



Closing the Gender Savings Gap

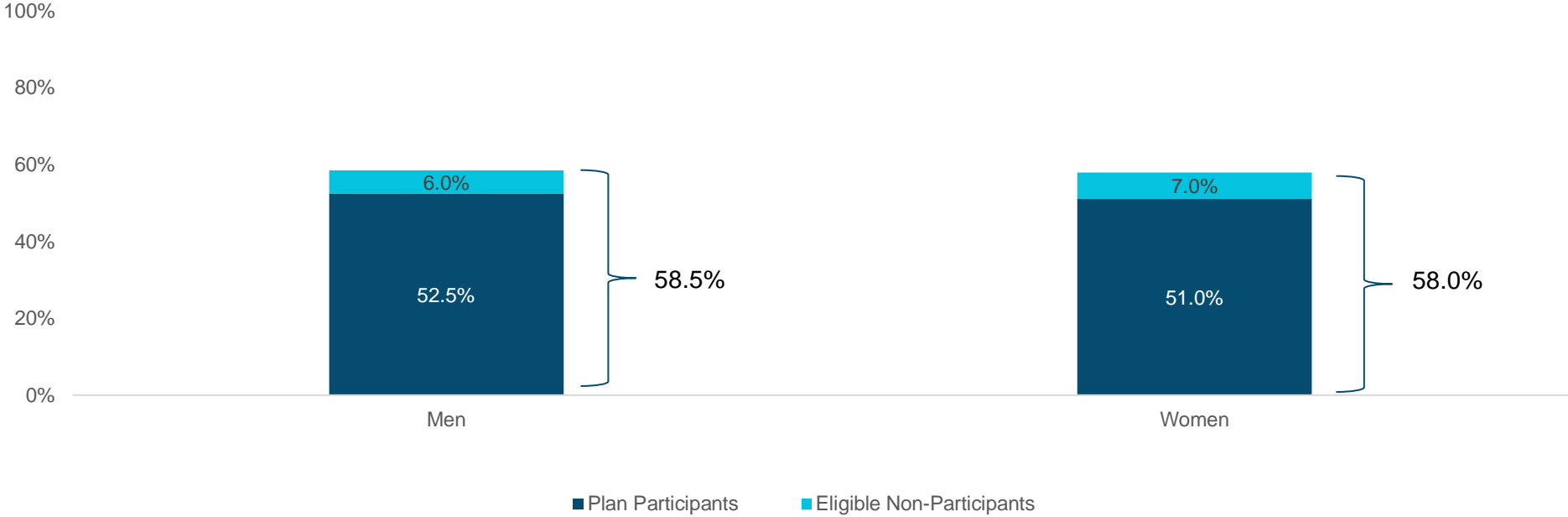
Sudipto Banerjee, Ph.D. , T. Rowe Price
WISER Symposium on Financial Solutions for Women
October 4, 2023



