

## **FINANCIAL WELLBEING AND WOMEN'S RETIREMENT SATISFACTION**

This study explored predictors of women's retirement satisfaction. Survey responses from 200 retirees revealed that the women were less financially prepared and more financially anxious than men. Unlike their male counterparts, their regrets over having delayed retirement planning affected their life satisfaction. Recommendations for working women are proposed.

### **Introduction: Women and Retirement**

Retirement from paid employment is a milestone event in a person's life. Financial preparedness for retirement means having an adequate income to sustain one's current standard of living after one's working years are over. Unfortunately, a great number of people arrive at retirement financially ill prepared for this stage of development. According to a Statistics Canada report (2001), 33% of families whose main income earner is between 45-66 years of age will not have sufficient retirement income. Forty three percent of these families have no private savings. Having an adequate income is particularly problematic for female retirees – women are at higher risk than men of living an impoverished old age (Perkins, 1995). The objective of this research is to study the factors that affect women's financial preparedness for retirement and their financial and psychological wellbeing in this stage of life.

Many of today's female retirees belonged to a different generation, one that earned less money than their male counterparts and placed their husband's careers before their own. Women's careers tended to be shorter and more discontinuous than men's, often interrupted by child bearing, child rearing and caring for elderly family members (Timmerman, 2000; Townson, 2000). For a majority of present-day female retirees, paid work was secondary to their primary role as wife and mother; in return for their devotion, they expected financial support from their husbands for the duration of their lives (Perkins, 1992). These women's life long dependence on their husbands for the management of all financial matters placed them at a disadvantage in old age. Young working women today may face a similar future. Women employees continue to have lower earnings than their male counterparts (Thornborrow & Sheldon, 1995). Women still shoulder the primary responsibility for childcare, eldercare and housework, and adjust their work schedules to accommodate these tasks by reducing the number of hours they work, taking leaves of absence or leaving the workforce entirely (Statistics Canada, 2002). The consequences of an interrupted work trajectory are greater than just forgone monetary gains, retirement benefits and pension credits associated with employment. A woman's absence from the workforce means that she also loses seniority, impeding opportunities for promotions and pay raises (Hannon, 1995). In addition, women live longer than men. Coupled with the increasing rate of later-life divorce, this figure translates into women having an 85 percent chance of living out their golden years alone (Perkins, 1995). Thus even today, young women face the grim possibility of living in poverty after retirement.

## **The Role of the Pension System**

Public pension schemes were designed to ensure that most people would retire with some degree of financial security. There are three tiers to the Canadian pension system: Old Age Security plan (OAS), the Canada / Quebec Pension Plan (CPP/QPP) and private pension savings plans such as Registered Retirement Savings Plans (RRSP) and employer pension plans. Indeed, the development of the Canadian pension system over the last decades has generally improved financial preparedness for retirement. According to Statistics Canada (1999), in 1980, 34% of Canadians over 65 years old lived below the low-income cut-off. By 1996, this percentage had declined to 21%. Yet women have still been left behind. In 1997, Canadian women's pension income was 61% that of men's on average (Marshall, 2000).

The nature of the pension system helps explain why women continue to be disadvantaged financially (McDonald, 2002; Street & Connidis, 2001). While the first tier of the system, the OAS, treats Canadian men and women identically, it currently pays less than \$600 a month. This, alone, is insufficient to maintain a standard of living above the poverty level. Even augmented by the Guaranteed Income Supplement (GIS), it provides a minimal level of retirement income. The second tier of the pension system, C/QPP, is relatively disadvantageous for women because benefits are related to career earnings, which reproduces, in retirement benefits, the lower career earnings of women. The third tier, private pensions, is an arena in which income inequality is greatest between men and women. Employer pension plans in the predominantly female service sector tend to be offered at unattractive terms or not offered at all (Morrisette & Drolet, 1999). Men's contributions to their RRSPs consistently exceed that of women's. Between the years of 1993 to 1999, men and women aged 35 to 44 contributed, on average, approximately the same percentage of their earnings to their RRSPs, yet the average annual dollar value of men's contributions was \$1,564 while women contributed only \$848 (Régie des Rentes du Québec, 2004). The difference in average earnings, of course, explains the discrepancy. Forty-eight percent of women have no private pension savings in contrast to only 24% of men (Statistics Canada, 2001).

