Executive Summary

This year in the annual Gender Gap in Financial Wellness Report, we introduce an example of the practical implications of the gender gap for the retirement shortfall of the median 45-year-old employee. We found a 26% gap in the shortfall between the median 45-year-old man and the median 45-year-old woman’s needed retirement savings to replace 70% of their income in retirement plus projected healthcare costs. While both the median man and woman face a significant shortfall, the median woman has a lower lifetime income, has saved less, and yet faces higher overall retirement and healthcare costs due to a longer life expectancy. To illustrate the extent of the additional challenges female retirement savers face, we also calculated the gender gap in the retirement shortfall for the median 45-year-old man and woman based on similar projected retirement expenditures at age 65. Under this scenario, the gender gap in retirement shortfall grows to 95%.

The Gender Gap in Financial Wellness is still quite wide, particularly in areas of investing and money management, and presents special challenges for women who will generally need to save more than men to fund retirement. However, we see encouraging signs that the gap is narrowing due to women employees taking steps to improve their financial wellness, particularly in risk management, estate planning, and retirement plan participation. Corporate employers are uniquely suited to address this gap, as our data shows that working women are more likely than men to take advantage of financial education and coaching provided by their employers.

<table>
<thead>
<tr>
<th>Where Gender Gap is the Largest</th>
<th>Where Gender Gap is the Smallest</th>
<th>Where There is Virtually No Gender Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investing and Money Management</td>
<td>Insurance and College Planning</td>
<td>Estate Planning and Retirement Plan Participation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Gap (in % points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General investment knowledge</td>
<td>17 pts.</td>
</tr>
<tr>
<td>Confidence in asset allocation</td>
<td>14 pts.</td>
</tr>
<tr>
<td>Have an emergency fund</td>
<td>15 pts.</td>
</tr>
<tr>
<td>Pay credit cards off in full</td>
<td>17 pts.</td>
</tr>
</tbody>
</table>
Closing the Confidence Gap

The largest gap between men and women that remains is in investing and money management. We could also call this a "confidence gap," as it’s where men show much more confidence in their financial decision-making than women. The confidence gap has narrowed since 2012, but it’s still wide.

Closing the confidence gap is a key to reducing the Gender Gap in Financial Wellness. Women are more likely to feel more confident about their financial decisions when they have done their homework and understand complex terms and choices. Workplace financial education efforts should emphasize hands-on learning that helps change financial behavior and increases financial confidence in order to achieve real world results.

Key Trends

- Women are becoming more proactive and are slowly becoming better prepared for retirement, but they face even higher hurdles than men due to longer life expectancies, higher lifetime healthcare costs, lower median savings, and lower median income.
- Increased knowledge, confidence, and investing behavior have helped women narrow the investment gap.
- The Gender Gap in Financial Wellness narrows with age.
- The Gender Gap in Financial Wellness is smallest where it comes to issues related to taking care of kids and family: protecting the family through insurance and estate planning, and preparing for college expenses.
Progress is Reducing the Gap

Women employees are becoming more financially confident and making strides in key financial areas, which is narrowing the Gender Gap in Financial Wellness. Since 2012, women have moved forward where men are either holding constant or taking small steps backward.

The improvements in financial wellness for women are particularly encouraging since they have become more involved in making financial decisions for themselves and their family, either on their own or with a spouse. According to Prudential’s Financial Experience & Behaviors Among Women study, 44% of women are the primary breadwinners in their household and are more likely to handle everyday financial activities related to paying bills and basic money management.

Women are helping themselves by taking advantage of employer provided financial education. In 2014, two-thirds of employees that completed a financial wellness assessment were women, compared to just over one-half three years earlier.

Part of the decline in financial wellness for men may be related to overconfidence. Research suggests that men tend to display higher levels of investment confidence than women. Case in point, this year’s report shows that men were more likely than women to express confidence that their investments are allocated properly (48% vs. 34%). This may put men at risk because high confidence paired with low financial knowledge can lead to negative financial behaviors.
What are the practical implications of the Gender Gap in Financial Wellness? One way to quantify the impact of the Gender Gap in Financial Wellness is by looking at an example of how much the median American working man and the median American working woman at age 45 have saved for retirement compared to what they are going to need.

