

How the Average Retirement Age and Wage Will Change in 10 Years for Men vs. Women | GOBankingRates

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Do retirement benchmarks like retiring at age 65 still hold up? Or have rising costs, combined with changing conditions such as medical advances extending and improving lives, created [new retirement expectations](#)? And how do these expectations differ by gender?

A survey by GOBankingRates finds that only 37% of both men and women think retiring around age 65 is financially possible for most Americans. But there are also lots of differences in how men and women look at retirement.

For example, the most common response among women for how much money they'll need in retirement is \$250,001 to \$500,000, whereas men are more likely to say \$500,001 to \$1 million than any other number. The survey also finds that women have generally saved less for retirement than men have so far, and women expect to spend less money in retirement, too.

However, times are changing, and the [average retirement age](#) and wage could look different in 10 years.

New Expectations for the Average Retirement Age

While many people still dream of retirement, the future might not involve as many full-stop retirements.

"I'm seeing more and more people, both men and women, plan on entering a 'semi-retirement,' where they continue working past a traditional retirement age, such as 65," said Nicole Burdick, an LPL-affiliated financial advisor at [Money Maven Financial](#). "Semi-retirement looks like working less, earning less and, in exchange, having less stress and more time flexibility — perks typically reserved for retirement."

In semi-retirement, she said, there might not be much activity in terms of wealth accumulation, but it can prolong drawing down your retirement savings.

"Waiting to withdraw from retirement accounts decreases the chance of running out of money, which is particularly important for women, who will likely live longer," Burdick said. "Semi-retirement also could enable them to wait to draw Social Security, which increases that income stream for the rest of their life."

In many cases, though, a savings shortfall prompts extended working years.

"I believe the average retirement age for both men and women will drift upwards over the next decade both by necessity and social change," said Chris Zeches, CFP and managing partner at [Zeches Wealth Management](#). "Additionally, I agree with the respondents in that I believe retiring at 65 is not financially feasible for most Americans. Most Americans are unfortunately not prepared for retirement and therefore they will need to keep working as long as possible."

Working longer also can be particularly important for women, who may have had career gaps due to having children. Plus, living longer can require more retirement savings for women.

"Due to their longer life expectancy and wanting to maximize their retirement income, they may choose to review all of their planning options and consider working longer to take advantage of the additional income and savings capabilities for the long term during their retirement years," said Janet Fox, an LPL-affiliated financial advisor and president, [ACH Investment Group, Inc.](#)

New Expectations for the Average Retirement Portfolio and Wage

Related to working longer, many women also will likely increase their retirement portfolios over the next decade, according to experts.

“The primary driver of women having less saved for retirement than men is the caregiver effect, as women are more likely to take time out of the workforce to care for their children or other family members,” Burdick said. “However, research also shows that women are more likely to opt into 401(k) plans, save at a higher rate and get better returns due to less frequent trading. These factors, combined with increased availability of paid family leave, access to affordable child care, and continued work towards closing the pay gap, will help women pass up their male counterparts for retirement savings.”

Plus, more women likely will take control of their finances, which could lead to bigger retirement portfolios.

“Historically speaking, it is common for men to manage the investments and rely on their ability to make more money,” Burdick said. “Women tend to manage the household budget and may be thinking more in terms of how much they think they’ll be able to spend, already reigning in their expectations to be more conservative.

“This is likely to change over the next 10 years as women become more engaged in their family’s investments while also seeing a great transfer of generational wealth into their hands.”

That said, many people, regardless of gender, still could struggle to grow their retirement portfolios.

“Unfortunately, I do not believe these amounts saved for retirement are going to significantly change for two main reasons,” Zeches said. “First, we are a nation of spenders and not savers. It is going to be very hard for people to suddenly change a lifetime of spending habits. Secondly, the costs of goods and services continue to increase. These increases make it harder for people to save for the future.

“However, over the next decade and into the future, I do believe we are going to see an increase in retirement assets for women based on more women working outside the house and more assets being passed into the woman’s name.”

Will Women Close the Gap?

While sources of retirement income like Social Security might get more equal between genders as women close the pay gap, societal norms could still hold back retirement wage growth.

Burdick said, “What I’m seeing in my practice right now is female clients basing their decision on when to file for Social Security, not just around their financials, but also due to caregiving responsibilities — typically for a spouse or a parent. While the benefits may equalize, the payouts will likely remain lower as caregiving responsibilities lead them to file earlier than men.”

Some, however, do have a more optimistic view.

“During the next 10 years, the payouts during retirement for women will increase,” Fox said. “As more women re-enter the workforce and continue investing in their 401(k) plans as well as non-retirement investments, the income will increase. This trend should continue if the millennial and Gen Z generations continue investing as well.”

Overall, while it’s hard to say exactly what will happen in 10 years, the trend at least seems to suggest that women will close some financial gaps with men. However, both genders need to be mindful when it comes to retirement planning amid increasing costs and longer life expectancies.

“Good financial planning during your working years is critical,” Fox said. “A good plan takes into account income from all sources.”