

Women and Retirement: Closing the Gender Pay & Retirement Savings Gap

Today's women are more educated and have more significant job opportunities compared to previous generations. Despite more women in the workforce than ever before, women still experience considerable pay disparity compared to their male counterparts, creating a deficit in wages and retirement savings. Even though women participate in employer retirement savings plans, many still struggle financially while in retirement, primarily due to their inability to save as equally as their male counterparts. Why does a gender gap in retirement savings exist?

Women typically make 21% less than men for the same median salary level with the same experience and position level ([U.S. 2019 statistic](#)).

Women are still the primary caregivers for children and take time off from work, sometimes for years, to care for their children.

Caring for extended family members typically falls on women in most global societies.

Women have difficulty entering the workforce after extended absences compared to their male counterparts, resulting in lost wages and retirement savings.

Even when salaries and wages are 'controlled,' meaning equal pay is monitored and enforced, women earn \$0.98 for every \$1 made by men.

Women are [less likely to hold upper managerial roles](#) than men equating to less opportunity for advancing their careers, salaries, and ultimately retirement savings. [Globally women earn](#), on average, \$0.63 for every \$1 made by men.

According to The World Economic Forum's [2018 Global Gender Gap Report](#), that based on the status and the trend observed since their 2006 report, it will now take 202 years to close the gender pay and retirement gap entirely!

However, progress is happening globally to align social norms, employers, and governments to close the gender retirement gap. What is working well?

- Educational attainment is almost equal between women and men with slight variations between counties. 58% of women and 61% of men

worldwide receive an undergrad degree or higher.

- Globally, 49% of women are in the workforce and 75% of men. In developed countries, 52% of women work, and 68% of men are working.

-Source: *International Labour Organization*

There are critical components to retirement readiness that can help close the retirement savings gap, regardless of time away from work to raise children or care for family members. These are foundational for a secure retirement:

- Saving- Starting early and save consistently
- Develop a financial plan for today's living and retirement
- Create a backup plan for unforeseen events
- Uphold a healthy lifestyle
- Continue Learning to keep your brain active

Additionally, women should develop their financial plan that reflects time off from work, saving, and not including a partner. Having a single view will prepare them for the future, regardless of what happen. If you are a woman in need of a financial plan reflective of your life, contact us to set up a meeting.

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