



and...The Pay Gap's Connected to the Retirement Gap!

Most people are familiar with the well-known “gender wage gap,” men out-earning women an average 18 cents on the dollar. But it is less well known how the lack of pay equity eventually translates into a “retirement wage gap” that helps to push up the poverty rate for older women.

In every age group, women have lower incomes than men do, but the gap is especially pronounced at retirement.

Reality Check

Women need to save more for retirement than men do because they can expect to live about three years longer than men. Also, they need to begin to save early because their income does not increase as much as men's. As research has shown, one year after graduating from college, women were earning 82 percent as much as their male counterparts, but 10 years after graduation, they dropped to earning only 69 percent of what the men earned.

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Effect of Caregiving

In the United States, 65% of the caregivers are female. The average woman takes 9 years out of the workforce for family caregiving. However, the nation's retirement system does not account for the caregiving roles that women take on that eventually cause them to receive smaller benefits.

What Can Women Do?

Ask Questions: One of the key aspects of retirement planning is to start early. Financial experts advise that when you get that first paycheck, you need to start saving slowly but steadily and of course, keep those funds for retirement — not for other emergencies. While that may not always sound easy, in order to save money, you have to earn money and put yourself first.

Although only half the working population has pension coverage, women especially need to get answers to a few simple questions now, so they are not surprised when they leave their jobs or when they retire. They need to learn how to benefit from the retirement plan system. Find out what types of plans are available and make sure that to take advantage of any employer matching funds. Learn what mutual funds offer individual retirement accounts with low administrative expenses, and learn about opportunities for tax breaks.



Pay Equity Checklist – What Women Can Do!

- 1** Evaluate what contributions you make to your employer, what skills you provide, and assess their value to your employer.
- 2** Consult trade journals, job postings, or Department of Labor wage information to get a sense of the salary ranges for someone with your qualifications in a similar job.
- 3** Ask your supervisor and your colleagues what kind of skills and training you would need to move into a better paying job in your company.
- 4** Network with people outside your company to learn about other job opportunities, essential skills and training, and salaries for comparable positions.
- 5** Look for training, special projects, and other ways to build your skills that could lead to a better paying job.
- 6** Pursue job opportunities with your current employer or with other firms.

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