

# STRENGTHENING WOMEN'S FINANCIAL WELLNESS IN THE WAKE OF THE PANDEMIC

While nearly everyone has been affected by the COVID-19 pandemic, the economic impact has been especially acute for women. In addition to the disproportionate number of women who were furloughed or laid off, many women faced additional financial stress from needing to take time off to care for children, elderly parents, or other family members.

This is more than just an employee-morale issue for employers. Stress about financial issues can have a meaningful impact on worker productivity. A [Retirement Advisor Council report](#) found that about half of employees who are distracted by their finances spend at least three work hours a week dealing with issues related to their personal finances.

Now that vaccines are being distributed and more people are returning to work, plan sponsors have an opportunity to take a look at financial wellness programs to help their female employees deal with the myriad financial burdens set upon them by the pandemic.

## A Widening Gap in Financial Wellness

Even before the pandemic, there was a significant gap in the financial preparedness of women and men. According to a [National Institute on Retirement Security study](#), in 2016, women age 65 and older had a median household retirement income of \$47,244 compared with \$57,144 for men. This gap has many causes, including women being more likely to take time off of work to care for children.

The gap appears to be widening because of the pandemic. According to a March 2021 [report by the National Women's Law Center](#) (NWLC), more than 2.3 million women left work during the 12 months ending in February 2021 compared with 1.8 million men. One driver of this disparity is that many women work in hospitality, education, healthcare, retail, and other industries that were immensely affected by the pandemic.

Thus, it is not surprising that nearly three-fourths of women reported that the pandemic has had a negative impact on their retirement savings, according to a January 2021 [study by the Nationwide Retirement Institute](#). Approximately 40% of female respondents to a December 2020 [Transamerica Center for Retirement Studies survey](#) said that they weren't confident that they would retire comfortably, compared to 24% of men. Women also reported saving less, dipping more into their retirement accounts and juggling more short-term financial issues than men.

## Tailoring Financial Wellness to Women's Top Priorities

Employers can play a leading role in getting female employees back on track with their retirement savings and strengthening their overall financial preparedness. Financial wellness programs can take many forms, but in general they are educational programs designed to help boost employees' confidence and preparedness on

issues such as saving for retirement, investing, budgeting, managing debt, taxes, and more.

An important aspect of creating a financial wellness program that empowers women is to tailor the content to the topics that women are most concerned about. Across genders, the financial topics that employees reported seeking education or advice on included investing money in their retirement plan, how much to save for retirement, generating income in retirement, and building emergency savings, according to a December 2020 [report by the Employee Benefit Research Institute](#) (EBRI).

A [2020 study by Bank of America Merrill Lynch](#), however, found that financial wellness concerns can vary significantly by gender. Women were more than twice as likely to include paying off credit card debt among their top three goals, and only 33% of women reported feeling like they are in control of their debts compared with 51% of men.

In addition to tailoring financial wellness programs to women's priorities, other steps employers could implement to strengthen the financial preparedness of their female employees include:

- Ask service providers about available financial wellness tools or partnerships with other vendors to offer financial wellness in their benefits lineup
- Increase communication efforts to ensure that employees know the resources and tools available to them including a consideration to make attendance to an educational meeting mandatory
- Extend retirement plan participation to qualified part-time workers
- Offer flexible work plans such as working from home or reduced hours for those with increased at-home caregiver responsibilities
- Consider offering phased retirement programs

**Insight:**

**Encourage Financial Conversations**

Raising women's comfort levels in talking about financial issues can be a great first step for employers to prioritize in their financial wellness programs. The EBRI report found that women are significantly less likely (13%) than men (28%) to frequently discuss saving, investing, and planning with family and close friends, and women are significantly more likely (28%) than men (17%) to never discuss these topics.

Beyond simply providing valuable educational resources and expanding access to retirement plans, employers can make a major impact by offering opportunities for workers to talk about financial issues through women inclusion programs, lunch and learns, and other programs. A mentorship program included within a women's inclusion program regarding financial issues amongst women would be helpful.

Your representative is available to help you review available financial wellness programs and find those that are best for your workforce.