



WORKPLACE THOUGHT LEADERSHIP

# The Evolution of Retirement: Women's Hopes and Hurdles

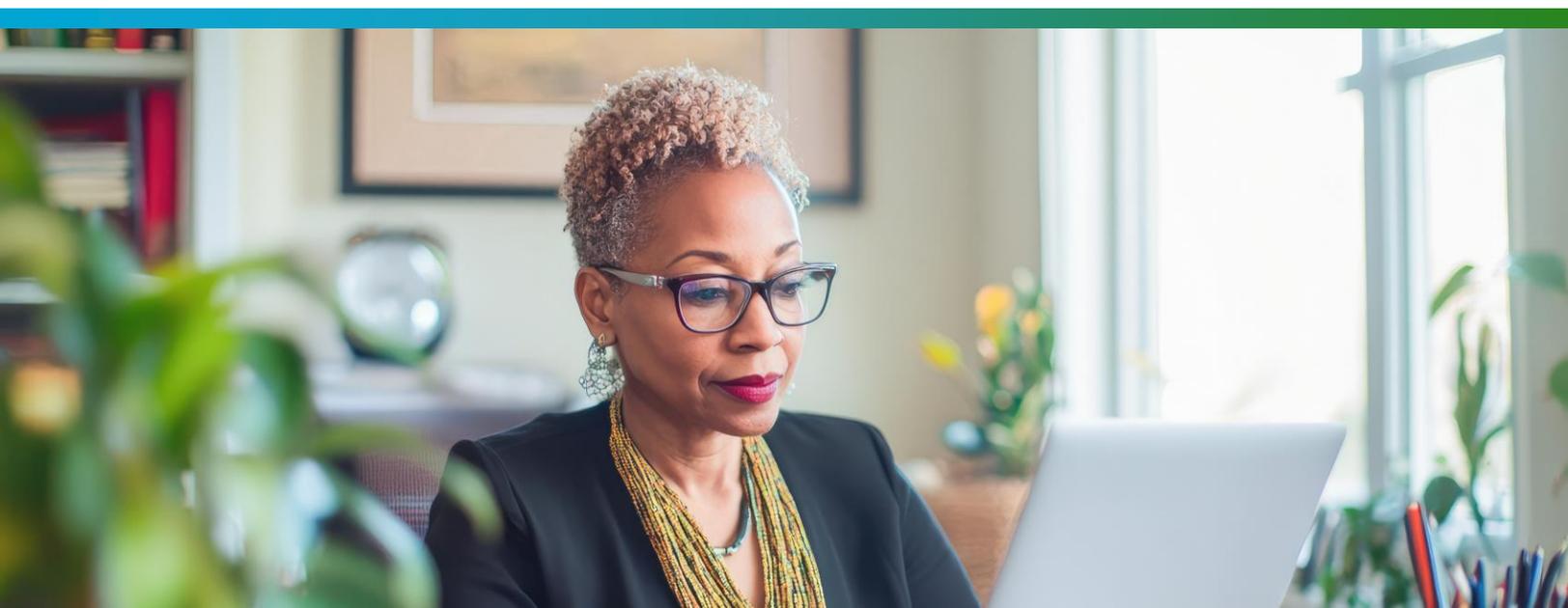
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*Persistent inflationary pressure. Rising health care costs. Social isolation.* American workers are facing numerous stressors to their wallets and their well-being that are making them reconsider when to retire, and what that next chapter will look like. These trends are particularly exacerbated for working women, who face a set of unique challenges on their road to retirement.

Many pre-retirees are realizing that an early or on-time retirement may not be financially feasible and are reassessing their retirement plans. Simultaneously, longer lifespans, advancements in technology that have made jobs less physically demanding, and the positive social and cognitive impacts of work are encouraging many to delay their exit strategies in favor of remaining socially engaged and mentally acute.

As explored in our recent paper, "[Rethinking Retirement](#)," nearly a quarter of employers report that at least half of their workforce is over age 50. This shift represents a delicate balancing act for employers, who must ensure the continuity and security of their workforce while incentivizing and supporting a portion of this population in their transition to retirement.

Here, we will explore how women in the workforce are thinking about retirement, what concerns and challenges they are facing, and how employers can support them in achieving their retirement goals while leveraging the wealth of institutional knowledge many of these employees carry.



## Women face unique financial hurdles to ensure they do not outlive their savings

For working women, the road to retirement features several distinct challenges. Pervasive gender pay gaps, higher levels of debt, and a disproportionate responsibility for caregiving merge to create a trifecta that prevents many women from saving enough to feel confident about their retirement prospects. Despite reaching record-high average balances and contributions rates at the end of 2024, women's average balances are still only 2/3 of the average balance of working men, with 1% lower average contribution rates.<sup>1</sup> This is a cause for concern, specifically given that women are at higher risk of outliving their savings because of longer life expectancy and higher health care costs in retirement.

