



It's Not Your Mother's Retirement: A MetLife Study of Women & Generational Differences



MetLife Mature Market Institute®

in conjunction with

WISER

Women's Institute for a Secure Retirement

and

Mathew Greenwald & Associates

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The Women's Institute for a Secure Retirement works to provide low and moderate income women (aged 18 to 65) with basic financial information aimed at helping them take financial control over their lives and to increase awareness of the structural barriers that prevent women's adequate participation in the nation's retirement systems.

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TABLE OF CONTENTS

Executive Summary	4
Key Findings	7
Daughters Will Work Longer... or Forever	7
Daughters' Retirement Quality Will Be Better	8
Daughters' Retirement Will Also Be More Active and Interesting	11
Daughters Are More Likely To Face Financial Adjustments	13
Mothers and Daughters, Concerned About Health, Will Rely on Family	17
Married and Unmarried Women Experience Retirement Somewhat Differently	18
Daughters Expect Different Sources of Retirement Income	18
Debt May Derail Daughters	20
Home Equity May Save Them	22
Husbands and Wives Play Equal Financial Roles	24
Listen... Your Mother May Have Some Advice For You	26
Methodology and Profile of Respondents	28
Implications	32



EXECUTIVE SUMMARY

The economic status of women has improved over the past few decades. There are more women in the workforce now than at any other time in history, and women are earning higher wages than in the past. While these are positive factors, it is not a completely happy picture. Women still tend to earn less than men, are more likely to work part-time or leave the workforce temporarily for caregiving responsibilities, and live longer than men. These factors can have a dramatic impact on women's retirement security.

It's Not Your Mother's Retirement, conducted by Mathew Greenwald & Associates, Inc., was commissioned by the MetLife Mature Market Institute in cooperation with the Women's Institute for a Secure Retirement (WISER) to understand the attitudes and behavior of women concerning retirement. By looking across several generational cohorts, the study gained insights into the differing perspectives of various generations of women about retirement. However, unlike other retirement studies that focused on women, this survey concentrated specifically on similarities and differences between mothers and their daughters. Further, it investigated how respondents think retirement will change in the future by comparing their experiences or expected experiences with those of their mothers' or daughters'. Several interesting findings emerged. They are outlined below.

Daughters Will Work Longer... or Forever

Three-quarters of mothers retired before the traditional retirement age of 65 yet only 37% of their daughters predict that they will retire before the age of 65. In fact, 17% of daughters will be age 70 or older and 6% say they may never retire.

Mothers agree that their daughters are likely to retire later than they, themselves, retired; more than half of mothers predicting their daughters' retirement age also indicate their daughters will retire at age 65 or later. Moreover, daughters are far more likely to say employment will be a source of retirement income (68% vs. 28% of mothers who did). Mothers concur that many women will work in retirement in the future; that is, 48% of mothers think their daughter will work for pay in retirement.

Daughters Believe Their Retirement Will Be Better

Overall, when asked to rate the quality of retirement experienced by women today, both mothers and daughters give it good marks. However, women view the state of retirement differently, depending on whether they are describing their own situation or that of their mothers. Two thirds of mothers (65%) believe that the overall quality of their retirement has been excellent/very good, while only 46% of daughters perceive the quality of their mothers' retirement in the same manner. In contrast, more than half of daughters (56%) believe their own retirement will be better than their mothers', and four in ten mothers (41%) also say their daughters' retirement will be better than their own.

Women identify two major obstacles in the way of achieving a better retirement: a lack of money and poor health. Among those reporting that the mothers' retirement is less than excellent, one third of mothers (33%) and daughters (32%) cite financial problems as a reason, while 16% of mothers and a quarter of daughters (25%) mention health or disability.



It Will Also Be More Active and Interesting

Daughters are in the process of redefining retirement, making it both more active and more interesting. Daughters who are not yet retired are more likely than their mothers to see retirement as a period of continued activity rather than a time for relaxing. They are more likely than mothers to say they will spend time managing finances and investments (73% vs. 61%), traveling (77% vs. 57%), and pursuing further education (71% vs. 28%). They also expect to spend time providing care for relatives (74% vs. 68%). Mothers agree with this picture, saying daughters will be more likely than their mothers to spend time on active pursuits and less time on relaxing and doing nothing.

Daughters Are More Likely To Face Financial Adjustments

One of the biggest challenges women will face in retirement is scaling back on their lifestyle. More than a third (34%) of daughters say that their biggest financial adjustment at retirement will be living on a reduced income or budget, a concern shared by 28% of mothers. One-quarter expect to pay for increased health expenses (23% of daughters, compared with 15% of mothers) and one in eight think her biggest adjustment will be coping with the increasing cost of living (13%, compared with 6% of mothers). In contrast, more than a quarter of mothers say they did not have to make any financial adjustment when they retired (29%, compared with 6% of daughters).

Mothers and Daughters, Concerned About Health, Will Rely on Family

Mothers and daughters are most concerned about being able to maintain their physical health in retirement (75%), being able to afford adequate health care (74%) and having enough

money to live on (66%). A significant number are counting on their family and friends to provide support with occasional tasks, such as home maintenance or repair (78%), transportation and errands (77%) and help managing their finances (75%).

Married and unmarried women experience retirement somewhat differently

Mothers who are married are more likely than unmarried mothers to retire before age 55 (26% vs. 6%). Similarly, married daughters are more apt than single daughters to expect to retire before age 60 (13% vs. 8%), and less likely to retire after age 65 (28% vs. 43%).

Daughters Expect Different Sources of Retirement Income

Actual and expected sources of income in retirement reflect trends in retirement benefits such as uncertainty about the future of Social Security and the shift from defined benefit pension plans to defined contribution plans (e.g. 401(k)s, 403(b)s). Nine in ten mothers (90%), but just three in four daughters (75%), report Social Security as a current or future source of income in retirement. In contrast, more than three-quarters of daughters (77%), compared with less than half of mothers (46%), indicate an employer-sponsored retirement plan is or will be an income source in retirement.

Debt May Derail Daughters

Daughters may enter retirement with higher levels of debt than their mothers. Two-thirds of mothers report having less than \$10,000 in consumer debt (66%), compared with less than half of daughters (45%). In contrast, daughters are almost twice as likely as mothers to have debt of \$25,000 or more (22% vs. 12%).



Home Equity May Save Them

Two-thirds of women are not too or not at all comfortable using home equity to help fund their retirement, yet more than four in ten women say home equity will or has played a role in financing their retirement (46% of daughters and 45% of mothers). Daughters are more likely to tap into this equity by selling their home and buying a less expensive one (61%, compared with 43% of mothers), while mothers are more likely to sell their home and rent a place to live (14% of mothers vs. 9% of daughters).

Husbands and Wives Play Equal Financial Roles

The good news is that almost half of women say that they and their husbands share equal responsibility for their finances, which should serve women well if their husband predeceases them. Although four in ten married mothers say they participate equally with their husband in managing their household's finances (43%), almost half of married daughters say they and their husband share about equally in planning financially for retirement (47%). Both groups are as likely to say they have the primary role (27% of daughters and 29% of mothers) as they are to say their husband has the primary role (24% and 27%). Women whose husbands have a role in financial management generally feel prepared to take full responsibility, should they need to. Eight in ten daughters (81%) and nine in ten mothers (89%) say they are very or somewhat prepared to take over completely, if necessary.

Listen... Your Mother May Have Some Advice For You

There appears to be a communications gap between mothers and daughters when it comes to discussions about retirement. Half of mothers (51%) say they spend some or a great deal of time discussing retirement/retirement planning with their daughters. Unfortunately, their daughters may not be listening — only 32% of daughters say that they spend some or a great deal of time discussing retirement/retirement planning with their mothers. At the same time, 15% of daughters indicate they typically have contact with their mothers at least 10 times a week, compared with 8% of mothers who report this level of mother-daughter contact.



KEY FINDINGS

Daughters Will Work Longer... Or Forever

Daughters anticipate retiring at a later age than their mothers. Just one in eight (13%) daughters say they plan to retire before the age of 60, while four in ten (41%) mothers indicate they retired this early. Instead, daughters are more than twice as likely (51%) to say they will retire at age 65 or later as mothers are to say they actually retired at such an age (21%). Daughters are also more likely than mothers to say they will never retire (6% vs. 3%).

Daughters may be projecting some of their own expectations when recalling their mothers' retirement age, as they are less likely to say their

mothers retired before age 60 (31%) than mothers themselves are to report it having occurred (41%). In addition, daughters (18%) are more than twice as likely to recall their mother retiring at age 65 as mothers are to report it happening (8%).

The proportion of daughters who predict they will retire by the age of 65 (59%) is nearly identical to the share of mothers who predict that their daughter will be retired by that age (58%). One in five mothers is not able to estimate her daughter's retirement age.

Despite these differences in perception, both mothers and daughters tend to think that daughters will work to a later age than their mothers.