## **Why Is Financial Preparedness So Difficult?**

Traditional economic theories such as the life-cycle hypothesis are hard put to explain lack of preparedness for retirement (Modigliani & Brumberg 1955). More recent work in behavioural economics (Thaler, 1994) offers a more successful explanation. People's rationality is constrained by time, intelligence and the information at their disposal and thus they do not always make choices that are in their long-term best interest as the life-cycle hypothesis suggests. Planning requires a great deal of work (Rabin, 1998) and extensive knowledge of private and government pension plans (Lusardi, 1999). Lusardi also points out that retirement is a once in a lifetime event, which does not afford people the opportunity to learn from their mistakes. This is not surprising: financial planning, like any long-term decision-making involves making simultaneous predictions of such personal imponderables as future earnings, age of retirement, health in retirement, general retirement needs, and age of death. One must also predict stock market returns, inflation and economic growth rates – areas where even the experts are often wrong (Shulz, 1985).

Beyond the general difficulty of financial planning for retirement, Perkins (1995) suggests that despite the advancements of the women's movement of the 1960s, many women still believe the "prevailing myth" that they will be cared for in their older age. It is this myth combined with women's fear of growing old that Perkins believes prevents women from asserting their independence and planning for retirement. These social views are reflected in institutional structures. For example, in low paying, non-unionized service jobs, pre-retirement education is not often available to women in the workplace and the programs themselves are limited in scope when they are offered. In such circumstances, women's lack of financial preparedness is more acute than men's.

In sum, women's lower lifetime earnings, interruptions from paid employment, and identification with traditional gender roles will influence their ability to save for retirement. Thus we hypothesize: *H1 - Retired women will report a lower level of financial preparation for retirement than will men.*

What is the effect of inadequate financial preparations for retirement? More specifically, do women's lower retirement incomes translate into a lower level of financial and psychological wellbeing in retirement in comparison to male retirees? Are women less satisfied with their lives in retirement than men? It might seem obvious that the decrease in income that comes with retirement would result in anxiety about making ends meet and lower satisfaction (Choi, 2001). The relationship is not so simple, however. Lowenstein, Prelec and Weber (1999) examined retired men's perceptions of the sufficiency of their income in comparison to the perceptions of working men. In contrast to working men, retired men actually reported less anxiety about their finances than do those who are still employed. Financial anxiety seemed to be greatest prior to retirement as people worry about whether or not they will have sufficient income to fund all of retirement. Men with high-incomes and those who began saving for retirement at a young age reported lower levels of financial anxiety than others. Once retired, however, the majority of men quickly adapted to their new financial circumstances and reported relatively high levels of happiness.

Would the process be the same for retired women? Very few scholars have addressed this question. Related research, though, suggests that there may be gender differences in the experience of financial anxiety. In a comprehensive review of gender differences in well-being, Nolen-Hoeksema and Rusting (1999) reported that women display higher rates of anxiety than do men across the life span. Other research findings agree that women consistently report higher levels of anxiety than do men (Feingold, 1994). In addition, despite Lowenstein et al's (1999) findings that men do adjust to lower retirement incomes, we have seen that women's retirement incomes are lower yet. A woman's longer life expectancy and the increased risk of outliving her money—coupled with her greater propensity to experience anxiety—are compelling factors that may influence her feelings of financial anxiety. Hence: *H2: Retired women will report greater levels of financial anxiety than will retired men.*

Lowenstein et al (1999) also examined whether retired men display financial regret—regret about past financial decisions regarding their retirement savings. Their findings indicated that the later an individual begins to save for retirement, the greater the likelihood of regret, and that men who have greater income from pension plans and savings display less financial regret. Interestingly, however, they found that the financial regret expressed by retired men was surprisingly low on the whole. The researchers noted that the men in their study did display some regret over how well they had implemented a savings strategy, but they did not exhibit regret over how much they had in fact saved for retirement.

