



Gender-specific retirement education fills void, boosts workplace diversity

While the advent of the Affordable Care Act has placed a spotlight on preventive care and employer wellness programs, less attention is being paid to Americans' financial health, particularly that of women and their need to save for retirement.

Yet employers have a critical role to play in helping women save for retirement, and research suggests women are open to receiving information from their employers and more likely to take advantage of investment tools, programs and education when they're offered.

And as competition for talent intensifies, offering women targeted retirement plan communications and guidance can become an important way for employers to differentiate themselves and attract women who are looking for these benefits.

Because women have longer life expectancies than men — the OECD puts the average life expectancy for U.S. women at 81, while U.S. men have an average life expectancy of 76 — they generally spend more time in retirement. Moreover, despite great strides in gender pay equality, women continue to earn less than men. The Institute for Women's Policy Research reports that women earn 77% of men's median annual earnings for full-time, year-round work. And because women still play a primary caregiving role, many take time out of the workforce over the course of their careers, which means they have less opportunity to save within a 401(k) or other employer-sponsored retirement plan. Combine those responsibilities with the ongoing burden of repaying student loans, planning for their own children's education and, increasingly, taking care of elderly parents, and it's no wonder women's retirement account balances average about \$60,000, says Sue Fulshaw, managing director of retirement plan product management at TIAA-CREF. The average account balance of men, meanwhile, stands at about \$100,000.

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Just 9% of women under the age of 45 making less than \$50,000 a year are on track to reach their retirement goals, according to research from Financial Finesse, while 40% of men 55 and older and making more than \$100,000 are on track to reach their retirement goals. "That's still not a good stat, but the disparity is something that more and more employers are getting attuned to and worried about," says Liz Davidson, founder and CEO of Financial Finesse, a workplace financial education program provider.

Customized messaging

Female-only financial planning and investing workshops have filled a need for employees at Charles Schwab, a brokerage and investment services firm, since 2011.

"Many women run their household finances," says Cathy Campbell, managing director, diversity and inclusion at Charles Schwab & Co. The company offers the workshops through its employee resource group for women, Women's Interactive Network, which has 60 chapters and several hundred members across the country. Women are often more comfortable learning about investing in the company of other women, she says, citing the resource group's growth over the years as proof that women are receptive to receiving this type of education through their employers.

"Day to day, women juggle life and work and everything else. You're not going to carve out time in your schedule for something that's not going to be an immediate benefit to you or your family," she says.

And while it might seem natural for a financial services company to make financial education a priority for women, it's an area that can have a real impact at organizations across all sectors. If employers can "really figure out the health and financial well-being aspects of [their] female population — if they can make that a true differentiator — I think you'll see a lot of companies say, 'this is the logical next step in our gender strategy,'" says Pat Milligan, president of Mercer's North America region. Moreover, "I don't think it's actually that expensive" for employers to implement a customized communications strategy for women, she adds. "If the products and solutions are there, I think we're going to be seeing a lot more tailored retirement and investment education," she says.

And research suggests that customizing employer retirement solutions and health education programs to better meet the needs of women — hosting seminars just for women, for example, or providing retirement plan marketing materials that speak to women's life experiences rather than just the 401(k) plan's investments — can help organizations better attract, develop and retain female talent, in addition to helping better position themselves as cutting-edge employers of choice.

Also see: [Female-focused benefits education can transform women's health, retirement outcomes](#)

According to global research from Mercer, which surveyed 164 companies across a variety of industries in 28 countries, female-focused education and outreach — such as workshops and 401(k) plan marketing materials directed specifically at women — is still not a priority for most companies. Forty-eight percent of employers said they offer customized health education programs, while just 13% say they provide retirement solutions customized to women. Responding firms represent 1.7 million employees, including more than 680,000 women.

"Organizations are not doing a lot on this front. Mostly they are managing benefits in a consistent way across a population," says Brian Levine, innovation leader for Mercer's North America workforce strategy and analytics consulting business. Levine

maintains that companies that fail to address their female workers suffer a long-term risk to gender equity. Those that offer and heavily promote retirement programs and health education directed at women have a greater likelihood of having women represented in the upper ranks of management, the research finds.

Also see: [Women and retirement: Best practices for plan sponsors](#)

In terms of messaging that appeal to women, it's important for employers to provide outreach and educational programs that resonate and are meaningful to the individuals, says Lori Block, a principal in the communication and client technology engagement practice with Buck Consultants at Xerox. "Employers are starting to do a better job of this on the health side, but on the retirement side, they haven't made the same advances," she says, expressing frustration with messages that simply focus on the word 'retirement.'

"What does that mean to a 33-year-old woman who's raising children — her focus, if anything, is going to be on making sure she can pay for her child's education," says Block, adding 'retirement' is "not even a term that resonates with people."

Instead, she advises employers to focus on terms like 'financial wellness,' and messages about what it really means to be financially healthy in the short- and long-term.

Financial assessments

And, taking a page from the health and wellness side of employee benefits, Block suggests plan sponsors look at financial health risk assessments in the same way they look at physical health risk assessments. Not only can these tools give women and other employees insight into areas for savings improvement, they can also give employers aggregate data about retirement and savings issues in their population.

"With that data, an employer can really start to shape their overall financial wellness program," she says, adding that a plan sponsor can get basic analytics from their recordkeeper — demographic groups that are maximizing the 401(k) match, for example, or not contributing anything at all — but the recordkeeper numbers will only tell employers so much.

"Data from the recordkeeper won't tell you any of the 'why' behind that," she says. A financial health assessment could reveal, for example, that a high percentage of female employees in their 30s are still paying down student loan debt, which is negatively affecting their ability to save for retirement. Armed with this type of information, employers can better tailor their messaging, says Block.

Also see: [7 tips for women to take charge of their retirement](#)

Among Financial Finesse's employer-clients, female employees use the firm's services — which include access to certified financial planners — twice as much as male employees. Davidson believes that's because the programs are "wrapped around this concept of financial security, creating the life you want for yourself and your family and making sure you're solid financially, regardless of what happens economically." That type of messaging "really appeals to women," she says, while at the same time not alienating men.

Still, creating and maintaining a robust financial education program specifically for women is not the norm. "It's got to be a commitment on the part of the employer," says Davidson.

Extending 401(k) plan eligibility to part-time workers is another potential tool employers can use to help women boost their retirement savings, since women are more likely than men to work part-time. The majority of employers have a 401(k) or other retirement plan but only half offer it to part-time workers, according to a study from Transamerica Center for Retirement Studies.

"The overarching sentiment is that it's administratively burdensome and that there would be some costs associated with that," acknowledges Catherine Collinson, president, TCRS. "However, the industry has changed and evolved over the past 10 years so if they haven't recently had a discussion with their adviser about the possibility of extending coverage to part-time workers, it's a great thing to talk about. It might be easier and less expensive than they might think."

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