



A woman
can expect to make
\$300,000
less than a man over
a 40-year career.

From Brethren Pension Plan

PensionPerspective

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The gender gap in retirement savings

Men generally have more assets accumulated for retirement, meaning that retired women are more likely to be at risk of not having what they need. Here are some enlightening realities.

- **Less income**

Working women earn less than men at every level of education and across occupational categories. Although the gap has narrowed, women in 2020, according to the Pew Research Center, earned about 84 percent of what their male counterparts earned. Since the older women of today worked a significant portion of their careers in an era when the pay gap was even more pronounced, the cumulative effect significantly reduced their ability to save for retirement.

- **Less time in the workforce**

Women tend to spend more time out of the workforce because they often do the bulk of parenting and caregiving for family members. According to the Committee on Family Caregiving for Older Adults, the wages, pensions, and Social Security benefits lost by a woman who leaves her job due to caregiving (over her lifetime), totals more than \$300,000.

- **More likely to work part-time**

Women are almost twice as likely as men to work part-time, either for their entire work lives or for a part of their career. Part-time workers (fewer than 35 hours per week) remain much less likely to participate in employer-sponsored retirement plans. The lower wages and lack of access to retirement plans result in lower asset accumulation over a career. In addition, 2019 statistics show that employed women worked on average 36.4 hours per week, compared to 41 hours for men.

- **Women outlive their spouses**

Almost 70 percent of women age 75 or older, are alone, widowed, divorced, or never married, compared to about 30 percent of men. A significant subset of these women do not benefit from retirement income from a spouse.

- **Women live longer**

According to the 2021 Annual Report of the Old-Age, Survivors, and Disability Insurance Trust Funds, women reaching age 65 in 2019 could expect to live 2.6 years longer than men, meaning that their retirement savings must be stretched over a longer period. This extra life-span also results in additional medical costs.

- **More poverty**

The combination of longer life expectancy and fewer resources in retirement leaves older women more likely than men to be poor. More than two-thirds of nursing home residents are women, and more than 60 percent of all nursing home residents are poor enough to qualify for Medicaid. According to the National Institute for Retirement Security, poverty rates increase noticeably for women after age 80, totaling about one-third higher than those of elderly men.

- **Rely on Social Security**

Although many people have investments in a private pension system, Social Security is the bedrock retirement plan for American workers, especially women. The average Social Security retirement benefit in 2020 was \$16,536 for women, compared with \$20,568 for men. And 46 percent of elderly unmarried women over age 65 rely on Social Security for 90 percent or more of their total income.

- **Work longer for less**

As a result of their meager retirement savings, many older women must continue to work well past retirement age, but their earnings are only 72 percent of men's.

Given these sobering realities, women should begin to consider their options as early as possible. ■

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Improving retirement readiness across the gender gap

Steps women (and the men who care for them) should know about improving retirement readiness —

- Invest fully in your employee retirement plan. Contribute as much as you can while you are working. Even if you have to take time off for childcare or family responsibilities or for maternity leave, you may still be able to contribute to a spousal IRA. Check with your tax advisor.
- Educate yourself on retirement investing. Take an active interest in your Pension Plan account, whether it is your own account or if you will receive a benefit from your spouse's account. Make sure you're investing according to your objective, age, and risk tolerance.
- Increase your retirement contributions whenever you can. Take advantage of your employer's match if it is offered.

Use the retirement calculator on the BrethrenPension.org website (on the resources tab). This calculator will illustrate various retirement scenarios for you. It will show you how much a given sum of money can produce in retirement income.

- The Brethren Pension Plan Retirement Planning consultant can assist you with questions about how to use the calculator and with any other questions you have about retirement. Contact eshannon@cobbt.org for help.
- One incredible source of wisdom and experience is the older women you know who have experienced retirement planning or missteps. Even though a financial conversation may feel awkward, broach the subject with trusted women you know and ask for tips. They can often reveal unique and varied strategies for retirement savings success. ■