An examination of the financial literature regarding investor behaviour lends support to the relatively low level of financial regret displayed by the men in the Lowenstein et al (1999) study. According to Shefrin and Statman (1985) who studied gender differences in investing decisions, men who have made poor financial decisions often wish to avoid a public admission that their judgment was incorrect and will go to great lengths not to admit that they have made mistakes. Thaler (1980) echoes the sentiment, maintaining that people will go to great lengths to avoid feelings of financial regret. Moreover, he explains that having to admit that one has made mistakes is made more difficult by having to acknowledge such mistakes to others. The idea of confronting the reality that one did not make an appropriate financial plan for retirement is a regret that carries substantial consequences for one's household's standard of living in retirement. Moreover, once the person has retired, there are few if any opportunities to recover and regain one's pre-retirement standard of living. On the other hand, if one does not interpret one's financial preparations for retirement as inadequate, then there is no need to feel regret for missed opportunities.

Today's male retirees were socialized to identify with the role of economic provider. They were taught that their primary duty in life was to bring home a paycheque and financially provide for their families. Women, on the other hand, were socialized to embody the role of wife, mother and caregiver. The women's movement of the 1960s increased women's choices, but the role of men never deviated from that of breadwinner (Pinquart & Sorensen, 2000). Thus a man is more likely to feel accountable to others for his failure to provide a comfortable retirement. Following Shefrin & Statman (1985), this may mean that he will go out of his way to avoid feelings of regret so as not to have to admit to himself or others that his financial plans were inadequate. A woman might be less driven to avoid financial regret. Thus: *H3 - Women will report higher levels of financial regret than men.*

### **Life Satisfaction in Retirement**

The majority of people lead fulfilling lives despite differences in material wealth (Diener & Diener, 1996). The role of income on the wellbeing of retired men and women is not clear (Nolen-Hocksema & Rusting, 1999). Calasanti (1996) argued that a retirement model that was initially designed for white middle class men could not predict the wellbeing of women retirees. As such, one should expect gender differences in the predictors of retirement wellbeing. A recent study by Bourque, Pushkar, Bonneville & Béland (2002) lent support to Calasanti's theory. The findings from the study revealed that different variables influence the life satisfaction of men and women in old age. Although income was found to predict the life satisfaction of both men and women, there was a stronger association for men. Bourque et al (2002) point out that it is paradoxical that despite older women's lower economic status, widowhood and deteriorating health, they do not report that they are any less satisfied with their lives than are men.

Following Calasanti (1996) and Bourque et al (2002) we believe that the interplay between feelings of financial wellbeing and life satisfaction will differ for retired women and men, that is: *H4 – The relationships between financial anxiety, financial regret and life satisfaction will be moderated by gender.*

## **Method**

### **Participants**

Female and male retirees were recruited from community centers, retirement clubs, libraries and seniors' events in four Canadian provinces. Additional participants were recruited by means of snowball sampling, that is, participants were asked for the names of other retirees who might be interested in responding to the questionnaire. In the various locations, 550 paper questionnaires were distributed and 197 were returned, of which 9 could not be used because of incomplete data (for example, the respondent did not indicate gender). The usable response rate to the paper questionnaires was 36%. In addition, notices and flyers were placed in some locations inviting participation online. Twelve online responses were received.

The sample was composed of 83 men and 117 women. Forty-six percent of the female retirees were married; in contrast, the majority of male retirees, 85%, were married. With respect to education, 42% of the female sample and 56% of the male sample had received an undergraduate or post-graduate university degree. The mean age of the women was 68.6 years old, and their average retirement age was 59.6. The men had a mean age of 70.5 years old, and the average age at which they had retired was 61.0.

## Measures

All respondents were asked to complete a confidential self-report questionnaire. The distribution of this questionnaire was effected in a variety of ways including individual administration in a face-to-face context, by mail, and over the Internet. Questionnaires were printed in a large typeface to aid responses among older respondents.

**Financial Preparedness.** Four tailor-made questions related to the age at which the respondents began to prepare for retirement. The first form of preparation was saving for retirement, and response categories were: "Under 30 years old," "30-39 years old," "40-59 years old," "60 or over" and "Never." Three other forms of preparation were included, the age that the respondent first calculated the amount of money needed to fund retirement activities, the benefits to be received from the Canada / Quebec Pension Plan, and the amount of money needed to maintain his or her standard of living in retirement. Response categories were coded as: "Under 40 years old," "40-59 years old," "60 or over" and "Never." We also combined all four questions into an index of financial preparedness. This index was found to be internally consistent, with a reliability coefficient of .76.