### Gender Gap in Retirement Preparedness

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Income</strong></td>
<td>$45,292</td>
<td>$37,388</td>
</tr>
<tr>
<td><strong>Average Deferral Rate</strong></td>
<td>6.8%</td>
<td>7.0%</td>
</tr>
<tr>
<td><strong>Retirement Savings</strong></td>
<td>$63,875</td>
<td>$43,446</td>
</tr>
<tr>
<td><strong>Retirement Life Expectancy</strong></td>
<td>19.3 years</td>
<td>21.6 years</td>
</tr>
<tr>
<td><strong>Projected Income Needs</strong></td>
<td>$57,264</td>
<td>$47,268</td>
</tr>
<tr>
<td><strong>Health Care Costs</strong></td>
<td>$275,035</td>
<td>$294,975</td>
</tr>
</tbody>
</table>

**Additional Savings Needed at Retirement for a 45-Year Old Retiring @ 65**

- Men: $212,256
- Women: $268,404

**26% savings gap**
2015 Gender Gap in Financial Wellness

Differences in Financial Priorities

While retirement planning leads as the top priority for both genders, data shows that women are more likely to rate stress issues like managing cash flow and getting out of debt as their other top priorities. That’s no surprise, as recent research released earlier this year showed that 55% of working mothers with low to moderate incomes reported “high” to “overwhelming” amounts of financial stress.

**Priorities:**

- Retirement planning was the most often selected topic as a top priority for both genders. This is a positive sign since the vast majority of employees are under-prepared for retirement.
- Women continue to rate managing their cash flow and getting out of debt as the second and third most selected top priorities in their financial lives.
- Men continue to choose investing as the second most selected top priority, followed by managing cash flow.

The Gender Gap among Older Employees

The gender gap in retirement preparedness was seen across all age groups with the widest differences found among those ages 55 to 64. According to a recent Blackrock survey, women between the ages of 55 and 64 have accumulated a median balance of just $81,300 in retirement savings compared to $118,400 for meniii. As we can see with our example of the median age 45 working American, this is particularly concerning for women since they tend to outlive men and are more likely to need a larger nest egg for retirement.
Women have a higher risk of outliving their money due to longer life expectancies, greater healthcare costs, lower lifetime earnings, and smaller retirement plan balances compared to men. In general, women express lower levels of confidence in their financial decision-making.

Women continue to demonstrate they are good retirement savers. Retirement plan participation is one area where there is no apparent gender gap, but parity with participation rates does not change the observation that women have lower levels of retirement preparedness compared to men. On the upside, Vanguard reports that women save more than men as a percentage of salary (7.0% vs. 6.8%)iv. However, our study found that fewer women report taking advantage of their company’s retirement plan match, and a greater percentage report having taken a retirement plan loan, which means they are not getting the most out of this important employee benefit.

Women are better long-term investors. A Fidelity study found that women and men have earned nearly identical investment returns even though women have taken slightly less risk to achieve these returnsv. The 10-year median annual rate of return for women was 7.3% vs. 7.4% for men. One potential explanation for women’s investment performance is that they tend to use target date funds for 100% of their portfolio more often than men (34% vs. 28%). While investing too conservatively is a potential concern for some women, the tendency to take a more disciplined approach to retirement savings may lead to more balanced investment returns, and this can help during periods of market volatility.
The Gender Gap in Financial Wellness

Why does it matter?

Women have traditionally been viewed as lagging men across many areas of financial wellness, while the gap has closed some recently, there is still room for improvement. Here are a few reasons why it matters:

Life Expectancy
Women have higher average life expectancy than men which requires greater financial resources.

86.6 years
The average life expectancy for a woman turning 65 today.

Men turning 65 today have a life expectancy of 84.3 years.
Source: Social Security Administration

Income Inequality
Among full-time workers, women earn about 78 cents to a man's dollar.

Income inequality exists in part because women are more likely to have absences from the workforce related to caring for children or parents.

Women are Increasingly Involved in Making Financial Decisions

41% of women say they make all of the financial decisions for their household alone.
Source: Ameriprise Financial, Women and Financial Power study, June 2014

27% of married women now assume control of household financial planning activities (compared to 14% in 2006)
Source: Prudential (2014) Financial Experience and Behaviors Among Women

Women tend to have higher lifetime healthcare expenses

According to Vanguard, the median retirement plan balance for women is ONE-THIRD less than men's.

