

Heinz Family Philanthropies/Women's Institute for a Secure Retirement 2005 National Women's Retirement Survey Results

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WOMEN WORRY ABOUT HAVING LITTLE GOLD IN THEIR GOLDEN YEARS

Survey Finds Almost Half of American Women Worry That They Will Live Final Years in Poverty; Half Expect To Continue Working Past Retirement Age; Most Have Little or No Money to Save For Retirement after Expenses; Problems More Acute Among Women of Color

Washington, DC—May 4, 2005—The Heinz Family Philanthropies/Women's Institute for a Secure Retirement (WISER) today released results from the National Women's 2005 Retirement Survey, a comprehensive look at challenges facing American women seeking to provide themselves a secure retirement.

Key results of the survey include:

- 38% of women 30-55 years old are worried they will live at or near the poverty level because they cannot adequately save for retirement. The figure increases to 53% for women of color. For men, 33% face the same dilemma;
- 52% of women expect to continue to work once they reach retirement age, including 57% of Hispanic women;
- 54% of women have little to no money left to save for retirement once they pay their bills, rising to 62% among Hispanic women and 62% among African American women.

The survey, conducted by American Viewpoint and Harrison & Goldberg, is based on interviews with 1700 adults and has a margin of error of plus or minus 2.4 percent.

The Heinz Family Philanthropies, chaired by Teresa Heinz founder of the Women's Institute for a Secure Retirement (WISER), commissioned the survey along with the Heinz Endowments, the Barbara Lee Foundation, the Christie Foundation and others, to identify the critical retirement savings issues facing women, particularly women of color, and to use the data to develop ways to help secure their financial future.

Women, especially women of color, harbor great concerns about retirement savings. When asked if the statement, "I usually have little or no money to save for retirement," described them "very well", "somewhat well", "not too well" or "not at all well," 54% of all the women surveyed said it described them either "very" or "somewhat well." Among women of color, the proportions were even more significant with 62% of African-American and 62% of Hispanic women saying the statement described them "very" or "somewhat well." More than a third of African-American and Hispanic women said the statement described them "very well."

Saving for retirement has been, and continues to be, a problem for women. When asked, “at the present time do you feel that you are saving enough money for your retirement,” 62% of the women surveyed answered “no.” Among women of color, 74% of African-American and of Hispanic women said they were not saving enough. When asked why, 65% of African-American and 60% of Hispanic women explained they just didn’t have enough money left after paying bills.

The Myth of Retirement

Retirement is a myth for the majority of women in this country. When asked about whether they “expect to have to continue to work once you reach the age at which you want to retire,” more than 50% of women responded “yes,” with 85% of these women stating they expect to be working full-time or part-time. The number of Hispanic women who anticipate working into retirement outweighs their African American counterparts by 13%. The fixed incomes of these women will be further compromised if health concerns preclude them from working during their retirement years.

“This survey underscores our country’s on-going, and long-ignored retirement crisis. The three-legged retirement stool, traditionally consisting of pensions, Social Security and savings, is a myth for too many women, particularly women of color,” said Teresa Heinz, Chairman of the Heinz Family Philanthropies. “The fact that many women do not have enough money leftover after paying bills to save for retirement is no longer just alarming, it is a national catastrophe. Retirement for many women is simply an inaccessible dream. While women have entered the labor force in record numbers, their ability to retire is simply not predicated on access to a pension, it is also about other factors that impede their ability to save. The costs of caring for aging parents, as well as grandparents, adult children and grandchildren, combine to make retirement a myth, not a reality. We must expand retirement planning education to help women make informed choices about savings and retirement planning.”

The survey also revealed that many 30-55 year olds believe they will live a less comfortable retirement than their parents. More than 4 in 10 women sampled said their retirement would be less comfortable than that of their parents.

The Great Ethnic and Gender Divide

The survey demonstrates a clear economic divide between the genders and races. Men are far more confident about their financial stability into retirement than women, especially women of color. For example, only 33% of men reported a fear of retiring at or near the poverty level, while 38% of women cited this concern. Moreover, Hispanic women were 20% more likely than men to anticipate retiring into poverty.

Consistently, white women are the most likely to be participating in a retirement savings option, while Hispanic women participate in, and contribute, the least. When everyone was asked why they did not usually contribute the maximum amount allowed into their IRA accounts, women were most likely to answer, “because I can’t afford it,” while men answered, “because I participate in other retirement savings plans.”

The survey also provided insight into the differing financial concerns. Men and white women both said their “greatest personal financial concern” was “saving for retirement,” while Hispanic women placed a higher level of anxiety on “affording college for [their] children” and African American women were focused on “earning enough to pay bills.”

Cindy Hounsell, Executive Director of WISER said, “With so many women living on the financial edge, saving for retirement is unlikely to become a priority. Unless women can participate in a pension plan, we will have a new generation of bag ladies.”

The Family Life Line

Although not a principle expense, providing for extended family members negatively impacts the amount of funds available for retirement investing. Hispanic women are twice as likely as white women to be short of retirement investment funds because they are helping support their elderly parents. Of the Hispanic women helping to support their parents, 60% report spending between \$100 and \$1000 each month on their parents’ basic expenses like food, gas, rent, drug and medical bills. In response to the statement “I’m not that worried about saving for retirement because I know that my children will help me out” Hispanic women are almost three times more likely than white women to indicate that statement describes them “very” or “somewhat well” and African American are twice as likely.

Similarly, African American women are more than twice as likely as white women to cite “financial responsibility for adult children or grandchildren” as a reason for not saving for retirement. Of the African American women currently or expecting to support their adult children or grandchildren, 63% report spending between \$100 and \$1000 on them each month.

The National Women’s Retirement Survey is part of a continuing effort by the Heinz Foundation to explore, study and educate all Americans, particularly women, on the complexities of pensions and the importance of saving for retirement. An extension of the work started by the late Senator John Heinz, the Foundation has held educational forums on retirement related issues across the United States. In 1997, the Foundation launched WISER to begin to educate women about the importance of savings and retirement security. Recently, the Foundation and WISER joined with *Good Housekeeping* to publish and distribute a special guide on women, pensions and savings to its more than 26 million readers.

“The polling data underscores America’s unspoken crisis: many women of color will never be able to retire. The financial demands of the present constrain the ability of women to save for the future. For women of color, it is not simply about saving for retirement, it’s about surviving financially until retirement,” said Jeffrey Lewis, President of the Heinz Family Philanthropies. “Too many women, women of color in particular, will find themselves about to enter financial prison when they retire. We need to confront the real crisis facing American women today. They have no financial safety net. By failing to recognize the need for a national retirement policy, Congress continues to sanction poverty in old age as a way of life.”

The Women's Institute for a Secure Retirement (WISER) (www.wiserwomen.org) works to increase awareness of the structural barriers that prevent women's adequate participation in the nation's retirement systems. Created in 1996 by Teresa Heinz, Chairman of the Heinz Family Philanthropies, its goal is to improve the long-term economic security of millions of American women and men. WISER is a 501©3 organization.

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