

The Hague, September 3, 2015

## **Homemakers Are Not Off the Hook in Terms of Saving and Planning for Retirement**

### ***New research exposes retirement risks faced by homemakers and offers recommendations***

Today, the [Aegon Center for Longevity and Retirement](#) (ACLR) in collaboration with nonprofit [Transamerica Center for Retirement Studies®](#) (TCRS) (a division of the Transamerica Institute®, a nonprofit, private foundation) released a new report, [Homemakers Are Not Off the Hook: How Should They Be Planning for Retirement?](#), which offers perspectives on the retirement outlook of 1,600 self-described homemakers spanning 15 countries around the world.

"Homemakers contribute greatly to their families and society, as parents, caregivers, and role models to their children," said Catherine Collinson, president of TCRS and executive director of ACLR. "Because their work is unpaid and comes without employer or retirement benefits, homemakers face even greater retirement risks than workers due to their reliance on others for income," said Collinson.

The purpose of this new report from the [2015 Aegon Retirement Readiness Survey](#) is to expose homemakers' retirement risks, identify challenges and opportunities, and offer recommendations for homemakers and their families, as well as employers, and policymakers.

#### **A Portrait of Homemakers**

Who are homemakers? The survey set out to learn more about homemakers along with their preparations for retirement. It found that most homemakers are:

- Women (86 percent globally, 81 percent U.S., 74 percent U.K., and 82 percent the Netherlands);
- Married, cohabiting, or in a civil partnership (88 percent globally, 90 percent U.S., 88 percent U.K., and 84 percent the Netherlands);
- Aged 18 to 44 (59 percent globally, 46 percent U.S., 47 percent U.K., and 45 percent the Netherlands); and,
- A parent of one or more financially dependent children (69 percent globally, 55 percent U.S., 55 percent U.K., and 50 percent the Netherlands).

"In devoting their time to unpaid work, homemakers financially rely on their spouses or partners, a reliance that they expect to continue through retirement, a reliance that comes with risks," Collinson said.

The majority of homemakers (65 percent globally, 75 percent U.S. and 61 percent in the Netherlands and U.K.) believe that their spouse or partner's income will be "very" or "extremely" important to them in retirement.

#### **Homemakers Face a Risky Retirement**

"It is a myth that only workers retire," said Collinson. "Homemakers also need to plan and prepare for financial security in old age. For everyone, and especially homemakers, a separation, divorce or loss of a spouse or partner can be devastating both emotionally and financially."

Homemakers share similar dreams but are less optimistic about retirement than workers and retirees. When presented with a series of word associations about "retirement," globally, only 60 percent of homemakers cite positive word associations compared with 71 percent of workers and retirees. In the U.S., U.K. and Netherlands, 63 percent, 62 percent, and 46 percent respectively of homemakers cite positive word associations compared with 78 percent, 73 percent, and 77 percent of workers and retirees respectively in those countries.

Globally, workers and retirees are more likely than homemakers to associate retirement with positive words such as "leisure," "freedom," and "enjoyment." In contrast, homemakers are more likely than workers and retirees to cite negative words such as "insecurity," "poverty," and "ill health."

"Homemakers are vulnerable. The vast majority of homemakers are women and, statistically speaking, women live longer than men. The implications are that a homemaker will likely outlive her spouse or partner and she will live to an older age, thereby increasing the risk of inadequate savings and potential poverty," said Collinson.

**Homemakers Are Not Off the Hook: Proactive Steps Can Reduce Retirement Uncertainties**

"Many homemakers are not taking charge of their future retirement," said Collinson. Globally, only 32 percent of homemakers feel "very" responsible for personally making sure they have sufficient income in retirement. American homemakers are the most likely to feel "very" responsible at 40 percent, followed by homemakers in the U.K. (32 percent) and the Netherlands (15 percent).

Fewer than half of homemakers are saving for retirement (47 percent globally, 44 percent U.S., 33 percent U.K., and 37 percent the Netherlands). Just one in three homemakers (29 percent globally, 30 percent U.S., 21 percent U.K., and 25 percent the Netherlands) consider themselves to be "habitual savers" who always make sure that they are saving for retirement. The survey found that [habitual savers](#) are better prepared for retirement compared to those who are not.

