



## WOMEN'S RETIREMENT CHALLENGES

## WOMEN'S HISTORY MONTH

As a group, women are at greater risk than men of outliving their savings and not being able to maintain their standard of living in retirement. The causes are many, including lower lifetime earnings, lower Social Security benefits, and lower 401(k) balances. Other challenges include:

### THE CHALLENGES

- **Longevity risk.** Women tend to live longer than men—five years on average<sup>1</sup>. This necessitates that they save more so they can generate retirement income for a longer period-of-time.
- **Inconsistent work histories.** In the division of labor at home, women often assume more responsibility than men for housekeeping and caregiving. As a result, women tend to accrue fewer years of paid work and lower career earnings.<sup>2</sup>
- **Increased debt.** Women today are carrying more debt in retirement, and at older ages, than they did in the past.<sup>3</sup> If debt continues to grow with age, women will have to divert more of their retirement income to servicing it.
- **Singlehood in retirement.** Women are more likely than men to be single in old age, and they need to plan for their retirement accordingly. In 2017, among Americans 65 and older, 70% of men were married compared to just 46% of women. Thirty-three percent of women 65 and older were widows.<sup>4</sup>
- **Higher healthcare costs.** Medical costs generally increase with age. Because women tend to marry men who are older than them, and because they tend to live longer than men, women are at greater risk of depleting their retirement savings from paying for their spouse's health and long-term care expenses.<sup>5</sup>

<sup>1</sup>U.S. Department of Health and Human Services, "Health, United States, 2017," 2017.

<sup>2</sup>Society of Actuaries, "Women and Post-Retirement Risks", 2018.

<sup>3</sup>Prudential, "Closing the Retirement Income Gender Gap: The Opportunity is Now", 2017.

<sup>4</sup>Administration on Aging, U.S. Department of Health and Human Services, "2017 Profile of Older Americans", p. 3, 2017.

<sup>5</sup>Society of Actuaries, "Women and Post-Retirement Risks", 2018.

### PLANNING TOOLS AND RESOURCES ([click underlined words to be directly linked to resources](#))

Utilize well-designed programs that provide a combination of education, guidance, tools, products, and services, including:

- [Calculators](#) for identifying adequate 401(k) contribution rates
- Information on claiming [Social Security](#) benefits
- Options to [buy life insurance](#), which can help replace income in the event of a working spouse's premature death, or provide money to a surviving spouse in retirement
- Access to **annuity products** that can help provide guaranteed lifetime income

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