Daughter: How Old Do You Think You Will Be When You Retire? (Mother: How old were you when you retired?)				
	Mother (n=387)		Daughter (n=467)	
	About self (%)	About daughter (%)	About mother (%)	About self (%)
Before 55	18	4	14	3
55 to 59	23	10	17	10
60 to 64	33	24	35	24
65	8	20	18	22
66 to 69	7	6	6	12
70 or older	6	10	6	17
Never	3	4	1	6
Don't know/no idea	1	22	4	6



Daughters' Retirement Quality Will Be Better

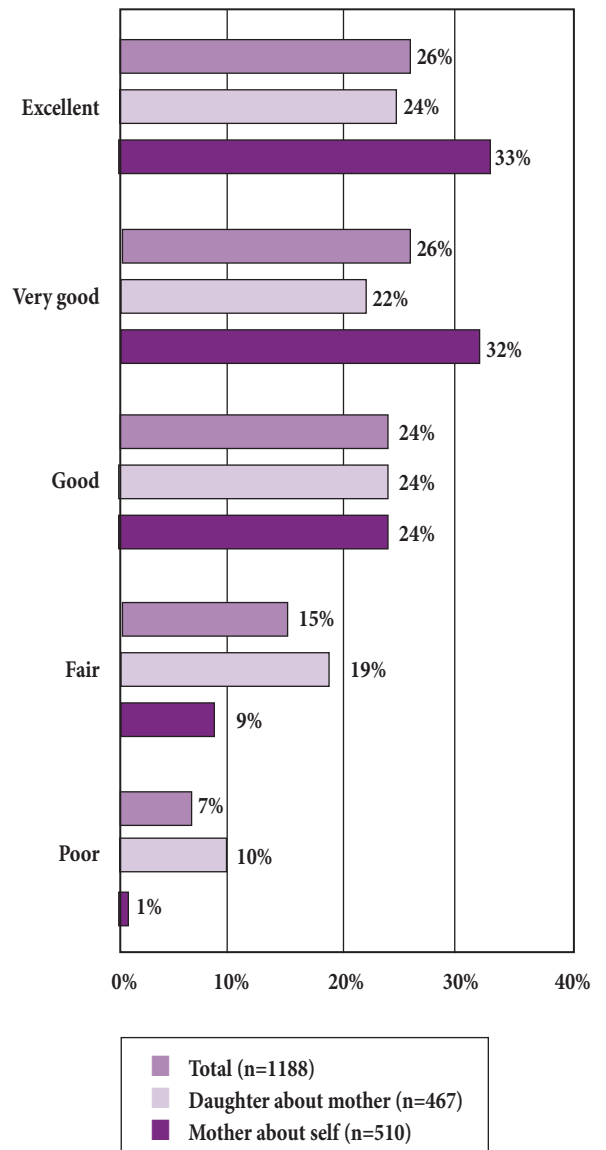
When asked to rate the quality of retirement experienced by women today, America's women generally give it good marks. One-quarter say it is excellent and another quarter regard it as very good. Yet not all are so upbeat. One-fourth rate it as only good, and more than two in ten say the retirement quality of today's older women is fair or poor.

Women view the state of retirement differently, depending on whether they are describing their own experience or reporting on their observation of their mothers' situation. One-third of mothers who are retired rate their own retirement as excellent and an equal proportion rate it as very good. But daughters see it another, more critical way. Only a quarter say their mothers are having an excellent retirement, and just over two in ten consider their mothers' retirement to be very good.

"I don't know that I'm ever going to retire... I love [my career] and I can't imagine not doing it."

So Far, Do You Think The Overall Quality Of Your Mother's Retirement Has Been...?

(Mother: So far, would you say the quality of your retirement has been...?)





One-third (33%) of mothers who say the quality of their retirement is less than excellent cite financial problems or lack of money as the biggest barrier to a better retirement.

One-third (32%) of daughters also attribute their mothers' less-than-excellent experiences to financial problems, but they frequently mention health reasons as well. One in four (25%) daughters feel that her mother's health, disability, or aging has adversely impacted her retirement, while just 16% of mothers report this is a reason why their own retirement is not better.

“[My hope is] to live reasonably comfortably enough that I can maybe do some travel, enjoy things that I’ve put off.”

What Do You Think Is The Single Biggest Reason It Isn't Better?		
Base: Retirement is less than excellent	Daughter about mother (n=364) (%)	Mother about self (n=338) (%)
Not enough money; financial problems	32	33
Not healthy; has disability; aging	25	16
Having to be caregiver; spouse was ill	6	7
Not keeping busy/active	5	5
Death of spouse or relative	3	3
Feeling isolated; left out of mainstream; being alone	3	2
Poor planning for retirement	3	4
Loss of identity	3	2
Retirement not as expected	2	2
Nothing; it was good/fine	*	5
Her (Your) attitude or personality	3	*
Having to work	1	1
Other	4	5
Don't know/Refused	9	14

* Less than 0.5%



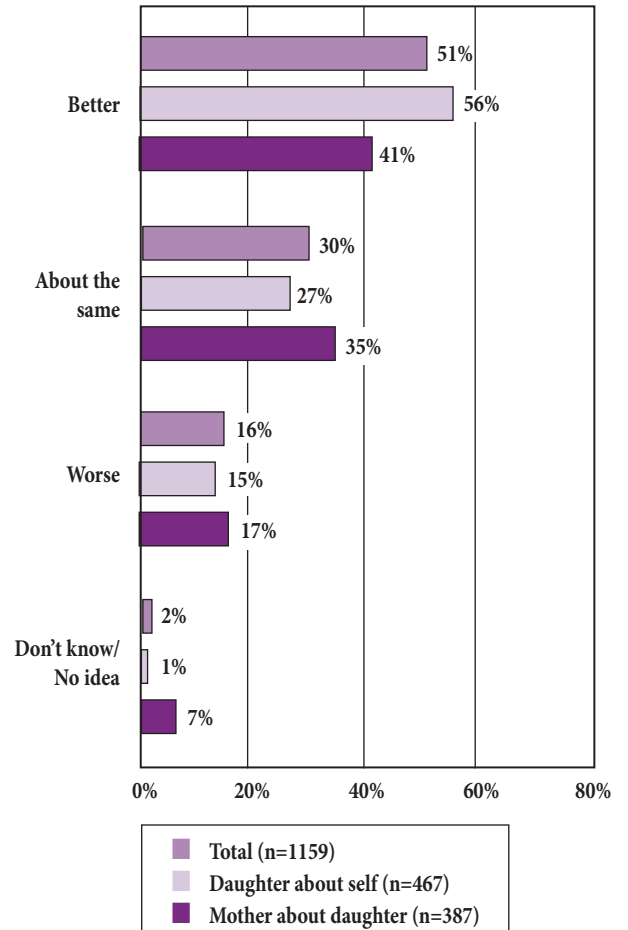
“It’s been great so far, I have my health, I’m able to be active, I’m sort of my own boss. I’m just happy.”

Four in ten mothers (41%) say their daughters can look forward to a retirement that is better than their own. More than a third (35%) expect that the quality of retirement will be about the same, and only about one in six (17%) envisions her daughter having a lower-quality retirement.

Daughters’ responses are more optimistic. More than half (56%) of daughters with a retired mother say their future retirement will be better than their mothers’, while a quarter (27%) expect their retirement to be about the same.

Daughter: Compared With Your Mother’s Retirement, Do You Think The Overall Quality Of Your Retirement Will Be...?

(Mother: Compared with your own retirement, do you think the overall quality of your daughter’s retirement will be...?)





A large majority (73%) of daughters who are expecting a retirement that is worse than their mothers' say financial problems or not having enough money will be the biggest obstacle to achieving a better retirement. Half of mothers (50%) who predict their daughters will have a poorer-quality retirement agree that this will be due to financial problems. For the most part, mothers and daughters are equally likely to cite other reasons for a poorer-quality retirement. However, mothers (9%) are more apt than daughters (2%) to see unrealistic expectations as a cause.

What Do You Think Is The Single Biggest Reason Your (Her) Retirement Will Be Worse?		
Base: Retirement will be worse than mothers'	Daughter about self (n=69) (%)	Mother about daughter (n=70) (%)
Not enough money; financial problems	73	50
Company pensions aren't as good; have to rely on yourself; Social Security benefits won't be as good or won't exist	9	14
Having to work	5	--
Not healthy; has disability	4	7
Health care costs	1	6
Unrealistic expectations	2	9
No immediate family/children	--	3
Not keeping busy/active	2	--
Having to be caregiver	1	*
Other	2	9
Don't know	3	2

* Less than 0.5%

Daughters' Retirement Will Also Be More Active and Interesting

Daughters are looking forward to a retirement that is more active than ever before. They are more likely than mothers to expect to spend time pursuing further education (71% vs. 28%); managing finances and investments (73% vs. 61%); and, traveling (77% vs. 57%). They are also more likely to say they will spend time providing care for relatives (74% vs. 68%). On the other hand, they are less likely to expect they will spend time relaxing and doing nothing.

Both daughters and mothers are equally likely to indicate they will spend or are spending time in retirement with family and friends, volunteering, and performing homemaking and home maintenance activities.



“I see [retirement as] very much a gradual process . . . not a specific date. I call my retirement a progression, working full-time, then part-time and seeing how things go.”

