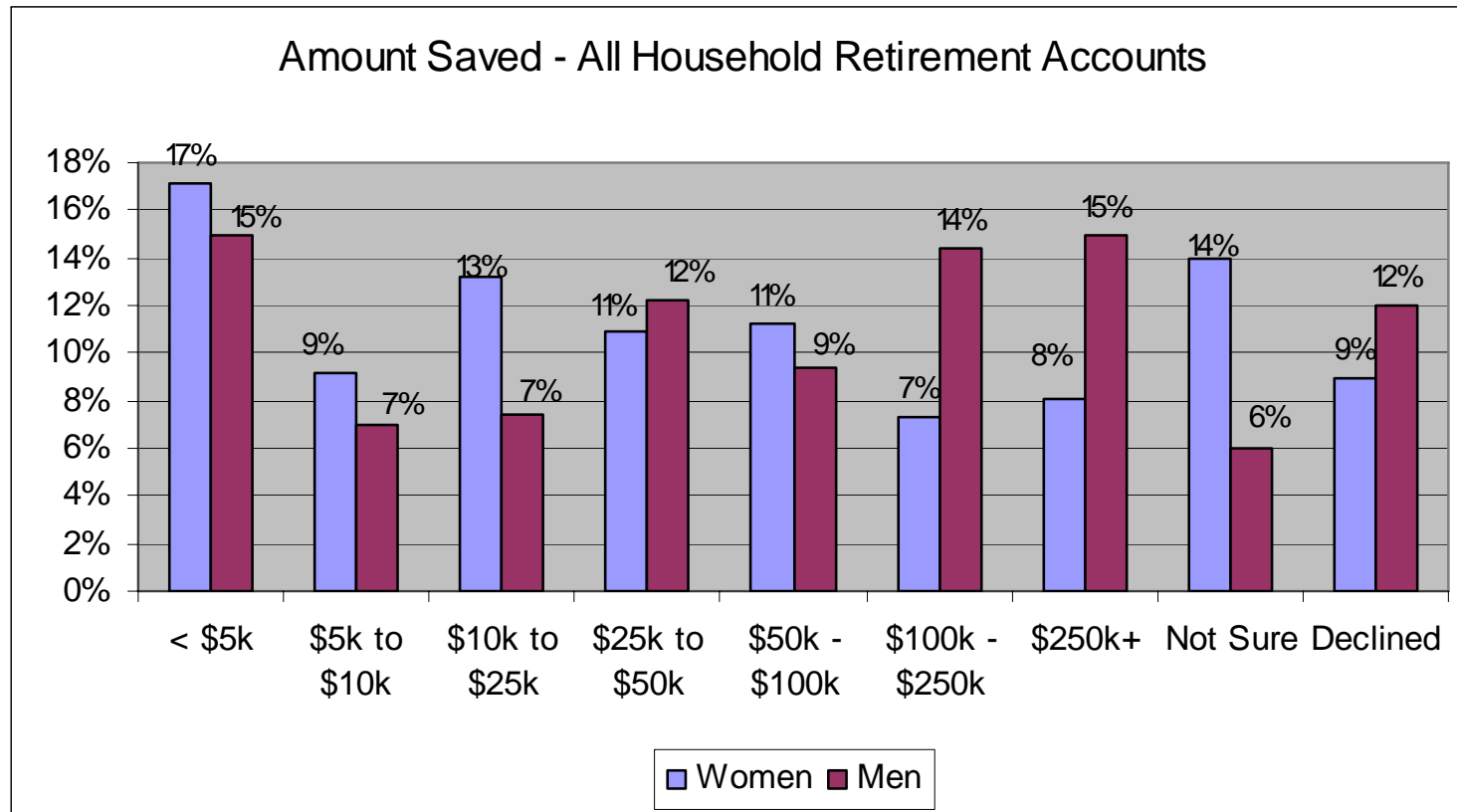
Worksheet / Calc

Women – 11%

Men – 16%

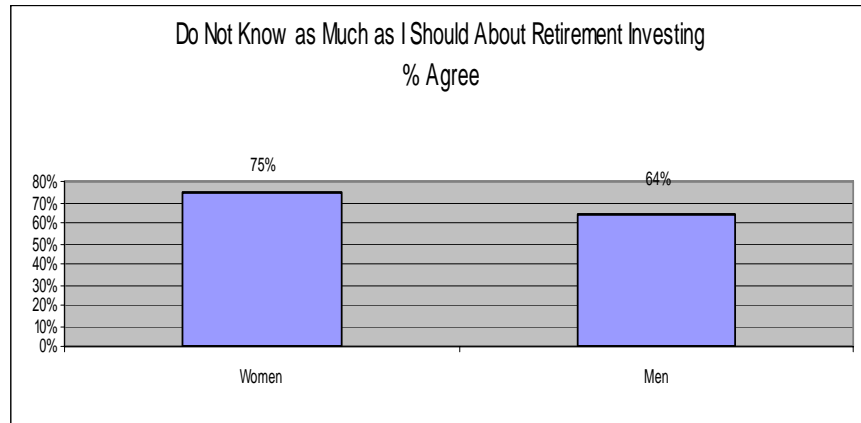
Women are more likely to have guessed at how much they will need to save – though the men’s guess rate is also alarming. Women are also less likely to have completed a worksheet or calculation to estimate their needs.