Fifty-one percent of homemakers do not have any sort of strategy for retirement – written or unwritten. What is more concerning is that few have a written retirement strategy (11 percent globally, 8 percent U.S., 3 percent U.K., and 5 percent the Netherlands).

"Clearly, it is difficult for homemakers to save given the unpaid nature of their work. However, homemakers are not off of the hook for their future retirement. Getting into the habit of saving, even if it's just a little bit, along with careful planning, may help homemakers improve their long-term prospects," said Collinson.

**Five Ways to Improve Homemakers' Retirement Outlook**

Homemakers can take proactive steps to improve their retirement outlook. Governments, employers, and the retirement industry can also play an important role by offering new solutions to help homemakers and their families to save, invest, plan, protect, and achieve financial security in retirement. ACLR offers these five recommendations:

1. Homemakers. Become personally involved in your family finances ranging from daily budgeting to long-term planning. Working with your spouse or partner, calculate retirement savings needs and develop a financial plan for achieving those needs. As part of that plan, be sure to have a backup plan for unforeseen circumstances such as separation, divorce, or loss of a partner. Consider seeking the expertise of a professional financial advisor.
2. Homemakers. Consider working on a part-time basis to reduce future retirement risks. Part-time work brings income and greater access to government and employer retirement benefits. Staying in the work force can also help keep job skills current and make it easier to find higher paying and/or full-time work, if needed.
3. Employers. Offer flexible work arrangements that can provide opportunities for homemakers to pursue employment and balance their household responsibilities.
4. Employers. Consider offering health and welfare benefits, including retirement benefits, to part-time workers and contract employees.
5. Governments should consider the creation of credits for homemakers and caregivers who are unable to pay into their social security system, in recognition of their unpaid work and contribution to society.

Please visit ACLR at [www.aegon.com/thecenter](http://www.aegon.com/thecenter) to view the [full survey report](#).

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## **About the Survey**

The **Aegon Retirement Readiness Survey 2015** is a collaboration between the Aegon Center for Longevity and Retirement and the Transamerica Center for Retirement Studies®. The survey encompasses 16,000 employees and retirees and 1,600 homemakers in 15 countries: Australia, Brazil, Canada, China, France, Germany, Hungary, India, Japan, the Netherlands, Poland, Spain, Turkey, the United Kingdom and the United States. These countries were selected on the basis of their distinctive pension systems, as well as their varying demographic and aging trends.

Cicero Group, a leading global research firm, was engaged to conduct the survey. Respondents were interviewed using an online panel survey,<sup>1</sup> and interviews were conducted in their local languages in February 2015. This survey provides a broad perspective on savings and retirement, based on working, fully retired, and homemaker populations. In total, 14,400 employees, 1,600 fully retired people, and 1,600 homemakers were interviewed. The findings reflect both the attitudes and behaviors of these individuals.

### **About Aegon Center for Longevity and Retirement**

The Aegon Center for Longevity and Retirement (ACLR) is a collaboration of experts assembled by Aegon with representation from Europe, the Americas, and Asia. ACLR's mission is to conduct research, educate the public, and inform a global dialogue on trends issues, and opportunities surrounding longevity, population aging, and retirement security. [www.aegon.com/thecenter](http://www.aegon.com/thecenter)

Aegon is an international life insurance, pensions and asset management company with businesses in over 25 countries in the Americas, Europe and Asia. Aegon employs 28,000 people and serves millions of customers worldwide. [www.aegon.com](http://www.aegon.com)

### **About Transamerica Center for Retirement Studies®**

The Transamerica Center for Retirement Studies® (TCRS) is a division of the Transamerica Institute®, a nonprofit, private foundation. TCRS is dedicated to conducting research and educating the American public on trends, issues, and opportunities related to saving, planning for, and achieving financial security in retirement. Transamerica Institute® is funded by contributions from Transamerica Life Insurance Company and its affiliates and may receive funds from unaffiliated third parties. TCRS and its representatives cannot give ERISA, tax, investment or legal advice. Follow TCRS @TCRStudies. [www.transamericacenter.org](http://www.transamericacenter.org)

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<sup>1</sup> As the survey was carried out online, the survey results in China, India, and Brazil are biased toward people living in urban areas. Internet penetration is underrepresented in rural areas and among lower income groups.