Access to Workplace Retirement Savings Plans

Retirement Plans are Equally Accessible

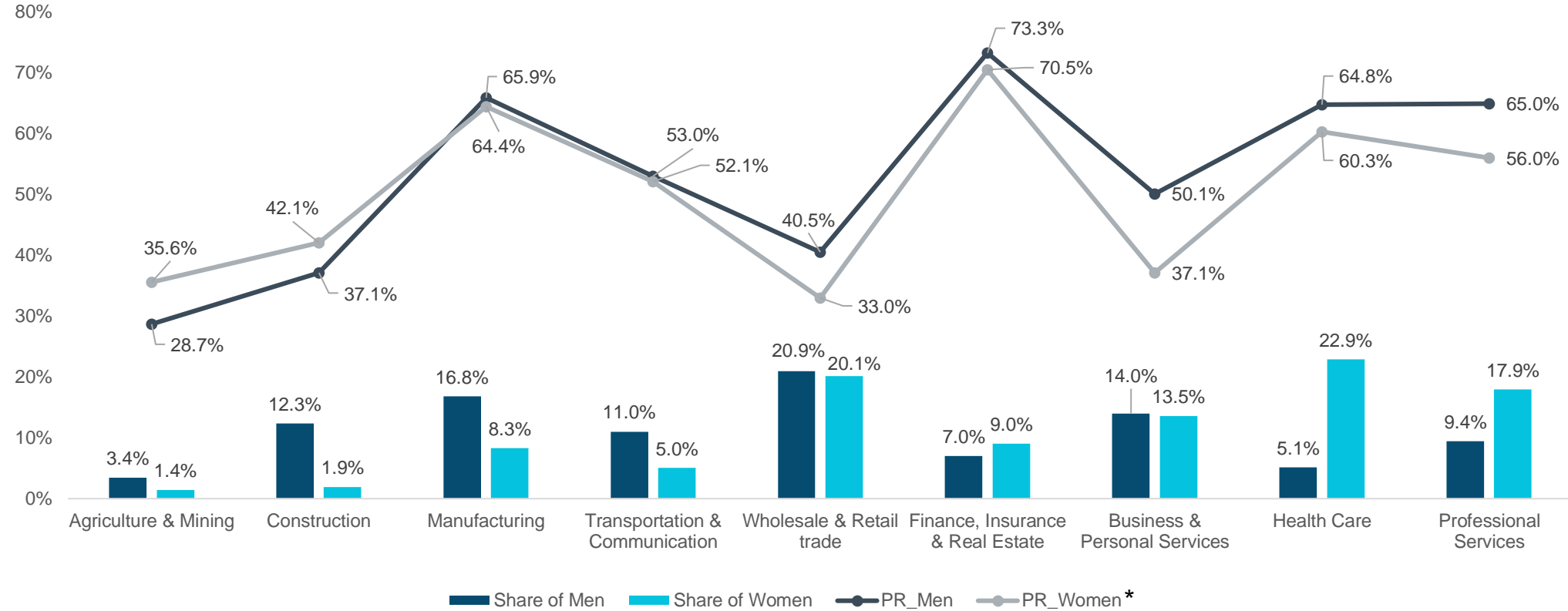
Retirement Plan Participation among 21-64 year old wage or salaried workers in the private sector



Source: Author’s calculations from the Annual Social and Economic (ASEC) supplement of the Current Population Survey (CPS), 2022. IPUMS CPS, University of Minnesota.

Participation Rate = Share of total private sector workforce (with or without access to a retirement plan) who participate in a retirement plan.