With anxiety over the solvency of Social Security and Medicare benefits on the rise across nearly every age group,<sup>2</sup> the planning process has become even more complex and uncertain. This is causing women to worry that they will never be able to retire, or that they will have to remain in the workforce longer than they anticipated to supplement their retirement income.

### By the numbers



**84¢**

Women working full-time and year-round are paid an average of 84 cents for every dollar paid to men<sup>3</sup>



**19 ¼**

The average years of retirement that women must plan for, assuming retirement at 65 years old.<sup>4</sup> (compared to 16.95 years for men)



**27%**

Working women that have taken a year or more away from work to raise children or provide caregiving (compared to 12% of men)



**\$165,000**

The average cost of health care in retirement for women<sup>5</sup> (\$15k more than men)



**1 in 5**

Working women that feel confident that they have enough saved to support them through retirement (compared to 2 in 5 men)



**53%**

Women age 50+ who anticipate they will have to continue working for pay after retirement from their primary career (compared to 51% of men)

## Despite concerns, women remain hopeful about starting a new chapter in retirement

While retirement timelines may be changing, the desire to shift to a lower-pressure way of life hasn't. Working and retired women across age groups report looking at retirement as starting a new chapter, and an opportunity to try something new. Spending more time with people they care about, focusing on mental and physical health, and pursuing new activities are all areas that women say will be a priority during their retirement, and they're looking toward it with hope and excitement.

Fortunately, women who have taken the leap into retirement report feeling significantly more relaxed and confident about their transition than they had expected. This may signal a need to better mentally and emotionally prepare pre-retirees so the fear of the unknown doesn't prevent them from transitioning into this new chapter.

Despite low levels of confidence in retirement readiness, women who have retired tend to report being more relaxed and confident than pre-retirees

Emotions about retirement among pre-retirees and retired women



## Employers are uniquely positioned to help enhance women's retirement readiness and confidence

### Increasing retirement confidence through community

This fear of the "unknowns" of retirement goes far beyond concerns of monetary solvency, and frequently includes uncertainty regarding how potential retirees will spend their time and energy. Although women are more likely to express excitement and anticipation about retirement, they are also more interested in guidance for how to get there.

One way employers can help bridge this gap is to foster a network of pre-retirees and recent retirees. Nearly one in four working women say they would like their employers to help facilitate these connections, which would allow retirees to share what they've learned in the transition. These information-sharing relationships can strengthen pre-retirees' confidence and enhance their understanding of the personal and financial nuances of the transition to retirement.

## Underutilized benefits that can help prepare women for a successful retirement

- Consider how a **student debt benefit** can support your workforce, which has been shown to boost retention and presenteeism among employees. Women are more likely to carry student debt, have higher overall balances, and take an average of 2 years longer to repay the loans, preventing them from saving more for retirement or building emergency savings.<sup>7</sup>
- Consider offering **childcare or eldercare benefits** to help reduce out-of-pocket costs and keep women in the workforce. The cost of childcare varies greatly across the US, with the typical household paying between \$5.5k and \$17.6k annually for care.<sup>7</sup> Additionally, individuals who provide caregiving to loved ones often tap into their own cash reserves to pay for caregiving costs, at an average of \$7.2k annually.<sup>9</sup>
- With caregiving duties falling disproportionately on women, consider implementing **flexible work policies** that allow caregivers the autonomy to balance their priorities. Nearly 1/3 of caregivers have voluntarily left their jobs at some point in their career because of caregiving responsibilities, and 53% report having to start or end work early to meet these obligations.<sup>10</sup> Offering appropriate flexibility and autonomy regarding working hours and location can help keep caregivers in the workforce.

Percentage of working women that consider these benefits "game-changers"<sup>12</sup>



