



## Why Americans Worry About Retirement Security, and Why Women Worry More Than Men

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A recent survey uncovered a high level of worry among Americans about their economic security during retirement.<sup>1</sup> It also found that women are much more anxious than men about their likely retirement income and much more worried about the possibility of cutbacks to the Social Security program.

This summary excerpts findings from a report by the Institute for Women's Policy Research, *Women at Greater Risk of Economic Insecurity: A Gender Analysis of the Rockefeller Foundation's American Worker Survey*. It draws out survey results that show how insecure Americans feel about their retirement income and why women are more anxious than men.

### **Overall sense of economic security**

Women feel much more vulnerable about their economic security than men: 29 percent of women are worried, while only 19 percent of men are, a 10 percentage point difference (Table 1). This is a bigger difference than that expressed by respondents in different racial/ethnic groups (a 9 percentage point difference), although the level of worry is higher in communities of color than it is among all women (31 percent of Hispanics, 30 percent of Blacks, and 22 percent of whites are worried).

With their anxiety about a range of potential financial burdens, most women say they would prefer having a job that guarantees health coverage and a pension over a higher-wage job (68 percent). Men are more likely than women to choose more current income (25 percent for men vs. 19 percent for women) over the other benefits (61 percent of men prefer the latter).

### **Feelings of insecurity about retirement**

Because women tend to live longer than men, more are in the age group 65 years and older. Their relative lack of financial resources makes them much more concerned about their retirement security than men are.

- ▶ Women are much more worried than men about not having enough money to retire on (a 10 percentage point difference).
- ▶ A large majority of women who are not yet retired report that they are not saving enough for retirement (63 percent). Just over half of men (51 percent) report being in this situation.

<sup>1</sup> See last page for more information about the American Worker Survey.



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**Table 1. Worries About Retirement Security**

**Gender**

<b>Percent worried about:</b>	<b>Women</b>	<b>Men</b>
Their economic security	29%	19%
Not having enough money to retire on	35%	24%
Social Security being reduced or eliminated	56%	41%
Not saving enough for retirement	63%	51%

  

<b>Percent who reported that:</b>		
Their employer offers a retirement savings plan (workers only)	51%	61%
They cannot afford to save more for retirement	57%	52%
Social Security is their major income source (retirees only)	50%	38%
They are saving enough for retirement (college graduates only)	47%	58%

**Race/Ethnicity**

	<b>White</b>	<b>Minority</b>
Preferring health coverage and pension over high pay	68%	68%
Worried about Social Security being reduced or eliminated	55%	58%

  

	<b>White</b>	<b>African American</b>	<b>Hispanic</b>
Worried about their economic security: Men and Women	22%	30%	31%
Worried about their economic security: Women	27%	31%	38%

**Education**

	<b>Less Than High School</b>	<b>High School</b>	<b>Some College</b>	<b>College Graduate</b>
Not saving enough for retirement: Women	71%	64%	70%	50%
Not saving enough for retirement: Men	60%	58%	51%	39%
Can't afford to save more for retirement: Women	51%	64%	56%	55%
Can't afford to save more for retirement: Men	42%	52%	51%	63%

**Workers and Non-Workers**

	<b>Workers</b>	<b>Non-Workers</b>
They are not saving enough for retirement	54%	69%
Worried about Social Security being reduced or eliminated	50%	47%

**Parents and Non-Parents**

	<b>Parents</b>	<b>Non-Parents</b>
They are not saving enough for retirement	63%	55%

Source: Institute for Women's Policy Research analysis of the 2007 American Worker Survey.

- ▶ Among workers not saving enough, women are less likely to be offered an opportunity to participate in a retirement savings plan than men (51 percent of women are, compared with 61 percent of men).
- ▶ Women are more likely to say they cannot afford to save more for retirement than men are (a 5 percentage point difference: 57 percent of women and 52 percent of men).
- ▶ Women are much more worried than men about the possibility of reductions in their Social Security retirement income (56 percent of women are worried about this, as are 41 percent of men).
- ▶ Women's feeling of vulnerability about Social Security reflects their dependence on that program for income during retirement. For half of retired women, Social Security is a major source of income (50 percent). Men have more diversified income during retirement, with only 38 percent relying heavily on Social Security income.

### **Women's retirement concerns are similar across race and ethnicity**

Women's general feelings of economic insecurity vary enormously between racial and ethnical groups. Thus, while 27 percent of white women are worried about their economic security, 31 percent of African American women and 38 percent of Latinas share that concern. When it comes to retirement security, however, women are in agreement.

- ▶ 58 percent of minority women, and 55 percent of white women, are worried about the possibility of the Social Security program being reduced or even eliminated.
- ▶ 68 percent of both white and minority women would choose a job with health and retirement benefits over a higher-paying job.

