

## A Different Path for Women

By Tammy Flanagan

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Last week I attended a lecture that gave me newfound appreciation for the women who have paved the way for those in the workforce today, and made me think about the special needs of women in planning for retirement. The lecture was held at the site of the former District of Columbia's Correctional Complex in Lorton, Va. After closing its doors to prisoners in 2002, this facility has been transformed by the Lorton Arts Foundation into an arts and education center. The lecture was the first in a series called "American Women: The Long and Winding Road."

I learned that 72 members of the National Women's Party were imprisoned at Lorton in the early 1900s for demonstrating in favor of women's right to vote, before passage of the 19<sup>th</sup> Amendment to the Constitution finally granted them that right. I realized how much has changed for women in the United States in the last century. It's easy to take for granted that women can go to college, get good jobs, and become financially independent through meaningful and productive work. But it hasn't been true for that long. And even today, there is more work to be done on women's issues. Among other things, that means that some retirement planning issues women face today can be different than the issues faced by most men.

The [Women's Institute for a Secure Retirement](#), which provides resources to help prepare women for their financial future, has outlined five challenges for women:

Three out of five working women earn less than \$30,000 per year.

Three out of four working women earn less than \$40,000 per year.

Half of all women work in traditionally female, relatively low paid jobs without pensions.

Women retirees receive only half the average pension benefits that men receive.

Women's earnings average 77 cents for every \$1 earned by men, a lifetime loss of more than \$300,000.

I wondered if this is true women in the federal government. I checked this [Office of Personnel Management report](#) and found the following information regarding women in the federal workforce:

In 2007, federal sector women earned 89 cents for every dollar a man earned.

Women represented 43.6 percent of the permanent federal workforce as of Sept. 30, 2011.

Women represented only about 30 percent of the Senior Executive Service in 2011 (although that's up from 23 percent in 2000).

There were 222,017 women in professional occupations in 2011, representing 46 percent of all professional federal employees. Of these, 750 earned less than \$40,000 per year and 148,445 earned less than \$100,000.

There were 319,090 women in administrative occupations in 2011, representing 44 percent of all federal employees in these occupations. Of these, 1,980 earned less than \$40,000 a year and 233,278 earned less than \$100,000.

There were 195,698 women in technical occupations in 2011, representing 58 percent of all federal employees in these occupations. Of these, 49,214 earned less than \$40,000 per year and all but 533 earned less than \$100,000.

There were 82,870 women in clerical occupations in 2011, representing 67 percent of all federal employees in these occupations. Of these, 54,752 earned less than \$40,000 a year and all but 100 earned less than \$100,000.

According to Pew Research Social and Demographic Trends, in 2013 mothers were the sole or primary provider in 40 percent of households with children. That's compared to 11 percent in 1960. But here's what's interesting: The total family income is higher when the mother, not the father, is the primary breadwinner. In 2011, the median family income was nearly \$80,000 for couples in which the wife was the primary breadwinner, about \$2,000 more than it was for couples in which husband was the primary breadwinner -- and \$10,000 more than for couples in which spouses' income was the same.

You might think this would allow women to plan for their retirement as well or better than men. But for a variety of other reasons, that's often not the case:

Among parents, women are more likely than men to experience career interruptions to attend to family-related matters. More than 40 percent of mothers have reduced their work hours, [according to Pew Research](#), compared to 28 percent of fathers. More than a quarter of women, compared to 10 percent of men, have quit their jobs. Almost 40 percent of women, compared to 24 percent of men, have taken a significant amount of time off.

More than half of working women say being a working parent has made it more difficult to advance in their career, compared to 16 percent of working fathers.

Women are less likely than men to ask for raises or aspire to top management jobs. For women aged 49-67, only 21 percent say they would like to be a top manager someday, compared with 32 percent of men in the same age group. The gap narrows among younger workers: 61 percent of women aged 18-32 aspire to management, compared to 70 percent of men.

## Resources

When it comes to the unique issues women face in retirement planning, here are some resources:

The organization [Federally Employed Women](#) provides training and education and has served as an advocate for women in the government workplace since 1968.

The Social Security Administration offers a publication called [What Every Woman Should Know](#) about Social Security benefits.

WISER has a publication called [Divorce and Retirement: How to Take Control of Retirement Benefits](#).

*Forbes* last year offered the [Five Best Financial Tips for Women Divorcing in 2013](#)

The [Thrift Savings Plan](#) is one of the primary tools federal employees use to save for their retirement, so it pays to understand how it works and the benefits that it provides. Whether you're a woman or a man, if you're not paying attention to your TSP savings, it's time to start. Start by reviewing your fourth quarter participant statement covering the period from Oct. 1-Dec. 31, 2013. These will be available in in mid-January.

Women make up 60 percent of in-home caregivers providing long-term care to family members and women on average need a longer period of care than men (3.7 years compared to 2.2 years). Here's [more information and a calculator](#) to figure out how financially prepared you are to pay for long-term care.

Here's a webinar called [Retirement Planning for Women](#) conducted by my friend and colleague, Karen Schaeffer, a certified financial planner.

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