Average lifetime healthcare expenses for women at age 65
$294,975

Men are expected to need approximately $275k at 65.
Source: HealthView Services, 2015 Retirement Health Care Costs Data Report

$24,446
According to Vanguard, the median retirement plan balance for women is ONE-THIRD less than men's.

$36,875
Source: Vanguard How America Saves 2015 report
**Ways to Close the Gap**

**Closing the confidence gap is a key to reducing the Gender Gap in Financial Wellness.** Research out of the University of Nebraska-Lincoln found that improvements in perceived and actual financial literacy resulted in improvements in financial behaviorsvi. According to the research, when compared to survey respondents with low perceived and actual financial literacy, those with high perceived and actual financial literacy are:

- 17 percentage points more likely to have set up a personal retirement account (e.g., IRA)
- 21 percentage points more likely to have financial investments in stocks, bonds, mutual funds, or other securities
- 27 percentage points more likely to change or rebalance the investments in their retirement account(s) at least once a year or once every few years
- 13 percentage points more likely to seek financial advice about savings and investments

This suggests that financial education efforts should seek to improve financial knowledge and confidence in order to promote positive financial behavior. Employers who offer workplace financial wellness programs are in a unique position to help women employees gain the practical skills needed to improve financial confidence.

**Provide targeted educational offerings that proactively reach out to women in various life stages on topics that match their interests and goals.** The financial wellness gap is largest for ages under 45. Employers should provide financial education for women in this age demographic that is collaborative and actionable. Topics should include areas that women have prioritized such as cash and debt management. As more women master these skills, more money can be put aside for long-term goals like retirement. This will reduce financial stress and greatly improve financial wellness.

**Leverage retirement plan design features, but don’t rely on them solely.** Towers Watson found that 68% of surveyed companies offer automatic enrollment to all or newly hired workers, but both Aon Hewitt and Vanguard report lower deferral rates for employees that are automatically enrolled compared to employees that enroll voluntarilyvii. To encourage saving more for retirement, employers should add automatic contribution escalation to their plan design and couple it with basic money management education to help reduce opt-out rates.

**Offer unbiased guidance that is easy to understand.** According to Prudential’s 2014-2015 Research Study on Financial Experience & Behaviors among Women:

- 36% of women say they are not prepared to make wise financial decisions because they are not sure what to consider when evaluating their options.
- 28% of women say they rely on their employer for information about financial and retirement products and services.
- Only one in five women believes the financial services industry truly understands their needs, preferring less jargon and a greater sense that someone is looking out for their best interests.
Impact of Age and Income on the Gender Gap

Average Gap in Financial Wellness between Women and Men by Age

Average Gap in Financial Wellness between Women and Men by Income

1 All figures are rounded to the nearest whole percentage.
Responses to Online Financial Planning Questionnaire

2014 Breakdown by Gender

The charts below show how men and women responded to financial planning questions on a personal financial wellness assessment. The questions are grouped into 7 key financial planning topics, which are labeled 1-7 and are represented in descending order from the topic with the largest gender gap to the one with the smallest.

1. INVESTING

I have general investment knowledge regarding stocks, bonds, and mutual funds.

- Women: 67%
- Men: 84%

I feel confident that my investments are allocated appropriately between stocks, bonds, and cash.

- Women: 34%
- Men: 48%

I have taken a risk tolerance assessment and am aware of my conservative, moderate, or aggressive investment strategy.

- Women: 40%
- Men: 55%

I rebalance my accounts to keep my asset allocation plans on track.

- Women: 28%
- Men: 43%

I have reviewed my combined assets and developed a master asset allocation plan.

- Women: 19%
- Men: 33%

I have done a fee analysis of my portfolio.

- Women: 15%
- Men: 21%

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2 Users who assessed their own financial situation: January 1, 2014 through December 31, 2014. All figures are rounded to the nearest whole percentage.
2. MONEY MANAGEMENT

I have a handle on my cash flow so I spend less than I make each month.