**Financial Anxiety.** Four questions drawn from Lowenstein et al's (1999) money anxiety index were used to assess people's subjective perceptions of the sufficiency of their retirement income. Participants were asked to rate on a four-point scale their extent of agreement with each of these four statements: "I feel anxious about money," "With my current income I have no trouble making ends meet," "I have plenty of money to do the types of things that I enjoy," "I have sufficient income for my wants and my needs." The last three items were reverse scored. In this sample, the financial anxiety index achieved an internal consistency reliability of .84.

**Financial Regret.** The financial regret scale also was drawn from an existing instrument (Lowenstein et al, 1999), and assessed the extent to which people had experienced regret over the way they had managed their income for retirement. The scale consisted of ten items and respondents were asked to indicate on a four-point scale the extent to which they agreed with statements such as: "I should have started saving earlier," "I should have gotten more professional help in planning for retirement" and "I should have spent more time with my family even if it meant earning less." The average of the ten items was the financial regret score, which was found to have acceptable reliability in this sample (alpha = .86).

**Life Satisfaction.** The measure of life satisfaction was based on Floyd, Haynes, Doll, Winemiller, Lemsky, Burgy, Werle and Heilman's (1992) life satisfaction in retirement subscale, taken from their Retirement Satisfaction Inventory. The nine-item scale is designed to measure aspects of a retiree's satisfaction with financial resources, interpersonal relationships, the adequacy of governmental aid and community services and access to transportation. It should be noted that Floyd et al.'s (1992) scale is composed of 10 items. One item in which respondents were asked to indicate how satisfied they were with their marriage was, however, unintentionally left out of the current scale. Participants rated their level of satisfaction on a six-point scale, and the internal consistency reliability of the index was .75 in this sample.

The questionnaire also asked participants for information about their gender, age, age of retirement, income during their working years, income at retirement and other relevant descriptors.

## Results

Did the women in our sample start to prepare for retirement later than the men? We found that in some respects, they did. We compared men and women on the index of financial preparedness that was an average of all four preparedness items. We found that women, with a mean of 2.84 on the four-point scale, were significantly less prepared than men, whose mean score was 2.49 (see Table 1). (Note that for this measure, the higher the number, the less the financial preparedness). We concluded that there was support for our first hypothesis about gender differences in financial preparations for retirement.

Follow-up chi square analyses revealed significant differences in the age at which women and men first calculated the money they would need to fund retirement activities ( $p = .011$ ), as well as the age at which they first calculated the amount of money they would need to maintain their standard of living ( $p = .008$ ). Inspection of the data showed that the main differences occurred because 49% of the women had never done calculations of funding retirement activities, and 39% had never done calculations related to their standard of living. With regard to the other measures of financial preparedness, there were no male / female differences in the data. Thus the distribution of ages at which women started to save for retirement and first calculated the C/QPP was the same as men.

To examine our second hypothesis, we tested the extent to which women reported greater levels of financial anxiety than men (see Table 1). The participants in the study revealed that, in general, they were not particularly anxious about their finances. The average for women was 2.22, which was just above the neutral point on the scale; men rated their anxiety as 2.03, also close to the neutral point. Even so, there was a significant difference between these two means. The women were more anxious than the men about their retirement finances ( $t = 2.03$ ;  $p = .027$ , one tailed). Thus our second hypothesis was supported. On the other hand, there was no difference in the level of financial regret displayed by men and women in our sample ( $t = .069$ ; n.s.). Again, both means were close to the midpoint of the scale. We rejected our third hypothesis.

Although it was not one of our hypotheses, we checked to see whether there were gender differences in the reported life satisfaction of the men and women in our sample. We found that both groups said that they were quite satisfied. The means were 4.55 (men) and 4.52 (women) on a six-point scale, with no significant statistical difference between the two means, indicating that both groups were satisfied with their lives in retirement to an equal extent.