Daughters may not see the whole picture when they look at their mothers’ retirement. In fact, daughters are less likely to report that their mothers engage in each of the activities, except working for pay and relaxing, than mothers are to report actually engaging in the activity. Mothers

and daughters also see the future somewhat differently. Daughters are more likely to see themselves spending time in almost every retirement activity than mothers believe their daughters will.

Nevertheless, there is agreement among both groups that daughters will be much more likely than their mothers to spend time working for pay and pursuing further education in retirement. They also agree that daughters are more likely to spend time traveling and less likely to spend time relaxing and doing nothing.

Do You Expect To Spend Time In Retirement On...?/ Do You Expect Your Mother/Daughter To Spend Tme In Retirement On...? Percentage saying yes				
	Mother (n=387)		Daughter (n=467)	
	About self (%)	About daughter (%)	About mother (%)	About self (%)
Spending time with family and friends	85	74	72	82
Unpaid volunteer activity	77	53	44	78
Providing care for spouse or relatives	68	58	52	74
Homemaking and home maintenance activities	77	58	66	69
Managing finances and investments	61	66	43	73
Traveling	57	63	35	77
Working for pay	33	64	25	74
Pursuing further education	28	61	17	71
Relaxing and doing nothing	56	42	56	48

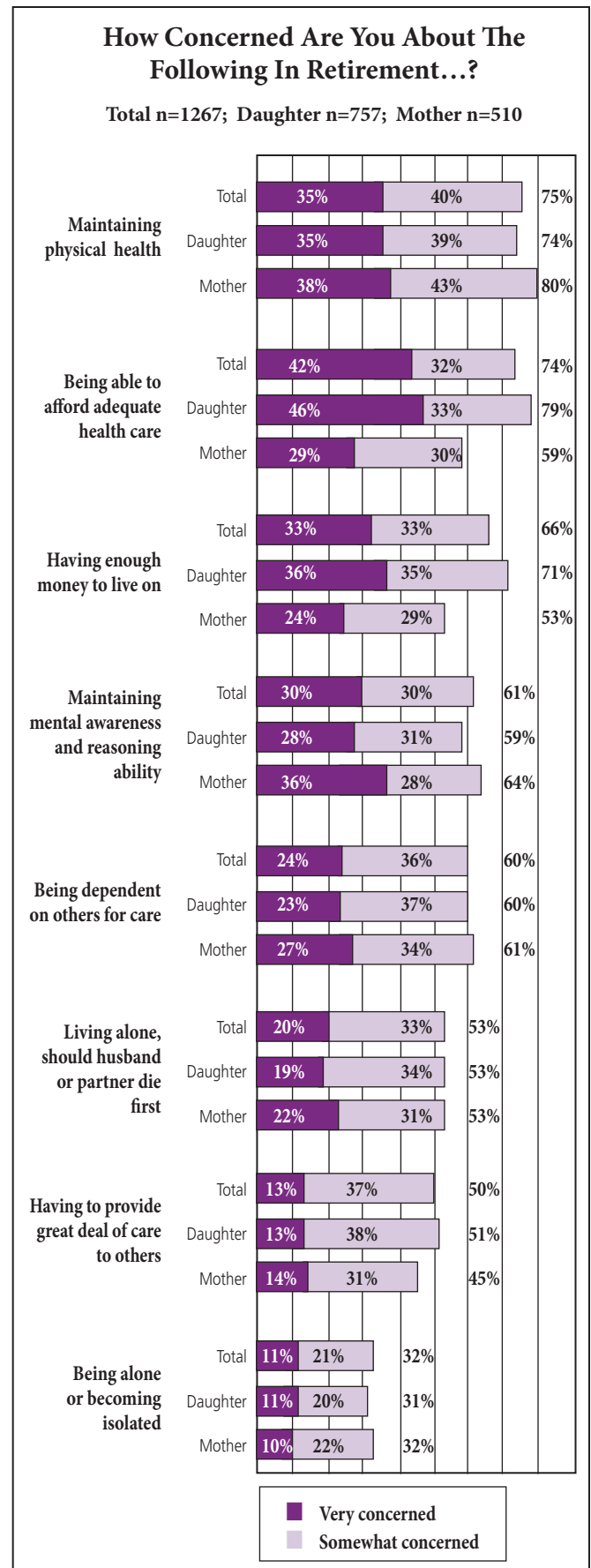


Daughters Are More Likely To Face Financial Adjustments

Respondents to the survey were asked their level of concern about each of nine retirement-related issues. Of these, women are most likely to report they are very or somewhat concerned about maintaining their physical health (75%), being able to afford adequate health care (74%), and having enough money to live on (66%). Six in ten each express concern about maintaining their mental awareness and reasoning ability (61%) and being dependent on others for care (60%), while roughly half report concern about living alone if their husband or partner should predecease them (53%) or having to provide a great deal of care to others (50%). Women are least likely to say they are concerned about being alone or becoming isolated (31%).

On the whole, daughters and mothers seem to have similar concerns about retirement. However, a larger share of mothers (80%) than daughters (74%) express concern about maintaining their physical health, while daughters are more likely than mothers to say they are worried about being able to afford adequate health care (79% vs. 59%), having enough money to live on in retirement (71% vs. 53%), or having to provide a great deal of care to others (51% vs. 45%). Concern about having enough money to live on is lowest for World War II generation women and increases steadily for each subsequent generation.

“In some ways [retirement] is good and in some ways it’s not so good... My husband’s health has had a lot to do with it. He isn’t able to do much of anything and that has sort of put a damper on things.”





Daughters are far more likely to expect to need to make a financial adjustment in retirement than mothers are to say they had to make one. The most common adjustment for both is living on a reduced income or budget, although this is more commonly noted by daughters (34% vs. 28%). Daughters are also more likely than their mothers to expect their biggest financial change will be having to adjust to increased health expenses (23% vs. 15%), an increased cost of living (13% vs. 6%), and funding living expenses mostly from savings (9% vs. 3%). By contrast, mothers are more likely to report needing to adjust to being less generous with gift giving (9% vs. 5%) and to no longer having their own money (5% vs. 2%).

Mothers like this one may be judging their daughters' experiences based on their own:

"... I didn't anticipate that when I retired gas was going to be \$3.00 a gallon and oil would be so expensive... there are lots of unknowns when you retire."

One daughter tells us what her mother's experience has taught her:

"To make sure funds are there to do what I want to do, or anticipate [costs like] taxes... and putting money away for illness... so should the unforeseen come up, there's a cushion."

Daughters' perceptions of their mothers' major financial adjustments differ somewhat from the actual adjustments mothers report having made. Daughters are more likely to think that their mothers had to adjust to funding living expenses mostly from savings than mothers are to report actually having made this adjustment (6% vs. 3%). In addition, more mothers than daughters say the mother did not have to make any financial adjustments in retirement (29% vs. 15%).

Mothers' expectations of their daughters' future financial adjustments in retirement are slightly different than daughters' expectations for themselves. Daughters are twice as likely to feel that increased health expenses (23%) or funding living expenses mostly from savings (9%) will be a necessary financial adjustment, as mothers are to foresee these adjustments for their daughters (9% and 4%, respectively).

Mothers, perhaps reflecting their own retirement experience, are more likely to feel that their daughters will not have to make any financial adjustments (17%) than daughters are to expect this reality for themselves (6%).



What Do You Think Will Be The Single Biggest Financial Adjustment You/Your Daughter Will Have To Make When You/She Retire?

(What was the single biggest financial adjustment you/your mother had to make when you/she retired?)

	Mother (n=387)		Daughter (n=467)	
	About self (%)	About daughter (%)	About mother (%)	About self (%)
Living on a reduced income or budget	28	28	32	34
Having to pay for increased health expenses	15	9	19	23
Coping with the increasing cost of living	6	17	8	13
Funding living expenses mostly from savings	3	4	6	9
Having to be less generous with gifts	9	3	4	5
No longer having own money	5	5	6	2
No adjustment	29	17	15	6

All people face different emotional adjustments when they retire. Several of the adjustments women report facing, such as no longer having a fixed schedule, finding ways to stay active and involved, and no longer having a sense of accomplishment or recognition from work, involve finding ways to replace the void created by leaving paid employment. Also, roughly one in ten women says the biggest emotional issue facing her will be or was the presence of her husband or partner during the day, and retirement not matching expectations.

Daughters are more likely to anticipate making many of these adjustments than mothers are to report having made them. These include finding ways to stay active and involved (16% vs. 10%), adjusting to the daytime presence of their husbands (13% vs. 9%), no longer having a sense of accomplishment from work (9% vs. 4%), and not having their experience of retirement match their expectations (10% vs. 3%).



A daughter's perspective:

I don't know that my parents really planned ahead with what they wanted to do... Their goal... was "Dad quits working." But I don't know that they necessarily figured out what do we do then?... At this point in our lives, my husband and I have already talked about what we want to plan to do ahead of time."

In contrast, mothers are more than twice as likely to say they had a smooth transition with no emotional adjustments (38%) than daughters foresee this for themselves (14%).