Some Industries Lag in Female Retirement Plan Participation

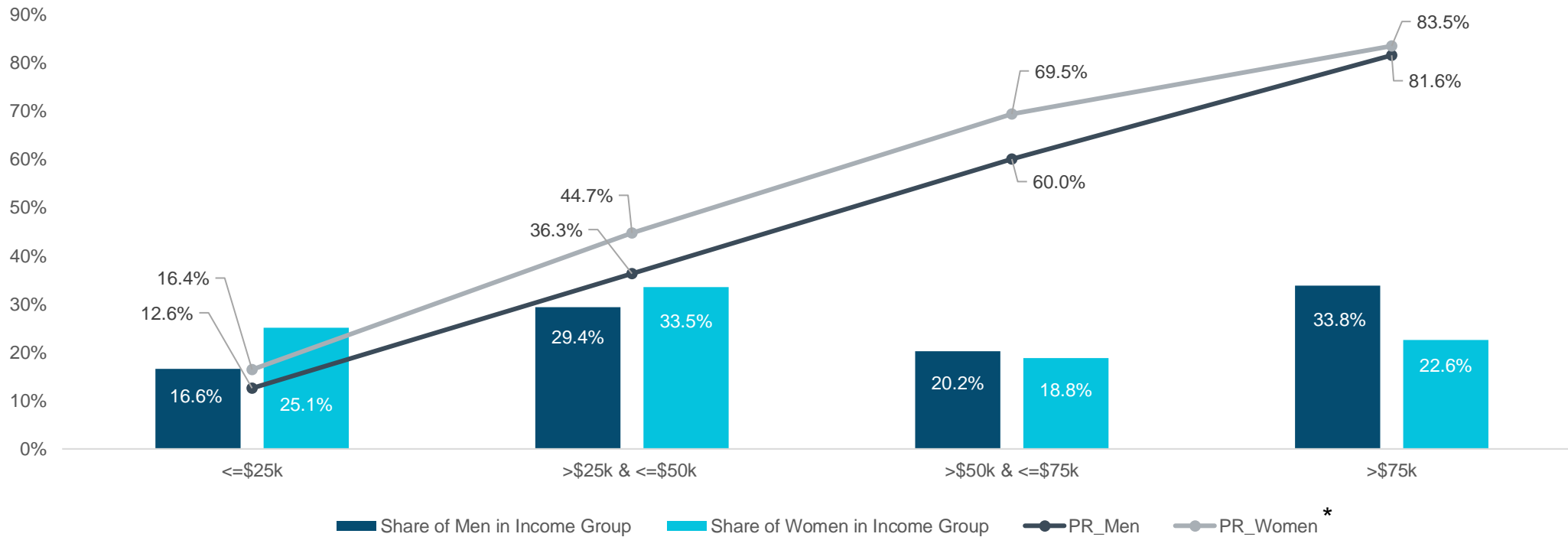


Source: Author’s calculations from the Annual Social and Economic (ASEC) supplement of the Current Population Survey (CPS), 2022. IPUMS CPS, University of Minnesota.

*PR = Participation Rate = Share of total private sector workforce (with or without access to a retirement plan) who participate in a retirement plan.

Women More Likely to Participate within any Income Group

Retirement Plan Participation among 21-64 year old wage or salaried workers in the private sector across different income groups



Source: Author's calculations from the Annual Social and Economic (ASEC) supplement of the Current Population Survey (CPS), 2022. IPUMS CPS, University of Minnesota.

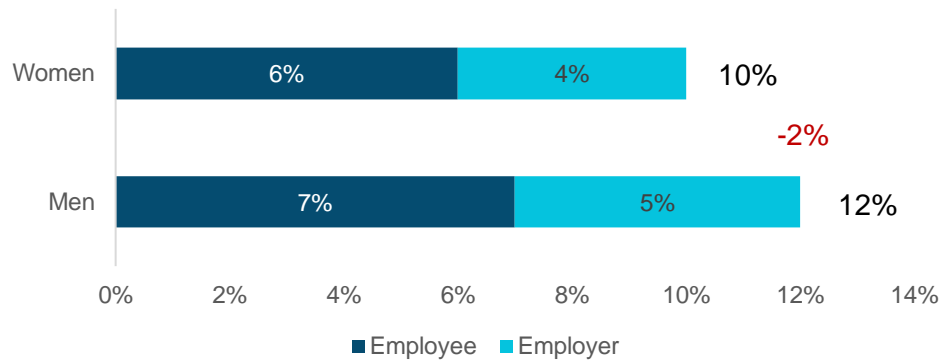
*PR = Participation Rate = Share of total private sector workforce (with or without access to a retirement plan) who participate in a retirement plan.



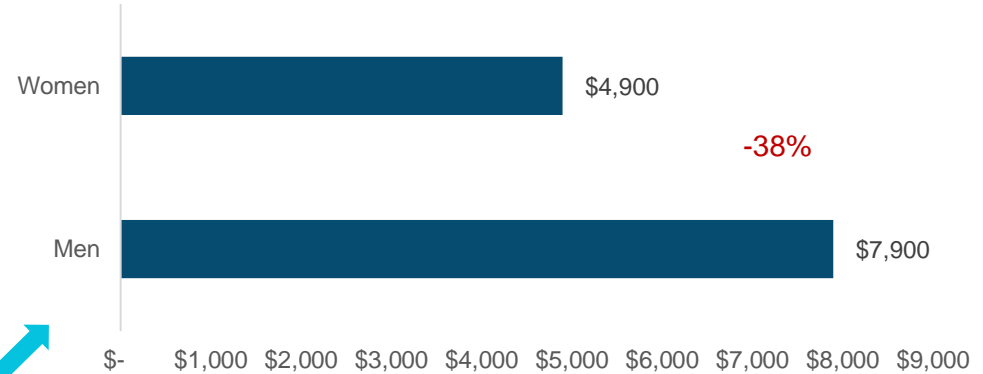
The Savings Gap in 401(k) Plans Causes & Consequences

