

THE WOMEN'S OPPORTUNITIES RESOURCE CENTER PREPARES WOMEN FOR RETIREMENT

“When you’re constantly in crisis, it’s hard to break the cycle of financial hardship without income and assets. Asset planning helps people plan and build for the future.” Over the past two-and-a-half decades that Lynne Cutler has spent running the [Women’s Opportunities Resource Center \(WORC\)](#) in Philadelphia, she has witnessed the unique hardship that women face as they strive for financial stability, particularly on their way into retirement.

Across the nation, Americans face a retirement crisis. Too few people have retirement accounts, and those with accounts have too little saved.¹ Women often feel this crisis in graver ways as the once-stable three-legged stool of retirement—Social Security, pensions and personal savings—crashes. Due in part to wage gaps and the caregiving responsibilities that force women to enter and exit the workforce more frequently than men, women enter retirement with an average of 26% less wealth than men.² As a result, they’re 80% more likely than men to live in poverty once they reach retirement.³ Cutler continues, “People don’t know what’s going on, and they’re concerned. They want to be financially secure when they retire. But it’s hard to get good financial advice if you don’t have more money.”

“Some of the women were tearful during the first session when they realized that Social Security will not be enough. They need to do more, and realizing that is scary.”

So Cutler and her team created a program specifically for women to access sound financial advice to prepare for a stable retirement. In partnership with the [Pennsylvania Institute of Certified Public Accountants \(PICPA\)](#), WORC launched the [Retirement Income Solutions \(RIS\) for Women](#) program in October 2015. The program utilizes experts from several fields to offer a targeted, comprehensive and interactive four-week retirement course, with six monthly one-on-one coaching sessions thereafter, for women age 45 and older.

THE PROBLEM

Women spend their working years earning less than men. And because many women are the primary caretakers in their family, they enter and exit the paid workforce more frequently than men. As a result, women enter retirement with an average of 26% less wealth than men, and they are 80% more likely to live in poverty upon retirement.

AN INNOVATIVE SOLUTION

Aware of the financial hardship that women uniquely face, the Women’s Opportunities Resource Center (WORC) launched a unique and specialized program, Retirement Income Solutions, specifically to help lower- to middle-income women prepare financially for retirement.



HOW DOES IT WORK?

Over the course of four consecutive sessions, a small group of women comes together weekly for three hours to dive deep into their financial situations. Some of the women are teachers. Others are librarians, administrators or health care providers. Some earn less than \$28,000 a year, while a few others earn over \$60,000. Many of them are now single and lost half of their assets in divorce or through widowhood. Others have few assets at all. And they all have one thing in common: they're not prepared for retirement, but they want to be.

"People spend two weeks planning for vacation, but no time planning for retirement. We wanted to change that. The RIS program serves as an impetus to start addressing retirement savings now." – Rochelle Massarella, WORC Training Coordinator

In each of the four sessions, RIS leverages several integral partnerships with local organizations to provide women with timely and personalized advice.

1. Session One: Social Security and Retirement Planning. Facilitated by an expert from AARP, women explore what Social Security is, who receives benefits, the pros and cons of withdrawing benefits early, and what gaps still exist after Social Security benefits are received. In this session, participants also determine their own net worth and brainstorm a vision for their retirement.

2. Session Two: Retirement Success. A Certified Public Accountant (CPA) Investment Advisor from PICPA led participants through a discussion of a variety of issues that will determine their retirement success, including knowledge of personal finance and retirement issues, investment and retirement planning, estate planning and Social Security.

3. Session Three: One-on-One Retirement Readiness. After compiling information about their existing savings, each woman meets individually with a CPA advisor to identify key retirement goals, such as target retirement age and income. Using a retirement calculator and the women's financial statements, advisors project retirement income and gaps for a comprehensive financial snapshot. Simultaneously, roundtable discussions are facilitated by experts in the field about health and Medicare, life insurance, estate planning and cash management during retirement.

4. Session Four: Lifestyle Expectations. Throughout the course, many women realize they need to make lifestyle changes to be retirement-ready, such as delaying retirement and working full- or part-time. Others want to save more for a bigger retirement nest egg. In the last session, guest speakers from Jewish Employment Vocational Services, SCORE and WORC's Entrepreneurial Training Manager share employment, self-employment and program resources with women to help identify their expectations and turn their retirement plans into action.

Optional Component: Individual Coaching. After a month of group sessions, each woman is provided the opportunity to meet monthly for six months with one of WORC's two retirement coaches. As Rochelle Massarella, WORC Training Coordinator, explained, the monthly coaching provides space to push the limits a little further. While the month-long sessions connect the various pieces needed for a secure retirement more broadly, coaching dives into the personal details of each woman's journey. Coaches help women project their savings, find ways to lower bills and allocate money toward retirement and uncover new avenues of cash flow.



*"The RIS classes exceeded my expectations. The follow-up coaching was really helpful in making my plan a reality. I encourage you to join the program; you will feel empowered."
– Indah, a RIS participant*

WHAT'S THE IMPACT?

Although RIS is still in its infancy, having held only two courses for a total of 30 women, the impact is evident. As a result of RIS, **90%** of participants created a **budget plan** and **statement of net worth**, **36%** participants increased their **retirement savings**, **23%** of participants contacted a **financial advisor** and **16%** of participants **reduced their debt**.

*"I was encouraged to develop a financial timeline projection of how I would cover my anticipated retirement expenses. I am now confident in my ability to plan for and positively impact my financial future."
— Ilene, RIS participant*

The statistics don't tell the whole story. Behind those numbers lies the lived differences in women's lives, many of which are made possible through the six coaching sessions. For many women, a great deal of their future livelihood depends on finding ways now to lower bills and reallocate money. As one of the coaches that meets with women on an individual basis after the class ends, Massarella dives into the intricate details of their financial situations. One woman on disability insurance, Massarella explained, needed help getting affordable health insurance. The woman previously received estimates for over \$500 per month because she has pre-existing conditions. Through coaching, she was able to get on a richer plan for \$166 per month, which greatly reduced her expenses.

Other women share similar successes. One woman was able to project how much she needs to save now to retire at age 64 and live comfortably. Another learned that she cannot retire at 66 as expected; she'll have to wait until she is 70 and work part-time until then. Coaches helped one 80-year-old woman, who had been divorced and is still working, find a receptionist job to supplement her retirement income.

RIS fills a big gap for many women who spend their lives earning lower wages than men and bearing the primary responsibility of family caregiver. Previously unsure of who to trust for sound financial advice, RIS empowers women to figure out the details of their financial situation and confidently move forward into retirement. And beyond that, RIS creates a vital space for women to bond and become each other's allies in the journey to fight the retirement gap.

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NOTES

¹ Anna Mahathey, *Retirement Gap: Americans Struggle to Save* (Washington, DC: CFED, 2016).

² Jennifer Erin Brown, Nari Rhee, Joelle Saad-Lessler and Diane Oakley, *Shortchanged in Retirement* (Washington, DC: National Institute on Retirement Security, 2016), 1.

³ Ibid.

WHY IS THIS APPROACH INNOVATIVE?

RIS leads the way in retirement readiness. WORC staff observed a major gap in people's financial lives — women's specifically — and created a holistic and comprehensive program to fix it. RIS doesn't simply provide retirement financial education; it reaches women at exactly the right time with that knowledge to prepare for retirement. By incorporating action steps and one-on-one coaching, RIS embodies the definition of a successful financial capability program.

Questions or Comments? Contact CFED!

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