There are two main differences between daughters' perceptions of the future adjustments they will have to make and mothers' perceptions of the emotional adjustments their daughters will face. Daughters themselves are more than twice as likely to indicate they will need to find ways to stay active and involved (16% vs. 6%), and almost twice as likely to say they will need to adapt to the lack of a fixed schedule (15% vs. 8%).

What Do You Think Will Be The Single Biggest Emotional Adjustment You/Your Daughter Will Have To Make When You/She Retire? (What was the single biggest emotional adjustment you/your mother had to make when you/she retired?)				
	Mother (n=387)		Daughter (n=467)	
	About self (%)	About daughter (%)	About mother (%)	About self (%)
No longer having a fixed schedule	13	8	7	15
Finding ways to stay active and involved	10	6	13	16
Adjusting to the daytime presence of husband	9	9	23	13
No longer having accomplishment from work	4	11	7	9
Not having retirement match expectations	3	7	9	10
Losing or changing identity	6	6	5	3
Financial issues	2	5	4	4
Feeling isolated	3	2	1	2
No adjustment	38	18	13	14

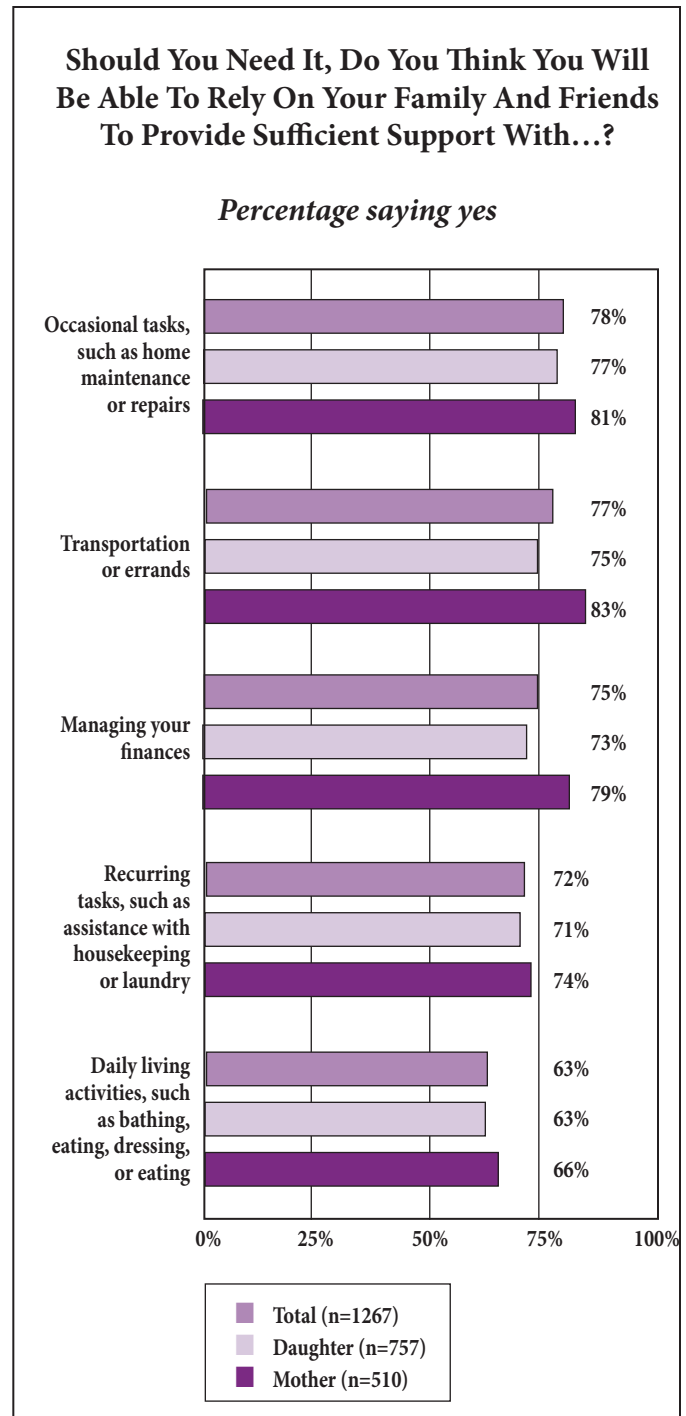


Mothers and Daughters, Concerned About Health, Will Rely on Family

On the whole, mothers and daughters seem to have similar concerns about retirement. Both are concerned about being able to maintain their physical health in retirement (75%), being able to afford adequate health care (74%) and having enough money to live on (66%).

Majorities of women feel they can count on their family and friends to provide them with support if they should need it. Specifically, at least three-quarters (78%) say they can rely on family or friends to provide assistance with occasional tasks, transportation or errands (77%), or managing finances (75%). More than seven in ten (72%) say they can depend on their support network to provide help with recurring tasks, such as housekeeping or laundry, and more than six in ten (63%) believe they would have assistance with daily living activities, if needed.

Daughters and mothers generally have similar expectations of their family and friends when it comes to receiving help with various tasks, although mothers are more likely than daughters to count on support with transportation or errands (83% vs. 75%). Generation X women are more likely than Baby Boomers to feel they can rely on family and friends for help with occasional tasks or transportation.



“If I were sick or in a wheelchair... and had to depend on people... that wouldn’t be an easy retirement... It’s not easy to get people to help you. My children all have their own lives... and they’re still working, so they wouldn’t always be available.”



A daughter's perspective:

“They are struggling at this point with prescription coverage and they are both on chronic or regular prescriptions.”

Married and Unmarried Women Experience Retirement Somewhat Differently

Married mothers are more likely than those who are unmarried to report they retired before age 55 (26% vs. 6%) and less likely to have retired after age 65 (9% vs. 25%). Likewise, married daughters are more apt than unmarried to expect to retire before age 60 (13% vs. 8%) and less likely to retire after age 65 (28% vs. 43%). Larger shares of mothers who are married than those who are not married indicate they spend time with family and friends (86% vs. 74%) and providing care to relatives (75% vs. 43%).

On the other hand, married daughters more often think they will spend time providing care (77% vs. 65% of unmarried daughters) and less often see themselves spending time traveling (73% vs. 85%) or in homemaking or home maintenance activities (70% vs. 80%). Finally, while unmarried daughters are more likely than married to state they are very concerned about almost all of the issues examined in the survey, married and unmarried mothers tend to express equal levels of concern. Nevertheless, married mothers are more likely than their unmarried counterparts to say they are very or somewhat concerned about being able to afford health care (65% vs. 42%) and having to provide a great deal of care to others (50% vs. 28%).

Daughters Expect Different Sources of Retirement Income

Actual and expected sources of income in retirement reflect trends in retirement benefits such as uncertainty about the future of Social Security and the shift from defined benefit pension plans to defined contribution plans (e.g. 401(k)s, 403(b)s). Nearly nine in ten mothers (90%), but just three in four daughters (75%), report Social Security as a current or future source of income in retirement. In contrast, three-quarters of daughters (77%), compared with less than half of mothers (46%), indicate an employer-sponsored retirement plan is or will be an income source in retirement. Roughly two-thirds of daughters (69%) and mothers (64%) say non-workplace savings and investments provide or will provide income, and roughly six in ten (58% and 54%, respectively) look to a traditional pension plan. Daughters are considerably more likely than mothers to turn to employment (68% vs. 28%) or an inheritance (44% vs. 22%) for retirement income, though they appear equally likely to use money from equity in their home (46% vs. 45%) or an annuity (35% vs. 34%).

The relative optimism of both mothers and daughters regarding the daughters' prospects for retirement may be due to differences in expected retirement income. Although both groups are equally likely to report that they expect some income from defined benefit pensions, 77% of daughters as compared with only 46% of the mothers expect income from employer-sponsored retirement plans that provide lump sum dollar amounts, reflecting both the greater labor force participation of the daughters and trends in plan sponsorship and participation. In addition, 68% of daughters expect to have income from employment during retirement as compared with 28% of the mothers.



It seems that daughters are not familiar with all of the sources that provide their mothers with retirement income. Fewer daughters think their mothers have retirement income from workplace retirement plans that provide lump-sum dollar amounts, employment, home equity, or annuities than mothers report having these sources of income.

When comparing mothers' expectations for their daughters' sources of retirement income with the daughters' own expectations, differences emerge. With the exception of Social Security and inheritances, for which both groups have similar expectations, daughters are more likely to expect income from each source than mothers are to expect that source to provide income for their daughters.

Daughter: Do You Expect... To Be A Source Of Retirement Income For You? (Mother: Is... currently or in the future a source of retirement income for you?) <i>Percentage saying yes</i>				
	Mother (n=387)		Daughter (n=467)	
	About self (%)	About daughter (%)	About mother (%)	About self (%)
Social Security	90	74	90	75
Employer-sponsored retirement plan	46	60	32	77
Non-workplace savings and investments	64	51	62	69
Employment	28	48	20	68
Traditional pension plan	54	48	51	58
Selling home or tapping into equity	45	35	35	46
An inheritance	22	50	24	44
A purchased insurance product such as an annuity	34	28	25	35



Debt May Derail Daughters

Of the 81% of women overall who reported the total amount of their households' financial assets (82% of daughters and 77% of mothers), one-quarter say they have assets of less than \$25,000 and an equal proportion have \$25,000 to \$49,999. One in eight has \$50,000 to \$99,999, while one in six reports assets of \$100,000 to \$249,999 and one in six, \$250,000 to \$999,999. Six percent indicate their household has at least \$1 million in financial assets.