- **Women:** 66%
- **Men:** 80%

I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job.

- **Women:** 48%
- **Men:** 63%

I pay my bills on time each month.

- **Women:** 86%
- **Men:** 94%

I am comfortable with the amount of non-mortgage debt I have.

- **Women:** 54%
- **Men:** 70%

I regularly pay off my credit card balances in full.

- **Women:** 50%
- **Men:** 67%

I check my credit report on an annual basis.

- **Women:** 56%
- **Men:** 57%
3. TAX PLANNING

I know my marginal tax bracket.

- **Women:** 14%
- **Men:** 21%

I adjust my withholding each year so I neither owe nor receive a large refund.

- **Women:** 40%
- **Men:** 45%

I understand the tax implications of my investment and retirement accounts.

- **Women:** 37%
- **Men:** 51%

To my knowledge, I maximize all available federal tax credits and deductions to reduce my tax liability.

- **Women:** 45%
- **Men:** 48%
4. INSURANCE

I review my insurance coverage on an annual basis and I am confident that I am adequately covered by my health insurance and auto/homeowner's policies.

79% 78%

I carry enough life insurance to replace my income, pay for college expenses, and create an emergency fund for my beneficiaries.

42% 48%

I have long-term disability insurance in place to replace my salary in case I am ill or have an accident and am unable to work at my current job.

53% 57%

I have an umbrella liability insurance policy to protect my assets from lawsuits.

20% 32%

I have long-term care insurance in place to protect against the costs of a nursing home stay.

13% 14%
5. COLLEGE PLANNING

I know how much I need to save for college costs and am on track to meet that need.

- Women: 19%
- Men: 24%

I currently contribute to a 529 College Savings Plan, a Coverdell Savings Account, or other tax-advantaged account to save for college expenses.

- Women: 18%
- Men: 26%

I understand the financial aid options that may be available, including grants, scholarships, student loans, etc.

- Women: 67%
- Men: 57%
6. RETIREMENT PLANNING

I participate in my company's retirement plan.

89% (Women)  
89% (Men)

I capture the company matching funds in my 401(k), 457 or 403(b) plan by saving up to the matching percentage.

80% (Women)  
86% (Men)

I contribute to a traditional or Roth IRA.

26% (Women)  
26% (Men)

I know I am on target to replace 80% of my income or my goal in retirement.

17% (Women)  
24% (Men)

7. ESTATE PLANNING

I have made sure beneficiary designations on my insurance and retirement plans are up to date.

84% (Women)  
80% (Men)

I have written up legal documents such as a will or trust and made decisions about who should receive my assets and who should raise my children.

25% (Women)  
29% (Men)

I have met with an estate planning attorney or financial planner to create an estate plan.

3% (Women)  
3% (Men)
2015 Gender Gap in Financial Wellness

Breakdown by Demographic

Gaps between Women and Men: Under Age 30

<table>
<thead>
<tr>
<th>Statement</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a handle on my cash flow so I spend less than I make each month.</td>
<td>66%</td>
<td>84%</td>
</tr>
<tr>
<td>I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job.</td>
<td>42%</td>
<td>57%</td>
</tr>
<tr>
<td>I pay my bills on time each month.</td>
<td>88%</td>
<td>94%</td>
</tr>
<tr>
<td>I am comfortable with the amount of (non-mortgage) debt I have.</td>
<td>51%</td>
<td>69%</td>
</tr>
<tr>
<td>I regularly pay off my credit card balances in full.</td>
<td>52%</td>
<td>66%</td>
</tr>
<tr>
<td>I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan.</td>
<td>84%</td>
<td>83%</td>
</tr>
<tr>
<td>I know I am on target to replace at least 80% of my income in retirement.</td>
<td>15%</td>
<td>21%</td>
</tr>
<tr>
<td>I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon.</td>
<td>23%</td>
<td>46%</td>
</tr>
<tr>
<td>I have at least a general knowledge in investing and I am comfortable with the basics.</td>
<td>58%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Legend

Women: Green
Men: Blue

3 All figures are rounded to the nearest whole percentage.
Gaps between Women and Men: Age 30-44

I have a handle on my cash flow so I spend less than I make each month.  

