



7 Unique Challenges Women Face in Retirement

Women are rapidly shifting the corporate and working landscape, with 44 of the companies on the 2022 Fortune 500 list led by [females](#). 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.

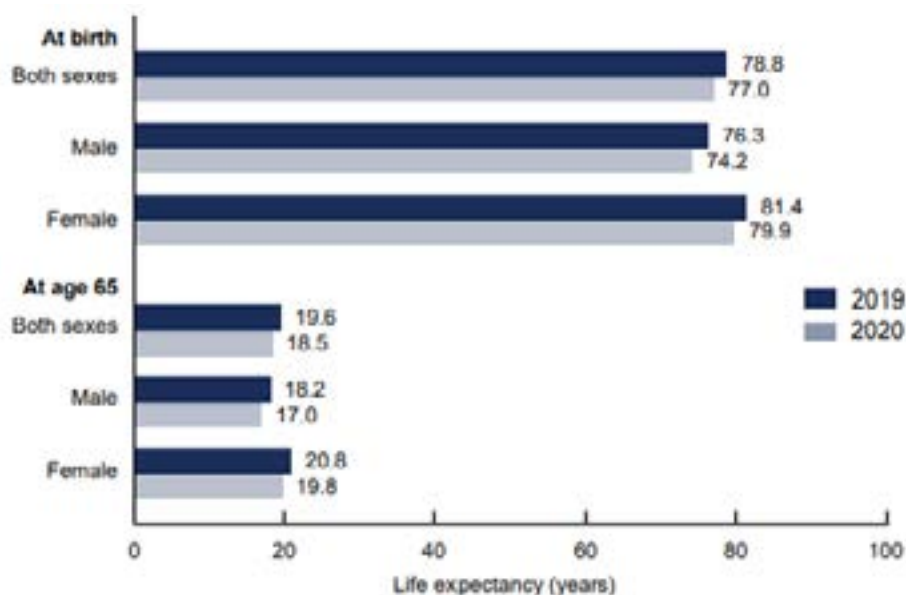
With these great strides for female equality, why is there still a retirement gap? Let's take a look at some of the potential reasons below.

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 74, while women live to age 80 (see chart on next page).

Six years may not seem like a long time, but the average annual spend for a person in 2021 65-74 is [\\$56,435](#), 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 \$282,185. With the average Social Security annual income of about [\\$30,708](#) per year, that's a total of \$141,155 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, 2019 and 2020



2. Women Are More Likely to Outlive Their Spouses

If you're a 65-year-old woman, statistics say you have another 20.7 years of life left, compared with 18.1 years for the average male.² 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, [48% of women](#) 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 [3.7 years](#) (on average). With the average monthly cost of a private nursing home at [\\$8,910](#), that adds up to \$395,604, 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 [\\$57,000](#) versus \$118,000 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

[About 58%](#) of long-term caregivers are female, and are therefore more likely to reduce their hours at work to perform as a caregiver. 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. Only [19% of women](#) are confident they're on track to retire without running out of money. Additionally, [24% of women](#) have \$10,000 or less saved for retirement.

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.

This information was developed as a general guide and is not intended as tax or legal advice. You should seek advice based on your particular circumstances from an independent tax advisor as tax laws are subject to interpretation and legislative change and are unique to every specific taxpayer's particular set of facts and circumstances. Financial professional is not affiliated nor endorsed by the Social Security Administration or any other government agency. Annuity guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company.