**Table 1: Gender differences in four major dependent variables**

<b>Construct</b>	<b>Women</b>	<b>Men</b>	<b>p</b>
Financial preparedness	2.84 (.78)	2.49 (.73)	.0005 one-tailed
Financial anxiety	2.22 (.65)	2.03 (.69)	.027 one-tailed
Financial regret	2.10 (.57)	2.11 (.45)	n.s.
Life satisfaction	4.52 (.81)	4.55 (.73)	n.s.

For our final hypothesis, we were interested in exploring the associations between financial anxiety, financial regret and the life satisfaction of men and women retirees. First, a multiple regression was performed with life satisfaction as the dependent variable and financial anxiety and financial regret as the predictors. We found that the overall equation was significant ( $p < .001$ ), and that both predictors contributed inversely to the variance in the dependent variable (financial anxiety:  $\beta = -.374$ ;  $p < .001$ ; financial regret:  $\beta = -.204$ ;  $p = .005$ ). As regret and anxiety increased, life satisfaction decreased. When we split the participants into two sub-samples, it was interesting to note that gender had an impact. The pattern in the relationships differed for the men versus the women. For the women, both regret ( $p = .014$ ) and anxiety ( $p = .001$ ) played a role in predicting life satisfaction. For the men, however, all the variance in life satisfaction came from the impact of financial anxiety ( $p < .001$ ). Financial regret among men was unrelated to their satisfaction with retirement life ( $p = .263$ , n.s.).

In sum, significant gender differences were found between the age at which men and women begin to calculate the money they would need for retirement activities and maintenance of their standard of living, with women lagging behind men in their financial preparations. No gender differences were observed on the financial regret measure, and female retirees were found to be just as satisfied with their lives as were the male retirees. Although the majority of men and women in the sample did not exhibit financial regret or financial anxiety, those who did also exhibited a decrease in life satisfaction. Moreover women, but not men, who were regretful of their earlier retirement-preparation behaviour, displayed decreased life satisfaction.

## Discussion

Unlike anxiety, regret and satisfaction, which are features of life in retirement, *financial preparedness* for retirement requires planning—a combination of thinking and acting—over time. Looking at the individual questions, women were as well-prepared as men in two respects, less well-prepared in two others. Women tended to begin saving for retirement as early as men, and they also gave some thought to one source of the retirement income (Canada/Quebec Pension Plan). However, in terms of thinking about what they would actually need in retirement—to pay for retirement activities and, more generally, to maintain their standard of living, on average women started much later than men. One is struck, moreover, by the large number of women who *never* thought about these things at all. Averaging these two measures, 44% of women never thought about what they would need. Only half as many men, 22%, were in that category. The index of financial preparedness better captures the multi-faceted nature of the retirement planning process and it confirms that women are financially less well prepared than men.

Women were more *anxious* about the financial aspects of their retirement. This is not surprising given the discussion in the previous paragraph. Though, on average, women may have started saving as early as men, they hadn't thought as much about what they would need in retirement, so it is much more likely they arrived at that stage of life with too little. And we should bear in mind that even if they saved the same percentage of their income as men in their earning years, women would be in a far less comfortable situation than would men in retirement. Their income was smaller and lives in retirement can be expected to be longer. All other things equal, a woman would need to have accumulated more than a man for the same level of financial security.

Insofar as experiencing *regret*, there is no difference between men and women. We had hypothesized that the different social roles of men and women—provider versus caregiver—would lead to

different propensity to experience financial regret. It was presumed that the more public nature of the breadwinner role would mean that there was a premium on saving face and thus *not* admitting failure to provide. Regret would seem to be a well-managed emotion—regret was not much in evidence in our sample—but the connection to one’s social role is not clear. One could build a different case: women are not as well prepared financially for retirement as men, but because they give greater importance to their role as caregiver, their failure to provide—either towards the household or, if they are alone, for themselves alone—is less important than it would be for a man. They might feel regret for failed personal relationships with children, friends or a divorced spouse, but the financial side of things is not a focus for thought or feeling. Regret over non-financial issues is not measured in this study. It is particularly striking that women seem to have the same experience of financial regret as men given that, objectively, they had much more cause to experience regret since the financial situation of women in retirement is, overall, more precarious than men. This gives some support to the folk notion that you don’t have to be rich to be happy.