- Women: 60%  
- Men: 77%

I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job.  

- Women: 41%  
- Men: 58%

I pay my bills on time each month.  

- Women: 81%  
- Men: 93%

I am comfortable with the amount of (non-mortgage) debt I have.  

- Women: 47%  
- Men: 66%

I regularly pay off my credit card balances in full.  

- Women: 43%  
- Men: 64%

I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan.  

- Women: 88%  
- Men: 88%

I know I am on target to replace at least 80% of my income in retirement.  

- Women: 15%  
- Men: 22%

I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon.  

- Women: 28%  
- Men: 44%

I have at least a general knowledge in investing and I am comfortable with the basics.  

- Women: 60%  
- Men: 80%

Legend

Women
Men
Gaps between Women and Men: Age 45-54

- I have a handle on my cash flow so I spend less than I make each month. (67% Women, 78% Men)
- I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job. (51% Women, 65% Men)
- I pay my bills on time each month. (87% Women, 94% Men)
- I am comfortable with the amount of (non-mortgage) debt I have. (58% Women, 72% Men)
- I regularly pay off my credit card balances in full. (52% Women, 69% Men)
- I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan. (92% Women, 92% Men)
- I know I am on target to replace at least 80% of my income in retirement. (17% Women, 23% Men)
- I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon. (37% Women, 48% Men)
- I have at least a general knowledge in investing and I am comfortable with the basics. (72% Women, 89% Men)

Legend
Women
Men
## Gaps between Women and Men: Age 55-64

<table>
<thead>
<tr>
<th>Statement</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a handle on my cash flow so I spend less than I make each month.</td>
<td>79%</td>
<td>85%</td>
</tr>
<tr>
<td>I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job.</td>
<td>67%</td>
<td>78%</td>
</tr>
<tr>
<td>I pay my bills on time each month.</td>
<td>94%</td>
<td>96%</td>
</tr>
<tr>
<td>I am comfortable with the amount of (non-mortgage) debt I have.</td>
<td>69%</td>
<td>80%</td>
</tr>
<tr>
<td>I regularly pay off my credit card balances in full.</td>
<td>62%</td>
<td>73%</td>
</tr>
<tr>
<td>I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan.</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>I know I am on target to replace at least 80% of my income in retirement.</td>
<td>26%</td>
<td>35%</td>
</tr>
<tr>
<td>I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon.</td>
<td>46%</td>
<td>57%</td>
</tr>
<tr>
<td>I have at least a general knowledge in investing and I am comfortable with the basics.</td>
<td>79%</td>
<td>90%</td>
</tr>
</tbody>
</table>

**Legend**

- **Women**
- **Men**
### Gaps between Women and Men: Age 65+

<table>
<thead>
<tr>
<th></th>
<th>I have a handle on my cash flow so I spend less than I make each month.</th>
<th>I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job.</th>
<th>I pay my bills on time each month.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>73%</td>
<td>73%</td>
<td>98%</td>
</tr>
<tr>
<td></td>
<td>90%</td>
<td>82%</td>
<td>98%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>I am comfortable with the amount of (non-mortgage) debt I have.</th>
<th>I regularly pay off my credit card balances in full.</th>
<th>I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>67%</td>
<td>60%</td>
<td>89%</td>
</tr>
<tr>
<td></td>
<td>80%</td>
<td>73%</td>
<td>85%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>I know I am on target to replace at least 80% of my income in retirement.</th>
<th>I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon.</th>
<th>I have at least a general knowledge in investing and I am comfortable with the basics.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24%</td>
<td>57%</td>
<td>81%</td>
</tr>
<tr>
<td></td>
<td>41%</td>
<td>55%</td>
<td>86%</td>
</tr>
</tbody>
</table>