How the Savings Gap Compounds

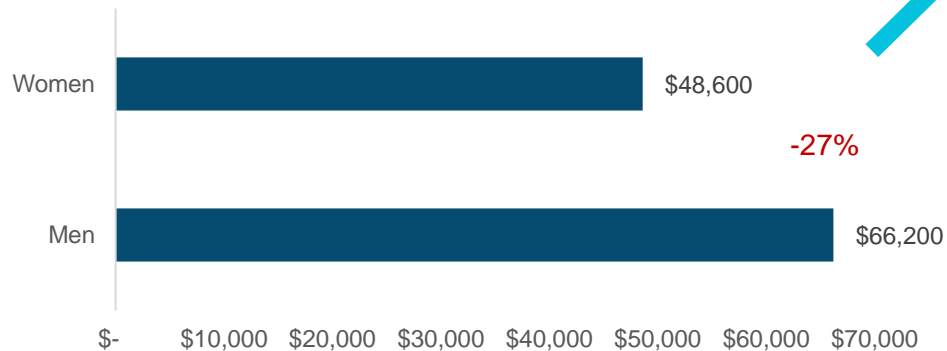
Expected Median Contribution Rate



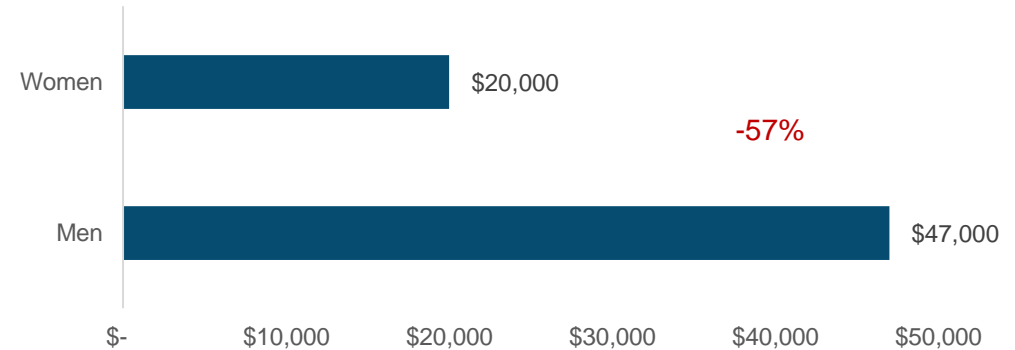
Expected Median Annual Contribution



Median Income

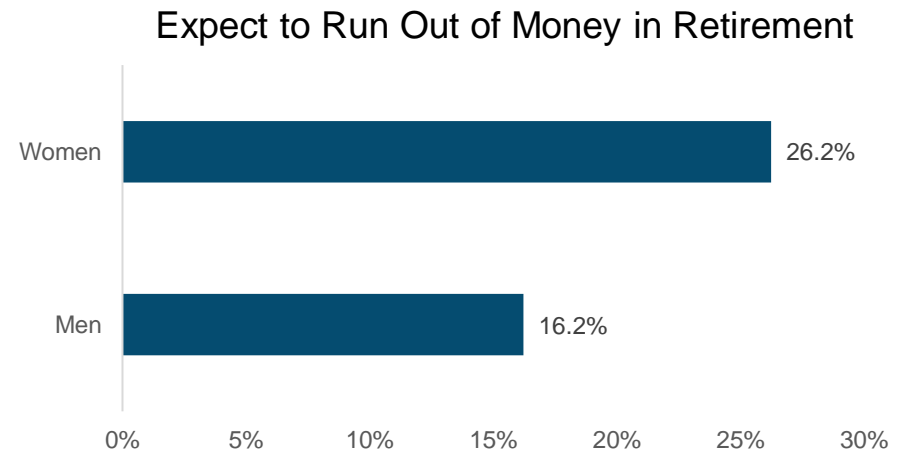
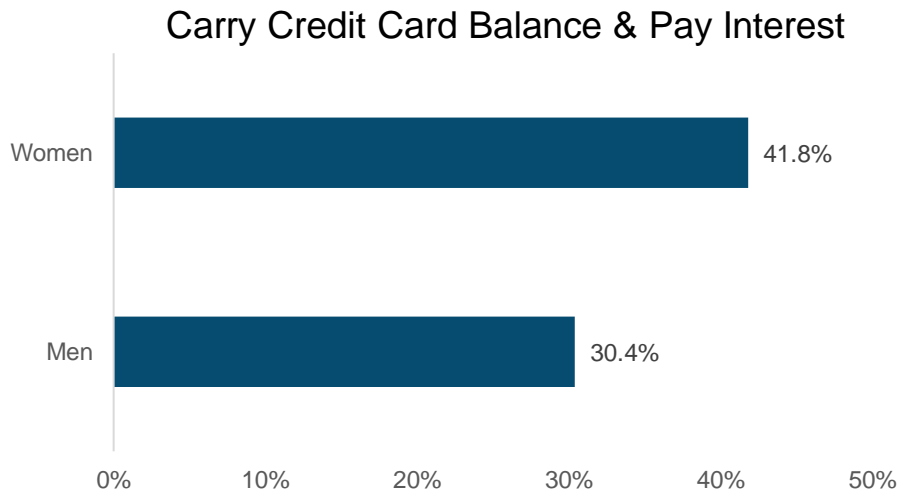
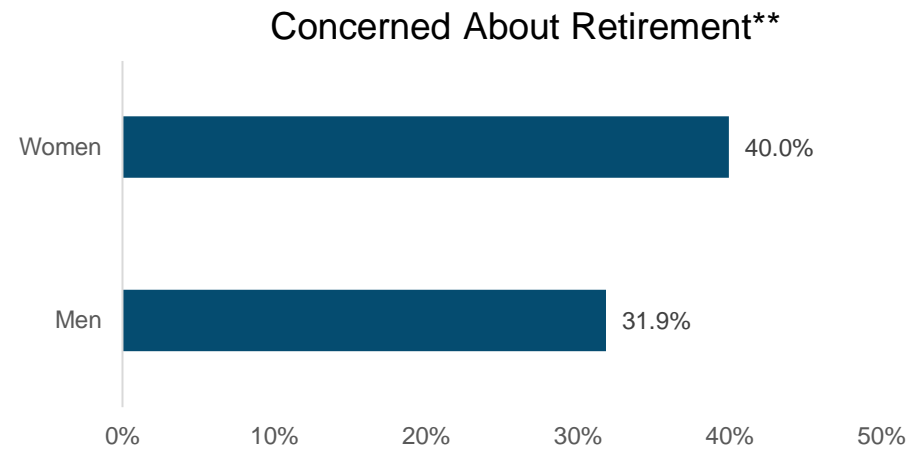
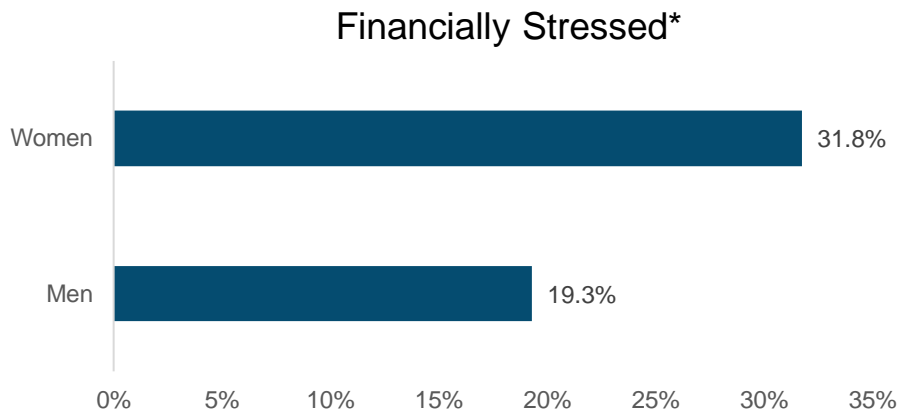