A larger share of mothers than daughters say they have assets of at least \$250,000.

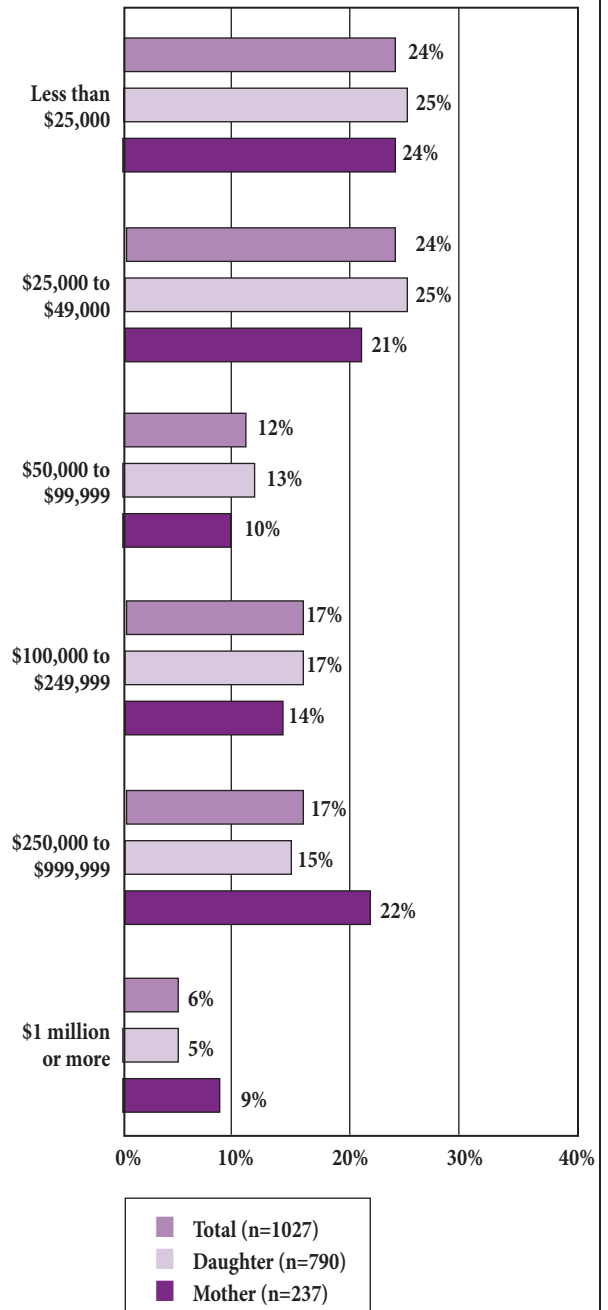
“I really believe that a woman should worry about herself, take care of herself, plan for herself, know that she is capable of managing her own affairs.”

“... My [teaching] myself about stocks and mutual funds and our 401(k) and trying to be wise with where we put our money, maybe... it gives us a better standard of living...”

What Is The Total Value Of Your Household's Financial Assets, Not Including Your Primary Residence?

Include any money in work-related retirement plans, such as 401(k)s, in which you can decide how the money is invested.

Base: Reported amount of financial assets

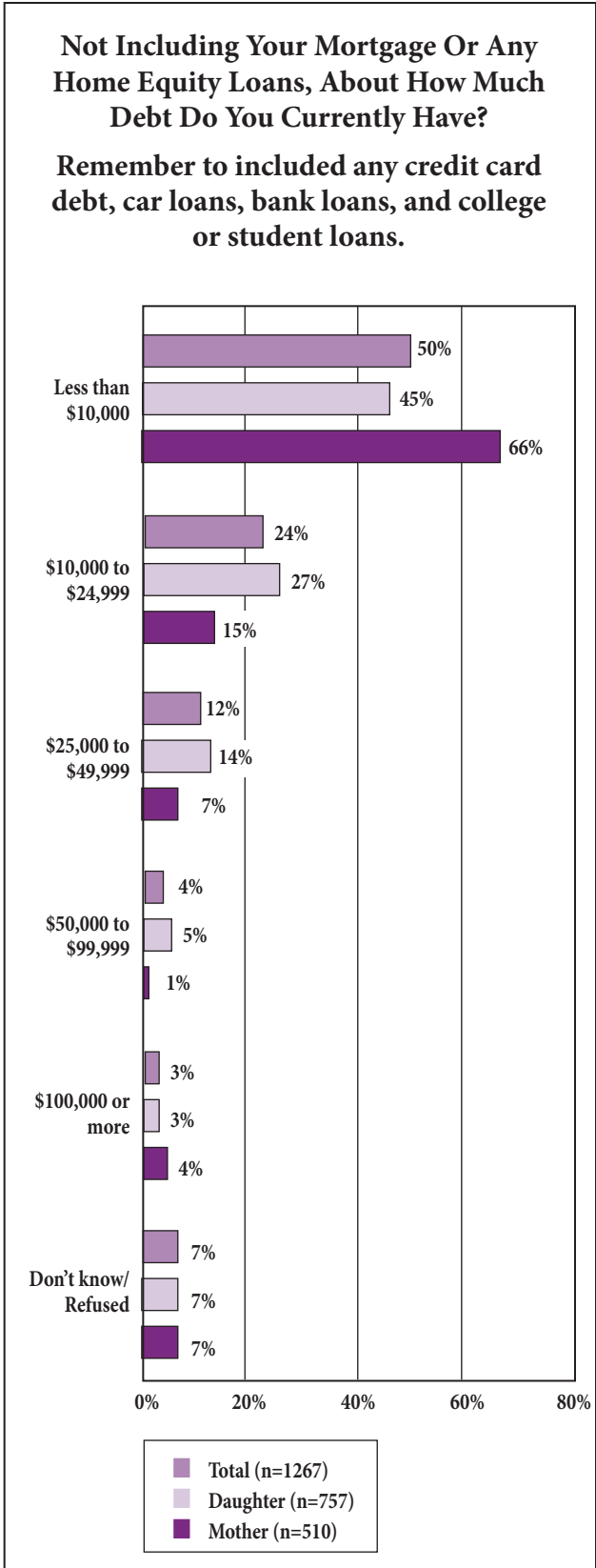




Most daughters have more debt than mothers (i.e., credit card debt, car loans, bank loans, and college or student loans). While two-thirds of mothers report having less than \$10,000 in debt, just 45% of daughters have this level of debt. More than one-quarter of daughters (27%), but just 15% of mothers, say they have debt totaling \$10,000 to \$24,999. Finally, more than two in ten daughters (22%) have \$25,000 or more debt, compared with 12% of mothers.

The level of reported debt decreases with age. On average, it tends to be highest for Gen Xers and lowest for women in the World War Two generation.

“Money... if I had more money.”