**Legend**

- **Women**
- **Men**
### Gaps between Women and Men: Income $20,000-$34,999

<table>
<thead>
<tr>
<th>Statement</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a handle on my cash flow so I spend less than I make each month.</td>
<td>43%</td>
<td>63%</td>
</tr>
<tr>
<td>I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job.</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>I pay my bills on time each month.</td>
<td>66%</td>
<td>79%</td>
</tr>
<tr>
<td>I am comfortable with the amount of (non-mortgage) debt I have.</td>
<td>36%</td>
<td>52%</td>
</tr>
<tr>
<td>I regularly pay off my credit card balances in full.</td>
<td>31%</td>
<td>40%</td>
</tr>
<tr>
<td>I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan.</td>
<td>78%</td>
<td>74%</td>
</tr>
<tr>
<td>I know I am on target to replace at least 80% of my income in retirement.</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon.</td>
<td>20%</td>
<td>23%</td>
</tr>
<tr>
<td>I have at least a general knowledge in investing and I am comfortable with the basics.</td>
<td>43%</td>
<td>52%</td>
</tr>
</tbody>
</table>

**Legend**
- **Women**
- **Men**
## 2015 Gender Gap in Financial Wellness

### Gaps between Women and Men: Income $35,000-$59,999

<table>
<thead>
<tr>
<th>Statement</th>
<th>Women (%)</th>
<th>Men (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a handle on my cash flow so I spend less than I make each month.</td>
<td>57%</td>
<td>71%</td>
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<tr>
<td>I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job.</td>
<td>34%</td>
<td>44%</td>
</tr>
<tr>
<td>I pay my bills on time each month.</td>
<td>79%</td>
<td>86%</td>
</tr>
<tr>
<td>I am comfortable with the amount of (non-mortgage) debt I have.</td>
<td>43%</td>
<td>56%</td>
</tr>
<tr>
<td>I regularly pay off my credit card balances in full.</td>
<td>38%</td>
<td>50%</td>
</tr>
<tr>
<td>I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan.</td>
<td>87%</td>
<td>82%</td>
</tr>
<tr>
<td>I know I am on target to replace at least 80% of my income in retirement.</td>
<td>13%</td>
<td>15%</td>
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<tr>
<td>I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon.</td>
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<td>38%</td>
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<tr>
<td>I have at least a general knowledge in investing and I am comfortable with the basics.</td>
<td>58%</td>
<td>71%</td>
</tr>
</tbody>
</table>

### Legend

- **Women**
- **Men**
# 2015 Gender Gap in Financial Wellness

## Gaps between Women and Men: Income $60,000-$74,999

<table>
<thead>
<tr>
<th>Statement</th>
<th>Women (%)</th>
<th>Men (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a handle on my cash flow so I spend less than I make each month.</td>
<td>64%</td>
<td>75%</td>
</tr>
<tr>
<td>I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job.</td>
<td>46%</td>
<td>54%</td>
</tr>
<tr>
<td>I pay my bills on time each month.</td>
<td>85%</td>
<td>91%</td>
</tr>
<tr>
<td>I am comfortable with the amount of (non-mortgage) debt I have.</td>
<td>53%</td>
<td>63%</td>
</tr>
<tr>
<td>I regularly pay off my credit card balances in full.</td>
<td>50%</td>
<td>57%</td>
</tr>
<tr>
<td>I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan.</td>
<td>92%</td>
<td>85%</td>
</tr>
<tr>
<td>I know I am on target to replace at least 80% of my income in retirement.</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon.</td>
<td>32%</td>
<td>42%</td>
</tr>
<tr>
<td>I have at least a general knowledge in investing and I am comfortable with the basics.</td>
<td>64%</td>
<td>78%</td>
</tr>
</tbody>
</table>

**Legend**
- **Women**
- **Men**
### Gaps between Women and Men: Income $75,000-$99,999

<table>
<thead>
<tr>
<th>Statement</th>
<th>Women (%)</th>
<th>Men (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a handle on my cash flow so I spend less than I make each month.</td>
<td>68%</td>
<td>78%</td>
</tr>
<tr>
<td>I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job.</td>
<td>48%</td>
<td>57%</td>
</tr>
<tr>
<td>I pay my bills on time each month.</td>
<td>90%</td>
<td>95%</td>
</tr>
<tr>
<td>I am comfortable with the amount of (non-mortgage) debt I have.</td>
<td>53%</td>
<td>67%</td>
</tr>
<tr>
<td>I regularly pay off my credit card balances in full.</td>
<td>46%</td>
<td>63%</td>
</tr>
<tr>
<td>I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan.</td>
<td>91%</td>
<td>88%</td>
</tr>
<tr>
<td>I know I am on target to replace at least 80% of my income in retirement.</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td>I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon.</td>
<td>34%</td>
<td>45%</td>
</tr>
<tr>
<td>I have at least a general knowledge in investing and I am comfortable with the basics.</td>
<td>67%</td>
<td>81%</td>
</tr>
</tbody>
</table>