Median Market Value of 401(k)



Source: T. Rowe Price Retirement Savings and Spending Study, 2023. See Additional Disclosures for more information.

The Mental and Financial Toll



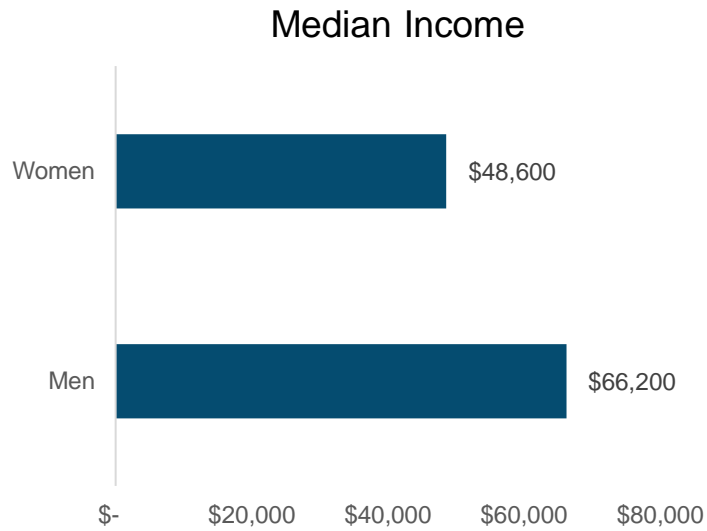
Source: T. Rowe Price Retirement Savings and Spending Study, 2023. Numbers represent percentage of survey respondents. See Additional Disclosures for more information.

