

MetLife Study of Female Executives Provides Insights on Finances, Financial Confidence and Retirement Planning

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WESTPORT, Conn.--(BUSINESS WIRE)-- A survey of career women age 45 to 70 earning \$75,000-plus per year shows that those in this group are highly confident about how to manage money, yet 62% fear they may never have enough money to retire. A great majority of the women surveyed report that their families count on their income.

“The MetLife Study of Finances and Female Executives” finds that 46% have a defined benefit plan (more than double those in the general population) and most have 401(k) plans, IRAs and additional savings, but a majority remain concerned about their retirement income. Their main financial focus at this time is to put more emphasis on guaranteed income for retirement.

The study, produced in cooperation with the Women’s Institute for a Secure Retirement (WISER), is accompanied by a booklet, “What Today’s Woman Needs to Know and Do: The New Retirement Journey” and planning tips, “Memo to Professional Women: Own Your Retirement Security,” all available free to the public.

When asked which skills they wish they had more of, the number one answer from 44% of those polled was “business and financial experience.” Twenty-five percent also say they are confused about how to grow their portfolios. Thirty-four percent say they lost a considerable amount of their savings when the economy faltered. Sixty percent feel they have moderate risk tolerance when it comes to investing, even though 32% say their risk tolerance has decreased over the past two years.

Despite their achievements, the “glass ceiling” remains a perceived reality for many of these women (especially those who have not been married) who feel their hard work has not been rewarded in a fashion commensurate with their male counterparts. Additionally, they express frustration at the demands of juggling work and family.

“This poll indicates that many successful women lack confidence in their financial futures,” said Sandra Timmermann, Ed.D., director of the MetLife Mature Market Institute. “The current state of the economy may be a factor, and many remain on the sidelines awaiting direction. As a result, they may not be protecting themselves financially with products like disability insurance, annuities and long-term care insurance, especially since more than half will not be able to count on a pension for retirement. Even those who earn more than \$200,000 per year say they’re worried about outliving their income/savings. More than ever, it’s important that today’s women consider consulting a trusted advisor to ensure they are taking a comprehensive view of their financial safety net and retirement needs.”

Further key findings of the study include:

- * Seventy-eight percent share responsibility for household finances with someone else in their household.

- * Almost all respondents (90%) are confident in their ability to manage household finances; 41% are very confident.

- * Forty-six percent of respondents report they have coverage by a traditional defined benefit pension plan. This compares to just 19% of the working population today.

- * Just 18% carry long-term care insurance.

- * These women exhibit concern about their financial security in retirement. To address their concerns, 42% are putting more emphasis on guaranteed income for retirement and 27% are saving more. Twenty-five percent aren't sure what they should be doing.

- * Seventy-four percent of respondents rate saving for retirement as the most challenging activity they confront; other challenges were juggling work and family (45%) and eldercare (30%).

“Higher income executive women are a force in today’s economy,” said Cindy Hounsell, CEO of WISER. “They play a significant role in managing family finances, have climbed the organizational ladder despite hitting the constraints of the glass ceiling and have achieved success in terms of their careers and their income. The predominant challenge these women face is their feeling of insecurity about retirement. It is a common concern.”

Generally speaking, those polled were women in professional or middle management jobs with 43% having profit and loss responsibility as part of their job description. A significant number work predominately in traditional female occupations in education (27%) and health care/social services (18%). The question, “who inspired you most in your life?” netted “my mother” as the top answer and most said their mothers were financial role models.

Methodology

Harris Interactive conducted the online survey “The MetLife Study of Finances and Female Executives” for the MetLife Mature Market Institute between June and July 2010. Respondents included women age 45 to 70 with personal incomes of \$75,000 or more, or household incomes of \$100,000 or more. They were also employed full-time, considered themselves professional, managerial/executive, middle manager, or self-employed, and participated in household financial decisions.

Data were weighted for age, sex, race/ethnicity, education, region, and household income. Propensity score weighting was also used to adjust for respondents’ propensity to be online.

“The MetLife Study of Finances and Female Executives,” the booklet, “What Today’s Woman Needs to Know and Do: The New Retirement Journey” and the planning tips, “Memo to Professional Women: Own Your Retirement Security,” may be downloaded from

www.MatureMarketInstitute.com. They can also be ordered through Contact Us on the MetLife Mature Market Institute Web site, or by writing to: MetLife Mature Market Institute, 57 Greens Farms Road, Westport, CT 06880.

WISER

The Women's Institute for a Secure Retirement works to provide women at all income levels (aged 18 to 70) with basic financial information aimed at helping them take financial control over their lives and to increase awareness of the structural barriers that prevent women's adequate participation in the nation's retirement systems. www.wiserwomen.org.

The MetLife Mature Market Institute®

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