Student Debt Repayment  
25%



Childcare Reimbursement  
25%



Flexible hours  
35%

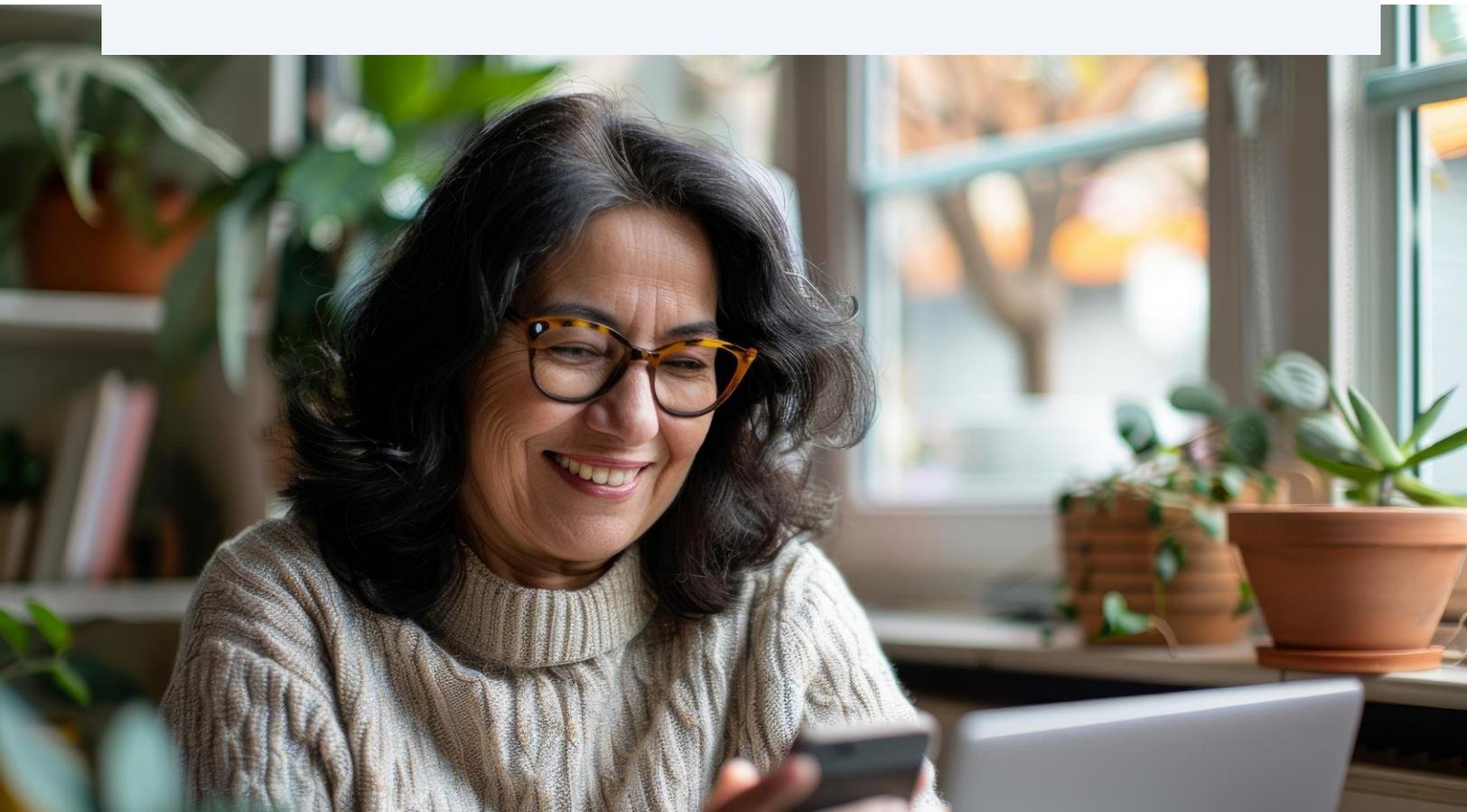
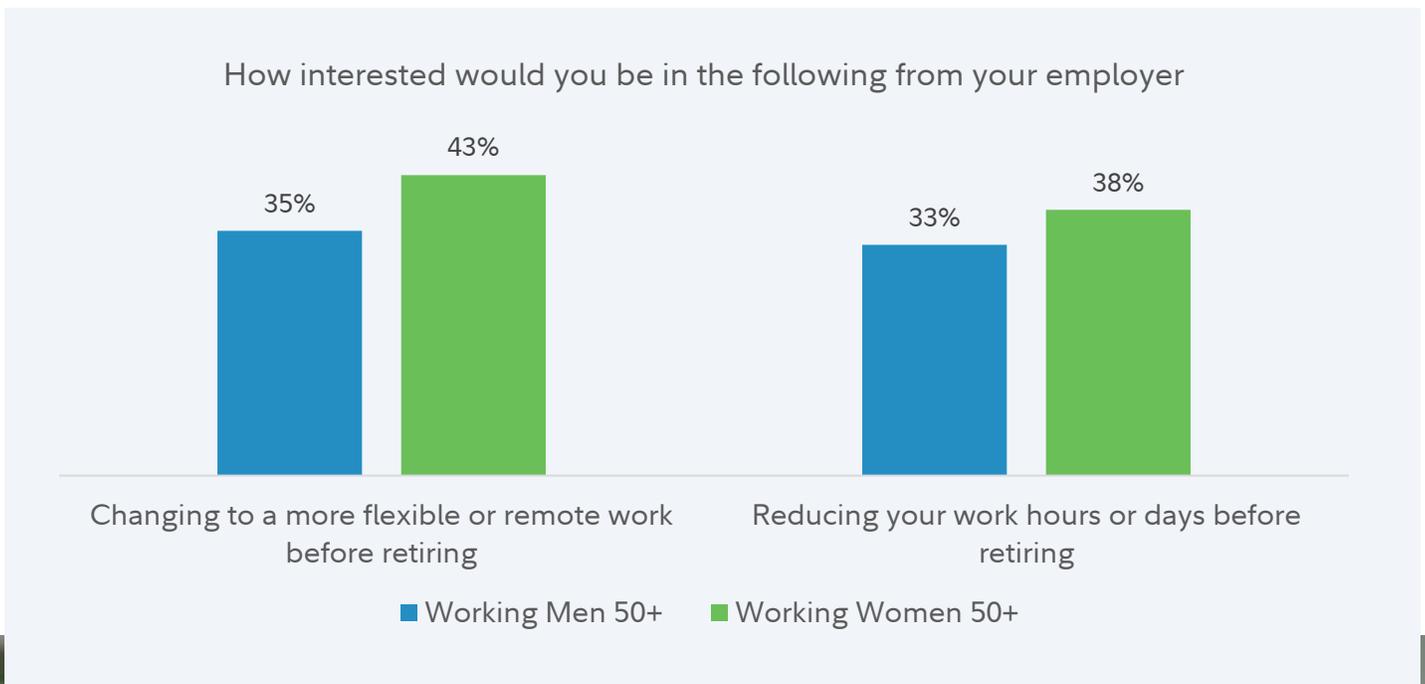