*How would you rate your overall financial stress on a scale of 1-10 (highest stress)? (Top 3 boxes)

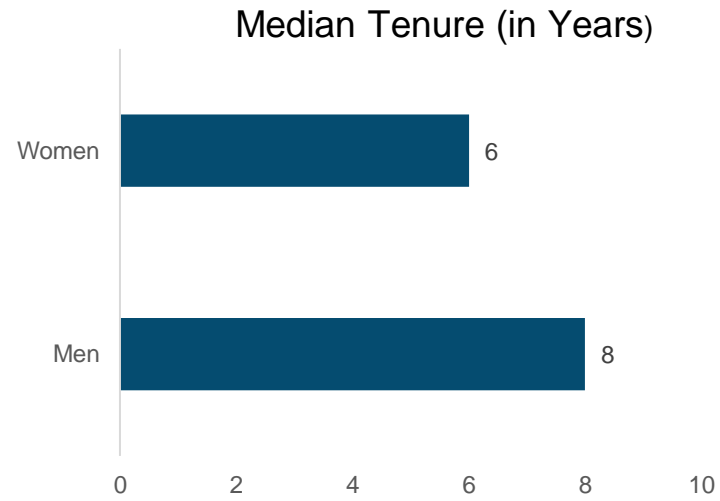
**How concerned are you about retirement on a scale of 1-10 (very concerned)? (Top 3 boxes)