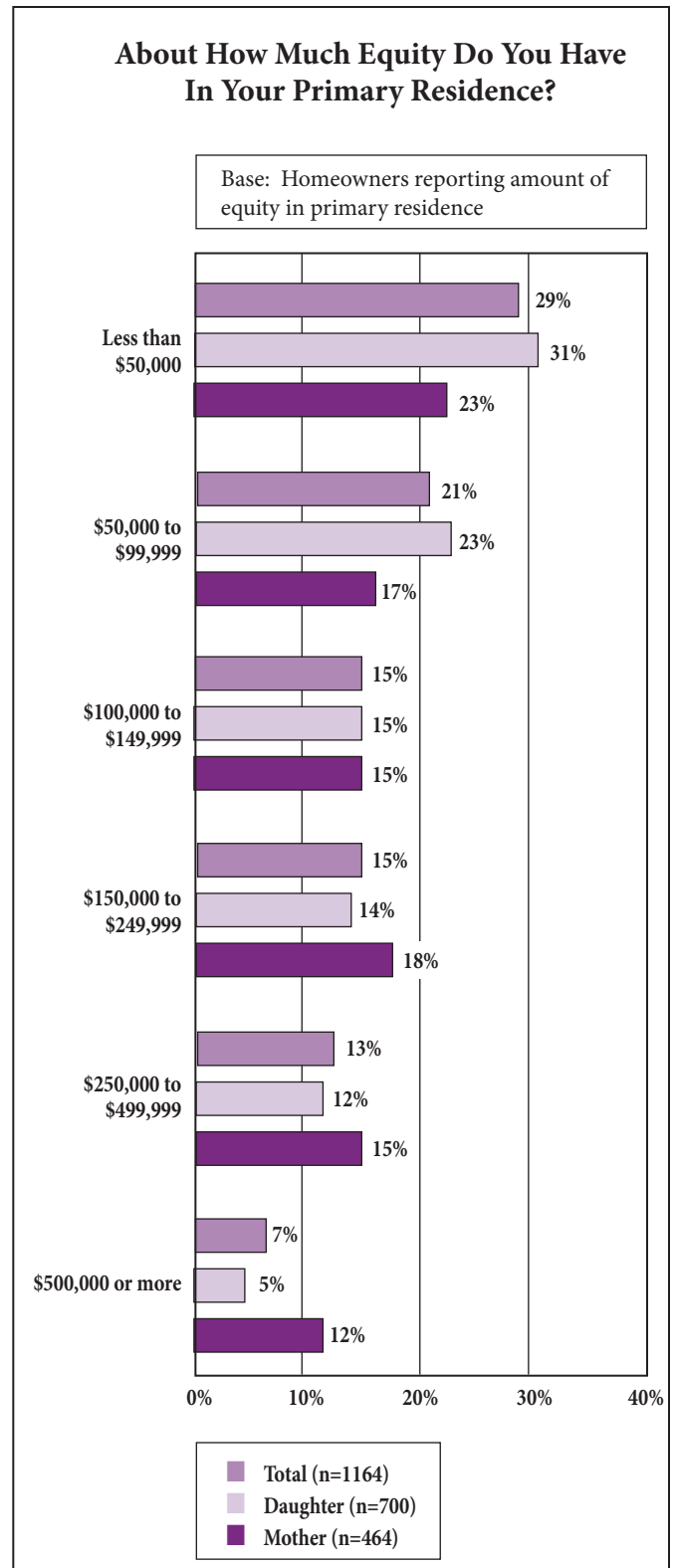


Home Equity May Save Them

Nine in ten women state they own their own home, with no difference between daughters and mothers (89% of each group report owning their own home).

Among the 92% of daughters who are homeowners and report the amount of equity they have in their primary residence, three in ten (31%) have equity under \$50,000 and almost a quarter (23%) have \$50,000 to \$99,999 in equity. Three in ten (29%) indicate they have \$100,000 to \$249,999 and the remaining 17% have equity of \$250,000 or more in their primary residence.

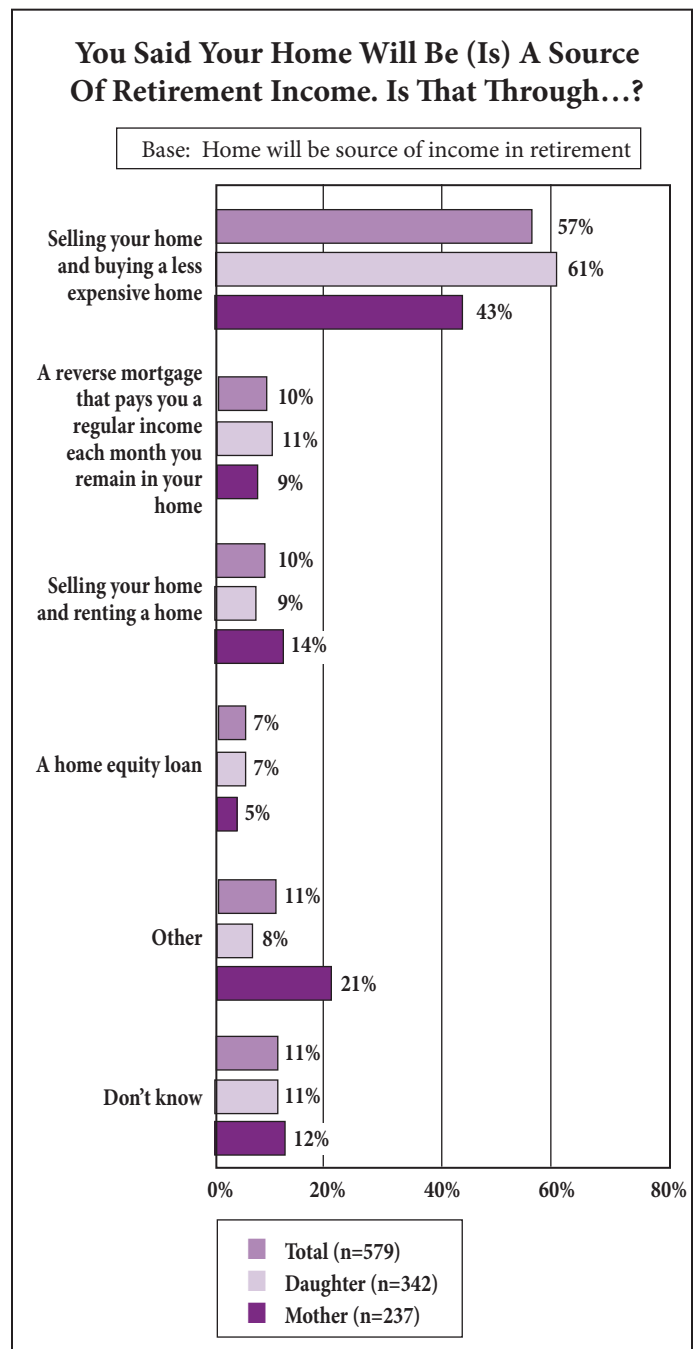
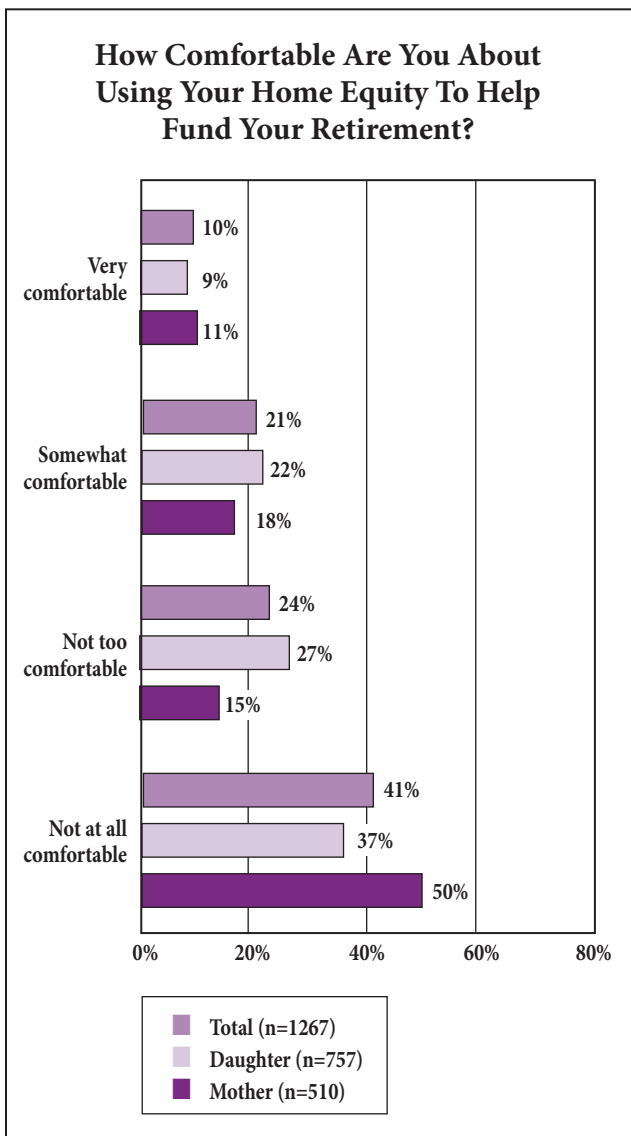
Given their older age, it is not surprising that mothers report higher levels of equity than do daughters. Of the 82% of retired homeowners reporting the amount of equity in their primary residence, one-quarter (23%) say they have less than \$50,000 in equity, while one in six (17%) has \$50,000 to \$99,999 and a third (33%) have \$100,000 to \$249,999. Three in ten (27%) have at least \$250,000 of equity in their primary residence.





Only a minority of women are comfortable about using the equity in their homes to help fund their retirement. Approximately one in ten daughters and mothers is very comfortable, while two in ten are somewhat comfortable. Nearly four in ten daughters (37%) and half of mothers (50%) state they are not at all comfortable about using their home to help fund their retirement.

Among those who report that they expect to use their homes as a source of retirement income, daughters (61%) are more likely than mothers (43%) to say they will move to a less expensive home. Roughly one in ten daughters and mothers state she will take a reverse mortgage that provides regular monthly income. Mothers (14%) are more likely than daughters (9%) to sell their home and rent a place to live.





Husbands and Wives Play Equal Financial Roles

The genders appear to be moving toward more equal roles in financial management. Nearly half of married women say they share responsibility for retirement planning (daughters, 47%) or managing finances (mothers, 43%) equally with their husband or partner. Approximately one-quarter of married women have the primary role, with some (10%) or little (16%) input from their husband, and a similar proportion report their husband or partner does it, with some (18%) or little (8%) input from them.

“It’s going to take us longer to be able to accomplish the goals that we have for our family.”

Daughters see their mothers as having less responsibility for financial management than mothers report actually having. Two in ten daughters (21%) say their mothers’ husbands or partners handle this responsibility with little input from their mothers, but only one in ten mothers (8%) reports she has so little involvement.