Remote or Hybrid Work  
37%



- **Create a gradual off-ramp to retirement.** Among women over 50, 2 in 5 would like the opportunity to slowly transition into retirement by gradually reducing their work schedule or adding additional flexibility in how, when, and where they work. Despite being a popular benefit among pre-retirees, fewer than 15% of employers offer one of these options.

These slow, deliberate transitions are mutually beneficial, too. In 2025, over 11,200 Americans will reach retirement age every day.<sup>11</sup> Employers are poised to lose a significant portion of their workforce over the next 5 years, risking the loss of critical institutional knowledge and a loyal group of employees. By focusing on benefits that allow pre-retirees to gradually reduce their hours and increase their flexibility, employers can strategically manage these exits and ensure a solid business continuity plan.



## Education and resources to increase women's knowledge and retirement confidence

Working women of all ages—and women under 50, in particular—are looking for support in understanding, planning, and saving for their long-term goals and needs. However, nearly half of employers do not offer the educational resources that women are interested in, highlighting an opportunity for employers to enhance the knowledge and confidence of their workforce as it relates to planning, saving, and spending for retirement.

Fidelity offers numerous resources to address these areas of interest, which employers can leverage and incorporate into their communication and engagement strategies.

### Percentage of working women interested in the following support from their employer



**51%**  
Assistance understanding healthcare costs in retirement



**48%**  
Tools or education related to retirement planning



**47%**  
Tools or educational materials related to Social Security decisions



**45%**  
Tools or educational materials related to Medicare decisions

### Fidelity resources for employees

- [How to plan for rising health care costs](#)
- Learning Center: [Managing Healthcare](#)
- [The gender gap and retirement](#)
- Learning Center: [Financial basics](#)
- [Saving for retirement](#)
- [Social Security: Time to talk | Q&A](#)
- [Social Security Benefit Calculator](#)
- [6 key Medicare questions](#)
- [Fidelity Medicare Learning Center](#)

For additional resources that address topics related to finance, work and life, Fidelity's [Women Talk Money](#) community offers regular articles, webinars, and events aimed at helping women take charge of their financial picture and achieve the retirement of their dreams.

**Unless otherwise noted, all data and insights from Fidelity's 2024 Evolving Landscape of Retirement Study.**

1. Analysis of Fidelity Platform data
2. West Health-Gallup, "Healthcare in America Report," June 2024
3. Federal Register, "National Equal Pay Day," March 2024
4. [Social Security Administration Actuarial Life Table](#)
5. Fidelity Investments [Press Release](#), August 2024
6. Fidelity's 2021 Value of Benefits Survey
7. Hanson, Melanie. "Student Loan Debt by Gender" EducationData.org, June 20, 2024, <https://educationdata.org/student-loan-debt-by-gender>
8. U.S. Department of Labor Blog, "New Childcare Data Shows Prices Are Untenable for Families," January 2023. Adjusted for inflation as of December 2024 using estimates from the Bureau of Labor Statistics [CPI Inflation Calculator](#).
9. AARP, "Caregiving Can Be Costly – Even Financially," June 2021
10. Rosalynn Carter Institute, "Invisible Overtime: What Employers Need to Know About Caregivers," January 2022
11. Retirement Income Institute, "The Peak 65 Zone is here – Creating a new framework for America's retirement security," January 2024
12. Fidelity's 2024 Value of Benefits Survey

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