Contributing Factors

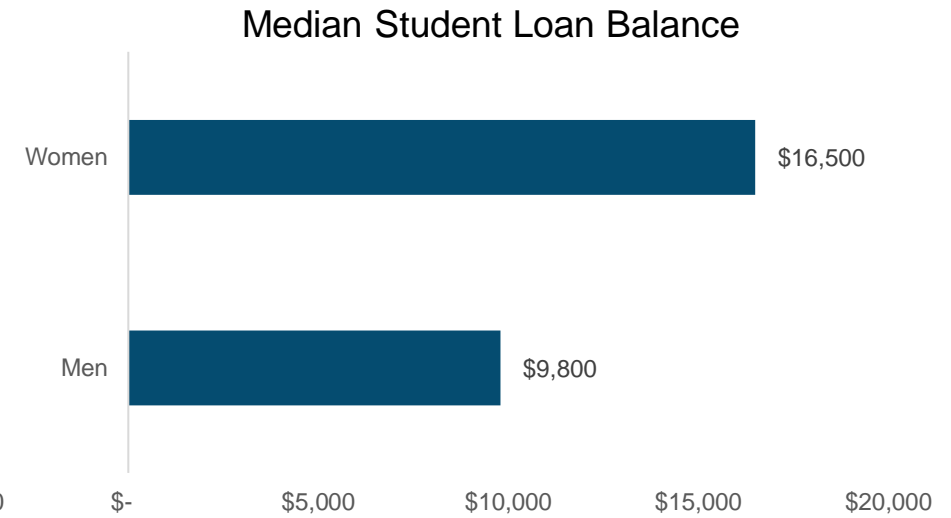
Income Discrepancy



Shorter Tenure



Debt – Student Loans



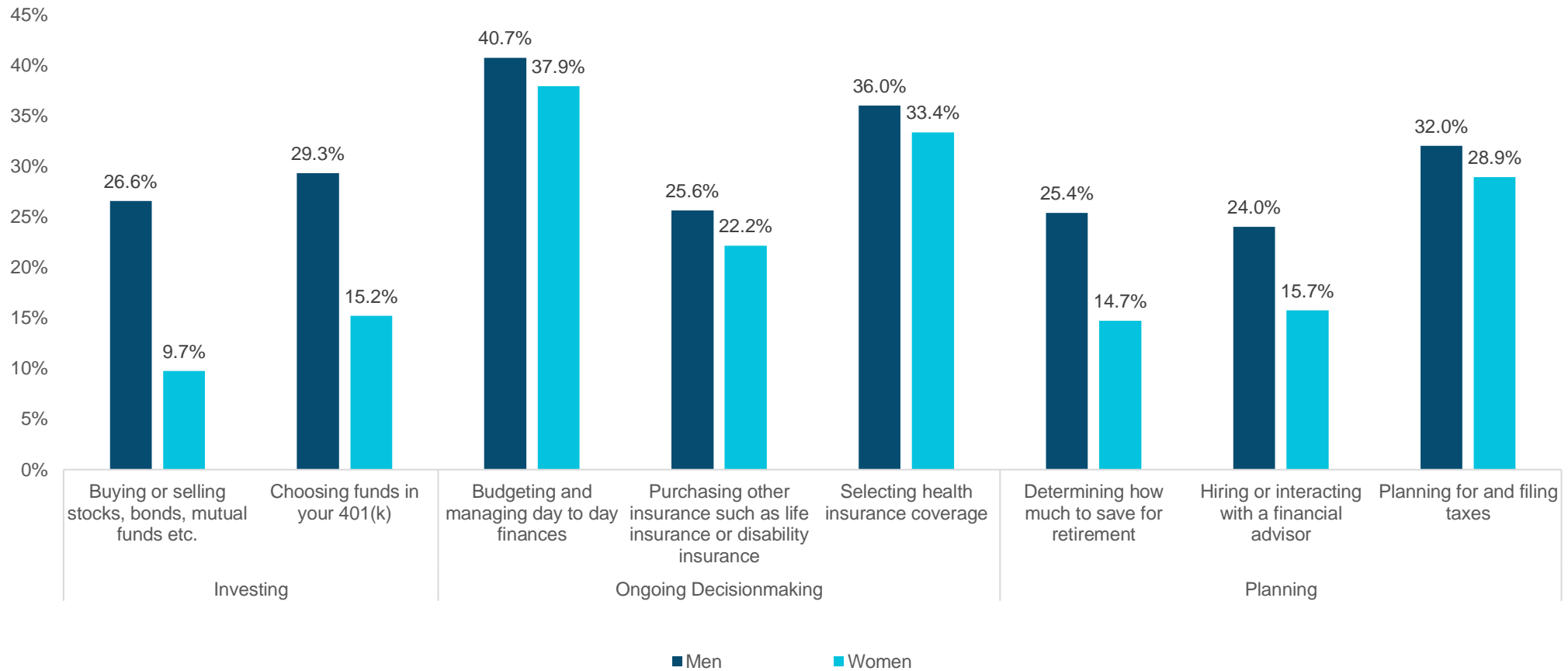
Source: T. Rowe Price Retirement Savings and Spending Study, 2023. See Additional Disclosures for more information.



Moving the Needle

Women are Less Comfortable Making Investment & Planning Decisions

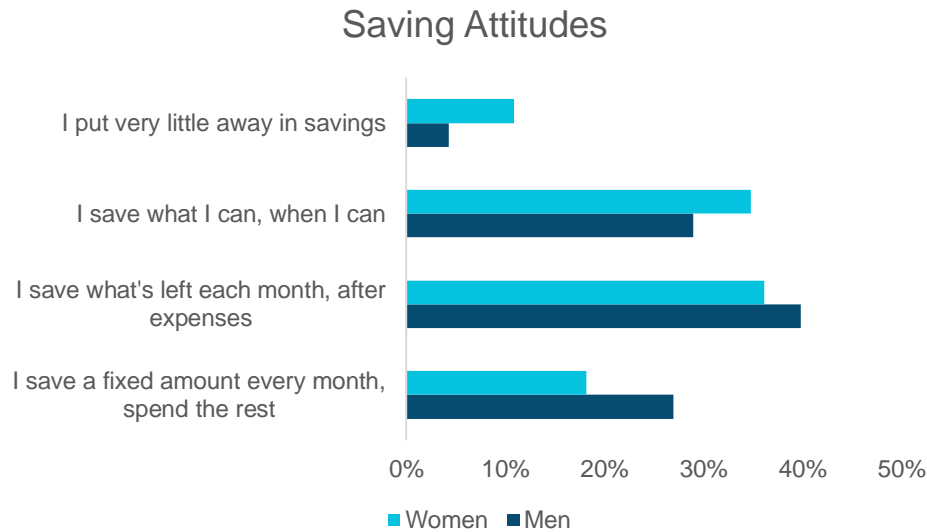
Share of participants who are “Very Comfortable” making different financial decisions



Source: T. Rowe Price Retirement Savings and Spending Study, 2022. See Additional Disclosures for more information.