On the other hand, as we saw in our final analysis relating anxiety, regret and gender to life satisfaction, regret does have a differential impact on life satisfaction as between men and women. For women—but not for men—regret has an inverse impact on life satisfaction in retirement. The anomalous results for regret deserve more discussion and the empirical literature investigating regret provides a useful framework. Gilovich & Medvec (1995) maintain that regrets of inaction, that is opportunities that are forgone or things or situations that people have desired but have failed to act upon, tend to be more burdensome than regrets of action, decisions that were taken that did not turn out as anticipated or that resulted in failure. Regrettable actions are believed to be easier to rectify over time because one can make necessary life changes so as to resolve the regrettable experience, find a lesson to be learned from a bad decision and/or engage in dissonance reduction.

Regrettable inactions, however, are not as easy to resolve due a number of psychological mechanisms that impede the reconciliation of the regretful inaction. With the passing of time regrettable inactions tend to take on a powerful and intense momentum, as the more distance there is between us and the missed opportunity, the better convinced we become that we would have been great at that job, charming on that date, and at the top of our class if admitted to the prestigious school. Secondly, regrets of inaction are difficult to move beyond because of the imagined consequences of what might have been. Regrettable actions have known and finite consequences, regrettable inactions, however, are only restricted to the contents and creativity of one’s own imagination (Gilovich & Medvec, 1995).

The value of understanding the consequences of regrets of inaction are of interest because it serves to provide a comprehensive explanation as to why regret was related to life satisfaction for women but not for men. Detailed analysis of the financial regret measure revealed that the female retirees were most regretful of three of the nine items that composed the financial regret scale, all of which were regrets of inaction. These women were primarily regretful of not having calculated the amount of money that they would need in retirement, not starting to save at an earlier age and not being knowledgeable about different savings and investment options. It is interesting to note that the former two findings (age that people start to save for retirement and calculating the amount of money one needs to save in order to have adequate retirement income) are the two items from the financial preparedness scale that indicated that the men were better financially prepared for retirement than the women. It appears that adequate financial preparation moderates financial regret and is what contributed to separating the financially satisfied men from the financially dissatisfied women.

The findings from the present study suggest that men have more efficiently prepared for their financial well-being in old-age, thereby shielding them from any regret that they might have otherwise reported had they not been as prepared. Hayes (1995) maintains that inherent to the role of economic provider is the responsibility of preparing for retirement. Thus, men have had more time and greater

opportunity to prepare for their future financial security. Men have therefore less reason to report financial regret in comparison to women, seeing as they have been socialized to prepare for this later stage of development.

Additionally, the women in the study reported that one of their greatest financial regrets was not being more knowledgeable about different savings and investments options. This concurs with the findings of the National Center for Women and Retirement Research, the results of which indicate that out of a national sample of 1,100 American women surveyed, 74% in contrast to 33% of men, reported that their lack of knowledge regarding investment vehicles has been one of their greatest obstacles in planning for their future financial security (cited in Hayes, 1995). In light of Gilovich & Medvec's (1995) association between regrets of inaction and their relationship to fear and lack of confidence, it is not surprising that three-quarters of the women who were surveyed reported that fear of making a mistake was their greatest impediment to planning for a financially secure retirement. Additionally, 54% of these women have actually postponed planning for their financial well-being in old-age for fear of failing.

As in any scientific investigation, a number of limitations must be addressed. First, the financial preparedness index is somewhat narrow; in particular, the existence of private pensions is a notable omission. A second limitation of the current investigation is the manner in which gender differences were measured. According to Hatch (2000), in order to establish gender differences in retirement, men and women need to be matched on characteristics such as previous occupational status, age, length of time since retirement and labour force history. Variation in any one of these dimensions, or a combination of all of them, may therefore be the source that is contributing to the observed differences between men and women. The current study did not match retired men and women on any of the aforementioned characteristics. The greatest gender difference that existed between the men and women in the current study was that 43.2% of the female retirees were married and 29.5% were widows in contrast to 87% of the male retirees who were married and 3.7% were widowers. This may explain why the women in the current study exhibited financial regret, whereas the men did not. The women have more reason to be financially regretful than do the men, as being, single, divorced or widowed, for a woman, translates into less retirement income in comparison to their married male counterparts.