**Legend**

- Women
- Men
## Gaps between Women and Men: Income $100,000-$149,999

<table>
<thead>
<tr>
<th>Habit</th>
<th>Women (%)</th>
<th>Men (%)</th>
<th>Women (%)</th>
<th>Men (%)</th>
<th>Women (%)</th>
<th>Men (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a handle on my cash flow so I spend less than I make each month</td>
<td>74%</td>
<td>81%</td>
<td>60%</td>
<td>68%</td>
<td>93%</td>
<td>97%</td>
</tr>
<tr>
<td>I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job</td>
<td>63%</td>
<td>72%</td>
<td>56%</td>
<td>70%</td>
<td>92%</td>
<td>94%</td>
</tr>
<tr>
<td>I know I am on target to replace at least 80% of my income in retirement</td>
<td>21%</td>
<td>25%</td>
<td>38%</td>
<td>49%</td>
<td>75%</td>
<td>88%</td>
</tr>
<tr>
<td>I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon</td>
<td>6%</td>
<td>64%</td>
<td>60%</td>
<td>60%</td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td>I regularly pay off my credit card balances in full</td>
<td>36%</td>
<td>37%</td>
<td>60%</td>
<td>62%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan</td>
<td>63%</td>
<td>70%</td>
<td>65%</td>
<td>70%</td>
<td>92%</td>
<td>94%</td>
</tr>
<tr>
<td>I pay my bills on time each month</td>
<td>72%</td>
<td>70%</td>
<td>94%</td>
<td>94%</td>
<td>92%</td>
<td>94%</td>
</tr>
</tbody>
</table>

**Legend**

- Women
- Men
### Gaps between Women and Men: Income $150,000-$199,999

<table>
<thead>
<tr>
<th>Statement</th>
<th>Women (%)</th>
<th>Men (%)</th>
<th>Legend</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have a handle on my cash flow so I spend less than I make each month.</td>
<td>82%</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job.</td>
<td>71%</td>
<td>81%</td>
<td></td>
</tr>
<tr>
<td>I pay my bills on time each month.</td>
<td>80%</td>
<td>99%</td>
<td></td>
</tr>
<tr>
<td>I am comfortable with the amount of (non-mortgage) debt I have.</td>
<td>71%</td>
<td>82%</td>
<td></td>
</tr>
<tr>
<td>I regularly pay off my credit card balances in full.</td>
<td>67%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan.</td>
<td>96%</td>
<td>95%</td>
<td></td>
</tr>
<tr>
<td>I know I am on target to replace at least 80% of my income in retirement.</td>
<td>27%</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td>I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon.</td>
<td>43%</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>I have at least a general knowledge in investing and I am comfortable with the basics.</td>
<td>79%</td>
<td>93%</td>
<td></td>
</tr>
</tbody>
</table>

**Legend**
- Green bar: Women
- Blue bar: Men
Gaps between Women and Men: Income over $200,000

- I have a handle on my cash flow so I spend less than I make each month.
  - Women: 89%
  - Men: 89%

- I have an emergency fund to cover unexpected expenses or to pay bills for a few months if I lose my job.
  - Women: 83%
  - Men: 88%

- I pay my bills on time each month.
  - Women: 98%
  - Men: 99%

- I am comfortable with the amount of (non-mortgage) debt I have.
  - Women: 82%
  - Men: 88%

- I regularly pay off my credit card balances in full.
  - Women: 77%
  - Men: 85%

- I contribute to my retirement plan at work such as a 401(k), 457 or 403(b) plan.
  - Women: 97%
  - Men: 93%

- I know I am on target to replace at least 80% of my income in retirement.
  - Women: 32%
  - Men: 36%

- I feel confident that my investments are allocated appropriately based on my risk tolerance and time horizon.
  - Women: 47%
  - Men: 58%

- I have at least a general knowledge in investing and I am comfortable with the basics.
  - Women: 87%
  - Men: 94%

Legend
- Women
- Men
About this Research

All of Financial Finesse’s research is primary—based on tracking employees’ most pressing financial concerns through their usage of our financial education services.