On the other hand, mothers believe their married daughters take more responsibility for retirement planning than daughters report doing. Roughly one in ten mothers (12%) reports her daughter’s husband or partner takes primary responsibility, compared with a quarter of daughters (24%) who say this is true about their household.

Nevertheless, both groups suggest that equality is increasing. Both mothers and daughters are more likely to think daughters will share financial management equally with their husband or partner.

Daughter: Which One Of The Following Best Describes Your/Your Mother’s Role Relative To Your/Her Husband’s/Partner’s In Planning Financially For Retirement/Managing Finances? (Mother: Which one of the following best describes your/your daughter’s role relative to your/her husband’s/partner’s in managing finances/planning financially for retirement?)				
Base: Has husband/partner	Mother		Daughter	
	About self (n=268) (%)	About daughter (n=280) (%)	About mother (n=344) (%)	About Self (n=398) (%)
You/she do/does it with little input from your/her husband/partner	16	17	17	17
You/she do/does it with some input from your/her husband/partner	13	13	10	10
You/she and your/her husband/partner participate about equally	43	50	32	47
Your/her husband/partner does most of it with some input from you/her	19	8	17	16
Your/her husband/partner does it with little input from you/her	8	4	21	8



Mothers tend to feel better prepared to take complete responsibility for managing their finances than daughters are to take this complete responsibility for retirement planning. Nearly nine in ten mothers (89%) whose husbands have a role in financial management report they are very or somewhat prepared to assume full responsibility for managing their finances, compared with eight in ten (81%) daughters in similar circumstances.

At the same time, mothers with daughters whose husbands participate in financial management believe their daughters are better prepared to assume total responsibility for retirement planning than daughters judge themselves to be. Specifically, almost six in ten mothers (58%) think their daughters are very prepared, compared with three in ten daughters (31%) who report this level of preparedness.

Among those married women whose husbands are involved in financial management, daughters are less likely to see their mothers as prepared to take complete responsibility for managing their household's finances than mothers are to say they are prepared. Nearly nine in ten mothers report they are very or somewhat prepared (89%), but just two-thirds (63%) of daughters think their mothers are this well prepared.

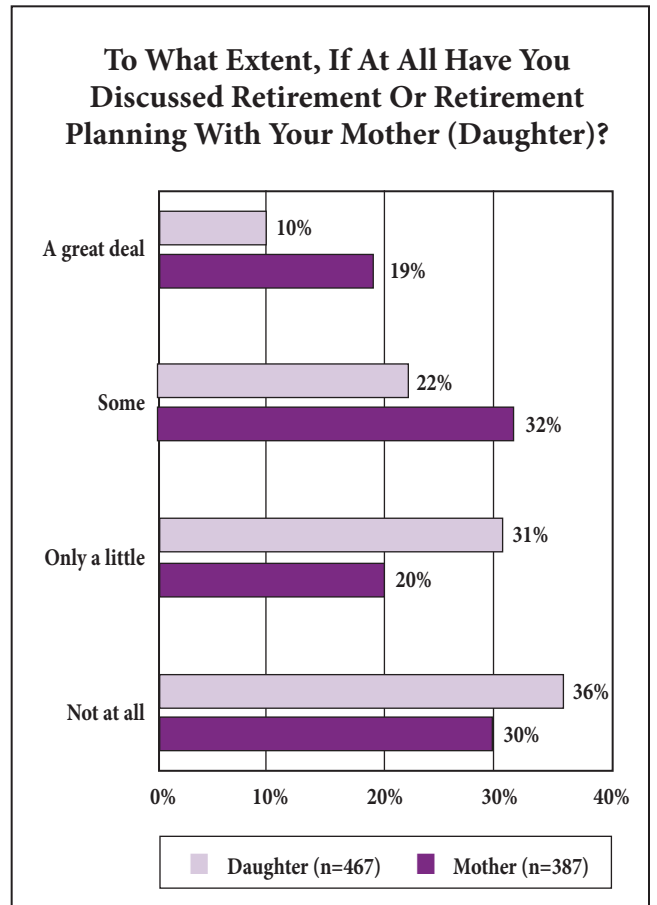
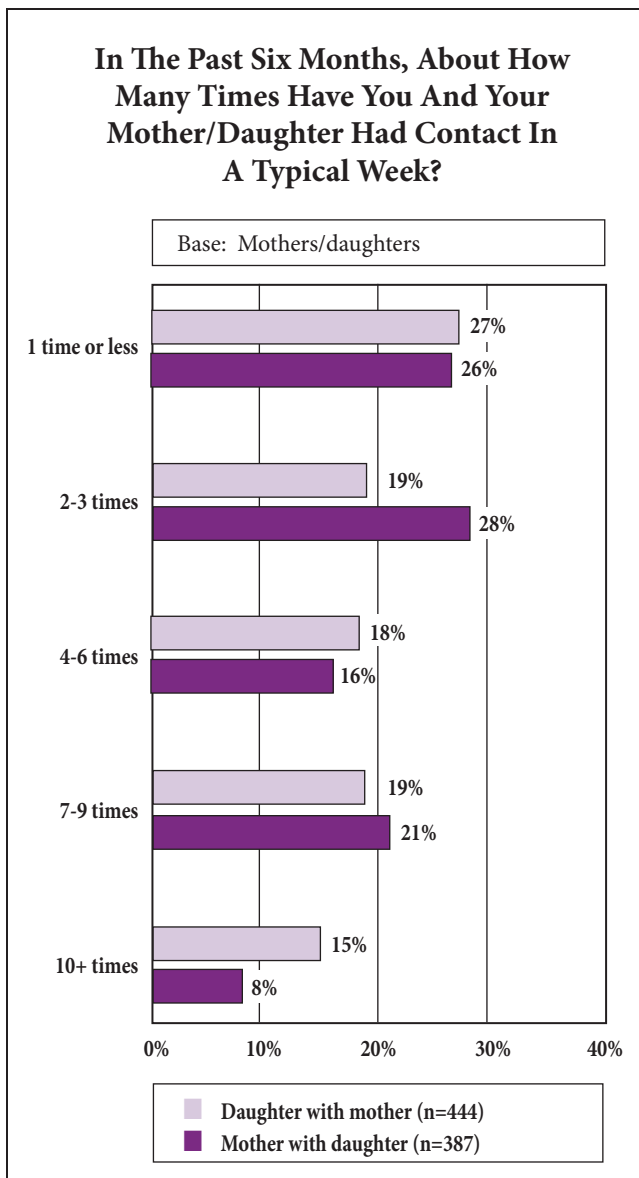
Daughter: How Prepared Do You Think You Are/Your Mother Is To Take Complete Responsibility For Retirement Planning/Financial Planning, Should You/She Need To? (Mother: How prepared do you think you are/your daughter is to take complete responsibility for managing your finances/retirement planning, should you/she need to?)				
Base: Husband/partner has role in planning or managing finances	Mother		Daughter	
	About self (n=219) (%)	About daughter (n=242) (%)	About mother (n=285) (%)	About self (n=341) (%)
Very prepared	47	58	34	31
Somewhat prepared	42	26	29	50
Not too prepared	5	4	19	12
Not at all prepared	5	10	18	6



Listen... Your Mother May Have Some Advice For You

On average, daughters say they speak with their mothers more often than mothers report speaking with their daughters. Daughters are almost twice as likely as mothers to say they typically had contact with their mother 10 or more times a week in the past six months. In contrast, mothers are more likely than daughters to say they were in contact no more than three times in a typical week.

There is a communications gap between mothers and daughters when it comes to discussions about retirement. Half of mothers report they have spent at least some time discussing retirement or retirement planning with their daughters (51%), yet their daughters may not be hearing what they are saying. Only one-third of daughters say they have spent some or a great deal of time talking about retirement with their mothers (32%).





If they could give retirement advice, mothers would focus on the financial aspects of retirement when giving retirement advice. They are more likely than daughters to say they would recommend saving money, living within one's means, planning for the unexpected, and planning financially for retirement. Daughters, on the other hand, are more likely than mothers to advise spending money if it provides happiness.

Daughter: If You Could Have Given Your Mother One Piece Of Advice About Retirement, What Would It Be? (Mother: If you could give your daughter one piece of advice about planning for retirement, what would it be?)			
<div style="border: 1px solid black; padding: 2px;"> Base: Daughters with mother/mother proxy; mothers with daughter/daughter proxy </div>	Total (n=1159) (%)	Daughter (n=678) (%)	Mother (n=481) (%)
Save (more) money	15	11	27
Take care of your health	9	10	6
Don't live beyond your means	6	4	9
Work as long as possible	5	5	4
Plan for the unexpected	5	3	9
Stay busy/active/involved; have interests outside of work	5	5	3
Work for an employer with a pension; with good retirement benefits	4	5	4
Enjoy it, have fun	4	2	7
Don't forget your dreams	3	4	3
Be willing to spend money if it will make you happy	3	4	*
Plan financially for retirement; plan early	3	1	7
Invest; diversify investments; invest outside of employer pension	3	3	3
Maintain some financial independence from husband/partner	2	3	1
Travel	2	2	1
Interact with people; socialize; develop relationships	2	2	*
Retire early	1	1	*
Others	7	7	4
Don't know/No advice	22	26	11
Refused	1	1	*

* Less than 0.5%



METHODOLOGY AND PROFILE OF RESPONDENTS

Methodology

This report presents the results of a telephone survey conducted by Mathew Greenwald & Associates, Inc., on behalf of the MetLife Mature Market Institute to examine the attitudes and behavior of women concerning retirement. Respondents were asked about their expectations or experiences regarding retirement, including necessary adjustments, activities, concerns, and financing. They were also asked similar questions about their mothers' or daughters' retirement expectations or experiences. In addition, a series of questions was asked to gather demographic characteristics.

