

# Women are facing a retirement crisis

Setting the stage for a financially secure retirement begins long before age 65, but saving for retirement is neither easy nor top of mind for many Americans, especially given current inflation-induced spikes in rent, utilities, food and gas affecting people across the country. A recent [AARP survey](#) found that 25% of women age 50–64 are not at all confident that they will have enough money to live comfortably throughout their retirement years

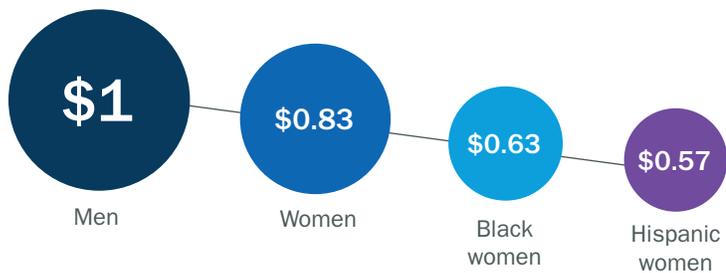
When it comes to retirement, women and men are not on equal footing. Women have just **70%** of the overall retirement income that men have. This can be attributed to several factors, one of which is the [gender pay gap](#). Overall, women working full-time earn 83 cents for every \$1 that men working full-time earn, and the gap is wider for women of color: [Black women](#) earn 63 cents and [Hispanic women](#) earn 57 cents on the dollar compared to White men. This gap translates to hundreds of thousands of dollars in lost earnings over the course of a woman's career, making it difficult to accumulate savings. Women also are more likely to work part time or to move in and out of the workforce as they juggle caregiving responsibilities. As a result, they are less likely to have access to a pension or an employer-sponsored retirement plan, and so are less able to save for retirement.

**Jo Ann Jenkins**  
CEO, AARP



Women's overall retirement income is significantly lower than men's

## Earnings by gender and race



The overall women to men data includes all races and ethnicities working full-time. The Black and Hispanic women data compares those two groups to all non-Hispanic White men; all are also full-time workers.

Consider this: When a woman in her 20s gets a job, she's often earning less than her male counterparts, a pay gap that persists and compounds over time. When she starts a family, she cuts back her hours to care for her children due to the high cost of [child care](#). When she returns, she is years behind her male colleagues in terms of earnings and cumulative savings. Then, just as she is reaching what should be her prime earning years, she turns down a promotion and scales back again—or leaves the workforce entirely—to care for her aging parents. A return to full-time employment in her 50s or 60s is often made more difficult by the double whammy of age and gender discrimination. Some women may end up taking part-time jobs or gig work for less pay and no benefits. Others may not go back to work at all.

And of course, the impact of COVID-19 on women's participation in the workforce, particularly mothers, cannot be overstated. During the pandemic, many women left their jobs and careers to be home and take care of their children while they attended virtual school. A [recent study](#) from the Federal Reserve found that all working women with children under age 6 and women with children ages 6-12 who were working low-wage jobs were more likely to exit the labor force during the first year of the pandemic than women without children, even after controlling for education. These exits are likely to have lasting negative effects on women's future earnings. Those who were able to hold on to their jobs reported difficulty in working from home while juggling their other responsibilities, e.g., child care, supervising education, and caregiving for parents or other loved ones.

[Research](#) shows that a woman taking care of an aging parent could lose \$120,000 in earnings if she cuts back on her working hours, and \$142,000 in wages if she stops working altogether. The expenses that come with caregiving also make it harder to save for retirement. Family caregivers report spending, on average, [more than one-quarter](#) of their annual income on caregiving expenses. As a result, many caregivers say they are not able to save money or have had to take on additional debt to meet basic needs.

### Lost earnings: Woman caring for aging parent



Lower lifetime earnings—coupled with time away from work—mean that women receive lower Social Security benefits, leading to lower retirement income. The Social Security Administration reported that in 2019, on average women collected [\\$3,800 \(22%\) less](#) in benefits than men. And women who leave work to care for an elderly family member lose an [average of \\$131,000](#) in lifetime Social Security benefits.



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Further compounding the negative retirement outlook for women is the fact that women tend to live longer than men and have higher healthcare costs in retirement. This is a recipe for economic disaster—and one that fully half of women ages 50 and up who are divorced, widowed or never married will shoulder alone.

The retirement crisis that women face is a multifaceted, multigenerational problem—one that requires comprehensive solutions to improve the economic well-being of women of all ages. Our nation needs laws and policies designed to strengthen retirement programs, including protecting Social Security for current and future generations, improving pension benefits, and ensuring women receive fair pay throughout their careers. That means addressing gender pay equity, affordable child and elder care, paid leave, and other workplace policies to

make it easier for family caregivers to balance work and their responsibilities at home. It also means providing tax credits to help defray out-of-pocket costs for caregiving expenses and expanded access to workplace retirement

savings plans. Enacting these laws and policies will go a long way toward ensuring a secure retirement for millions of women, and to shoring up our nation's overall economic health now and into the future.

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