

# 7 Unique Challenges Women Face in Retirement



Women are rapidly shifting the corporate and working landscape, with 37 of the companies on the 2020 Fortune 500 list led by [female CEOs](#), a female vice-president on the democratic nominee ticket, and [one-third](#) of S&P boardrooms now have three or more female members. And while we celebrate the incredible achievements for these women, there are still thousands of American women at risk for a retirement that can't sustain them into their golden years.

With these great strides for female equality, why is there still a retirement gap? Let's take a look at some of the potential reasons below.

## 1. Women Live Longer Than Men

When planning for retirement, time is a crucial factor for calculating your income for life after work. That's why it's important for women to note longer life expectancies. Men, on average, live to age 76, while women live to age 81 (see chart on next page).

Five years may not seem like a long time, but the average annual spend for a person 65-74 is [\\$50,873](#), according to the U.S. Bureau of Labor's most recent survey on average expenditures by age group. That expenditure rate over five years is \$254,365. With the average Social Security annual income of [\\$17,640](#), that's a total of \$166,165 that the surviving wife will need if she lives to 81, and many live many years beyond the average life expectancy.

## Life expectancy at selected ages, by sex: United States, 2016 and 2017



## 2. Women Are More Likely to Outlive Their Spouses

Because [80 percent](#) of married women outlive their husbands, most women will experience retirement on their own for a period of time. To add to the fact that women will need income to live off of for years after their spouse has passed, this stat also affects Social Security benefits. For women who were stay-at-home caregivers, didn't work out of the home, and therefore do not receive Social Security benefits themselves.

## 3. Less Likely to Manage the Finances

While [85% of women](#) manage the day-to-day household budget and finances, [54% of women](#) age 51 and up leave larger money decisions to their spouses. In fact, only [23% of women](#) globally (not based on age) take charge of long-term financial planning decisions. Not only does this put them at a disadvantage for knowing what's going on with their retirement accounts, but it puts them especially at risk in the case of a divorce or death of a spouse. A 2019 study on women investors revealed that [74% of women](#), after a death or divorce, discovered negative financial surprises when they took control.

On the flip side, women who [share responsibilities](#) for long-term financial planning cite higher confidence in their financial future, fewer mistakes in their finances, and less financial stress.

## 4. More Likely to Experience Health Issues

Women might live longer than their male counterparts, but they also experience more health issues. Among the people who require nursing home care, [70 percent](#) are women. And, for women who need long-term care, they'll need it for for [2.5 years](#) (on average). With the average monthly cost of a private nursing home at [\\$7,698](#), that adds up to \$230,940, which can quickly eat into retirement savings.



## 5. Start Investing Later and Are Less Risk Averse

Women typically begin investing later and do so more conservatively. In fact, the median household retirement savings for women is just [\\$23,000](#) versus \$76,000 for men. Women are also more likely to work [part-time](#), meaning that many of them won't be offered any retirement benefits through work. Only 14 percent of women frequently discuss saving, investing, and planning for retirement with family and friends. While it's a common idea that women invest in less risky investments, it may also come back to the wage gap. With less income, women may be less willing to invest that income because it's deemed as necessary for daily living.

## 6. More Likely to Be the Main Caregiver and Not Have a Caregiver Themselves

[31 percent of women](#) are or have been caregivers during their working careers, and nearly all of them made at least one work-related adjustment as a result of caregiving, such as using vacation or sick days (38 percent) or missing work (36 percent). Additionally, women are more likely to not have a caregiver themselves and pay for care, most likely because they outlive their spouses. In fact, in 2010, [72 percent of older men](#) lived with a spouse, while only 42 percent of older women did. And, for women age 75+, [47 percent](#) of women lived alone.

## 7. More Likely to Have Retirement Concerns

With so many unique challenges, it's no wonder women are more likely to have retirement concerns. A [2020 study](#) by Transamerica Center for Retirement Studies found that only 25% of women workers in the U.S. believe they're on course to achieve their retirement income needs. And, only 26% of American women are extremely or very confident they'll be able to retire with a comfortable lifestyle.

## What Women Can Do to Face These Challenges



Understand what's in your retirement accounts.



Consider a long-term care plan for you and your spouse.



Adopt a healthy lifestyle.



Save regularly.



Embrace lifelong learning.



Talk to a financial professional about establishing a written retirement income plan.

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