

Why does retirement look different for women?

Retirement planning is important for everyone. But for women today in particular, it looks very different than it has in the past.

Today, women control more assets than ever before and they are the primary breadwinners in 40% of Canadian households.¹ However, despite their growing financial power, Canadian women still retire with an average of 30% less saved than men.² And only 52% of Canadian women are financially confident about their retirement plan.³ We believe that number should be higher. Working with an advisor can help to confidently build your financial security to meet your retirement goals.

What are some of the unique considerations for women approaching retirement?

1. Longer lifespan

Women can expect to live 10-15 year longer than their male counterparts.⁴ This means they must stretch their retirement savings more to support themselves for longer. Given their longer lifespan, women have a real risk that they may outlive their money. There are, however, product solutions that can provide guaranteed lifetime income like segregated funds (GIFs) with an income guarantee and payout annuities. Talk to an advisor about how to maximize your savings and investments.

2. Caring for others and career interruption

Despite making more money than previous generations, women in Canada still make 89 cents for every dollar men make.⁵ In addition, women still bear the primary responsibility for caregiving. Whether it's taking time off work for parental leave or caring for family members, women often spend less time in the workforce, which can impact their retirement savings. Closing this gap requires saving more earlier, or investing in higher risk, higher-return investments.

3. Confidence gap

Research shows that women report lower levels of confidence when it comes to financial decision making and their retirement. The more you know about financial products, concepts and practices, the better decisions you can make about your money.

To improve, start educating yourself about personal finances— even if it's just a few minutes here and there. Doing so will make you feel more confident and help you manage your money better. Partnering with a trusted financial professional can also help to close the confidence gap and empower you to make better financial decisions.

The best part is that you're moving into a world full of fresh possibilities. Whatever you decide you want your new world to look like, consider how to express your identity and purpose, and redefine what success means to you. Be willing to let go of the rest. It will free you to enjoy what's ahead.

¹Strictly Money, "Women's Financial Needs | 'The Wisest Investment'," The News Forum, 2023.

²Mercer Canada, Mercer Retirement Readiness Barometer, 2021

³Benefits Canada, "Canadian women are 16% less confident about retiring than men: survey," 2023.

⁴IPC, Women and Wealth – The Changing Face of Wealth in Canada and its Implications for Advisors, 2017

⁵<https://canadianwomen.org/the-facts/the-gender-pay-gap/>



46% of women say they lack sufficient knowledge about how much **retirement income** they would need¹



35% of women say they lack sufficient knowledge about how to **select investments**¹



32% of women say they lack sufficient knowledge about **government programs** (CPP/QPP, OAS, etc.)¹

¹Source: Sun Life Financial "Mind the Retirement Gap", 2014

²Source: In an aging Canada, women need to save more than men — even if they make less, May 2017

4. Men and women often approach retirement differently

Retirement is often seen as a destination for men, but for women, it's viewed more as a journey filled with possibilities. It's a stage in life where they can finally reflect on their desires and pursue dreams that may have been delayed. This could include volunteering or starting a new business. In fact, women in Canada account for over **37% of self-employed Canadians** and **17.5% of business owners**. Consider what you want your later years to look like and put a plan in place to help achieve those goals.

5. Legacy and estate planning

At some point in their lifetime, 90% of women can expect to become the sole financial decision maker, making them responsible to pass on assets to children or beneficiaries. Poor estate planning decisions may affect women more profoundly. How do you leave a legacy that means something to you and make sure your family is taken care of? Consider estate planning solutions and work with a legal professional to make sure your wishes are documented and your estate plan is up to date.

How a financial advisor can help

Today, women face unique challenges that can impact their retirement years. To make the most of their financial journey, working with an advisor can be highly beneficial. Reports suggest that Canadians who work with an advisor accumulate over two times more assets over time. Considering that women often must do more with less, it is crucial for them to engage with an advisor early on and set a plan in place as soon as possible.

By working with an advisor, you can gain an advantage. A good advisor understands your unique journey, priorities, and short and long-term financial goals. They can guide you through the different milestones in life, such as graduations, career changes, and child-rearing.

Finding and working with a trusted advisor is essential to create a holistic financial plan that incorporates many key considerations such as:

- Your personal values
- Protecting your family
- Focusing on assured outcomes
- Financial security
- Investing in causes that matter to you
- Ensuring your money lasts through retirement
- Leaving a legacy for both you and your family

By putting your unique retirement plan into action early and considering the factors unique to women, you can get closer to ensure you're financially prepared for your life now and in the future.

No matter what life stage you're in, now is the time to prepare for retirement. Let us help you on your journey towards financial security.

Interested in other resources?

Check out Sun Life Global Investment's [Retirement Hub](#) to learn more.

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