



NEWS RELEASE

T. ROWE PRICE: BABY BOOMER WOMEN SIGNIFICANTLY LAG BABY BOOMER MEN IN 401(K) SAVINGS

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NEWS

Baby boomer women have a median 401(k) savings balance of \$59,000, less than half of the \$138,000, median balance of baby boomer men, according to a recent T. Rowe Price [survey](#) focused on the financial behavior and attitudes related to gender. This savings gap carries over to [millennial women](#), who have a median 401(k) balance that is \$30,000 less than the median balance of millennial men.

The survey also found that, based on the median annual incomes of both men and women, women earn almost \$27,000 less than men--underscoring the gender pay gap. Additionally, they are deferring less of their income to their 401(k)s in comparison, and 66% of the women who are contributing below the recommended rate say that they are saving as much as they can afford. These women are also significantly less likely to be saving for retirement in accounts outside of their 401(k)s compared to men, with 10% saying they use other vehicles compared to the 32% of men.

Further, once in retirement, while a comparable amount of both men and women continue to work, women are most likely to say they continue to work because they need the money while men are most likely to say it's for mental stimulation.

"The gender income gap is contributing to a domino effect on women's finances; lower earnings can have an effect on their current financial decisions which ultimately impacts their financial future, including their retirement savings," said Judith Ward, senior financial planner at T. Rowe Price. "As women, it's critical for us to be proactive when it comes to our money and to seek the guidance and education that is necessary to put us on the path toward a successful financial future."

ADDITIONAL FINDINGS:

- **Retirement Expectations.** Women are more likely to believe they will have to reduce their standard of living in retirement (46%) compared to men (37%). Further, nearly half of men believe they will live as well or better in retirement compared to when they were working, compared to one-third of women who expressed that sentiment.
- **Life in Retirement.** Significantly more women are single or widowed once in retirement compared to men: Within the first five to 10 years of retirement, 33% of women respondents were either widowed or divorced compared to 17% of men, and after 11 years, the number of single or divorced women increased to 45%, while the number of men barely changed at 18%.
- **Financial Advice.** Both men and women cited ease of use as their most favored attribute for financial advice. However, women place more importance on advice that fits into their work or personal schedule, as opposed to men who place more importance on advice that alerts them to critical developments in their accounts.

"It is crucial for all retirement savers to make sound decisions that will set them up for success in retirement," said Kevin Collins, head of Retirement Plan Services at T. Rowe Price. "Plan sponsors can offer financial wellness programs that are engaging and instructive to help bridge the retirement savings gap."



ABOUT THE SURVEY

The findings are based on a national study of 3,005 adults age 21 and older who have never retired and are currently contributing to a 401(k) plan or are eligible to contribute and have an account balance of at least \$1,000, and of 1,005 current retirees who have a Rollover IRA or left-in-plan 401(k) balance. NMG Consulting conducted the online survey for T. Rowe Price from July 24, 2018 to Aug. 14, 2018. This is the fourth edition of the study, following the [2014](#), [2015](#), and [2017](#) installments. The first phase of the fourth installment focused on financial advice and can be found [here](#) and the second phase focused on retirees can be found [here](#).

ABOUT T. ROWE PRICE RETIREMENT PLAN SERVICES, INC.

T. Rowe Price Retirement Plan Services, Inc., has been a retirement solutions provider for more than 30 years and serves more than 2.1 million retirement plan participants in more than 4,600 plans, as of December 31, 2018.

ABOUT T. ROWE PRICE

Founded in 1937, Baltimore-based T. Rowe Price Group, Inc., is a global investment management organization with \$1.07 trillion in assets under management as of May 31, 2019. The organization provides a broad array of mutual funds, subadvisory services, and separate account management for individual and institutional investors, retirement plans, and financial intermediaries. The organization also offers a variety of sophisticated investment planning and guidance tools. T. Rowe Price's disciplined, risk-aware investment approach focuses on diversification, style consistency, and fundamental research. For more information, visit troweprice.com, [Twitter](#), [YouTube](#), [LinkedIn](#), [Instagram](#), or [Facebook](#).

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