As part of the survey, retired respondents were asked if they had a working-age daughter. Those who did not were asked to choose a proxy in her working years whom they knew well. Similarly, non-retired respondents were asked if their mothers had retired, and those whose mothers had not retired were asked to identify a retired proxy whom they knew well. Mothers were then asked about their retirement experiences compared with the likely experiences of their daughters' or daughters' proxies, while daughters were asked about their expected experiences compared with the experiences of their mothers' or mothers' proxies. When used in this report, "mother" and "daughter" refer only to those respondents who answered questions specifically about a retired mother or non-retired daughter. Responses from "mothers" and "daughters" do not include respondents who answered the questions about a proxy.

The telephone interviewing was conducted by trained, professional interviewers at National Research, LLC, a subsidiary of Mathew Greenwald & Associates, in Washington, DC. Calling for this study took place February 1-25, 2007 under the supervision of Greenwald & Associates. The sample was randomly selected from targeted lists supplied by Survey Sampling International.

The margin of error (at the 95% confidence level) for the total number of respondents in this study (1,267) is plus or minus 3 percentage points. For "daughters" (n=757) or "mothers" (n=510) alone the margin of error is plus or minus 4 percentage points.

Respondent data were weighted to reflect the makeup of U.S. women by age, household income, financial assets, and marital status. Population statistics were obtained from the 2004 Survey of Consumer Finance. A detailed description of the weighting methodology is available on request.

Percentages in the tables and charts may not total to 100 due to rounding and/or missing categories.



Information for this study was gathered through 17-minute telephone interviews with a total of 1,267 women, including:

	N=Total
WWII Generation Born between 1926 and 1932	250
Silent Generation Born between 1933 and 1945	250
Early Baby Boomers Born between 1946 and 1955	267
Late Baby Boomers Born between 1956 and 1964	250
Generation X Born between 1965 and 1976	250

* Margin of error 6%

To qualify for the study, participants had to be born between 1926 and 1977 and have a household income of at least \$40,000 (\$20,000 if part of the Silent or World War II generations). Quotas were also set to ensure that a sufficient number of respondents with at least \$100,000 in household financial assets were obtained for analysis.



Profile of Respondents

Women polled for this study represent a broad, cross-section of the American population having a household income of at least \$40,000 (\$20,000 for women in the Silent and WWII generations).

	Total (n=1267) (%)	Daughter (n=757) (%)	Mother (n=510) (%)
Age			
39 or younger	23	30	2
40 to 49	28	36	5
50 to 59	23	26	15
60 to 69	15	7	37
70 to 74	5	*	21
75 and older	5	1	20
<i>Average</i>	<i>50.2 years</i>	<i>45.3 years</i>	<i>65.5 years</i>
Generations			
Generation X (1965-1977)	30	39	3
Late Baby Boomers (1956-1964)	26	32	5
Early Baby Boomers (1946-1955)	21	23	17
Silent Generation (1933-1945)	17	6	51
World War II Generation (1926-1932)	6	1	23
Employment Status			
Employed full-time	51	66	5
Employed part-time	18	18	15
Not working for pay	31	16	79
Education			
High school graduate or less	18	13	31
Some college	31	31	32
Four-year college degree	28	30	22
Graduate degree	22	25	15
Total Household Income			
\$20,000 to \$39,999	9	2	31
\$40,000 to \$49,999	13	12	13
\$50,000 to \$74,999	27	30	18
\$75,000 to \$99,999	14	15	10
\$100,000 to \$149,999	15	18	7
\$150,000 or more	13	13	11

*Less than 0.5%



	Total (n=1267) (%)	Daughters (n=757) (%)	Mothers (n=510) (%)
Household Assets (not including home equity)			
Less than \$25,000	24%	25%	24%
\$25,000 to \$49,999	24%	25%	21%
\$50,000 to \$99,999	12%	13%	10%
\$100,000 to \$249,999	17%	17%	14%
\$250,000 to \$999,999	17%	15%	22%
\$1 million or more	6%	5%	9%
Health Status			
Excellent	38	40	29
Good	50	49	50
Fair	10	7	17
Poor	2	1	3
Very Poor	*	*	1
Marital Status			
Married	79	80	75
Not Married, living with partner	4	5	2
Divorced, Separated, Widowed	12	9	20
Single, never married	5	5	3
Number of Children			
None	11	12	8
One	16	17	10
Two or more	74	71	82
Region			
South	33	33	32
Midwest	31	32	29
West	19	18	21
Northeast	17	17	18
Race/Ethnicity			
White or Caucasian	88	87	92
African-American or Black	4	4	4
Asian or Pacific Islander	3	3	1
Hispanic or Latino	2	2	1
Other	1	1	*

*Less than 0.5%



IMPLICATIONS

Mothers, whether caregivers or career women, have historically served as strong role models for their daughters. With the strides older women have made when it comes to equality in managing family finances, mothers are increasingly viewed by their daughters as strong financial role models. However, the study found that younger women may not, in reality, be emulating their mothers' behavior.

The older women, whose financial experiences are very much tied to the Great Depression and post-Depression living, have a conservative outlook toward saving and spending. Two-thirds of mothers believe they are enjoying an excellent or very good retirement. Yet, for those who believe the quality of their retirement is less than excellent, financial problems or lack of money are cited as the biggest barriers.

Daughters report having consumer debt and may not have sufficient pensions and investments to retire with 80% of pre-retirement income. Interestingly, each group's financial behavior is reflected in their advice to each other. Daughters say, "spend a little more money to enjoy retirement." Mothers caution daughters to save more so they can adjust to living on a smaller income and to help plan for the unexpected.

Daughters are optimistic about their retirement. More than half of daughters believe the quality of retirement will be even better than their mothers' and four in ten mothers agree. Daughters are currently in the process of redefining retirement and anticipate that their retirement will be more active and interesting. They plan on managing finances and investments, traveling, pursuing further education and caring for relatives.

The new reality is, however, that these activities, particularly travel and continued education, cost money. One way daughters can generate additional savings and income, and at the same time stay involved and active, is to extend their worklife. They expect to work longer — with 17% planning to work until they are age 70 or older and 6% saying they may never retire.

When it comes to preparing for retirement, daughters will benefit from listening to their mothers and heeding much of their advice. By trying to close the communications gap, there are many lessons that mothers can teach their daughters about their own retirement: how to improve retirement quality, how to adjust emotionally and financially to retirement and how to ensure that their money lasts as long as they do. Below are a few rules of thumb for consideration.



First, daughters need to start saving early and save more. At an early age, they should take advantage of opportunities to identify the investment strategies and insurance products that can help them grow and protect their retirement savings. This requires a delicate balancing act between income and expenses – choosing the right portfolio, getting protection against retirement risks, and choosing a level of spending that will allow assets to last a lifetime. By building a secure plan for their future, these women can ensure that their retirement savings last throughout the 20, 30 and even 40 years they will live in retirement.

Daughters should also recognize that achieving financial security in retirement is a process that begins at the start of their careers, and doesn't end on the day they enter retirement. With continued uncertainty about the future of Social Security and the shift away from defined benefit pension plans, daughters will increasingly turn to defined contribution plans such as 401(k)s to fund their retirement. Recognizing that even small contributions to a retirement savings plan over the course of their working careers can make a difference between a comfortable retirement and one fraught with worry and anxiety.

Since so many daughters are concerned about living on a reduced income or budget, they'll also need to design a retirement spending strategy that accounts for increased life expectancy while still allowing them to do the things they want to do. And, since life expectancy is longer for women than men, women need to plan for a longer retirement than their husbands. If they are not married, they may need to save even more.

Finally, daughters will need to make sure they don't underestimate the cost of health care in retirement. One quarter of the daughters surveyed expect that health care expenses will increase in retirement. With increased longevity, they will also need to be concerned with possible long-term care costs. Therefore, they'll need to ensure that they save enough to cover these expenses. In fact, their retirement strategy should also take into account inflation protection since many are concerned about the increasing cost of living.

Employers, too, can take note of this study as women believe they will remain active in the workforce for an extended period of time. Since women have financial concerns about their retirement, employers should encourage women to fully participate in retirement savings plans. Employers may also consider expanding retirement transition planning to assist women in having the active and interesting retirements they want.

The Baby Boomers and Generation X can learn a lot from the experiences of their WWII and Silent Generation mothers. Unfortunately, far too often, when mothers give unsolicited advice to their daughters, the advice "falls on deaf ears." Hopefully, when it comes to preparing for retirement, this is one time that American daughters will start to listen to their mothers and heed their advice.





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