

WHY WOMEN AND MILLENNIALS MAY BE FALLING BEHIND ON RETIREMENT SAVINGS IN COMPARISON TO MEN

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New data from San Francisco-based Personal Capital points to a widening demographic gap in the U.S. retirement savings market. 40% of women and 39% of millennials have nothing saved for retirement, while men across older demographic age groups are faring better.

Assuming that both men and women have equal salary, noticeably, more of my female clients commonly have a gap in their career – reasons varying from marriage, supporting spouse in career pursuit, having kids, temporarily settling down, caring for parents, or taking a break to care for an ill family member. A myriad of reason amalgamates to result in a lower social security paycheck and lesser retirement funds compared to the opposite gender that unremittingly contributed and received matching from the company.

What's more is that females have more sizeable expenses compared to male clients.

A few to name would be:

1. Personal maintenance
2. Gifting giving, care packages
3. Caring for family members



As I noticed, female clients, invest into personal care whether that be in the form of attire, make-up and skincare, facials, nails, going to the hairdresser, or buying accessories. Aside from self-care, women are well known to exchange gifts more routinely – birthday parties, family members, coworkers, friends, friends' child, and etc. They are also heavily involved in the lives of family members and continue to support in ways possible.

It may be during their parents' retirement with financial needs, a feat as small as picking up groceries, clothing and basic necessities add up with time. Many young female professionals have taken days, weeks and months off work to care for ill family members, which in some cases impact their career pursuits. The abovementioned is not to take away and say that men are not responsive to family needs, but only to note that women have shown to be more sympathetic in nature.



There is also much more importance placed on sentimental things that are not particularly of much worth, but are gratifying in a minor sense – house décor, gardening, collecting dishes, towels, sheets, cutlery, flowers, and etc. Although enjoyable, investing into house décor collects to become a hefty cost as this is more a lifestyle decision compared to a one-time purchase. Women also place greater significance in selection of vacation locations, restaurants, taking ambiance and the art of presentation into consideration. With value placed in the sentimental, it costs more than practicality.

Various reasonings exist for the reasons why women and millennials see a shortage in savings, but it can be seen correlated to smaller expenses built up in addition to the time spent away from work to care for loved ones.

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