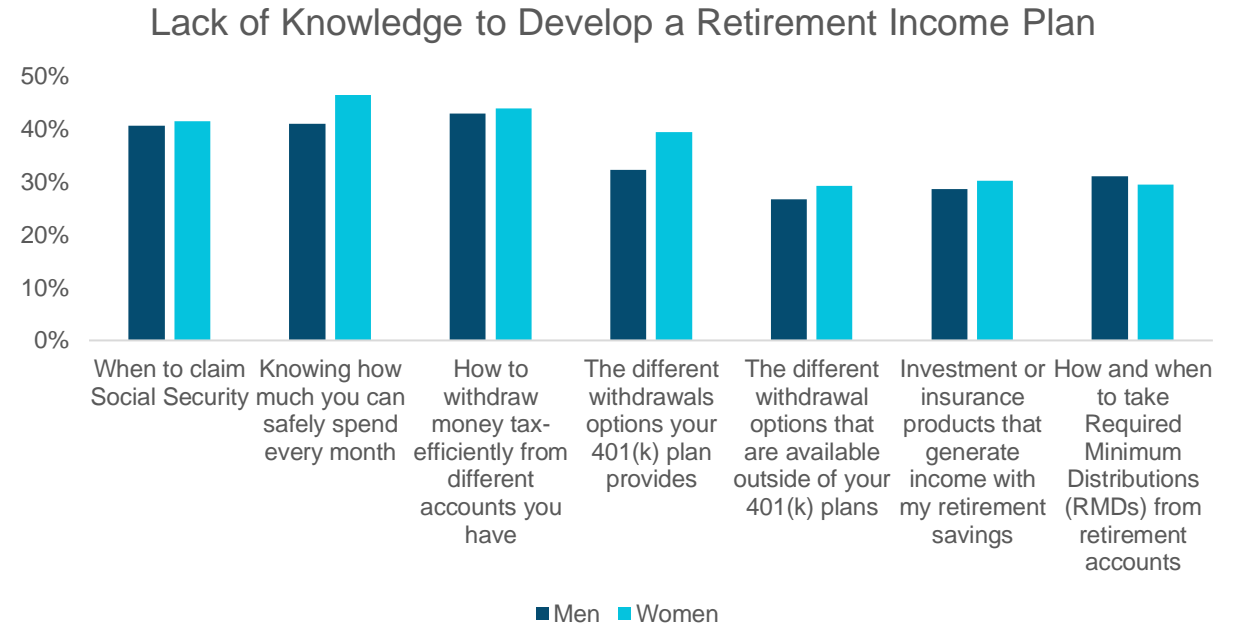
Financial Education & Coaching

Financial Coaching Might Benefit Younger Women



Participants below 50

Financial Education Can Instill Retirement Confidence Among Pre-retirees



Participants above 50

Source: T. Rowe Price Retirement Savings and Spending Study, 2023. Numbers represent percentage of survey respondents. See Additional Disclosures for more information.

Some Additional Thoughts

- Age-appropriate default contribution rates
- Financial wellness offerings (in-plan or out-of-plan) – debt management
- Collecting and sharing demographic data for plan participants
- Utilize business resource groups (BRG)



Thank You

Additional Disclosures

Retirement Savings and Spending Study (RSS)

The Retirement Savings and Spending Study is a nationally representative online survey of 401(k) plan participants and retirees. The survey has been fielded annually since 2014.

The 2022 survey was conducted between June 24 and July 22, 2022. It included 3,895 401(k) participants, full-time or part-time workers who never retired, currently age 18 or older, and either contributing to a 401(k) plan or eligible to contribute and have a balance of \$1,000+. The survey also included 1,136 retirees who have retired with a Rollover IRA or left-in-plan 401(k) balance.

The 2023 survey was conducted between July 24 and August 13, 2023. It included 3,041 401(k) participants, full-time or part-time workers who never retired, currently age 18 or older, and either contributing to a 401(k) plan or eligible to contribute and have a balance of \$1,000+. The survey also included 1,176 retirees who have retired with a Rollover IRA or left-in-plan 401(k) balance.

NMG Consulting conducts RSS on behalf of T. Rowe Price.

Note: Participants in the survey self-identified their gender. For the purposes of this research, we use the term woman to refer to an adult who lives and identifies as a female and the term man to refer to an adult who lives and identifies as a male.

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