FUND PERFORMANCE REPORT

For the period ending December 31, 2021	YTD	3 Months	1 Year	3 Years	5 Years	10 Years
TARGET DATE FUNDS	%	%	%	%	%	%
Target Date Fund 2015	6.6	2.7	6.6	8.0	—	—
Blended Index	3.4	2.9	3.4	8.6	—	—
Target Date Fund 2025	8.0	3.4	8.0	9.3	—	—
Blended Index	5.1	3.6	5.1	9.9	—	—
Target Date Fund 2035	11.4	5.1	11.4	11.8	—	—
Blended Index	8.4	5.3	8.4	12.1	—	—
Target Date Fund 2045	13.7	5.8	13.7	13.9	—	—
Blended Index	10.9	5.9	10.9	14.0	—	—
Target Date Fund 2055	15.3	5.9	15.3	15.8	—	—
Blended Index	12.9	6.0	12.9	15.6	—	—
BRETHREN VALUES INVESTING ¹	%	%	%	%	%	%
BVI Balanced Fund	12.5	5.1	12.5	17.3	—	—
Blended Balanced Index	15.8	6.6	15.8	17.9	—	—
BVI Index Balanced Fund	15.8	6.6	15.8	—	—	—
Blended Balanced Index	15.8	6.6	15.8	—	—	—
Common Stock Fund	22.4	8.4	22.4	24.2	16.3	13.9
S&P 500 Index	28.7	11.0	28.7	26.1	18.5	16.6
BVI Domestic Stock Large Cap Core Index Fund	28.3	10.9	28.3	25.7	—	—
S&P 500 Index	28.7	11.0	28.7	26.1	—	—
Domestic Stock Growth Fund	26.7	8.3	26.7	28.0	19.9	—
Russell 1000 Growth Index	27.6	11.6	27.6	34.1	25.3	—
Domestic Stock Mid Cap Fund	25.7	11.8	25.7	23.3	11.9	—
Russell Midcap Index	22.6	6.4	22.6	23.3	15.1	—
Small Cap Fund	18.1	6.9	18.1	26.7	21.9	—
Russell 2000 Index	14.8	2.1	14.8	20.0	12.0	—
International Stock Core Fund	3.7	-0.2	3.7	15.8	11.2	—
MSCI EAFE Index	11.3	2.7	11.3	13.5	9.5	—
Treasury-Free Bond Fund	-1.6	0.0	-1.6	6.1	4.4	—
Bloomberg Barclays U.S. Government / Credit Bond Index	-1.7	0.2	-1.7	5.5	4.0	—
Short-Term Fund	-0.1	-0.1	-0.1	1.0	1.1	1.0
ICE BofAML 6-Month Treasury Bill Index	0.1	0.0	0.1	1.2	1.3	0.8
Community Development Investment Fund	-0.1	-0.1	-0.1	0.8	1.1	1.5
No Benchmark	—	—	—	—	—	—
INDEX FUNDS (NON-BVI)	%	%	%	%	%	%
Balanced Index Fund	15.0	4.8	15.0	—	—	—
60% CRSP US Total Market Index and 40% Bloomberg Barclays U.S. Aggregate Float Adjusted Index	14.3	5.5	14.3	—	—	—
Domestic Stock Large Cap Core Index Fund	29.7	9.9	29.7	—	—	—
S&P 500	28.7	11.0	28.7	—	—	—
Domestic Stock Mid Cap Index Fund	24.9	6.9	24.9	—	—	—
CRSP Mid-Cap Index	24.5	8.0	24.5	—	—	—
Domestic Stock Small Cap Index Fund	17.3	2.6	17.3	—	—	—
CRSP US Small-Cap Index	17.7	3.9	17.7	—	—	—
International Stock Core Index Fund	10.5	2.3	10.5	—	—	—
FTSE Developed All Cap ex US Index	11.6	2.6	11.6	—	—	—
Emerging Markets Stock Index Fund	0.9	0.2	0.9	—	—	—
FTSE Emerging Markets All Cap China A Inclusion Index	1.5	-0.5	1.5	—	—	—
Total Bond Market Index Fund	-1.7	-0.2	-1.7	—	—	—
Bloomberg Barclays U.S. Aggregate Float Adjusted Index	-1.6	0.1	-1.6	—	—	—
GENERAL (NON-BVI)	%	%	%	%	%	%
Balanced Fund	12.3	5.1	12.3	17.2	11.8	10.1
Blended Balanced Index	15.8	6.6	15.8	17.9	12.8	11.2
Emerging Markets Stock Fund	3.7	-2.5	3.7	5.6	6.5	—
MSCI Emerging Markets Index	-2.5	-1.3	-2.5	10.9	9.9	—
Bond Fund	-2.0	0.0	-2.0	5.9	4.2	3.7
Bloomberg Barclays U.S. Government/Credit Bond Index	-1.7	0.2	-1.7	5.5	4.0	3.1
Treasury Inflation-Protected Securities Fund	6.3	2.4	6.3	8.4	5.3	—
Bloomberg Barclays U.S.Treasury Inflation-Linked Bond Index	6.0	2.4	6.0	8.4	5.3	—
Bank Loans Fund	4.3	0.4	4.3	4.7	—	—
S&P / LSTA U.S. Leveraged Loan 100 Index	3.5	0.4	3.5	5.6	—	—
High Yield Bond Fund	5.5	0.3	5.5	8.8	5.8	—
Bloomberg Barclays U.S. Corporate High Yield Bond Index	5.3	0.7	5.3	8.8	6.3	—
Global Aggregate Fixed Income Fund	-4.3	-0.4	-4.3	-2.5	—	—
Bloomberg Barclays Global Aggregate Index	-4.7	-0.7	-4.7	3.6	—	—
ALTERNATIVES (NON-BVI)	%	%	%	%	%	%
Global Inflation Protection Fund	17.6	3.0	17.6	12.1	—	—
Bloomberg Barclays U.S.TIPS 1-10 Year Index +2%	7.8	2.0	7.8	9.1	—	—
Multi-Strategy Hedge Fund	15.4	2.5	15.4	9.2	—	—
60% S&P 500 Index / 40% Bloomberg Barclays U.S. Aggregate Bond Index	15.9	6.6	15.9	17.5	—	—
Public Real Estate Fund	23.5	8.0	23.5	14.0	9.0	—
S&P Developed Property Index	26.7	9.9	26.7	13.4	9.2	—
Commodities-Based Fund	33.8	0.7	33.8	14.3	5.8	—
Bloomberg Commodity Total Return Index	27.1	-1.6	27.1	9.9	3.7	—
U.S. INFLATION	%	%	%	%	%	%
Consumer Price Index ² (November 2021)	6.8	1.6	6.8	3.3	2.9	2.1

¹ Brethren Values Investing (BVI) assets under management are invested in a manner that is consistent with the positions of the Church of the Brethren as expressed in Annual Conference statements. ² Most recent data available. CPI data are from the Consumer Price Index for all Urban Consumers; all items are not seasonally weighted.