Lastly, the generalizability of the findings of the current sample of primarily Quebec retirees is questionable as these retirees are substantially more affluent than the average retired Quebecer. In 2001, the average annual retirement income of a woman living in Quebec was \$18,119 and the average annual retirement income of her male counterpart was \$28,654 (Régie des Rentes Quebec, 2003). In comparison, the average annual retirement income of a female retiree in the current study fell between \$40,000 to \$49,000 and the average annual retirement income of a male retiree in the current study fell between \$50,000 to \$59,999. One of the reasons for this discrepancy, however, may be due to the wording of the question, which asked respondents to indicate their approximate income or household's income prior to retirement. The wording of the question does not allow us to distinguish between the income of a single individual and the income of his/her household. Thus, the true difference between a retired woman's and a retired man's annual retirement income may actually be masked. Future research should consider an individual's income and that of the household's separately. In addition, the sample was generally more educated than norm.

## **Conclusion**

The results of the present study indicate that women are less well-prepared for retirement than men. They also tend to exhibit a greater degree of financial anxiety than men in retirement. Women do not, on average, report more financial regret than men, nor is their level of life satisfaction in retirement different than that of men. Further analysis indicates that to the extent that women—though not men—experience financial regret, it will negatively affect the perception of the quality of their lives and their

life satisfaction in retirement, indicating that financial security is an integral component of a retiree's well-being, and suggesting that financial security is essential for successful aging. At the time that the study was devised, it was, to our knowledge, one of the first investigations that attempted to assess the financial regret and financial anxiety of female retirees. Therefore, our goal was to detect meaningful patterns of association that would foster more specific causal hypotheses for future research. Although no one particular investigation is sufficient to draw conclusions regarding the phenomena under study, the present findings do suggest that future investigation is needed to assess the long-term effects of inadequate financial preparation on the subjective well-being of men and women.

There are numerous reasons why women lag behind men in their financial preparations for retirement. Financial security, however, is a fundamental component of retiree's well-being. While the current generation of female retirees is beginning to understand the necessity of adequate retirement income, it is essential that future cohorts of young women be well informed of how to facilitate the development of a financially secure old-age. A campaign to assist future generations of Canadian women achieve adequate financial security should include the efforts of three parties: the federal and provincial governments, business, and Canadian women themselves.

The Canadian governments and business can greatly benefit from instituting policies that take into account women's relationship to the workforce. Canadian women, however, must take responsibility for their own future financial security. Whether or not Canadian women choose to marry and devote themselves to their husbands and children is a matter of personal choice. They are, however, strongly encouraged to inform themselves of their savings options regardless of whether or not they are in the work force. Thus, whether a woman is a salaried worker, self-employed, a homemaker or a student, she is strongly advised to familiarize herself with the regulations of public and private pension schemes. The Quebec government, for example, has done an excellent job at compiling information specific to women and retirement benefits. The government does emphasize that gender is an issue that will affect women's future financial security. As such, it promotes strategies to help women plan accordingly.

At present, women live longer, earn less and do not do not plan as efficiently for their financial well-being in retirement as do men. Women must accumulate more to sustain themselves for a long retirement. They have to start early. Even if a woman is married, she should still manage her finances as if one day she will be on her own. Although a terribly daunting thought, it is a protective measure that will safeguard women against divorce and widowhood should such an event occur. Divorce or widowhood have left past generations of women financially ill-prepared for retirement and terrified of making any financial decisions for fear of failure. Many of these women never made any financial decisions because their husbands always managed the household's finances. It may involve taking more risks with their money than they do now. It certainly requires becoming more familiar with the workings of the financial markets.

Traditional gender roles, institutional barriers and a lack of financial confidence have hindered many Canadian women from planning for their financial well-being in old-age. Research has shown that for those female retirees who have not adequately planned for their financial well-being in retirement, the consequences are both psychologically and financially catastrophic. The experiences of these older women can serve to enlighten younger generations of Canadian women and provide an example from which to learn. As more and more women become aware of the psychological barriers that have impeded them from taking control of their financial destinies, they are making saving for retirement a top priority. What is most encouraging is that financial management has empowered these women and left them with a sense that they are in control of their lives. Although money is no guarantee for a happy retirement, financial security is a good place to start.

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