Trend analysis research is compiled by tracking questions received by planners through Financial Finesse’s Financial Helpline and Ask-a-Planner services. Financial Wellness data is compiled by tracking employees’ usage of Financial Finesse’s Online Financial Wellness Assessment and Learning Center, which provides employees with a personalized financial education plan and analysis of their current financial wellness. Employers and employees are located across the country—in similar proportion to the demographics of the national population.

About the Financial Wellness Score

The Financial Wellness Score is measured on a scale of 0 to 10, with 0 indicating minimal financial wellness and 10 indicating optimal financial wellness. Scores are adjusted to consider age and income and determine how well employees are managing their finances based on these factors and the needs associated with different life stages and income levels. Employees who achieve a Financial Wellness Score within a specified range exhibit financial behavior as outlined in the following chart:

<table>
<thead>
<tr>
<th>Wellness Score</th>
<th>Financial Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.0 or above</td>
<td>Employees have excellent financial skills and habits, and have achieved an optimal level of financial wellness. They are on track to meet their goals and fully prepared to weather unexpected challenges that arise.</td>
</tr>
<tr>
<td>7.0 to 8.9</td>
<td>Employees have good financial skills and habits, and are in a fairly good position to reach their goals, but there are additional actions they need to take to fully prepare for their goals and protect themselves from challenges that may arise.</td>
</tr>
<tr>
<td>5.0 to 6.9</td>
<td>Employees are demonstrating some personal financial skills, but have significant gaps in their overall financial planning and behaviors, and really need education and guidance to make decisions and develop financial habits that will allow them to achieve their goals.</td>
</tr>
<tr>
<td>3.0 to 4.9</td>
<td>Employees may be sabotaging their own goals through poor personal financial skills and are in need of more basic information.</td>
</tr>
<tr>
<td>Below 3.0</td>
<td>Employees are in dire need of guidance around basic personal financial skills to help keep them from experiencing serious financial consequences.</td>
</tr>
</tbody>
</table>
About the Financial Wellness Assessment

The Financial Wellness Assessment is a proprietary tool designed and developed by our Think Tank of CERTIFIED FINANCIAL PLANNER™ professionals used to measure employees’ financial wellness. To get a realistic assessment of wellness in each category, planners determined the most important criteria for achieving financial success in that specific category. By asking key questions that determine employees’ progress on these different actions, we are able to approximate their financial wellness in those areas.

About Financial Finesse

Financial Finesse is an unbiased financial education company providing personalized and innovative financial education and counseling programs to over 2,400,000 employees at over 600 organizations. Financial Finesse partners with organizations to reach goals such as reducing fiduciary liability, increasing plan participation, decreasing stress, and increasing productivity through its unique approach to financial education. Financial Finesse does not sell products nor manage assets. For more information, visit www.financialfinesse.com.

Contributors

Scott Spann, PhD, CFP®, Lead Researcher for Gender Issues

Gregory A. Ward, CFP®, Think Tank Director

Cynthia Meyer, CFA, CFP®, ChFC®, Resident Financial Planner

Liz Davidson, CEO, Financial Finesse, Inc.
End Notes

i http://www.prudential.com/media/managed/wm/media/Pru_Women_Study_2014.pdf

ii The Gender Gap in Retirement Preparedness is an illustration of the potential retirement savings shortfall of a typical man and woman. It has been calculated using generally accepted principles of financial planning. Certain assumptions were used, including a 3% rate of inflation, a pre- and post-retirement rate of return of 6.5% and 4.5%, respectively, and an income replacement ratio of 70%. The most current studies and reports available were used to prepare the analysis. The following is a list of source material:

1. “Social Security Is Important to Women,” published in June 2015 by the Social Security Administration
5. “IRA Balances and Contributions: An Overview of the EBRI IRA Database™,” published in September 2010 by the Employee Benefit Research Institute (EBRI)
6. “Benchmark Your 401k Plan – 2015,” published by 401khelpcenter.com based on information gathered from multiple sources


