

Working women save two-thirds as much as men: ING

By Editor Test Tue, May 8, 2012

Among those with savings in or outside an employer-sponsored retirement plan, men have saved \$149,000, on average, compared to \$108,000 in total average savings for women, according to the ING survey.

Women on average are significantly less prepared for retirement than men, and encounter “distinctly different realities” when preparing for retirement, according to a [study](#) commissioned by the ING Retirement Research Institute.

Among those with savings in or outside an employer-sponsored retirement plan, men have saved \$149,000, on average, compared to \$108,000 in total average savings for women. For women living with at least one child under age 18 at home, the retirement savings figure averaged \$88,000.

Women plan participants tend to contribute less than their male counterparts, the study showed. More women (42%) than men (34%) contributed just one to five percent of their salary into their plans. Fewer women (25%) than men (33%) have a formal investment plan to reach their retirement goals. More than half (56%) of women don’t feel financially prepared for retirement, compared to only 42% of men.

Because they spend more time out of the workforce, mothers face additional hurdles when it comes to building their retirement security, according to the study. Serving as a housewife or full-time parent reduces their earning and savings potential and also lowers Social Security benefits. ING U.S.’s study found that:

- 60% of mothers do not feel prepared for retirement and 46% don’t know how to achieve their retirement goals.
- 53% of mothers have less than \$25,000 saved in their employer-sponsored retirement plan.
- 65% of mothers are receiving their employer’s full company match compared to 76% of fathers.

The percentage of women 18 years or older in the U.S. who are single has more than doubled in the last fifty years, to 25% from 12%, according to the Pew Research Center. Among single women, ING’s research found that:

- 69% said they relied on their own research or family and friends for financial guidance, compared with 63% of married women.
- 21% of single women were worked with a financial professional, compared with 31% of married, divorced or widowed women.
- 28% have calculated how much they’ll need to retire, compared to half (50%) of men.
- 26% of single women spent some or a lot of time thinking about retirement, compared to 44% of widowed/divorced women.

The study also found that women across the generations have differences in their approach to retirement and planning.

- Gen Y (age 25-34) women are most likely to have barriers to saving (86%) compared to women 35 or older (74%) and more than half of Gen Y women (56%) have outstanding student loans.
- Only a small number (6%) of Gen Y women put most of their extra money to retirement savings, whereas close to half (47%) put it towards entertainment or vacations.
- More than half (54%) of women ages 50-64 have not calculated how much money they will need to continue their current lifestyle after retirement.
- Only one-third (33%) of women ages 50-64 have a formal investment plan to reach their retirement goals.

Findings are from an online survey conducted Oct. 5-13, 2011 by ORC International. Respondents were 4,050 adults between ages 25 and 69 who are employed full-time with an annual household income of \$40,000 or greater. Data was weighted to make the results representative of the U.S. population.

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