Total Household Retirement Savings

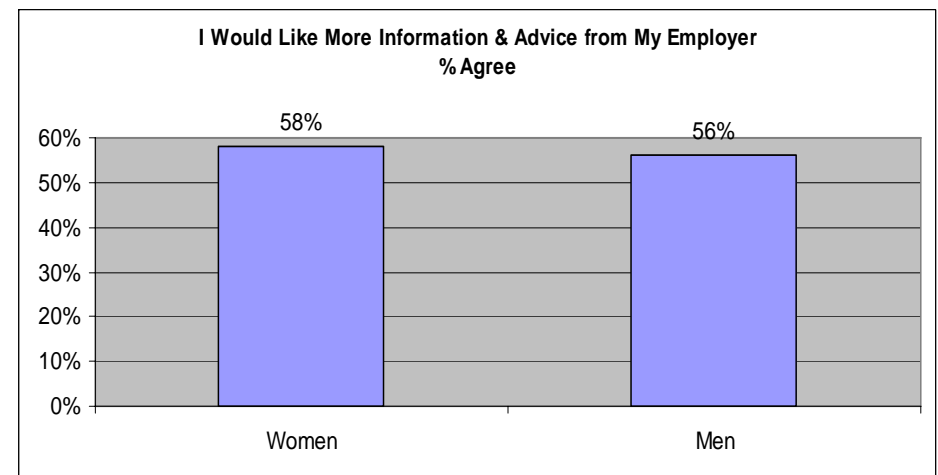
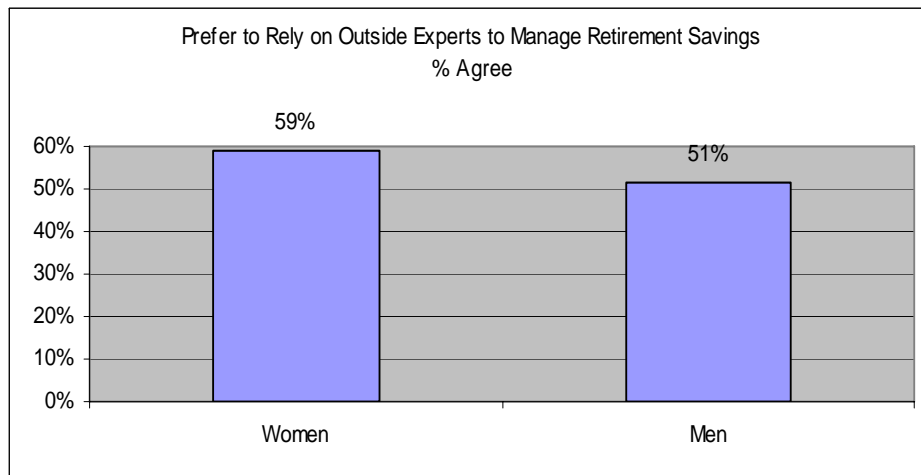


Only 15% of women surveyed reported over \$100k in total household retirement savings – compared to 29% of men.