### **Women worry about retirement security no matter how well-educated they are**

Few women at any educational level think they are saving enough for retirement.

- ▶ Less than half of women college graduates think they are doing well in this regard (47 percent say they are saving enough). (58 percent of college-educated men say they are.)
- ▶ 71 percent of women who lack a high school degree, 64 percent of women who completed high school but did not attend college, and 70 percent of women with some college studies think they should save more. (The comparable numbers for men are 60 percent, 58 percent, and 51 percent, respectively.)
- ▶ But women are not saving enough because they just can't. 51 percent of women with less than a high school education, 64 percent of women with a high school diploma, 56 percent of women with some college, and 55 percent of college graduates report that they cannot afford to save more for retirement. (Among men, 42, 52, 51, and 63 percent, respectively, cannot save more.)

### **Workers save more, but also worry about whether Social Security will be changed**

- ▶ Among individuals who are not yet retired, workers are more confident that they are saving enough for retirement than non-workers are. Two-thirds of non-workers feel they are not saving enough (69 percent), compared with half of workers (54 percent). Among workers, though, women feel much more vulnerable than men do, with 60 percent of women and 49 percent of men saying they are not saving enough. And among women, being employed significantly increases the likelihood of saving for retirement: 70 percent of women who do not hold a job are not saving enough, compared with 60 percent of workers.
- ▶ On the other hand, workers are about as worried as non-workers (the group that includes the retired) about possible weakening of the Social Security system. 50 percent of workers are concerned about that prospect, compared with 47 percent of non-workers. Again, differences between women and men are striking, with 60 percent of women workers and 42 percent of men workers worried.

### **Parents are less able to prepare for their retirement**

- ▶ 63 percent of parents, and 55 percent of non-parents, feel they are not able to save enough for retirement. In another demonstration of the powerful effect of gender in determining economic status, women without children are more concerned about saving for retirement (62 percent are not saving enough) than men with children (56 percent).

## Gender magnifies anxiety in every economic class

As expected, people with lower incomes are more worried about Social Security being cut back or eliminated than are those with higher incomes. In addition, for all income classes, and overall, women are more concerned than men (Table 2). For people with family income below \$19,000 per year, 64 percent of women, vs. 54 percent of men, worry a lot or a fair amount about Social Security being cut back. In the middle income categories, there is also about a 10 percentage point difference between women's and men's level of anxiety. Surprisingly, the gender difference is largest in the \$92,000 and above income category—indicating that women know very well that they are likely to become increasingly reliant on Social Security as they age. On average, women outlive men; often this means the loss of income sources that men bring to marriage, such as pensions. Moreover, only Social Security is fully adjusted for inflation. Women's longer lives make cost-of-living adjustments extremely important.

**Table 2. Percent of Americans Who Worry a Lot or a Fair Amount that Social Security May be Reduced or Eliminated, by Gender and Class**

	<b>Less than \$19,000</b>	<b>\$19,000 to \$35,999</b>	<b>\$36,000 to \$57,999</b>	<b>\$58,000 to \$91,999</b>	<b>\$92,000 and above</b>
Women	64%	65%	53%	50%	53%
Men	54%	56%	41%	41%	30%

## Gendering Public Policy Analysis and Policy Solutions

The American Worker Survey reveals large differences between women and men in feelings about and experiences of economic insecurity. Some of this is no doubt due to the substantial family income variation between women and men—single women earn less than single men, and women more often have custody of children. But other common dissimilarities in women's and men's life experience likely generate some of the difference. Income security in retirement is one striking example. Since women live longer than men on average, but have lower incomes and lower earnings growth over their work lives, it stands to reason they are particularly anxious about saving enough for retirement. Even young or middle-aged women who are married may face old age alone because of men's shorter longevity—alone and without a man's pension income.

Solutions to problems of economic insecurity that overlook gender cannot be effective, or equitable, in strengthening well-being. Policies and programs must reflect the real, specific experiences of vulnerable populations. Ensuring adequate, reliable income during retirement can be achieved, if this comprehensive understanding is used to inform policy development.

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### About the American Worker Survey

In February 2007, at the request of the Rockefeller Foundation, the consulting firm Yankelovich fielded a survey to explore Americans' sense of economic security and insecurity. The American Worker Survey collected information by telephone from 3,157 individuals aged 18 and over. The Institute for Women's Policy Research analyzed the survey data to explore impacts based on gender, racial and ethnic identity, education, employment status, and demographic characteristics. Because of sample size constraints, respondents who identified themselves as Asian American or "other" or declined to report their race and ethnicity were dropped from the analysis. The final dataset includes 3,061 cases: 1,728 women and 1,333 men; 1,001 Hispanics, 1,007 Blacks, and 1,053 whites.