Education & Advice is Welcome – and Vital

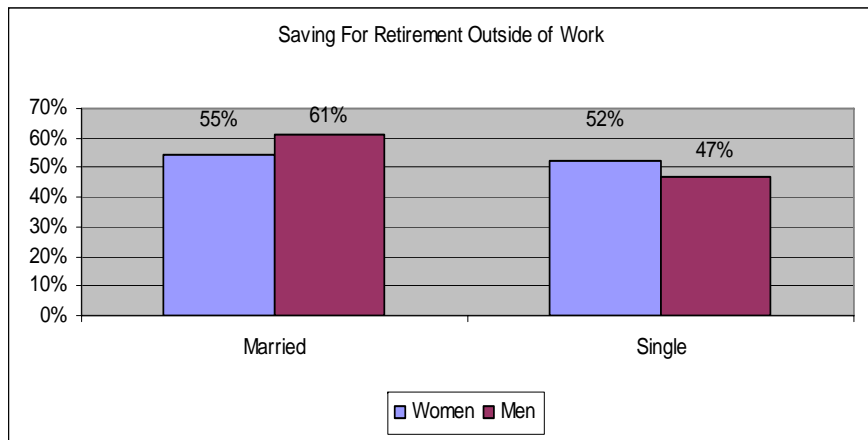
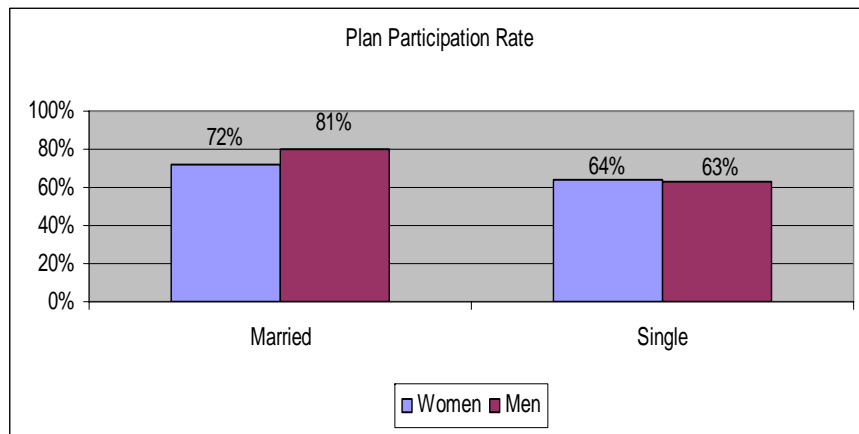
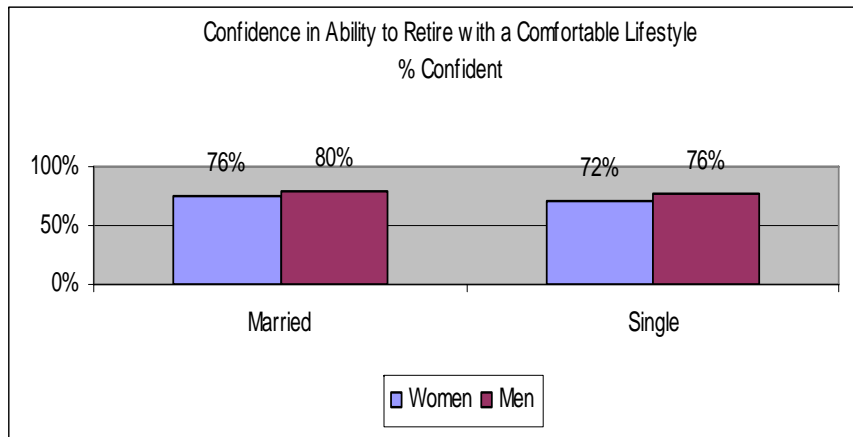


While the majority of women surveyed agree that they do not know as much about retirement investing as they should, over half indicated that they would prefer to rely on outside experts and over half would like more information and advice from their employers on how to achieve their retirement goals. Therein lies the beginnings of a solution . . . education and advice.



Hey, What About the Marriage Factor?

Does marriage factor into the ability for women to achieve a comfortable retirement? The answer is “yes.” In fact, the survey data revealed that marriage positively influences both women and men as it relates to saving for retirement.



Final Conclusions – Women at Risk

- **The Eighth Annual Transamerica Retirement Survey reveals that women's retirement security is indeed at risk**
- **The Transamerica Center believes education is critical to effecting change and recommends educational efforts be undertaken to:**
 - ✓ Further impart to women the need to save more due to longer life expectancy
 - ✓ Increase retirement plan participation and contribution rates
 - ✓ Provide tools and resources to help women estimate their retirement needs and manage their retirement savings
 - ✓ Take advantage of tax incentives for saving (i.e., 401(k) deferrals, Saver's Credit, and more)
 - ✓ Encourage women to consider long-term care insurance

About Harris Interactive

- Harris Interactive is the 12th largest and fastest-growing market research firm in the world. The company provides research-driven insights and strategic advice to help its clients make more confident decisions which lead to measurable and enduring improvements in performance. Harris Interactive is widely known for The Harris Poll, one of the longest running, independent opinion polls and for pioneering online market research methods. The company has built what it believes to be the world's largest panel of survey respondents, the Harris Poll Online. Harris Interactive serves clients worldwide through its United States, Europe and Asia offices, its wholly-owned subsidiary Novatris in France and through a global network of independent market research firms. The service bureau, HISB, provides its market research industry clients with mixed-mode data collection, panel development services as well as syndicated and tracking research consultation.
- More information about Harris Interactive may be obtained at www.harrisinteractive.com.